IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
A-BEST PRODUCTS COMPANY, INC.	)	Case No. 02-12734 (LSS)
	)	
Debtor.	)	
	)	

ANNUAL REPORT AND ACCOUNT OF THE A-BEST ASBESTOS SETTLEMENT TRUST FOR THE YEAR ENDED DECEMBER 31, 2023

I. INTRODUCTION

The A-Best Asbestos Settlement Trust (the "**Trust**"), created pursuant to the First Amended Joint Plan of Reorganization under Chapter 11 of the United States Bankruptcy Code for A-Best Products Company, Inc. (the "**Plan of Reorganization**"), through its Trustee, Robert A. Marcis, hereby files this Annual Report and Account of the A-Best Asbestos Settlement Trust (the "**Annual Report and Account**").

The purpose of this Annual Report and Account is to fulfill the reporting requirements of the A-Best Asbestos Settlement Trust Agreement dated as of November 2, 2004 (the "**Trust Agreement**") and to report to the Court the actions taken on behalf of the Trust for the year ending December 31, 2023 (the "**Reporting Period**"). These materials provide the basis for the Court's discharge of the Trustee from liability as required by the Trust Agreement and as requested in the Application for an Order Approving the Annual Report and Account of the A-Best Asbestos Settlement Trust.

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The annual reporting requirements are set forth in Article 2.2(b) of the Trust Agreement. Pursuant to the Trust Agreement and pursuant to this Court's order entered on February 1, 2006,[1] the Annual Report and Account shall consist of (1) a summary of claims; (2) financial statements for the Trust; and (3) a summary of trustee compensation.

In accordance with the above, this Annual Report and Account begins by providing the Court a general background of the Trust. The report then provides a summary of claims disposed of during the Reporting Period, as well as a summary of the financial position of the Trust.

II. BACKGROUND

On September 20, 2002, A-Best Products Company, Inc. filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code with this Court. On May 25, 2004, this Court entered an order confirming the Plan of Reorganization. On June 7, 2004, the United States District Court for the District of Delaware adopted this Court's confirmation order. Pursuant to the Plan of Reorganization, the Trust was created in order to assume the liabilities of the Debtor arising from or relating to Asbestos Claims (as that term is defined in the Plan of Reorganization) and to use the Trust's assets and income to pay holders of Asbestos Claims in accordance with the Trust Agreement and in such a way that all holders of similar Asbestos Claims are treated in a substantially equivalent manner and to otherwise comply with the requirements for a trust set forth in section 524(g)(2)(B)(i) of the Bankruptcy Code.

1. Trustee

The trustee of the Trust is Robert A. Marcis. Trustee Marcis began his service to the Trust on November 2, 2004.

[1] On February 3, 2006, this Court entered an Order Regarding Annual Reports and Accounts of the Trustee of the A-Best Asbestos Settlement Trust. This Order sets out the procedures for handling the Annual Report and Account.

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2. Trust Distribution Procedures

The Trust processes Asbestos Claims pursuant to the A-Best Products Company, Inc. First Amended Asbestos Personal Injury Settlement Trust Distribution Procedures.

3. Claims Processing

Verus LLC ("**Verus**") was retained by the Trust in December 2007 to provide claims processing services following the termination of Connecticut Valley Claim Service Company's claims processing operations.

III. ANNUAL REPORT AND ACCOUNT

1. Summary of Claims

During the Reporting Period, 2,117 asbestos personal injury claims were filed with the Trust. Of those 2,117 claims, 653 were approved for payment, and 309 claims were rejected. At the close of the Reporting Period, 776 approved claims had been paid for a total of $694,710.

As required by Article 2.2(b)(ii) of the Trust Agreement, a summary of the claims activity for 2023 is attached as Exhibit A.

2. Financial Information

Attached hereto as Exhibit B is a copy of the audited financial statements with Independent Auditor's Report for the Trust for the year ending December 31, 2023, as required by Article 2.2(b)(i) of the Trust Agreement. The financial statements were audited by Radachi and Company, Certified Public Accountants located in Elyria, Ohio. They have provided an opinion as to the fairness of the financial statements' presentation and of their conformity with generally accepted accounting principles. The auditor's opinion expressly provides that it is intended for the use of this Court.

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As reported in footnotes 2 and 3 of the audited financial statements, the Trust's assets are invested in available-for-sale securities and bonds, as well as an annuity contract with Athene Annuity and Life Company. Such investments are in compliance with Section 3.2 of the Trust Agreement.

3. Trustee Compensation

As disclosed in the audited financial statements at Exhibit B, the compensation paid to the Trustee in the Reporting Period was $68,317.

Dated: April 25, 2024

Respectfully submitted:

MORRIS JAMES LLP

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Attorneys for A-Best Asbestos Settlement Trust

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EXHIBIT A

Claims Summary

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A-Best Asbestos Settlement Trust
Report of Asbestos Personal Injury Claim Activity and Disposition
From January 1, 2023 through December 31, 2023

	Number of Claims Filed	Number of Claims Qualified for Payment	Number of Claims Rejected	Liquidated Value of Qualified Claims	Number of Approved Claims Paid	Amount Paid on Approved Claims
Non-Malignancy	859	445	190	$ 489,500	524	$ 103,752
Other Cancer	68	37	10	$ 103,600	52	$ 26,208
Lung Cancer	578	98	56	$ 664,200	125	$ 153,000
Malignant Mesothelioma	422	73	23	$ 2,226,500	75	$ 411,750
Unknown	190	-	30	$ -	-	$ -
Grand Total:	2,117	653	309	$ 3,483,800	776	$ 694,710

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EXHIBIT B

Audited Financial Statements

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A-BEST ASBESTOS SETTLEMENT TRUST

FINANCIAL STATEMENTS – MODIFIED CASH BASIS

DECEMBER 31, 2023

RADACHI AND COMPANY
Certified Public Accountants and Business Consultants

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A-BEST ASBESTOS SETTLEMENT TRUST

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Certified Public Accountants and Business Consultants

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Westlake, Ohio 44145

Telephone (440) 365-3115 • Fax (440) 365-4668
E-mail info@radachi.com

900 East Broad Street, Suite A
Elyria, Ohio 44035

INDEPENDENT AUDITOR'S REPORT

To the Trustee
of A-Best Asbestos Settlement Trust
Bay Village, Ohio

We have audited the accompanying financial statements of A-Best Asbestos Settlement Trust (a Delaware Trust), which comprise the statement of net claimants' equity - modified cash basis as of December 31, 2023, and the related statement of changes in net claimants' equity and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion section of our report, the financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and net claimants' equity arising from modified cash transactions of A-Best Asbestos Settlement Trust, and its additions collected and expenses paid during the year then ended in accordance with the modified cash basis of accounting described in Note 1D.

Basis for Qualified Opinion

A third-party administrator processes the settlement claims of the Trust. We did not audit the settlement claims paid through the third-party administrator. The effect on the financial statements of not applying audit procedures to the claim settlements is not determinable.

Emphasis of Matter-Basis of Accounting

We draw attention to Note 1D of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

The Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1D, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. The Trustee is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about A-Best Asbestos Settlement Trust's ability as a going concern within one year after the date that the financial statements are available to be issued.

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To the Trustee
of A-Best Asbestos Settlement Trust
Bay Village, Ohio

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

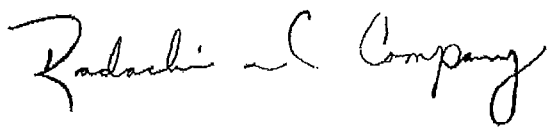
In performing an audit in accordance with GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of A-Best Asbestos Settlement Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about A-Best Asbestos Settlement Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Restriction on Use

Our report is intended solely for the information and use of the Trustee and for filing with the United States Bankruptcy Court for the District of Delaware and is not intended to be and should not be used by anyone other than those specified parties. This restriction is not intended to limit distribution of this report, which, upon filing with the United States Bankruptcy Court for the District of Delaware, is a matter of public record.



April 23, 2024

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A-BEST ASBESTOS SETTLEMENT TRUST

STATEMENT OF NET CLAIMANTS' EQUITY - MODIFIED CASH BASIS

December 31, 2023

ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 1)	$ 143,529	
Cash - Custodial funds (Note 1)	97,366	
Current portion of annuity, At cost	98,414	
Investments, At fair value (Notes 2 and 6)	7,983,425	
Total current assets		$ 8,322,734
NON-CURRENT ASSETS:		
Annuity, Net of current portion, At cost (Note 3)	492,041	
Total non-current assets		492,041
		$ 8,814,775
LIABILITIES AND NET CLAIMANTS' EQUITY		
LIABILITIES - Refundable claim filing fees (Note 4)		$ 97,366
NET CLAIMANTS' EQUITY		8,717,409
		$ 8,814,775

The accompanying notes are an integral part of the financial statements.
See Independent Auditor's Report.

A-BEST ASBESTOS SETTLEMENT TRUST

STATEMENT OF CHANGES IN NET CLAIMANTS' EQUITY - MODIFIED CASH BASIS

Year Ended December 31, 2023

ADDITIONS:		
Interest income	$ 72,607	
Interest income - Tax exempt	76,201	
Dividend income	297,829	
Unrealized gain (loss) on marketable securities	142,730	
Realized gain (loss) on marketable securities	(21,137)	
		$ 568,230
EXPENSES:		
Claims processing fees	65,142	
Insurance expense	17,315	
Legal fees	18,168	
Office expenses	489	
Professional fees	29,325	
Taxes	17,500	
Trustee fees	68,317	
Utilities expense	587	
Settlement claims paid	694,712	
		911,555
CHANGE IN NET CLAIMANTS' EQUITY		(343,325)
BEGINNING NET CLAIMANTS' EQUITY		9,060,734
ENDING NET CLAIMANTS' EQUITY		$ 8,717,409

The accompanying notes are an integral part of the financial statements.
See Independent Auditor's Report.

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A-BEST ASBESTOS SETTLEMENT TRUST

STATEMENT OF CASH FLOWS - MODIFIED CASH BASIS

Year Ended December 31, 2023

CASH INFLOWS:		
Investment income	$ 446,636	
Sale of investments	451,301	
Annuity proceeds	98,414	
Total cash inflows		$ 996,351
CASH OUTFLOWS:		
Claims processing fees	65,142	
Income taxes paid	17,500	
Legal and professional fees	47,494	
Operating expenses	18,390	
Filing fee proceeds	85,226	
Settlements paid	694,712	
Trustee fees paid	68,317	
Total cash outflows		996,781
NET DECREASE IN CASH		(430)
CASH - Beginning of year		143,959
CASH - End of year		$ 143,529
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for income taxes		$ 17,500

The accompanying notes are an integral part of the financial statements.
See Independent Auditor's Report.

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A-BEST ASBESTOS SETTLEMENT TRUST

NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS

December 31, 2023

Note 1. Summary of Significant Accounting Policies:

A. Business Activity:

The A-Best Asbestos Settlement Trust (the "Trust"), formed on behalf of A-Best Products Company, Incorporated (the "Debtor"), operates as an independent trust with "qualified settlement funds" to pay asbestos claims. The Trust was organized in the United States Bankruptcy Court for the District of Delaware under Section 468B of the Internal Revenue Code Treasury Regulations.

The purpose of the Trust is to assume the asbestos liabilities of the Debtor, its successor in interest and their affiliates, arising from or relating to asbestos claims, and to use the Trust's assets and income to pay holders of those asbestos claims in accordance with the Trust Agreement and in such a way that all holders of similar asbestos claims, both current and future, are treated in a substantially equivalent manner and to otherwise comply in all respects with the requirements of the Trust set forth in Section 524(g)(2)(B)(i) of the Bankruptcy Code.

The Trust's assets consist primarily of cash and cash equivalents and investment securities, which, with the earnings on such investments, are intended to be totally consumed by the allowance and payment of claims and operation of the Trust. Settlement proceeds consist of payments from insurance company settlements. The Trustee is fiduciary to the beneficiaries of the Trust and is responsible for administering the Trust and the Trust's assets in accordance with the Trust Agreement and the Plan.

A third-party administrator reviews claim forms and determines legitimate claims based on criteria established by the Bankruptcy Court of the District of Delaware. The accepted claims are submitted by the third-party administrator to the Trustee for payment by the Trust.

B. Cash and Cash Equivalents:

The Trust's financial statements consider all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

The Trust maintains cash balances at a bank and brokerage firm. The bank cash is insured by the Federal Deposit Insurance Corporation up to $250,000 and the brokerage cash is insured up to $250,000 by the Securities Investor Protection Corporation.

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A-BEST ASBESTOS SETTLEMENT TRUST

NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS

December 31, 2023

Note 1. Summary of Significant Accounting Policies (Continued):

C. Cash – Custodial Funds:

VERUS is the third-party administrator for claims management of the Trust. VERUS requires the Trust to hold two separate bank accounts. The purpose of the first bank account is to pay claims; the purpose of the second bank account is to pay claim processing fees to VERUS. The Trust is required to fund the claims bank account monthly. For financial statement purposes, these bank accounts are considered custodial funds as the Trust does not have fiduciary control over the assets. The balance of the Cash – Custodial funds is $97,366 as of December 31, 2023.

D. Basis of Accounting:

The Trust's financial statements are prepared on a modified cash basis which does not include the Trust's estimated claims liability and presents activities on a cash basis. The modified cash basis of accounting has been used to better communicate to the beneficiaries of the Trust the funds available to satisfy current and future claims as well as operational costs of the Trust.

E. Net Claimants' Equity:

The Trust, under the adopted modified cash basis accounting convention, does not record the liability for future claims expected to be filed over the life of the Trust. The Net Claimants' Equity is available for (i) the payments of allowed asbestos claims and (ii) operational expenses of the Trust.

A-BEST ASBESTOS SETTLEMENT TRUST

NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS

December 31, 2023

Note 1. Summary of Significant Accounting Policies (Continued):

F. Termination:

The Trust shall automatically terminate on the date ninety (90) days after the first to occur of the following events:

- the Trustee in his or her discretion decides to terminate the Trust because (A) it is deemed unlikely that new asbestos claims will be filed against the Trust and (B) to the extent possible based upon the funds available through the Plan, all asbestos claims duly filed with the Trust have been allowed and paid to the extent provided in this Trust Agreement and the Trust Distribution Procedures (TDP) or disallowed by a Final Order and twelve (12) consecutive months have elapsed during which no new asbestos claim has been filed with the Trust; if the Trustee has procured and has in place irrevocable insurance policies and has established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses of the Trust in a manner consistent with this Trust Agreement and the TDP, then the date on which the Bankruptcy Court enters an order approving such insurance and other arrangements and such order becomes a Final Order; or

- to the extent that any rule against perpetuities shall be deemed applicable to the Trust, twenty-one (21) years less ninety-one (91) days pass after the death of the last survivor of all of the descendants of the late Joseph P. Kennedy, Sr., father of the late President John F. Kennedy, living on the date hereof.

G. Use of Estimates:

The process of preparing financial statements in conformity with generally accepted accounting principles requires use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. The Trust's financial statements, under the modified cash basis accounting convention, do not use the estimates and assumptions in the presentation.

H. Revenue Recognition:

The Trust, under the adopted modified cash basis accounting convention, recognizes investment interest, dividends, and gain and losses on sales when received, not earned. The Trust does not account for investment interest and dividends earned but not received at year end. Filing fees are recorded as income when received.

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A-BEST ASBESTOS SETTLEMENT TRUST

NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS

December 31, 2023

Note 2. Investments:

The Trust's investments are made up of available-for-sale securities and bonds. The Trust Agreement specifies rating and diversification requirements for investments. The Trust's investments are carried at estimated fair value on quoted market prices. Changes in fair value, unrealized gains and losses on investments, are recorded as increases or reductions to net claimants' equity. Realized gains and losses on investments in securities are calculated based on the specific identification method.

Note 3. Annuity:

The Trust's annuity investment is made up of a single premium immediate annuity contract with Athene Annuity and Life Company. A single premium of $2,263,500 was paid in January 2007 with an annuity of $168,000, which includes principal and interest, to be received annually through November of 2029 with an interest rate of 5.11%. The annuity is carried at cost.

Note 4. Claim Filing Fee:

A claim filing fee of $18 per claim filed was imposed on November 1, 2012. The fee will be refunded to each claimant who settles a claim with the Trust. The fee will be forfeited by any claimant whose claim is denied by the Trust and by any claimant who withdraws a claim filed with the Trust. The fee is waived for claims immediately deferred.

Note 5. Income Taxes:

The Trust is a settlement trust that files its income tax return on the accrual basis as a settlement fund for federal income tax purposes. Tax expense of $17,500 is comprised of federal taxes paid on the Trust. The Trust's finanical statements are prepared on a modified cash basis which does not include the Trust's tax liability, if applicable, and presents activity on a cash basis.

The Trust follows the provisions of FASB ASC 740, *Income Taxes*, that establishes a single approach to address uncertainty in the recognition of deferred tax assets and liabilities.

As of December 31, 2023, there were no positions for which the Trustee believes it is reasonably possible that the total amounts of tax contingencies will significantly increase or decrease within twelve (12) months of the reporting date. The 2020 through 2022 tax years remain subject to examination by the IRS.

The Trust files tax returns in the U.S. federal jurisdiction. As of 2023, no uncertain tax positions are under audit for the Trust's tax jurisdiction.

A-BEST ASBESTOS SETTLEMENT TRUST

NOTES TO FINANCIAL STATEMENTS – MODIFIED CASH BASIS

December 31, 2023

Note 6. Fair Value Measurements:

Accounting Standards Codification (ASC) 820 defines fair value and provides guidance for measuring fair value and expands disclosures about fair value measurements in accordance with accounting principles generally accepted in the United States of America. ASC 820 does not require any new fair value measurements, but rather applies to all other accounting pronouncements that require fair value measurements.

ASC 820 establishes a new framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and the lowest priority to unobserved inputs (Level 3 measurement). The three levels of the fair value hierarchy under ASC 820 are described below:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Trust has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in active markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable inputs for substantially the full term of the asset or liability.

If the asset or liability has a specified (contractual) term, the Level 2 inputs must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurements.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

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A-BEST ASBESTOS SETTLEMENT TRUST

NOTES TO FINANCIAL STATEMENTS -- MODIFIED CASH BASIS

December 31, 2023

Note 6. Fair Value Measurements (Continued):

Following are descriptions of the valuation methodologies used for assets measured at fair value:

Mutual funds: Valued at the net asset value of shares held by the Trust at year-end.

Municipal securities: Valued at the quoted market price, when available, or market price provided by recognized broker-dealers.

The methods described above may produce a fair value calculation that may not be indicative of the net realizable value or reflective of future fair values. Furthermore, while the Trust believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurement at the reporting date.

The following table presents investments at fair value on a recurring basis at December 31, 2023:

	Level 1	Level 2	Level 3	Total
Municipal bonds	$ -0-	$2,912,791	$ -0-	$ 2,912,791
Mutual funds	5,070,634	-0-		5,070,634
Total investments at fair value	$ 5,070,634	$2,912,791	$ -0-	$7,983,425

Note 7. Subsequent Events:

In preparing these financial statements, the Trust has evaluated events and transactions for potential recognition or disclosure through April 23 2024, the date the financial statements were issued.

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