IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:	)	Chapter 11
	)	
ACandS, Inc.,	)	Case No. 02-12687 (JKF)
	)	
Debtor.	)	

ACANDS ASBESTOS SETTLEMENT TRUST'S NOTICE OF FILING OF ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2011

Pursuant to Article 5.1 of the Debtor's Second Plan of Reorganization (the "Plan") and Section 2.2(c) of the ACandS Asbestos Settlement Trust Agreement (the "Trust Agreement"), the Trustee of the ACandS Asbestos Settlement Trust (the "Trust"), The Honorable Alfred M. Wolin (the "Trustee"), hereby gives notice of the filing of the Trust's Annual Report for the year ended December 31, 2011 (the "Annual Report"), a copy of which is attached hereto as Exhibit 1.

Consistent with Sections 2.2(c), 4.5(c), 5.6, and 6.5 of the Trust Agreement, the Annual Report includes a copy of the Trust's financial statements for the year ended December 31, 2011; the opinion and report from the independent auditors for the Trust; a summary of the number and type of claims disposed of during the year ended December 31, 2011; and a report of the total fees and expenses paid to the Trustee, the Trust Advisory Committee, and the Future Claimants' Representative for the year ended December 31, 2011. In addition, as required by Section 2.2(c)(i) of the Trust Agreement, a copy of the Annual Report has been provided to the Trust Advisory Committee and the Future Claimants' Representative. Last, pursuant to Section 2.2(c)(iii) of the Trust Agreement, this report is available for inspection by the public through the records of the Bankruptcy Court, and a copy has been provided to the office of the United States Trustee for the District of Delaware.

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Dated: April 30, 2012

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EXHIBIT 1

ACANDS Asbestos Settlement Trust

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2011

Pursuant to Article 5.1 of the Debtor's Second Plan of Reorganization (the "Plan") and Section 2.2(c) of the ACandS Asbestos Settlement Trust Agreement (the "Trust Agreement"), the Trustee of the ACandS Asbestos Settlement Trust (the "Trust"), The Honorable Alfred M. Wolin (the "Trustee"), makes the following Annual Report for the year ended December 31, 2011 (the "Annual Report").

A. Financial Statements

Section 2.2(c)(i) of the Trust Agreement requires the Annual Report to include the following:

> financial statements of the Trust (including, without limitation, a balance sheet of the Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustee and accompanied by an opinion of such firm as to the fairness of the financial statements' presentation of the cash and investments available for the payment of claims and as to the conformity of the financial statements with generally accepted accounting principles.

Attached as Exhibit 1.A is a copy of the ACandS Asbestos Settlement Trust Special Purpose Financial Statements (the "Audited Financial Statements") for the year ended December 31, 2011 (the "Reporting Period"). The auditor for the Trust, Bederson & Company LLP, has provided an opinion regarding the fairness of the financial statements' presentation and 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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B. Claims Summary

Section 2.2(c)(ii) of the Trust Agreement requires the Annual Report to include "a summary regarding the number and type of claims disposed of during the period covered by the financial statements." Attached as Exhibit 1.B is a summary of claims processed and paid by the Trust in 2011.

1. Pre-Petition Liquidated Trust Claims

Section 5.2 of the ACandS Asbestos Settlement Trust Distribution Procedures (the "TDP") requires the Trust to pay Pre-Petition Liquidated Trust Claims, which are claims that were liquidated prior to the Petition Date. The TDP requires the Debtor to provide the Trust with the data necessary to pay Pre-Petition Liquidated Trust Claims. Pursuant to Section 2.4 of the TDP, a segregated account was established for payment of the Pre-Petition Liquidated Trust Claims. Verus Claims Services, LLC ("Verus") is the administrator of the Trust's pre-petition claims payment program. Effective August 22, 2008, the Trust began issuing payments on Pre-Petition Liquidated Trust Claims.

As previously reported, the Trust hired MFR Consulting Services, Inc. (ñMFRò) to review and resolve disputed Pre-Petition Liquidated Trust Claims. After conferring with Verus and MFR, and with the consent of the TAC and Futures Representative, the Trust adopted a timeline and procedure for verifying and paying any remaining Pre-Petition Liquidated Trust Claims. August 22, 2010 was set as the deadline for participation in the Trust's pre-petition claims program. It also represented the last date for claimants and law firms to verify Pre-Petition Liquidated Trust Claims, and for claimants to assert that their claims should have been paid as part of the pre-petition claims program.

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At the conclusion of the pre-petition claims program, the Trust had approved and paid a total of 212,913 Pre-Petition Liquidated Trust Claims for $202,807,769.11. At the Trustee's direction, any remaining funds in the segregated pre-petition settlement account were distributed on a pro rata basis to all claimants who previously received payment on their Pre-Petition Liquidated Trust Claims.

2. Unliquidated Claims

Verus also processes unliquidated asbestos personal injury claims for the Trust. The Trust first began accepting unliquidated asbestos personal injury claims on May 23, 2009. During the Reporting Period, the Trust received 47,862 unliquidated claims. The Trust approved 11,703 claims for payment, and paid 9,734 claims for a total aggregate amount of $16,207,057. An additional 2,612 claims were either rejected or withdrawn. The remainder of the approved claims are still being processed.

C. Trusteeôs Fees

Section 4.5(c) of the Trust Agreement provides that the Annual Report shall include a description of the amounts paid to the Trustee in 2011. The Audited Financial Statements attached as Exhibit 1.A set forth the amount paid in fees and expenses to the Trustee during the Reporting Period.[1]

D. Trust Advisory Committee Fees

Section 5.6 of the Trust Agreement provides that the Annual Report shall include a description of the amounts paid to the Trust Advisory Committee (the "TAC") in 2011. The Audited Financial Statements set forth the amount paid in fees and expenses to the TAC members during the Reporting Period.[2] The members of the TAC are Matthew Bergman,

[1] See Audited Financial Statements at p. 3.
[2] Id.

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Brian O. Blevins, Jr., John D. Cooney, Steven Kazan, Joseph F. Rice, Armand J. Volta, Jr., and Perry Weitz.

E. Future Claimantsô Representative Fees

Section 6.5 of the Trust Agreement provides that the Annual Report shall include a description of the amounts paid to the Future Claimants' Representative (the "Futures Representative") in 2011. The Audited Financial Statements set forth the amount paid in fees and expenses to the Futures Representative during the Reporting Period.[3] The Futures Representative is Lawrence Fitzpatrick.

F. Trust Investments

The Trustee devoted significant efforts in 2011 to the investment of the Trust's liquid assets. The Trustee met regularly with the Trust's investment advisor, Brown Brothers Harriman & Co. (ñBBHò). BBH advises the Trust on asset allocation, liquidity management, and the Trust's selection and oversight of its investment managers.

G. Payment Percentage

Pursuant to Section 4.2 of the TDP, the Trustee is required to reconsider the Payment Percentage at least every three years after the effective date of the Plan. The first three year anniversary of the effective date of the Plan of Reorganization fell during the Reporting Period. The Trustee retained Analysis Research Planning Corporation ("ARPC") to conduct the Payment Percentage redetermination. The Trustee was advised by ARPC to delay the Payment Percentage redetermination until the expiration of the initial claims filing period, the claims filing statute of limitations set forth in Section 5.1(a)(2) of the TDP. This would permit the claims forecast performed as part of the Payment Percentage redetermination to be based upon

[3] Id.

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the best available claims data. The Trustee followed ARPC's advice, and delayed the redetermination until sometime in 2012.

H. Meetings

In fulfillment of the meeting requirements contained in the Trust Agreement, during the Reporting Period, the Trustee held quarterly meetings with the TAC, the Futures Representative, Trust counsel, and other Trust professionals on the following dates: March 1, 2011, May 17, 2011, September 13, 2011, and November 15, 2011.

I. Additional Information

For additional information regarding the Trust's financials or operations, please contact its General Counsel, Keating Muething & Klekamp PLL, One East Fourth Street, Suite 1400, Cincinnati, Ohio 45202, attention: Kevin E. Irwin.

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EXHIBIT 1.A

ACandS ASBESTOS SETTLEMENT TRUST

SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

DECEMBER 31, 2011



ACandS ASBESTOS SETTLEMENT TRUST

DECEMBER 31, 2011

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BEDERSON
& COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Trustee of
ACandS Asbestos Settlement Trust

We have audited the special-purpose balance sheet of ACandS Asbestos Settlement Trust (the "Trust") as of December 31, 2011, and the related special-purpose statements of changes in net claimants' equity and cash flows for the year then ended. These financial statements are the responsibility of the ACandS Asbestos Settlement Trust's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the accompanying financial statements were prepared on a special-purpose basis of accounting in order to communicate the amount of net assets presently available for current and future claimants and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the special-purpose financial statements referred to in the first paragraph present fairly, in all material respects, the assets, liabilities, and net claimants' equity of the ACandS Asbestos Settlement Trust as of December 31, 2011, and the results of its operations and its cash flows for the year then ended in conformity with the special-purpose basis of accounting described in Note 2.

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The special-purpose schedules of deductions, Brown Brother Harriman activity, and federal income taxes are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole.

This report is intended solely for the information and use of the management of the Trust, the Trustees, the beneficiaries of the Trust, and the United States Bankruptcy Court for the District of Delaware, and should not be used for any other purpose.

BEDERSON & COMPANY LLP

West Orange, New Jersey
April 17, 2012

Bederson & Company LLP

ACandS ASBESTOS SETTLEMENT TRUST

SPECIAL-PURPOSE BALANCE SHEET

DECEMBER 31, 2011

ASSETS

Cash and Cash Equivalents - Brown Brothers Harriman	$ 792,942
Receivables:	
Insurance settlements receivable	8,500,000
Investments:	
Brown Brothers Harriman:	
Investments	260,397,668
Income receivable	2,130,582
Total Brown Brothers Harriman investments	262,528,250
Equity investments - ACandS, Inc.	5,119,000
Total investments	267,647,250
Other Assets:	
Prepaid federal income taxes	282,725
Prepaid assets	58,565
Total other assets	341,290
TOTAL ASSETS	$ 277,281,482

LIABILITIES AND NET CLAIMANTS' EQUITY

LIABILITIES:	
Settled claims payable	$ 7,647,801
Accounts payable	47,369
Total Liabilities	7,695,170
NET CLAIMANTS' EQUITY	269,586,312
TOTAL LIABILITIES AND NET CLAIMANTS' EQUITY	$ 277,281,482

The accompanying notes are an integral part of these financial statements.



ACandS ASBESTOS SETTLEMENT TRUST

SPECIAL-PURPOSE STATEMENT OF CHANGES IN NET CLAIMANTS' EQUITY

YEAR ENDED DECEMBER 31, 2011

ADDITIONS:	
Contributions - insurance	$ 160,303
Investment income, net:	
Interest and dividends income	9,128,387
Investment advisory fees	(433,588)
Realized gain on sale of securities, net	2,597,663
Unrealized gain on investments, net	9,554,384
Decrease in equity investments - ACandS, Inc.	(167,000)
Total investment income, net	20,679,846
TOTAL ADDITIONS	20,840,149
DEDUCTIONS:	
Claims settled	24,344,078
General and administrative	
Claims consultant fees	29,272
Claims processing fees	690,011
Insurance	99,035
Accounting	34,850
Other	3,000
Professional services:	
Trust general counsel	466,672
Future claims representative	20,887
Future claims representative attorney fees	67,350
TAC expenses	14,559
TAC attorney fees	218,197
Trustee	172,586
Federal income tax	568,703
TOTAL DEDUCTIONS	26,729,200
NET DECREASE IN NET CLAIMANTS' EQUITY	(5,889,051)
NET CLAIMANTS' EQUITY - beginning	275,475,363
NET CLAIMANTS' EQUITY - ending	$ 269,586,312

The accompanying notes are an integral part of these financial statements.



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ACandS ASBESTOS SETTLEMENT TRUST

SPECIAL-PURPOSE STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net decrease in net claimants' equity	$ (5,889,051)
Adjustments to reconcile net decrease in net claimants' equity from operating activities:	
Realized gain on sale of securities, net	(2,597,663)
Unrealized gain on investments, net	(9,554,384)
Decrease in equity investments - ACandS, Inc.	167,000
Decrease (increase) in:	
Insurance settlement receivable	2,000,000
Prepaid federal income taxes	(282,725)
Prepaid assets	25,613
Increase (decrease) in:	
Settled claims payable	1,132,577
Accounts payable	(45,708)
Federal income tax payable	(1,539,000)
NET CASH USED BY OPERATING ACTIVITIES	(16,583,341)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sale of investments	202,263,650
Purchases of investments	(185,507,118)
Increase in income receivable on investments	(137,865)
NET CASH PROVIDED BY INVESTING ACTIVITIES	16,618,667
NET INCREASE IN CASH AND CASH EQUIVALENTS	35,326
CASH AND CASH EQUIVALENTS - beginning	757,616
CASH AND CASH EQUIVALENTS - ending	$ 792,942
SUPPLEMENTAL DISCLOSURES OF FLOW INFORMATION:	
Cash paid during the year for:	
Income taxes	$ 2,325,000

The accompanying notes are an integral part of these financial statements.

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ACandS ASBESTOS SETTLEMENT TRUST
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2011

NOTE 1 - ORGANIZATION

The ACandS Asbestos Settlement Trust (the "Trust") was established on July 31, 2008 and is a "qualified settlement fund" pursuant to the meaning of Section 1.468B-1 et seq. to the Treasury Regulations promulgated under section 468B of the Internal Revenue Code. The Trust will assume all Asbestos Personal Injury Claims (whether now existing or arising at any time hereafter) and to use the Trust assets to pay holders of such Asbestos Personal Injury Claims in accordance with the Asbestos Settlement Trust Agreement and the Asbestos Settlement Trust Distribution Plan.

In addition, the trust satisfies the pre-petition bankruptcy claims of ACandS, Inc. in accordance with the Bankruptcy Code.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trustees which differ from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net assets available for the payment of claims and related operating expenses of the Trust. Since the accompanying financial statements and transactions are not based upon GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amount.

The special-purpose accounting methods include the following:

Net Claimants' Equity

Net claimants' equity represents funds available to pay asbestos and bankruptcy related claims that have been submitted but not processed or not yet submitted. Trust expenses are also paid from net claimants' equity. Under GAAP, net claimants' equity would be reduced for estimates of amounts to be paid for claims that have been submitted, but not processed or not yet submitted.

Claim Expense

Claims are expensed in the period in which the confirmed claims are settled. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust.

Settled Claims Payable on the Special-Purpose Balance Sheet reflect claims approved but unpaid at December 31 of each year.

Payments for Services

Payments for services to be received over an extended period in the future are expensed as paid since these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.



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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash Equivalents
The Trust considers all short-term investments with a maturity of three (3) months, or less to be cash equivalents.

The Trust maintains its cash and cash equivalents, which at times may exceed federally insured limits, with financial institutions. The Trust has not experienced any losses in such accounts, and management does not believe it is exposed to any significant credit risk on cash and cash equivalents.

Investments
Investments are classified as available for sale and stated at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In accordance with FASB ASC 820-10-50, *Fair Value Measurements* establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices in active markets for identical assets or liabilities. Level 1 assets and liabilities include debt and equity securities that are traded in an active exchange market, as well as U.S. Treasury securities.

Level 2: Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Level 2 assets and liabilities include debt securities with quoted market prices that are traded less frequently than exchange-traded instruments. This category generally includes certain U.S. Government and agency mortgage-backed debt securities, corporate-debt securities and alternative investments.

Level 3: Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the asset or liabilities. Level 3 assets and liabilities include financial instruments whose value is determined using pricing models, discounted cash flow methodologies, or similar techniques, as well as instruments for which the determination of fair value requires significant management judgment or estimation. This category generally includes certain private debt and equity instruments and alternative investments.



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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Investments (Continued)
Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset. In addition, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

Income Taxes
The Trust has elected to be treated as a Qualified Settlement Fund under the Internal Revenue Code and Regulations. As a result, the Trust is subject to federal income taxes based on modified gross income. In the opinion of management, the Trust is not subject to state income taxes, and therefore, the financial statements do not include any provision or liability for state income taxes. However, federal income tax expense for the year ended December 31, 2011 was $568,703.

The Trust files income tax returns in the United States federal jurisdiction. Since the Trust was formed during 2008, no U.S. federal income tax returns are closed under statute of limitations.

Estimates
The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to Net Claimants' Equity during the reporting period. Actual results could differ from those estimates.

Subsequent Events
The Trust has evaluated subsequent events through April 17, 2012, which is the date the financial statements were available to be issued.

NOTE 3 - INVESTMENTS

Brown Brothers Investments
Investments consist of the following at December 31, 2011:

Municipal bonds	$150,605,605
Corporate bonds	24,243,536
Asset-backed securities	34,733,800
Mutual funds	52,945,309
	$ 262,528,250

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NOTE 3 - INVESTMENTS (Continued)

Brown Brothers Investments (Continued)
Future maturities of investments as of December 31, 2011, were as follows:

Within 1 year	$ -
1 to 4.99 years	49,181,089
5 to 9.99 years	41,085,827
10 to 14.99 years	50,879,764
15 to 19.99 years	20,498,566
Thereafter	47,937,695
	209,582,941
Investments with no stated maturity	52,945,309
	$262,528,250

Fair value of these investments is determined based on quoted prices for similar assets or liabilities (Level 2).

ACandS, Inc.
In accordance with the terms of the settlement agreements, ACandS Asbestos Settlement Trust acquired one hundred percent (100%) of the capital stock of ACandS, Inc. This investment is recorded at the book value of ACandS, Inc. in accordance with the special-purpose basis of accounting.

Fair value of this investment is based on unobservable inputs (Level 3).

The table below sets forth a summary of changes in the fair value of the Trust's Level 3 assets (equity investment in ACandS, Inc.) for the year ended December 31, 2011:

Beginning balance	$5,286,000
Unrealized losses	(167,000)
Ending balance	$5,119,000

NOTE 4 - RISKS AND UNCERTAINTIES

The Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to these risks, it is possible that changes in the values of the investment securities will occur in the near term, and that such changes could have a material effect on the fair market value of the investment amounts as stated on the special-purpose balance sheet.

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ADDITIONAL INFORMATION



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ACandS ASBESTOS SETTLEMENT TRUST

SPECIAL-PURPOSE SCHEDULE OF DEDUCTIONS

YEAR ENDED DECEMBER 31, 2011

Claims settled		
01/20/11	Verus Claims Services, LLC	$ 1,665,226
02/11/11	Verus Claims Services, LLC	1,415,694
02/11/11	Reimbursements of claims	(1,090)
02/15/11	Verus Claims Services, LLC	1,469,505
03/28/11	Verus Claims Services, LLC	2,216,359
04/12/11	Verus Claims Services, LLC	1,806,198
04/25/11	Reimbursements of claims	(10,294)
05/16/11	Reimbursements of claims	(32,661)
05/17/11	Verus Claims Services, LLC	979,739
06/21/11	Verus Claims Services, LLC	5,878,367
07/06/11	Verus Claims Services, LLC	10,001
07/13/11	Verus Claims Services, LLC	1,019,234
08/25/11	Verus Claims Services, LLC	1,844,371
08/30/11	Reimbursements of claims	(1,593)
09/22/11	Verus Claims Services, LLC	1,148,545
10/11/11	Reimbursements of claims	(256,317)
10/19/11	Verus Claims Services, LLC	1,348,072
11/10/11	Reimbursements of claims	(7,852)
11/15/11	Verus Claims Services, LLC	970,869
12/13/11	Verus Claims Services, LLC	1,749,895
12/14/11	Reimbursements of claims	(58)
12/22/11	Reimbursements of claims	(709)
Accrual	Verus Claims Services, LLC	1,132,577
		$ 24,344,078
Claims consultant fees		
02/18/11	ARPC	$ 348
05/20/11	ARPC	170
06/14/11	ARPC	7,636
07/19/11	ARPC	144
11/15/11	ARPC	3,961
12/14/11	ARPC	6,282
12/14/11	ARPC	10,731
		$ 29,272
Claims processing fees		
02/18/11	Verus Claims Services, LLC	$ 30,118
02/18/11	Verus Claims Services, LLC	73,160
03/17/11	Verus Claims Services, LLC	81,707
03/17/11	Verus Claims Services, LLC	44,590
04/19/11	Verus Claims Services, LLC	52,256

See Independent Auditors' Report

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ACandS ASBESTOS SETTLEMENT TRUST

SPECIAL-PURPOSE SCHEDULE OF DEDUCTIONS

YEAR ENDED DECEMBER 31, 2011

Claims processing fees (Continued)			
06/14/11	Verus Claims Services, LLC		61,439
07/19/11	Verus Claims Services, LLC		47,122
09/06/11	Verus Claims Services, LLC		72,148
09/06/11	Verus Claims Services, LLC		55,475
09/19/11	Verus Claims Services, LLC		37,269
10/18/11	Verus Claims Services, LLC		74,822
12/14/11	Verus Claims Services, LLC		59,905
			$ 690,011
Insurance			
02/18/11	AON Risk Services [2010/2011 D&O Liability]		$ 70,300
09/06/11	AON Risk Services [2011/2012 D&O Liability]		28,735
			$ 99,035
Accounting			
05/20/11	Bederson & Company LLP		$ 3,250
05/20/11	Bederson & Company LLP		21,978
09/19/11	Bederson & Company LLP		3,300
10/18/11	Bederson & Company LLP		3,022
12/14/11	Bederson & Company LLP		3,300
			$ 34,850
Other			
06/14/11	Wilmington Trust		$ 3,000
			$ 3,000
Trust general counsel			
Accrual	Baxter, Baker, Sidle, Conn & Jones PA		$ 63
01/13/11	Herold Law	$ 588	
03/17/11	Herold Law	649	
03/17/11	Herold Law	2,489	
03/17/11	Herold Law	1,952	
04/19/11	Herold Law	1,798	
04/19/11	Herold Law	886	
05/20/11	Herold Law	1,543	
07/19/11	Herold Law	1,637	
07/19/11	Herold Law	233	
09/06/11	Herold Law	113	
09/06/11	Herold Law	149	

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ACandS ASBESTOS SETTLEMENT TRUST

SPECIAL-PURPOSE SCHEDULE OF DEDUCTIONS

YEAR ENDED DECEMBER 31, 2011

Trust general counsel (Continued)			
09/06/11	Herold Law	2,781	
09/06/11	Herold Law	2,867	
10/18/11	Herold Law	825	
10/18/11	Herold Law	102	
11/15/11	Herold Law	587	19,199
02/18/11	Jackson & McGee, LLP	1,422	
02/18/11	Jackson & McGee, LLP	224	
03/17/11	Jackson & McGee, LLP	224	1,870
01/13/11	Keating Muething & Klekamp PLL	22,362	
03/17/11	Keating Muething & Klekamp PLL	24,988	
04/19/11	Keating Muething & Klekamp PLL	24,388	
05/20/11	Keating Muething & Klekamp PLL	49,269	
06/14/11	Keating Muething & Klekamp PLL	63,243	
06/14/11	Keating Muething & Klekamp PLL	50,403	
09/06/11	Keating Muething & Klekamp PLL	40,682	
09/19/11	Keating Muething & Klekamp PLL	19,599	
09/19/11	Keating Muething & Klekamp PLL	48,800	
10/18/11	Keating Muething & Klekamp PLL	18,883	
11/15/11	Keating Muething & Klekamp PLL	21,399	
12/14/11	Keating Muething & Klekamp PLL	20,716	
Accrual	Keating Muething & Klekamp PLL	19,495	
Accrual	Keating Muething & Klekamp PLL	18,754	442,981
05/20/11	Rosner Law Group LLC		2,559
			$ 466,672
Future claims representative			
02/18/11	Lawrence Fitzpatrick		$ 1,375
03/17/11	Lawrence Fitzpatrick		2,250
06/14/11	Lawrence Fitzpatrick		3,463
04/19/11	Lawrence Fitzpatrick		1,500
05/20/11	Lawrence Fitzpatrick		1,125
07/19/11	Lawrence Fitzpatrick		1,125
09/06/11	Lawrence Fitzpatrick		750
09/19/11	Lawrence Fitzpatrick		1,375
10/18/11	Lawrence Fitzpatrick		2,250
11/15/11	Lawrence Fitzpatrick		1,625
12/14/11	Lawrence Fitzpatrick		3,424
Accrual	Lawrence Fitzpatrick		625
			$ 20,887

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ACandS ASBESTOS SETTLEMENT TRUST

SPECIAL-PURPOSE SCHEDULE OF DEDUCTIONS

YEAR ENDED DECEMBER 31, 2011

Future claims representative attorney fees			
02/18/11	Young Conaway Stargatt & Taylor, LLP		$ 1,604
02/18/11	Young Conaway Stargatt & Taylor, LLP		2,906
02/18/11	Young Conaway Stargatt & Taylor, LLP		3,843
02/18/11	Young Conaway Stargatt & Taylor, LLP		2,088
02/18/11	Young Conaway Stargatt & Taylor, LLP		2,193
03/17/11	Young Conaway Stargatt & Taylor, LLP		5,184
05/20/11	Young Conaway Stargatt & Taylor, LLP		1,720
05/20/11	Young Conaway Stargatt & Taylor, LLP		11,155
09/06/11	Young Conaway Stargatt & Taylor, LLP		5,791
09/06/11	Young Conaway Stargatt & Taylor, LLP		4,160
09/19/11	Young Conaway Stargatt & Taylor, LLP		712
10/18/11	Young Conaway Stargatt & Taylor, LLP		6,856
11/15/11	Young Conaway Stargatt & Taylor, LLP		6,514
11/15/11	Young Conaway Stargatt & Taylor, LLP		4,160
12/14/11	Young Conaway Stargatt & Taylor, LLP		4,120
Accrual	Young Conaway Stargatt & Taylor, LLP		3,307
Accrual	Young Conaway Stargatt & Taylor, LLP		1,037
			$ 67,350
TAC expenses			
01/13/11	Kazan, McClain, Lyons, Greenwood & Harley	$ 661	
03/17/11	Kazan, McClain, Lyons, Greenwood & Harley	215	
06/14/11	Kazan, McClain, Lyons, Greenwood & Harley	1,308	
07/19/11	Kazan, McClain, Lyons, Greenwood & Harley	1,511	
07/19/11	Kazan, McClain, Lyons, Greenwood & Harley	1,625	
10/18/11	Kazan, McClain, Lyons, Greenwood & Harley	1,285	
12/14/11	Kazan, McClain, Lyons, Greenwood & Harley	1,706	$ 8,311
04/19/11	Peter G. Angelos	3,306	
04/19/11	Peter G. Angelos	2,100	
10/18/11	Peter G. Angelos	727	6,133
03/17/11	Weitz & Luxenberg		115
			$ 14,559
TAC attorney fees			
02/18/11	Campbell & Levine LLC	$ 6,893	
02/18/11	Campbell & Levine LLC	2,300	
02/18/11	Campbell & Levine LLC	352	
04/19/11	Campbell & Levine LLC	589	
06/14/11	Campbell & Levine LLC	368	

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ACandS ASBESTOS SETTLEMENT TRUST

SPECIAL-PURPOSE SCHEDULE OF DEDUCTIONS

YEAR ENDED DECEMBER 31, 2011

TAC attorney fees (Continued)

09/06/11	Campbell & Levine LLC	11		
09/06/11	Campbell & Levine LLC	3,252	$	13,765
02/18/11	Caplin & Drysdale	24,743		
02/18/11	Caplin & Drysdale	10,022		
02/18/11	Caplin & Drysdale	2,474		
02/18/11	Caplin & Drysdale	12,665		
02/18/11	Caplin & Drysdale	26,112		
02/18/11	Caplin & Drysdale	1,470		
03/17/11	Caplin & Drysdale	4,263		
03/17/11	Caplin & Drysdale	1,625		
03/17/11	Caplin & Drysdale	9,631		
04/19/11	Caplin & Drysdale	3,525		
04/19/11	Caplin & Drysdale	11,486		
04/19/11	Caplin & Drysdale	5,463		
05/20/11	Caplin & Drysdale	4,502		
05/20/11	Caplin & Drysdale	5,001		
05/20/11	Caplin & Drysdale	5,096		
05/20/11	Caplin & Drysdale	5,662		
07/19/11	Caplin & Drysdale	6,090		
07/19/11	Caplin & Drysdale	3,916		
09/06/11	Caplin & Drysdale	313		
09/06/11	Caplin & Drysdale	813		
09/06/11	Caplin & Drysdale	1,917		
09/06/11	Caplin & Drysdale	3,834		
09/06/11	Caplin & Drysdale	5,022		
09/19/11	Caplin & Drysdale	500		
09/19/11	Caplin & Drysdale	1,950		
09/19/11	Caplin & Drysdale	5,351		
09/19/11	Caplin & Drysdale	6,582		
10/18/11	Caplin & Drysdale	750		
11/15/11	Caplin & Drysdale	9,837		
11/15/11	Caplin & Drysdale	7,547		
11/15/11	Caplin & Drysdale	5,970		
11/15/11	Caplin & Drysdale	4,223		
11/15/11	Caplin & Drysdale	1,484		
12/14/11	Caplin & Drysdale	145		
12/14/11	Caplin & Drysdale	985		
12/14/11	Caplin & Drysdale	924		
12/14/11	Caplin & Drysdale	2,739		
12/14/11	Caplin & Drysdale	1,484		
Accrual	Caplin & Drysdale	638		
Accrual	Caplin & Drysdale	3,385		

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ACandS ASBESTOS SETTLEMENT TRUST

SPECIAL-PURPOSE SCHEDULE OF DEDUCTIONS

YEAR ENDED DECEMBER 31, 2011

TAC attorney fees (Continued)			
Accrual	Caplin & Drysdale	(1,484)	
Accrual	Caplin & Drysdale	(2,739)	
Accrual	Caplin & Drysdale	(1,484)	204,432
			$ 218,197
Trustee			
03/17/11	Saiber LLC		$ 18,750
01/13/11	Saiber LLC		4,500
02/18/11	Saiber LLC		4,502
03/17/11	Saiber LLC		11,700
04/19/11	Saiber LLC		10,733
05/20/11	Saiber LLC		9,610
06/14/11	Saiber LLC		10,464
06/14/11	Saiber LLC		18,750
07/19/11	Saiber LLC		4,820
09/06/11	Saiber LLC		7,500
09/19/11	Saiber LLC		5,700
09/19/11	Saiber LLC		18,750
10/18/11	Saiber LLC		11,120
11/15/11	Saiber LLC		4,500
12/14/11	Saiber LLC		6,666
12/14/11	Saiber LLC		18,750
Accrual	Saiber LLC		5,771
			$ 172,586
Federal income tax			
03/14/11	US Treasury		$ 476,428
06/10/11	US Treasury		375,000
	Prepaid Federal income taxes		(282,725)
			$ 568,703
TOTAL DEDUCTIONS			$ 26,729,200

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ACandS ASBESTOS SETTLEMENT TRUST

SPECIAL-PURPOSE SCHEDULE OF BROWN BROTHERS HARRIMAN ACTIVITY

YEAR ENDED DECEMBER 31, 2011

Beginning balance		$ 267,752,487
Net receipts and disbursements		(25,711,729)
Interest and dividends	*A*	8,923,045
Appreciation/depreciation		
Accrued income	*B*	432,779
Accretion/amortization	*C*	(227,437)
Realized gain/loss		2,597,663
Unrealized gain/loss		9,554,384
Ending balance		$ 263,321,192

Per Brokerage Statement	
Cash and cash equivalents	$ 792,942
Investments	260,397,668
Accrued income	2,130,582
	$ 263,321,192

RECONCILIATION OF INTEREST AND DIVIDENDS INCOME:		
Interest and dividends	*A*	$ 8,923,045
Accrued income	*B*	432,779
Amortized premium	*C*	(227,437)
Interest and dividends income		$ 9,128,387

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ACandS ASBESTOS SETTLEMENT TRUST

SPECIAL-PURPOSE SCHEDULE OF FEDERAL INCOME TAXES

YEAR ENDED DECEMBER 31, 2011

TAXABLE INVESTMENT INCOME	$ 5,906,711
LESS:	
Deductible expenses	(1,992,295)
TAXABLE INCOME	3,914,416
TAX RATE	35 %
SUBTOTAL	$ 1,370,046
LESS:	
Credit from prior year's federal income taxes payable	(801,343)
FEDERAL INCOME TAX	$ 568,703

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EXHIBIT 1.B

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ACandS Asbestos Settlement Trust

Report of Asbestos Claim Activity and Disposition during Period from January 1, 2011 through December 31, 2011

Type of Claim	Number of Claims Filed	Number of Claims Approved for Payment	Number of Claims Withdrawn or Rejected	Liquidated Value of Approved Claims	Number of Approved Claims Paid	Amount Paid on Approved Claims after Application of Payment Percentage
Pre-Petition Liquidated Claims	0	0	0	$0	0	$0
Category A Claims (Disease Levels III – VII)	14,348	2,781	1,288	$236,736,710	2,511	$13,831,305
Category B Claims (Disease Levels I and II)	31,267	8,922	1,003	$41,661,000	7,223	$2,375,752
Unspecified Disease Level Claims	2,247	0	321	0	0	0
Total:	47,862	11,703	2,612	$278,397,710	9,734	$16,207,057

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