IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

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

ACANDS ASBESTOS SETTLEMENT TRUST'S NOTICE OF FILING OF ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2021

Pursuant to Article 5.1 of the Debtor's Second Plan of Reorganization 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 Elizabeth W. Magner (the "**Trustee**"), hereby gives notice of the filing of the Trust's Annual Report for the year ended December 31, 2021 (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, 2021; 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, 2021; 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, 2021. 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 29, 2022

Respectfully submitted,

MORRIS JAMES LLP

/s/ Carl N. Kunz, III
Carl N. Kunz, III (DE Bar No. 3201)
500 Delaware Avenue, Suite 1500
P.O. Box 2306
Wilmington, Delaware 19899-2306
Tel: (302) 888-6800
Fax: (302) 571-1750
ckunz@morrisjames.com

-and-

KEATING, MUETHING & KLEKAMP PLL
Kevin E. Irwin (Ohio Bar No. 0021811)
Bethany P. Recht (Ohio Bar No. 0088478)
Philip A. Tracy (Ohio Bar No. 0091389)
One East Fourth Street, Suite 1400
Cincinnati, Ohio 45202
Tel: (513) 579-6400
Fax: (513) 579-6457
kirwin@kmklaw.com
brecht@kmklaw.com
ptracy@kmklaw.com

Counsel for ACandS Asbestos Settlement Trust

EXHIBIT 1

Annual Report

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ACandS ASBESTOS SETTLEMENT TRUST

ANNUAL REPORT FOR THE YEAR ENDED DECEMBER 31, 2021

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 Elizabeth W. Magner (the "**Trustee**"), makes the following Annual Report for the year ended December 31, 2021 (the "**Annual Report**").

A. Financial Statements

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

> [F]inancial 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, 2021 (the "**Reporting Period**"). The auditor for the Trust, EisnerAmper 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.

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. Verus Claims Services, LLC, acts as the Trust's claims processing agent. Attached

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as Exhibit 1.B is a summary of claims processed and paid by the Trust in 2021.

C. Trustee Fees

Section 4.5(c) of the Trust Agreement states that the Annual Report shall include a description of the amounts paid to the Trustee in 2021. 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 2021. The members of the TAC are Matthew Bergman, Brian O. Blevins, Jr., John D. Cooney, Steven Kazan, Joseph F. Rice, Armand J. Volta, Jr., and Perry Weitz. The Audited Financial Statements set forth the amount paid in fees and expenses to the TAC members during the Reporting Period.[2]

E. Future Claimants' 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 "**FCR**"), Lawrence Fitzpatrick, in 2021. The Audited Financial Statements set forth the amount paid in fees and expenses to the FCR during the Reporting Period.[3]

F. 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: Bethany P. Recht. Additional information is available on the Trust's website: http://www.acandsasbestostrust.com.

[1] *See* Audited Financial Statements at 13.
[2] *Id.*
[3] *Id.*

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EXHIBIT 1.A

Audited Financial Statements

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EISNERAMPER

ACANDS ASBESTOS SETTLEMENT TRUST

SPECIAL-PURPOSE
FINANCIAL STATEMENTS

DECEMBER 31, 2021



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ACANDS ASBESTOS SETTLEMENT TRUST

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EisnerAmper LLP
111 Wood Avenue South
Iselin, NJ 08830-2700
T 732.243.7000
F 732.951.7400
www.eisneramper.com

INDEPENDENT AUDITORS' REPORT

To the Trustee of
ACandS Asbestos Settlement Trust

Report on the Audit of the Special-Purpose Financial Statements

Opinion

We have audited the special-purpose financial statements of ACandS Asbestos Settlement Trust (the "Trust"), which comprise the special-purpose statement of assets, liabilities and net claimants' equity as of December 31, 2021, and the related special-purpose statements of changes in net claimants' equity and cash flows for the year then ended, and the related notes to the special-purpose financial statements.

In our opinion, the accompanying special-purpose financial statements present fairly, in all material respects, the assets, liabilities and net claimants' equity of ACandS Asbestos Settlement Trust as of December 31, 2021, and its changes in net claimants' equity and its cash flows for the year then ended in accordance with the special-purpose accounting methods described in Note B.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note B of the special-purpose financial statements, which describes the basis of accounting. The financial statements are prepared using special-purpose accounting methods adopted by the Trustee, and are not intended to be a presentation in conformity with 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

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with the basis of accounting as described in Note B, this includes determining that the special-purpose accounting methods adopted by the Trustee is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

"EisnerAmper" is the brand name under which EisnerAmper LLP and Eisner Advisory Group LLC provide professional services. EisnerAmper LLP and Eisner Advisory Group LLC are independently owned firms that practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. EisnerAmper LLP is a licensed CPA firm that provides attest services, and Eisner Advisory Group LLC and its subsidiary entities provide tax and business consulting services. Eisner Advisory Group LLC and its subsidiary entities are not licensed CPA firms.

Auditors' 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 auditors' 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 for 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 judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment 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 the 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 judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the 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

This report is intended solely for the information and use of the management of the Trust, the Trustee, the beneficiaries of the Trust, and 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 these specified parties.

EisnerAmper LLP

EISNERAMPER LLP
Iselin, New Jersey
April 27, 2022

ACANDS ASBESTOS SETTLEMENT TRUST

Special-Purpose Statement of Assets, Liabilities and Net Claimants' Equity
December 31, 2021

ASSETS	
Cash and cash equivalents	**$ 5,948,895**
Investments:	
Investments	**172,691,706**
Income receivable	**737,653**
Total investments	**173,429,359**
Other assets:	
Prepaid expenses and other assets	**142,145**
Total assets	**$ 179,520,399**
LIABILITIES AND NET CLAIMANTS' EQUITY	
Liabilities:	
Settled claims payable	**$ 3,315,741**
Accounts payable	**116,100**
Total liabilities	**3,431,841**
Net claimants' equity	**176,088,558**
Total liabilities and net claimants' equity	**$ 179,520,399**

The accompanying notes are an integral part of these special-purpose financial statements

ACANDS ASBESTOS SETTLEMENT TRUST

Special-Purpose Statement of Changes in Net Claimants' Equity
Year Ended December 31, 2021

Additions:	
Investment income, net:	
Interest and dividends income and accretion of fixed maturities, net	**$ 5,928,536**
Realized gain on sale of securities, net	**6,078,444**
Change in net unrealized gain on investment securities	**2,724,842**
Total investment income, net	**14,731,822**
Total additions	**14,731,822**
Deductions:	
Claims settled	**14,833,822**
Operating expenses	**1,410,246**
Investment advisory fees	**288,934**
Federal income tax	**2,882,600**
Total deductions	**19,415,602**
Net decrease in net claimants' equity	**(4,683,780)**
Net claimants' equity - beginning	**180,772,338**
Net claimants' equity - ending	**$ 176,088,558**

The accompanying notes are an integral part of these special-purpose financial statements

ACANDS ASBESTOS SETTLEMENT TRUST

Special-Purpose Statement of Cash Flows
Year Ended December 31, 2021

Cash flows from operating activities:	
Net decrease in net claimants' equity	**$ (4,683,780)**
Adjustments to reconcile net decrease in net claimants' equity to net cash used in operating activities:	
Net realized gain on investment securities	**(6,078,444)**
Principal paydowns	**3,074,670**
Change in net unrealized gain on investment securities	**(2,724,842)**
Accretion of fixed maturities, net	**(2,717)**
Decrease (increase) in operating assets and increase (decrease) in operating liabilities:	
Accrued interest on investment securities	**74,408**
Prepaid federal income taxes	**384,328**
Prepaid expenses and other assets	**(1,728)**
Settled claims payable	**140,867**
Accounts payable	**(31,197)**
Net cash used in operating activities	**(9,848,435)**
Cash flows from investing activities:	
Proceeds from sale of investments	**51,324,320**
Purchases of investments	**(38,415,293)**
Net cash provided by investing activities	**12,909,027**
Net increase in cash and cash equivalents	**3,060,592**
Cash and cash equivalents - beginning	**2,888,303**
Cash and cash equivalents - ending	**$ 5,948,895**
Supplemental disclosure:	
Federal income taxes paid	**$ 2,498,272**

The accompanying notes are an integral part of these special-purpose financial statements

NOTE A - DESCRIPTION OF BUSINESS

ACandS Asbestos Settlement Trust (the "Trust"), organized pursuant to the laws of the State of Delaware, was established on July 31, 2008 pursuant to the Second Plan of Reorganization of ACandS, Inc. (the "Debtor"). The Trust 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 use 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 Procedures ("TDP").

In addition, the Trust satisfies the pre-petition bankruptcy claims in accordance with the Bankruptcy Code.

The Trust was initially funded with cash, rights to proceeds from asbestos insurance policies, insurance settlement rights, and 100% of the common stock of the Debtor post reorganization whose accounts had been consolidated in the special-purpose financial statements.

On May 15, 2014, the Trust filed a certificate of dissolution for the Debtor, with a statutory three-year wind-down period. On May 15, 2017, the Debtor transferred all of its assets to the Trust.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Basis of presentation:

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trustee, which differ from accounting principles generally accepted in the United States of America ("U.S. 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. Because the accompanying special-purpose financial statements and transactions are not based upon U.S. 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 U.S. 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 U.S. 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.

As stated within the TDP, in each year, the Trust shall be empowered to pay out all of the income earned during the year, together with a portion of its principal, calculated so that the application of Trust funds over its life shall correspond with the needs created by the estimated initial backlog of claims and the anticipated future flow of claims (the "Maximum Annual Payment"). The Trust's distributions to all claimants (excluding holders of Pre-Petition Liquidated Claims) for that year shall not exceed the Maximum Annual Payment determined for that year. The Maximum Annual Payment shall be allocated and used to satisfy all liquidated Trust Claims, subject to the Claims Payment Ratio.

Settled claims payable in the special-purpose statement of assets, liabilities and net claimants' equity reflects claims approved but unpaid at December 31, 2021.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[1] Basis of presentation: (continued)

Payment 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 U.S. GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.

Unrealized Gains and Losses on Investment Securities
Net unrealized gains and losses relating to investment securities are recorded as a net addition or deduction in the special-purpose statement of changes in net claimants' equity. Under U.S. GAAP, these gains or losses would be recorded as a separate component of net claimants' equity as accumulated other comprehensive income.

[2] Use of estimates:

The preparation of financial statements in conformity with the special-purpose accounting methods adopted by the Trustee requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the special-purpose financial statements and the reported amounts of additions and deductions to net claimants' equity during the reported period. Actual results could differ from those estimates.

[3] Cash and cash equivalents:

The Trust maintains its cash, 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.

The Company considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

[4] Investments:

The Trust's investment securities are used to satisfy claims and are carried at fair value. Net realized and unrealized gains and losses relating to investment securities are recorded as a net addition or deduction in the special-purpose statement of changes in net claimants' equity. Realized investment gains and losses on investment securities are recorded based on the security's original cost. Investment income is recognized when earned.

[5] 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, which is exclusive of unrealized gains or losses and claims settled incurred during the year. In the opinion of management, the Trust is not subject to state income taxes, and therefore, the special-purpose financial statements do not include any provision or liability for state income taxes. However, federal income tax expense for the year ended December 31, 2021 was $2,882,600.

The Trust files income tax returns in the United States federal jurisdiction. Income tax returns filed prior to 2018 are closed under the statute of limitations. There are no uncertain income tax positions taken by the Trust as of December 31, 2021 and no income tax-related interest or penalties have been accrued for 2021.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[6] Fair value measurements:

The Trust values its investments in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") Topic 820, *Fair Value Measurements and Disclosures*. FASB ASC 820 focuses on the price that would be received to sell the asset, which is referred to as the exit price. FASB ASC 820 provides guidance on how to measure fair value, when required, under existing accounting standards. FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels as follows:

Level 1 - Observable inputs that reflect quoted prices for identical assets in active markets that the Trust has the ability to access at the measurement date.

Level 2 - Inputs to the valuation methodology include:

- Quoted prices for similar assets in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset; or
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

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

Level 3 - Unobservable inputs reflecting the Trust's estimates of the assumptions that market participants would use in pricing the asset (including assumptions about risk).

The Trust has classified its investments in accordance with FASB ASC 820, as more fully disclosed in Note C.

NOTE C - INVESTMENTS

Investment securities carried at fair value as of December 31, 2021 are as follows:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Fixed maturity investments:				
Municipal bonds	$ 78,204,801	$ 7,902,267	$ (107,351)	$ 85,999,717
Corporate bonds	12,908,143	868,643	-	13,776,786
Asset-backed securities	2,374,697	24,091	(151)	2,398,637
Commercial mortgage-backed securities	2,660,000	-	(18,987)	2,641,013
Equities:				
Mutual funds	27,062,529	40,813,024	-	67,875,553
Total	$ 123,210,170	$ 49,608,025	$ (126,489)	$ 172,691,706

NOTE C - INVESTMENTS (CONTINUED)

The unrealized losses and fair values of investment securities in an unrealized loss position for less than twelve months and twelve months or longer as of December 31, 2021, are shown below:

	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Fixed maturity investments:						
Corporate bonds	$ 1,188,980	$ (1,020)	$ 1,452,033	$ (17,967)	$ 2,641,013	$ (18,987)
Asset-backed securities	274,219	(151)	-	-	274,219	(151)
Commercial mortgage-backed securities	9,072,225	(107,351)	-	-	9,072,225	(107,351)
Total	$ 10,535,424	$ (108,522)	$ 1,452,033	$ (17,967)	$ 11,987,457	$ (126,489)

The Trust held five securities that were in an unrealized loss position as of December 31, 2021, two of which had been in an unrealized loss position for a period of twelve months or longer.

The Trust regularly reviews the carrying value of its investments for declines that could be considered other-than-temporary. Continuous unrealized losses were primarily due to the impact of changes in the general level of interest rates rather than a decline in credit quality. The Trust does not consider these securities to be impaired on an other-than-temporary basis as of December 31, 2021.

Proceeds from sales of investment securities amounted to $51,324,320 in 2021. Gross gains and losses of $6,135,713 and $57,269, respectively, were realized on those sales during 2021.

NOTE C - INVESTMENTS (CONTINUED)

The estimated fair value of fixed maturity investments as of December 31, 2021 by contractual maturity are shown below:

Due in one year or less	
Municipal bonds	$ 2,578,952
Corporate bonds	-
Asset-backed securities	-
Commercial mortgage-backed securities	-
Total due in one year or less	2,578,952
Due after one year through five years	
Municipal bonds	16,348,360
Corporate bonds	7,775,374
Asset-backed securities	1,971,535
Commercial mortgage-backed securities	-
Total due after one year through five years	26,095,269
Due after five years through ten years	
Municipal bonds	18,992,572
Corporate bonds	4,730,861
Asset-backed securities	427,102
Commercial mortgage-backed securities	-
Total due after five years through ten years	24,150,535
Due after ten years	
Municipal bonds	48,079,833
Corporate bonds	1,270,551
Asset-backed securities	-
Commercial mortgage-backed securities	2,641,013
Total due after ten years	51,991,397
Total fixed maturity investments	
Municipal bonds	85,999,717
Corporate bonds	13,776,786
Asset-backed securities	2,398,637
Commercial mortgage-backed securities	2,641,013
Total fixed maturity investments	$ 104,816,153

NOTE C - INVESTMENTS (CONTINUED)

Investment securities held by the Trust are recorded at fair value in accordance with FASB ASC 820 as further described in Note B. The Trust measured fair value of these securities as of December 31, 2021 as follows:

	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Fixed maturity investments:			
Municipal bonds	$ -	$ 85,999,717	$ -
Corporate bonds	-	13,776,786	-
Asset-backed securities	-	2,398,637	-
Commercial mortgage-backed securities	-	2,641,013	-
Equities:			
Mutual funds	67,875,553	-	-
	$ 67,875,553	$ 104,816,153	$ -

The Trust's net interest and dividends income and accretion of fixed maturities for the year ended December 31, 2021 is comprised of the following:

Interest income	$ 3,300,548
Dividends	2,625,271
Accretion of fixed maturities	2,717
Net interest and dividends income and accretion of fixed maturities	$ 5,928,536

NOTE D - SETTLEMENTS RECEIVABLE

In 2010, the Trust entered into agreements with three insolvent London Market insurance companies (the "Insurers") to resolve the Insurers' obligations for claims submitted against the Debtor including Asbestos Personal Injury Claims and environmental liabilities. Pursuant to the terms of these agreements, the Trust agreed to release the Insurers from any current or future claims in exchange for settlement payments totaling approximately $1,530,000, of which the actual amounts to be collected by the Trust would be based upon a payment percentage as set forth in the respective Scheme of Arrangement as approved by the High Court of Justice of England and Wales (the "High Court").

As of December 31, 2021, the Trust has collected approximately $1,047,000 relating to these agreements; there was $0 collected during the year ended December 31, 2021. Future amounts to be collected by the Trust are contingent upon an increase in payment percentages per the respective Scheme of Arrangement as approved by the High Court and are not estimable as of December 31, 2021, nor can collectability be assured. Furthermore, management does not expect the potential additional settlement funds to be significant to net claimants' equity. Based on this, no asset relating to these amounts has been recorded on the special-purpose statement of assets, liabilities and net claimants' equity as of December 31, 2021.

NOTE D - SETTLEMENTS RECEIVABLE (CONTINUED)

In August 2012, the Trust entered into an agreement with an insurance company in the course of liquidation (the "Liquidating Insurer") to resolve the Liquidating Insurer's obligations for claims submitted against the Debtor. Pursuant to the terms of the agreement, the Trust agreed to release the Liquidating Insurer from any further liability under the insurance policy in exchange for a settlement of $1,500,000, pursuant to California Insurance Code Section 1033. In November 2015, the court overseeing the liquidation approved an initial payment of $900,000. The remaining $600,000 payment, including interest of approximately $548,000, was approved in August 2019 and received during October 2019.

NOTE E - LIABILITY FOR ASBESTOS CLAIMS

Asbestos Personal Injury Claims that were settled but unpaid as of December 31, 2021 have been accrued and deducted from net claimants' equity. These amounts, totaling $3,315,741 as of December 31, 2021, have been included in settled claims payable on the special-purpose statement of assets, liabilities and net claimants' equity and claims settled on the special-purpose statement of changes in net claimants' equity for the year ended December 31, 2021.

The ultimate number and amount of future Asbestos Personal Injury Claims to be filed and the corresponding liability are not determinable at this time. Therefore, no liability relating to such claims has been recorded in the special-purpose financial statements as of December 31, 2021.

NOTE F - NET CLAIMANTS' EQUITY

The Trust is designed to provide fair and equitable treatment for all Trust claims that may presently exist or may arise in the future. The TDP prescribes certain procedures for distributing the Trust's assets, including pro rata payments and initial determination of claim value based on scheduled diseases values, jurisdictions and individual factual information concerning each claimant. Under the TDP, the Trust forecasts its anticipated annual sources and uses of cash until the last projected future claim has been paid. A pro rata payment percentage is calculated such that the Trust will have no remaining assets or liabilities after the last future claimant receives his/her pro rata share.

Based on research and testimony presented during the bankruptcy, the court approved an initial payment to claimants of 5.78% of the liquidated value of the then current and estimated future claims. The TDP gives the Trustees, with the consent of the Trust Advisory Committee and the Futures Representative, the power to periodically update its estimate of the payment percentage based on updated assumptions regarding its future assets and liabilities and, if appropriate, propose additional changes to the payment percentage. At December 31, 2021, the payment percentage was 4.9%.

NOTE G - ADMINISTRATIVE SERVICES AGREEMENTS

At inception, the Trust entered into services agreements with third-party administrators to provide administrative support and specialty services.

The Trust has an agreement with Verus, LLC ("Verus"), which provides the Trust with services for claims administration. Verus manages the claims process on behalf of the Trust. Fees paid to Verus amounted to $804,120 for the year ended December 31, 2021. The fees are included in operating expenses on the special-purpose statement of changes in net claimants' equity.

NOTE G - ADMINISTRATIVE SERVICES AGREEMENTS (CONTINUED)

The Trust has an agreement with Bederson, LLP ("Bederson") whereby Bederson provides accounting and tax services. Fees paid to Bederson amounted to $80,881 for the year ended December 31, 2021. The fees are included in operating expenses on the special-purpose statement of changes in net claimants' equity.

NOTE H - OPERATING EXPENSES

The components of operating expenses are as follows for the year ended December 31, 2021:

Claims consulting fees	$ 56,806
Claims processing fees	804,120
Insurance	50,715
Accounting and audit fees	122,481
Other	10,490
Trust general counsel	166,351
Future claims representative	10,400
Future claims representative attorney fees	18,911
TAC expenses	1,012
TAC attorney fees	23,747
Trustee fees	145,213
	$ 1,410,246

NOTE I - RISKS AND UNCERTAINTIES

The Trust invests in various investment securities which are exposed to risks such as interest rate, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect investment security values balances and the amounts reported in the special-purpose statement of assets, liabilities and net claimants' equity.

NOTE J - COVID-19

In early 2020, the World Health Organization declared the coronavirus ("COVID-19") outbreak to be a pandemic. The extent and impact of the COVID-19 outbreak on the operations and financial performance of the Trust to date have not been significant, however the ultimate impacts are unknown and will depend on future developments, including the duration and spread of the outbreak and related advisories and restrictions and the impact of COVID-19 on the financial markets and the overall economy, all of which are highly uncertain and cannot be predicted.

NOTE K - SUBSEQUENT EVENTS

The Trust has evaluated subsequent events that occurred between December 31, 2021 and April 27, 2022, which is the date the special-purpose financial statements were available to be issued.

EXHIBIT 1.B

Claims Summary

13584455/1

ACandS Asbestos Settlement Trust

Report of Asbestos Claim Activity and Disposition during Period from January 1, 2021 through December 31, 2021

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
Category A Claims (Disease Levels III – VII)	6,093	3,149	4,624	$ 221,333,560	3,089	$ 12,020,750
Category B Claims (Disease Levels I and II)	10,130	6,845	8,152	$ 31,636,500	6,137	$ 1,615,922
Unspecified Disease Level Claims	382	0	1,021	0	0	0
Supplemental Payments					1,341	$ 1,043,907
Total	16,605	9,994	13,797	$ 252,970,060	10,568	$ 14,680,579