IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:	)	Chapter 11
	)	
ARTRA GROUP, INCORPORATED,	)	Case No. 02 B 21522
	)	
Debtor.	)	Honorable Pamela S. Hollis
	)	

NOTICE OF FILING

PLEASE TAKE NOTICE that on April 25, 2012, the ARTRA 524(g) Asbestos Trust filed the **ARTRA 524(g) Asbestos Trust Special-Purpose Financial Statements dated December 31, 2011** and **Related Information** with the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division.

Dated: April 25, 2012

ARTRA 524(g) ASBESTOS TRUST

By: /s/ *Frances Gecker*
One of its attorneys

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ARTRA 524(g) ASBESTOS TRUST

SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2011



ARTRA 524(g) ASBESTOS TRUST

DECEMBER 31, 2011

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& COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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INDEPENDENT AUDITORS' REPORT

To the Trustee of
ARTRA 524(g) Asbestos Trust

We have audited the special-purpose balance sheet of ARTRA 524(g) Asbestos 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 ARTRA 524(g) Asbestos 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 ARTRA 524(g) Asbestos 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.

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 Northern District of Illinois, and should not be used for any other purpose.

BEDERSON & COMPANY LLP

Bederson Company LLP

West Orange, New Jersey
April 17, 2012

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ARTRA 524(g) ASBESTOS TRUST

SPECIAL-PURPOSE BALANCE SHEET

DECEMBER 31, 2011

ASSETS

Cash and Cash Equivalents - Northern Trust	$ 3,076,621
Receivables:	
Note Receivable - Entrade, Inc. (net of allowance for doubtful collection of $2,500,000)	-
Investments:	
Northern Trust investments	23,497,837
Income receivable	211,520
Total investments	23,709,357
Other Assets:	
Prepaid assets	31,817
TOTAL ASSETS	$ 26,817,795

LIABILITIES AND NET CLAIMANTS' EQUITY

LIABILITIES:	
Settled claims payable	$ 346,824
Accounts payable	58,984
Total liabilities	405,808
NET CLAIMANTS' EQUITY	26,411,987
TOTAL LIABILITIES AND NET CLAIMANTS' EQUITY	$ 26,817,795

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

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ARTRA 524(g) ASBESTOS TRUST

SPECIAL-PURPOSE STATEMENT OF CHANGES IN NET CLAIMANTS' EQUITY

YEAR ENDED DECEMBER 31, 2011

ADDITIONS:	
Contributions - Entrade, Inc.	$ 500,000
Investment income, net	
Interest and dividends income	1,084,941
Investment advisory fees	(43,055)
Realized gain on sale of securities, net	247,678
Unrealized loss on investments, net	(622,417)
Total investment income, net	667,147
TOTAL ADDITIONS	1,167,147
RESERVE FOR DOUBTFUL NOTE RECEIVABLE - Entrade, Inc.	(2,500,000)
DEDUCTIONS:	
Claims settled	(13,296,719)
Trustee	135,231
TAC expenses	2,938
Future claims representative	8,644
Claims consultant fees	57,002
Claims processing	828,848
Trust general counsel	221,577
Legal - other	21,733
Special insurance counsel	240,037
Insurance	45,947
Accounting	34,850
Other	3,250
TOTAL DEDUCTIONS	(11,696,662)
NET INCREASE IN NET CLAIMANTS' EQUITY	10,363,809
NET CLAIMANTS' EQUITY - beginning	16,048,178
NET CLAIMANTS' EQUITY - ending	$ 26,411,987

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

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ARTRA 524(g) ASBESTOS TRUST

SPECIAL-PURPOSE STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2011

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net increase in net claimants' equity	$ 10,363,809
Adjustments to reconcile net increase in net claimants' equity from operating activities:	
Reserve for doubtful note receivable - Entrade, Inc.	2,500,000
Realized gain on sale of securities, net	(247,678)
Unrealized loss on investments, net	622,417
Decrease in Comforce receivable	3,455,269
Increase in:	
Prepaid assets	(22,563)
Increase (decrease) in:	
Claims payable	(26,161,153)
Accounts payable	31,059
NET CASH USED BY OPERATING ACTIVITIES	(9,458,840)
CASH FLOWS FROM INVESTING ACTIVITIES:	
Increase in note receivable - Entrade, Inc.	(500,000)
Proceeds from sale of investments	21,406,218
Purchase of investments	(16,247,053)
Decrease in interest receivable on investments	23,610
NET CASH PROVIDED BY INVESTING ACTIVITIES	4,682,775
NET DECREASE IN CASH AND CASH EQUIVALENTS	(4,776,065)
CASH AND CASH EQUIVALENTS - beginning	7,852,686
CASH AND CASH EQUIVALENTS - ending	$ 3,076,621

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

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NOTE 1 - ORGANIZATION

The ARTRA 524(g) Asbestos Trust (the "Trust") was established on April 2, 2007 and is a "qualified settlement fund" pursuant to Section 1.468B-1 et seq. of the Treasury Regulations promulgated under section 468B of the Internal Revenue Code. The Trust assumed all Asbestos Personal Injury Claims (as defined in the Amended Joint Reorganization Plan of ARTRA Group, Incorporated) whether now existing or arising at any time hereafter, and uses the Trust assets to pay holders of such Asbestos Personal Injury Claims in accordance with the Asbestos Trust Agreement and the Asbestos Trust Distribution Procedures.

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 Trustee 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 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 approved. 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 as of 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. There was no federal income tax expense for the year ended December 31, 2011.

Net operating losses expiring in 2031, which approximate $3,843,000, are available to offset future taxable income generated by the Trust.

The Trust files income tax returns in the United States federal jurisdiction. U.S. federal income tax returns prior to the year 2008 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 - NOTE RECEIVABLE - ENTRADE, INC.

Under a promissory note dated April 9, 2007, Entrade, Inc. is indebted to the Trust in the amount of $2,500,000, due without interest, on April 9, 2012.

Under the terms of the promissory note, either party has the right to convert $500,000 of principal under the note into 200,000 shares of Entrade, Inc. common stock. The debtor may only elect conversion if specified share price and trading volume thresholds are met.



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NOTE 3 - NOTE RECEIVABLE - ENTRADE, INC. (Continued)

Entrade, Inc. did not remit the outstanding balance of $2,500,000 on April 9, 2012, as required under promissory note. The trust is evaluating its options for pursuing payment. Therefore, the Trust has established a reserve of $2,500,000 against the amount due.

NOTE 4 - INVESTMENTS

Northern Trust Investments
Investments consist of the following at December 31, 2011:

Mutual funds	$ 5,236,263
Municipal bonds	18,473,094
	$ 23,709,357

Future maturities of investments as of December 31, 2011 were as follows:

Within 1 year	$ 6,242,829
1 to 4.99 years	11,161,966
5 to 9.99 years	1,068,299
	18,473,094
Investments with no stated maturity	5,236,263
	$23,709,357

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

NOTE 5 - CLAIMS PAYABLE

Effective September 13, 2011, pursuant to the Amended and Restated Asbestos Trust Distribution Procedures, the Trustee adjusted the payment percentage from 7.5% to 0.5%. Unpaid settled claims will receive payment on the gross liquidated value of their claims at the percentage in effect at the time of payment.

NOTE 6 - RISKS AND UNCERTAINTIES

The Trust has investments in mutual funds and municipal bonds which are types of 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.



ARTRA 524(g) Asbestos 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	71	0	$763,302 [1]	71	$28,624
Category A Claims (Disease Levels III – VI)	40,712	334	1,663	$66,699,560	1,570	$12,811,098
Category B Claims (Disease Levels I and II)	86,087	0	5,299	0	259	$24,713
Unspecified Disease Level Claims	1,694	0	746	$0	0	$0

[1] Per Section 5.2(a) of the First Amended Trust Distribution Procedures, the Liquidated Value of any Pre-Petition Liquidated Claim is capped at the Average Value for similar claims in Disease Level III through VI, or the Scheduled Value for Disease Level II for any non-malignant claim failing to meet the criteria for Severe Asbestosis (Disease Level III). The original settlement value of the approved claims was $763,302.

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ARTRA 524(g) Asbestos Trust

Report of Compensation and Expense Reimbursement
(January 1, 2011 through December 31, 2011)

	Compensation	Expense Reimbursement
Hon. Alfred M. Wolin (Trustee)	$134,715	$516
Erwin I. Katz (Futures Representative)	$7,700	$944

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CERTIFICATE OF SERVICE

I, Frances Gecker, an attorney, hereby certify that on April 25, 2012, the foregoing **ARTRA 524(g) Asbestos Trust Special-Purpose Financial Statements dated December 31, 2011** and **Related Information** were electronically filed with the United States Bankruptcy Court for the Northern District of Illinois, Eastern Division. Notice of the filing will be sent to all parties who are currently on the Court's Electronic Mail Notice List by operation of the Court's Electronic Filing System (see below). Parties who are not on the Court's Electronic Mail Notice List and are listed on the attached Service List were served via electronic mail.

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By:_____*/s/ Frances Gecker*_____

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