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JUDGE: Hon. Karen Overstreet
DATE: n/a
TIME:
CHAPTER: 11
LOCATION: Seattle

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON, AT SEATTLE

In re:	)	No. 00-10390
	)	
E.J. BARTELLS, INC.,	)	TRUSTEE'S TENTH ANNUAL
	)	REPORT
Debtor.	)	
	)	

Richard Hilfer, trustee of the Bartells Asbestos Settlement Trust [the "Trust"], by his undersigned counsel, pursuant to Articles 4.2 and 4.3 of the Trust Agreement governing the same, provides the following annual report of the Trust's activity for calendar year 2010:

1. Financial Statements. Reviewed financial statements are attached hereto as Exhibit 1.

2. Claim Dispositions. A summary of claim dispositions during 2010 is attached hereto as Exhibit 2.

Respectfully submitted this 29th day of April, 2011.

BUCKNELL STEHLIK SATO & STUBNER, LLP

/s/ Edwin K. Sato
Edwin K. Sato, WSBA # 13633
Attorneys for Richard Hilfer, trustee

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EXHIBIT 1

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BARTELLS ASBESTOS SETTLEMENT TRUST

FINANCIAL STATEMENTS

DECEMBER 31, 2010

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Monson & Bass INC., P.S.

CERTIFIED PUBLIC ACCOUNTANTS

3500 188th S.W., Suite 234, Lynnwood, WA 98037-4716

425/778-5232, Fax: 425/771-5632

INDEPENDENT ACCOUNTANTS REVIEW REPORT

Richard J. Hilfer, Trustee
Bartells Asbestos Settlement Trust

We have reviewed the accompanying statement of assets and trust equity - cash method of Bartells Asbestos Settlement Trust (the Trust) as of December 31, 2010, and the related statement of income and expense – cash method for the year then ended. A review includes primarily applying analytical procedures to the Trustee's financial data and making inquiries of the Trustee. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

The Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with the cash method of accounting and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with the cash method of accounting, as described in Note 2.

Monson & Bass, Inc., P.S.

Monson & Bass, Inc., P.S.

March 29, 2011

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BARTELLS ASBESTOS SETTLEMENT TRUST
STATEMENT OF ASSETS AND TRUST EQUITY – CASH METHOD
DECEMBER 31, 2010

ASSETS

CASH	$ 885,769
INVESTMENTS	
Common stocks, at market value	749,238
Municipal bonds, at market value	2,175,259
Total investments	2,924,497
INCOME TAXES RECEIVABLE	46,935
DEFERRED INCOME TAXES	72,939
Total assets	$ 3,930,140

TRUST EQUITY

TRUST EQUITY	$ 3,930,140

See accompanying notes to financial statements and independent accountant's review report

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BARTELLS ASBESTOS SETTLEMENT TRUST
STATEMENT OF INCOME AND EXPENSE – CASH METHOD
YEAR ENDED DECEMBER 31, 2010

INCOME	
Interest income	$ 140,539
Dividend income	15,497
Miscellaneous income	10,158
	166,194
EXPENSES	
Claims paid	1,396,250
Trustee fee	36,000
Professional fees	19,207
Investment	26,248
E and O insurance	9,239
Reimbursed to trustee	3,864
File storage	3,314
Legal fees	843
Miscellaneous	353
	1,495,318
	(1,329,124)
REALIZED AND UNREALIZED GAIN ON INVESTMENTS	104,691
Loss before income tax benefit	(1,224,433)
INCOME TAX BENEFIT	27,013
NET LOSS	(1,197,420)
TRUST EQUITY, beginning of year	4,822,783
Addition to trust	304,777
TRUST EQUITY, end of year	$ 3,930,140

See accompanying notes to financial statements and independent accountant's review report

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BARTELLS ASBESTOS SETTLEMENT TRUST
NOTES TO FINANCIAL STATEMENTS

NOTE 1 – CREATION OF THE TRUST

At the entry of the order for relief in the E. J. Bartells (Bartells) Co. Chapter 11 case, Bartells was named a defendant in the personal injury and wrongful death actions arising from the presence of or exposure to asbestos. On February 14, 2001, pursuant to the Bankruptcy Court Plan (the Plan) all liability for asbestos claims was automatically assumed by the Bartells Asbestos Settlement Trust (the Trust). Richard J. Hilfer was named the trustee. The Trust is irrevocable.

NOTE 2 – SUMMARY OF ACCOUNTING POLICIES

Method of Presentation – The Trust prepares its financial statements on the cash method of accounting. Consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed, rather than when the obligation is incurred. The cash method is modified in that investments are stated at market value as of the date of the financial statements, and income taxes are accrued on current year taxable income at the statuary rate of 35%.

Income Taxes - Federal income taxes are computed at current tax rates applied to reported earnings. Adjustments are made currently for all permanent differences between taxable income and financial statement income.

The Trusts deferred tax assets consist entirely of the benefit from operating loss carry forwards. The operating loss carry forwards, if not used, will expire in various years through 2030.

Use of Estimates - The preparation of cash method financial statements 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 financial statements. Estimates also affect the reported amounts of expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events – The Trust has evaluated subsequent events through the report date, the date which the financial statements were available to be issued.

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EXHIBIT 2

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BARTELLS ASBESTOS SETTLEMENT TRUST
Claims Disposed of
2010

Mesothelioma

161 paid	$1,158,500
5 denied	
2 withdrawn	

Lung Cancer

47 paid	$ 64,500
4 denied	

Asbestosis Death/Serious Asbestos

16 paid	$ 23,250
1 denied	

Other Cancer

243 paid	$ 186,500
37 denied	
6 checks returned due to lack of heirs	

Non-Malignant 1

27 paid	$ 25,600
6 denied	

Non-Malignant 2

48 paid	$ 27,800
6 denied	

TOTALS

609 claims disposed $1,486,150 (Checks issued – 2010)

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