BUCKNELL STEHLIK SATO & STUBNER, LLP
2003 Western Avenue, Suite 400
Seattle, Washington 98121
(206) 587-0144 • fax (206) 587-0277

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 ELEVENTH 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 2011:

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

2. Claim Dispositions. A summary of claim dispositions during 2011 is attached hereto as Exhibit 2.

Respectfully submitted this 30th day of April, 2012.

BUCKNELL STEHLIK SATO & STUBNER, LLP

/s/ Edwin K. Sato

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

BUCKNELL STEHLIK SATO & STUBNER, LLP
2003 Western Avenue, Suite 400
Seattle, Washington 98121
(206) 587-0144 • fax (206) 587-0277

Bartells Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 13767 · Page 1 of 12
Published by AsbestosClaims.Law
asbestosclaims.law/library/13767/1

EXHIBIT 1

Published by AsbestosClaims.Law
asbestosclaims.law/library/13767/2

BARTELLS ASBESTOS SETTLEMENT TRUST

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2011

Bartells Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 13767 · Page 3 of 12
Published by AsbestosClaims.Law
asbestosclaims.law/library/13767/3

BARTELLS ASBESTOS SETTLEMENT TRUST
TABLE OF CONTENTS
YEAR ENDED DECEMBER 31, 2011

INDEPENDENT ACCOUNTANTS' REVIEW REPORT	1
FINANCIAL STATEMENTS	
STATEMENT OF ASSET AND TRUST EQUITY – MODIFIED CASH METHOD	2
STATEMENT OF INCOME AND EXPENSE – MODIFIED CASH METHOD	3
NOTES TO FINANCIAL STATEMENTS	4

Bartells Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 13767 · Page 4 of 12
Published by AsbestosClaims.Law
asbestosclaims.law/library/13767/4

CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Richard J. Hilfer, Trustee
Bartells Asbestos Settlement Trust
Port Townsend, Washington

We have reviewed the accompanying statement of assets and trust equity – modified cash method of Bartells Asbestos Settlement Trust (the Trust) as of December 31, 2011, and the related statement of income and expense – modified 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 modified 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 modified cash method of accounting, as described in Note 2.

CliftonLarsonAllen LLP

Bellevue, Washington
April 26, 2012

Bartells Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 13767 · Page 5 of 12
Published by AsbestosClaims.Law
asbestosclaims.law/library/13767/5

BARTELLS ASBESTOS SETTLEMENT TRUST
STATEMENT OF ASSETS AND TRUST EQUITY – MODIFIED CASH METHOD
DECEMBER 31, 2011
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

ASSETS	
CASH AND CASH EQUIVALENTS	$ 478,480
INVESTMENTS AVAILABLE FOR SALE	
Common Stocks, at Fair Value	666,933
Municipal Bonds, at Fair Value	2,426,771
Total Investments	3,093,704
INCOME TAXES RECEIVABLE	91,903
DEFERRED INCOME TAXES	38,558
Total Assets	$ 3,702,645
TRUST EQUITY	
TRUST EQUITY	$ 3,702,645

See accompanying Notes to Financial Statements.

Bartells Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 13767 · Page 6 of 12
Published by AsbestosClaims.Law
asbestosclaims.law/library/13767/6

BARTELLS ASBESTOS SETTLEMENT TRUST
STATEMENT OF INCOME AND EXPENSE – MODIFIED CASH METHOD
YEAR ENDED DECEMBER 31, 2011
(SEE INDEPENDENT ACCOUNTANTS' REVIEW REPORT)

INCOME	
Interest	$ 92,744
Dividend	13,534
Miscellaneous	931
Total Income	107,209
EXPENSES	
Claims Paid	381,975
Trustee Fee	36,000
Professional Fees	16,427
Investment	24,529
E and O Insurance	9,166
Reimbursed to Trustee	4,875
File Storage	3,314
Legal Fees	428
Foreign Taxes	827
Miscellaneous	640
Total Expenses	478,181
	(370,972)
REALIZED AND UNREALIZED GAIN ON INVESTMENTS	132,890
Loss Before Income Tax Benefit	(238,082)
INCOME TAX BENEFIT	10,587
NET LOSS	(227,495)
Trust Equity - Beginning of Year	3,930,140
TRUST EQUITY - END OF YEAR	$ 3,702,645

See accompanying Notes to Financial Statements.

Bartells Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 13767 · Page 7 of 12
Published by AsbestosClaims.Law
asbestosclaims.law/library/13767/7

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 SIGNIFICANT ACCOUNTING POLICIES

Method of Presentation

The Trust prepares its financial statements on the modified 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 carryforwards. The operating loss carryforwards, if not used, will expire in various years through 2030.

Use of Estimates

The preparation of modified 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.

Cash and Cash Equivalents

The Trust considers all bank deposits, money market accounts, and short-term investments with original maturities of 90 days or less to be cash equivalents. Cash may subject the Trust to concentrations of risk as, from time to time, cash balances exceed amounts insured by the Federal Deposit Insurance Corporation.

Bartells Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 13767 · Page 8 of 12
Published by AsbestosClaims.Law
asbestosclaims.law/library/13767/8

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments Available for Sale

Investments in debt and equity securities that have a readily determined market value are classified as available for sale securities and are recorded at fair value. Unrealized holding gains and losses are reported in earnings. Realized gains or losses are recognized when a security is sold for the difference between the sales price and the carrying value at the date of sale. Proceeds from sales of investments available for sale totaled $883,504 for the year ended December 31, 2011.

Subsequent Events

The Trust has evaluated subsequent events through April 26, 2012, which is the date the financial statements were available to be issued.

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS AND INVESTMENTS

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB (ASC) 820 are described as follows:

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

Level 2 – Inputs to the valuation methodology include:

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

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

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

The Trust's significant financial instruments are marketable securities. These financial instruments are measured at fair value on recurring basis.

Bartells Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 13767 · Page 9 of 12
Published by AsbestosClaims.Law
asbestosclaims.law/library/13767/9

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS AND INVESTMENTS (CONTINUED)

The following is a description of the valuation methodologies used for financial instruments measured at fair value on a recurring basis:

Common stocks: Valued at the closing price reported on the active market on which the individual funds are traded.

Municipal bonds: Fair value measured using benchmark curves, reported trades, broker quotes and material event notices plus market research publications on bonds with similar yields.

The following table sets forth by level, within the fair value hierarchy, the Trust's investment assets at fair value as of December 31, 2011.

	Level 1	Level 2	Level 3	Total
Common Stocks	$ 666,933	$ -	$ -	$ 666,933
Municipal Bonds	-	2,426,771	-	2,426,771
	$ 666,933	$ 2,426,771	$ -	$ 3,093,704

The following table sets for the cost basis and fair value of investments as of December 31, 2011:

	Cost Basis	Fair Value
Common Stocks	$ 586,771	$ 666,933
Municipal Bonds	2,229,521	2,426,771
	$ 2,816,292	$ 3,093,704

NOTE 4 ACCOUNTING FOR UNCERTAINTY IN INCOME TAXES

The Trust as a settlement fund files an annual income tax return (Form 1120-SF).

The Financial Accounting Standards Board issued Accounting Standards Codification Topic 740, *Income Taxes* (Topic 740), on accounting for uncertainty in income taxes. The Trust adopted this guidance for the year ended December 31, 2011. Management evaluated the Trust's tax positions and concluded that the Trust had taken no uncertain tax positions that require adjustments to the financial statements to comply with the provisions of this guidance.

Bartells Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 13767 · Page 10 of 12
Published by AsbestosClaims.Law
asbestosclaims.law/library/13767/10

EXHIBIT 2

BARTELLS ASBESTOS SETTLEMENT TRUST
Claims Disposed of - 2011

Mesothelioma

61 paid	$ 430,750
6 denied	
6 withdrawn	

Lung Cancer

23 paid	$ 36,375
2 denied	
1 withdrawn	

Asbestosis Death/Serious Asbestos

4 paid	$ 6,250
1 withdrawn	

Other Cancer

5 paid	$ 4,850
3 denied	
1 withdrawn	

Non-Malignant 1

6 paid	$ 4,300
2 denied	
1 duplicate	

Non-Malignant 2

8 paid	$ 4,600
2 denied	
1 withdrawn	

TOTALS

133 claims disposed $487,125 (Checks issued – 2011)

Bartells Asbestos Trust Annual Reports, 2011 annual report Published by AsbestosClaims.Law
ACL Doc 13767 · Page 12 of 12 **asbestosclaims.law/library/13767/12**