IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF MISSOURI

In re:	)	Case No. 05-51754
	)	
BRAUER SUPPLY COMPANY,	)	Chapter 11
	)	
Debtor.	)	Honorable Kathy Surratt-States

NOTICE OF FILING

PLEASE TAKE NOTICE that, on April 30, 2019, the **Brauer 524(g) Asbestos Trust Special-Purpose Financial Statements and Report of Independent Auditors for the Years Ended December 31, 2018 and 2017 and Related Information** were filed electronically by FrankGecker LLP with the United States Bankruptcy Court for the Eastern District of Missouri, Thomas F. Eagleton United States Courthouse, 111 South 10th Street, St. Louis, Missouri 63102.

Dated: April 30, 2019

BRAUER 524(G) ASBESTOS TRUST

By: */s/ Joseph D. Frank*
One of its attorneys

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CERTIFICATE OF SERVICE

I, Joseph D. Frank, an attorney, hereby certify that, on **April 30, 2019**, a true and correct copy of the **Brauer 524(g) Asbestos Trust Special-Purpose Financial Statements and Report of Independent Auditors for the Years Ended December 31, 2018 and 2017 and Related Information** was filed electronically. Notice of the filing was automatically sent to all parties who are currently on the Court's Electronic Mail Notice List by operation of the Court's Electronic Filing System. In addition, a copy was served this day upon the non-ECF parties on the attached Service List via first-class United States mail, postage prepaid.

/s/ Joseph D. Frank

Mailing Information for Case 05-51754

Electronic Mail Notice List

The following is the list of **parties** who are currently on the list to receive email notice/service for this case.

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BRAUER 524(g) ASBESTOS TRUST

SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT AUDITORS

DECEMBER 31, 2018 AND 2017

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Topel Forman L.L.C.
CERTIFIED PUBLIC ACCOUNTANTS

To the Trustee of
Brauer 524(g) Asbestos Trust

Independent Auditors' Report

Report on the Special-Purpose Financial Statements

We have audited the accompanying special-purpose financial statements of the Brauer 524(g) Asbestos Trust (the "Trust", organized in the State of Delaware), which comprise the special-purpose statements of net claimants' equity as of December 31, 2018 and 2017, and the related special-purpose statements of changes in net claimants' equity for the years then ended, and the related notes to the special-purpose financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the special-purpose basis of accounting. 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 error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Trust's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the net claimants' equity of the Brauer 524(g) Asbestos Trust as of December 31, 2018 and 2017, and the changes in net claimants' equity for the years then ended in conformity with the special-purpose basis of accounting.

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Basis of Accounting

We draw attention to Note 2 of the special-purpose financial statements, which describes the basis of accounting. The financial statements are prepared on a special-purpose basis of accounting and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. The special-purpose basis of accounting has been used in order to present the amount of equity presently available to current and future claimants and the changes in equity during the periods.

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 Eastern District of Missouri and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report, which, upon filing with the United States Bankruptcy Court for the Eastern District of Missouri, is a matter of public record.

Topel Forman L.L.C.
Certified Public Accountants

Chicago, Illinois
April 8, 2019

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BRAUER 524(g) ASBESTOS TRUST

SPECIAL-PURPOSE STATEMENTS OF NET CLAIMANTS' EQUITY
DECEMBER 31, 2018 AND 2017

ASSETS

	2018	2017
Cash and cash equivalents		
Unrestricted	$ 236,913	$ 228,724
Restricted	15,320	17,540
Investments in marketable securities	8,281,633	8,425,168
Accrued dividend income	385	170
Prepaid expenses	4,965	4,965
Total assets	$ 8,539,216	$ 8,676,567

LIABILITIES AND NET CLAIMANTS' EQUITY

Accrued expenses	$ 12,626	$ 11,780
Claims processing deposits	15,320	17,540
Accrued payments to claimants	16,689	38,902
Total liabilities	$ 44,635	$ 68,222
Net claimants' equity	$ 8,494,581	$ 8,608,345

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

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BRAUER 524(g) ASBESTOS TRUST

SPECIAL-PURPOSE STATEMENTS OF CHANGES IN NET CLAIMANTS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017

	2018	2017
Revenues		
Investment income	$ 206,698	$ 179,709
Filing fees collected on withdrawn claims	3,060	2,360
Realized loss on investments	(23,515)	(5,585)
Increase (decrease) in net unrealized gain on investments	(129,532)	34,580
Total additions	$ 56,711	$ 211,064
Operating Expenses		
Legal fees	$ 23,059	$ 30,599
Accounting fees	37,805	28,242
Claims processing fees	22,277	21,229
Audit fees	19,500	19,250
Trustee fees and expenses	21,556	21,332
Insurance expense	7,747	7,447
Delaware Trustee fees and expenses	3,250	3,250
FCR fees and expenses	2,875	2,000
File storage and retrieval fees	1,002	1,023
Consulting fees	648	12,656
Northern Trust investment account fees	6,078	6,370
Total deductions	$ 145,797	$ 153,398
Net Increase (Decrease) in Net Claimants' Equity From Operations	$ (89,086)	$ 57,666
Deductions from Net Claimants' Equity		
Claims settled - Trust Claims	$ 34,100	$ 27,955
Adjustment to Pre-petition Liquidated Claims liability	(12,698)	15,495
Adjustment to Trust Claims liability	(990)	522
Supplemental Pre-Petition Claims payments	4,150	260,118
Supplemental Trust Claims payments	116	123,192
Total deductions	$ 24,678	$ 427,282
Net Decrease in Net Claimants' Equity	$ (113,764)	$ (369,616)
Net Claimants' Equity, Beginning of Year	8,608,345	8,977,961
Net Claimants' Equity, End of Year	$ 8,494,581	$ 8,608,345

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

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BRAUER 524(g) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 1 - Nature of trust

Description of trust

The Brauer 524(g) Asbestos Trust (the "Trust") was established in accordance with the Fourth Amended Plan of Reorganization (the "Plan"), under Chapter 11 of the United States Bankruptcy Code, of Brauer Supply Company. The purpose of the Trust is:

i) to assume liability for all asbestos personal injury claims against Brauer Supply Company;

ii) to use the Trust's assets and income to pay holders of valid asbestos personal injury claims; and

iii) to comply in all respects with the requirements for a trust set forth in Section 524(g)(2)(B)(i) of the Bankruptcy Code.

The Trust was established on February 28, 2007, the Effective Date of the Plan ("Effective Date"), and is a Qualified Settlement Fund under Internal Revenue Code Section 468B for holders of asbestos personal injury claims ("Qualified Settlement Fund"). The Trust operates as the Brauer 524(g) Asbestos Trust.

Funding of the Trust

Pursuant to the Plan, Brauer Supply Company agreed to pay $1,000,000 to the Trust and assigned its rights under insurance policies to the Trust. The Trust pursued its rights under assigned insurance policies and has received $10,564,103 from these insurance policies through December 31, 2018. The Trust does not expect to receive any additional insurance policy receipts.

Compensation of Trustee, Future Claims Representative and Trust Advisory Committee

Prior to 2010, the Trustee, the Future Claims Representative and the members of the Trust Advisory Committee agreed to waive their compensation. During 2010, the Trust began reimbursing the Trustee for expenses and the Future Claims Representative for fees and expenses. The Trust began compensating the Trustee for fees in 2012. Members of the Trust Advisory Committee are not reimbursed for any fees or expenses.

NOTE 2 - Summary of significant accounting policies

Basis of accounting

The Trust's financial statements are prepared using special-purpose accounting methods that differ from accounting principles generally accepted in the United States of America. The special-purpose accounting methods are being used to better communicate the equity

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BRAUER 524(g) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 2 - Summary of significant accounting policies (continued)

Basis of accounting (continued)

available to satisfy current and future claims. These special-purpose accounting methods and the differences from accounting principles generally accepted in the United States of America are summarized as follows:

i) The special-purpose financial statements are prepared using the accrual basis of accounting, except as otherwise described herein.

ii) The statements of net claimants' equity are not classified, resulting in no separation between current and noncurrent assets and liabilities.

iii) These special-purpose financial statements do not include a statement of cash flows.

iv) Cash and cash equivalents are recorded at cost with accrued interest presented separately.

v) The funding received from Brauer Supply Company and insurance settlements has been recorded directly to net claimants' equity. These funds do not represent taxable income to the Trust. Payments to claimants are reported as deductions from net claimants' equity and do not represent expenses of the Trust for income tax purposes.

vi) The Trust's investments in marketable securities are considered as available for sale. The unrealized holdings gains/losses on these investments are included in decrease or increase in net unrealized gain/loss on investments on the accompanying statements of changes in net claimants' equity. Under accounting principles generally accepted in the United States of America, the unrealized holding gains/losses on available for sale investments would be included as a component of net claimants' equity reported as accumulated other comprehensive income on the statements of changes in net claimants' equity.

vii) Claims are expensed in the period in which the claims are approved for payment and an offer has been made. The settlement amount is multiplied by the applicable payment percentage, initially set at 2.6% and increasing to 5.5% effective September 1, 2017. No liability is recorded for future claims filings and filed claims which have not been approved for payment and an offer has not been made. Net claimants' equity represents funding available to pay present and future claims on which no liability has been recorded.

Use of estimates

The preparation of special-purpose financial statements in conformity with the special-purpose accounting method requires management to make estimates and assumptions that affect the reported amounts of 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 reporting period. Actual results could differ from those estimates.

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BRAUER 524(g) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 2 - Summary of significant accounting policies (continued)

Financial instruments

The Trust's financial instruments are cash and cash equivalents, investments in marketable securities, accrued expenses and payments to claimants. The carrying amount of cash and cash equivalents, accrued expenses and payments to claimants approximate their fair values based on their short-term nature. The fair value of the investments in marketable securities is based on quoted market prices.

Cash and cash equivalents

Cash and cash equivalents include demand deposit accounts and cash invested in money market funds. The Trust invested in short-term securities with maturities of less than one year. As of December 31, 2018 and 2017, the Trust had $233,853 and $226,364 respectively, invested in Northern Trust money market funds. At December 31, 2018 and 2017, the Trust had $3,060 and $2,360, respectively, of unrestricted cash in the filing fee account.

At December 31, 2018 and 2017, restricted cash represents filing fees received from claimants, which will be refunded if the claim is accepted and retained by the Trust if the claim does not qualify for payment.

The Trust maintained its cash and cash equivalents in accounts that are not federally insured. 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.

Insurance settlements receivable

The Trust records insurance settlements as a receivable after all conditions are met in connection with the related signed settlement agreements.

Investments in marketable securities and related income

Investments in marketable securities, consisting of mutual funds, are reported at fair value in the statements of net claimants' equity. All marketable securities are deemed by management to be available for sale and are reported at fair value based on their quoted market prices with net holding unrealized gains or losses reported as an increase or decrease in net unrealized gains or losses on investments in the statements of changes in net claimants' equity. Realized gains and losses on disposals of investments are determined by the long-term high cost method and are included in realized gains on investments in the statements of changes in net claimants' equity. Interest and dividends are recognized on the accrual basis. Purchases and sales of marketable securities are recorded on the trade date.

Investments considered to be permanently impaired in value are written down to their estimated net realizable value and the write down is recorded as a realized loss on investments. Unrealized losses that are other-than-temporary based upon management's estimates using quantitative and qualitative criteria are recognized as realized investment losses. Actual results could differ from those estimates.

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BRAUER 524(g) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 2 - Summary of significant accounting policies (continued)

Investments in marketable securities and related income (continued)

The Trust's investments are exposed to various market risks. Due to the level of risk associated with investments in marketable securities, it is at least reasonably possible that significant changes in risks in the near term may materially affect the amounts reported in the financial statements.

Claims processing deposits

Claims processing deposits represent filing fees collected for each unliquidated claim, which will be refunded by the Trust if the claim is paid.

Net claimants' equity

The Plan provides for procedures for the distribution of the Trust's assets.

Income taxes

The Trust is subject to federal income taxes. At December 31, 2018 and 2017, no current provision for federal income taxes was due or recorded. The Trust had available at December 31, 2018, an unused federal net operating loss carryforward of approximately $43,000, which will be fully expired in the year 2032, and a capital loss carryforward of approximately $19,000, which will be fully expired in the year 2023.

Temporary differences between financial reporting income and taxable income generate deferred tax assets related to net operating loss and capital loss carryforwards. Temporary differences between financial reporting income and taxable income generate deferred tax assets/liabilities related to unrealized gains/losses on investments. The Trust established a valuation allowance of $71,657 at December 31, 2018, an increase of $32,962 during the year, and at December 31, 2017, the Trust established a valuation allowance of $38,695, a decrease of $25,554 during the year, to reduce its net deferred tax assets to zero, since the Trust's realization of the related income tax benefits is uncertain.

No provision for state income taxes was recorded because, as a Delaware trust, the Trust has no state income tax return filing obligation and is not obligated to pay state income taxes.

Funds received by the Trust from Brauer Supply Company and from insurance settlements and disbursements paid to settle asbestos claims are not taxable or deductible by the Trust.

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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 2 - Summary of significant accounting policies (continued)

Income taxes (continued)

The Trust follows FASB ASC 740-10, the accounting standard regarding "Accounting for Uncertain Tax Positions". This accounting standard provides detailed guidance for financial statement recognition, measurement, and disclosure of uncertain tax positions recognized in the Trust's financial statements. It requires an entity to recognize the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The Trust had no unrecognized tax positions at December 31, 2018 or 2017. If applicable, the Trust would recognize penalties and interest related to income taxes in income tax expense.

For federal income tax purposes, the Trust is taxed as a Qualified Settlement Fund (QSF). Income and expenses associated with the Trust are taxed in accordance with Section 468B of the Internal Revenue Code. The statutory income tax rate for the Trust was 39.6% during the year ended December 31, 2017, and decreased to 37% effective January 1, 2018.

The Trust records deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the book and tax basis of assets and liabilities.

NOTE 3 - Investments in marketable securities

Summary of cost and fair value of investments

The following is a summary of the cost and fair value of investments in marketable securities as of December 31, 2018:

	2018		
	Fair Value	Cost	Unrealized Loss
Mutual funds			
Fixed income securities - corporate/ government			
Northern Trust Bond Index Fund	$ 3,816,959	$ 3,937,193	$ (120,234)
Northern Trust Ultra-Short Fixed Income Fund	4,300,482	4,309,257	(8,775)
Fixed income securities - other bonds			
FlexShares iBoxx 3-Year Target Duration TIPS Index Fund	81,774	83,330	(1,556)
FlexShares iBoxx 5-Year Target Duration TIPS Index Fund	82,418	83,371	(953)
Total	$ 8,281,633	$ 8,413,151	$ (131,518)

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BRAUER 524(g) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 3 - Investments in marketable securities (continued)

Summary of cost and fair value of investments (continued)

The following is a summary of the cost and fair value of investments in marketable securities as of December 31, 2017:

	2017		
	Fair Value	Cost	Unrealized Gain (Loss)
Mutual funds			
Fixed income securities - corporate/ government			
Northern Trust Bond Index Fund	$ 3,862,155	$ 3,871,315	$ (9,160)
Northern Trust Ultra-Short Fixed Income Fund	3,858,215	3,843,033	15,182
Fixed income securities - other bonds			
FlexShares iBoxx 3-Year Target Duration TIPS Index Fund	351,955	357,476	(5,521)
FlexShares iBoxx 5-Year Target Duration TIPS Index Fund	352,843	355,330	(2,487)
Total	$ 8,425,168	$ 8,427,154	$ (1,986)

Fair value measurements

The Trust follows Statement on Financial Accounting Standards ASC 820, "Fair Value Measurements and Disclosures", which among other matters, requires enhanced disclosures about investments that are measured and reported at fair value. ASC 820 establishes a hierarchical disclosure framework which prioritizes and ranks the level of market price observability used in measuring investments at fair value. Market price observability is affected by a number of factors, including the type of investment and the characteristics specific to the investment. Investments with readily available active quoted prices or for which fair value can be measured from actively quoted prices generally will have a higher degree of market price observability and a lesser degree of judgment used in measuring fair value. Investments measured and reported at fair value are classified and disclosed in one of the following categories.

Level I – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level I include short-term investments.

Level II – Pricing inputs are other than quoted market prices included in Level I, however are observable indirectly for the investment. The Trust does not carry any Level II investments.

Level III – Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of

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NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 3 - Investments in marketable securities (continued)

Fair value measurements (continued)

fair value require significant management judgment or estimation. The Trust does not carry any Level III investments.

The valuations of the Trust's investments in marketable securities by the above ASC 820 fair value hierarchy levels as of December 31, 2018 and 2017 are as follows:

	2018			
	Level I	Level II	Level III	Total
Investments, at fair value				
Mutual funds	$ 8,281,633	$ -	$ -	$ 8,281,633

	2017			
	Level I	Level II	Level III	Total
Investments, at fair value				
Mutual funds	$ 8,425,168	$ -	$ -	$ 8,425,168

Sale of investments

The Trust had gross proceeds of $654,109 and recognized net losses of $24,394 from investments sold during 2018. The Trust had gross proceeds of $419,489 and recognized net losses of $6,345 from investments sold during 2017. The Trust also included capital gain distributions in realized loss on investments totaling $879 and $760 during the years ended December 31, 2018 and 2017, respectively.

NOTE 4 - Claim liabilities

The Trust distinguishes between claims that were resolved prior to the establishment of the Trust (Pre-petition Liquidated Claims) and claims received and processed using the Trust Documents after the creation of the Trust (Trust Claims).

The cases underlying the Pre-petition Liquidated Claims were stayed by the court until the Plan was confirmed. The Trust approved and immediately made offers to pay, subject to receiving a claimant release and the approved Payment Percentage of the liquidated value of each Pre-Petition Liquidated Claim. Certain Pre-petition Liquidated Claims were further reduced by payments made by the Debtors' insurers prior to the formation of the Trust. During the year ended December 31, 2018, $4,150 of supplemental Pre-petition Liquidated Claims were paid as a result of the increase to the payment percentage. During the year ended December 31, 2017, $260,118 of supplemental Pre-petition Liquidated Claims were paid as a result of the increase to the payment percentage.

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BRAUER 524(g) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 4 - Claim liabilities (continued)

At December 31, 2018, an adjustment of $12,698 was made to reduce the Pre-petition Liquidated Claims Liability to reflect six claims that were in "offer made" status at the end of 2017 but were withdrawn by counsel in 2018. At December 31, 2017, an adjustment of $15,495 was made to increase the Pre-petition Liquidated Claims liability to reflect the increase in the payment percentage. The liability for Pre-petition Liquidated Claims was $16,689 and $29,387 at December 31, 2018 and 2017, respectively.

For all Trust claims, a liability for unpaid claims is recorded at the time the offer is extended and the release authorization is mailed. Funds are mailed after the approved release is signed, received, and approved by the Trust. Unpaid claims liabilities remain on the Trust's books until the offer is accepted, rejected or expires after six months. Offers may be extended an additional six months upon written request and good cause. At December 31, 2018 and 2017, respectively, there were extended offers of $-0- and $9,515. During the years ended December 31, 2018 and 2017, respectively, $42,741 and $142,674 of Trust claims were paid, including supplemental payments of $116 and $123,192, respectively. At December 31, 2018, an adjustment of $990 was made to the Trust Claims liability to reflect one claim that was in "deferred" status at end of 2017 but was withdrawn in 2018. At December 31, 2017, an adjustment of $522 was made to the Trust Claims liability to reflect the increase in the payment percentage.

All claimants are entitled to the full liquidated value of their claim. Under the Amended and Restated Brauer 524(g) Asbestos Trust, Trust Distribution Procedures (the "TDP"), claimants receive an initial pro rata payment equal to the approved Payment Percentage of the claim's liquidated value. The remaining obligation for the unpaid portion of the liquidated amount is not recorded and is not a liability of the Trust, unless the Payment Percentage is increased. In that instance, the Trust would be obligated to retroactively pay the increased percentage to all previously paid claimants.

NOTE 5 - Net claimants' equity

The Trust was created pursuant to the Plan approved by the United States Bankruptcy Court for the Eastern District of Missouri. The TDP was adopted pursuant to the Plan. It 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 limited assets, including pro rata payments and initial determination of claim value based on scheduled disease values, jurisdictions, and individual factual information concerning each claimant as set forth in the TDP.

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 2.6% of the liquidated value of then current and estimated future claims (Payment Percentage). The TDP gives the Trustee, with the consent of the Trust Advisory Committee ("TAC") and the Futures Claims 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 in the Payment Percentage.

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BRAUER 524(g) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2018 AND 2017

NOTE 5 - Net claimants' equity (continued)

Effective September 1, 2017, the Trust increased the payment percentage from 2.6% (initial payment percentage) to 5.5%. Claimants whose claims were liquidated and paid in prior periods received additional payments (supplemental payments) in November 2017, as provided in the TDP.

NOTE 6 - Income taxes

On December 22, 2017, Public Law No. 115-97, generally known as the Tax Cut and Jobs Act of 2017 (TCJA) was exacted into law. The TCJA included a number of changes to existing U.S. tax laws that impact the Trust, most notably a reduction of the Trust's maximum tax rate from 39.6% to 37% and adjustments to net operating loss (NOL) carryforwards. For NOLs incurred in years beginning after December 31, 2017, the NOLs will be limited to 80% of modified taxable income without expiration. NOLs generated prior to January 1, 2018 will carry forward 20 years under pre-TCJA law. In accordance with Accounting Standard Codification 740, "Income Taxes", the impact of the change in the tax law is recorded in the period of enactment. As a result of TCJA, the Trust revised the deferred tax asset as required due to the changes in the statutory rate.

The components of the deferred income tax asset, as presented in the statements of net claimants' equity consisted of the following at December 31:

	2018	2017
Deferred tax asset		
Operating loss carryforwards	$ 15,936	$ 37,960
Capital loss carryforwards	7,058	-
Unrealized depreciation on investments	48,663	735
Net deferred tax asset	71,657	38,695
Valuation allowance	(71,657)	(38,695)
	$ -	$ -

NOTE 7 - Subsequent events

The Trust evaluated subsequent events through April 8, 2019, the date which the financial statements were available to be issued.

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Brauer Supply Company Asbestos Trust

Report of Asbestos Claim Activity and Disposition during Period from January 1, 2018 through December 31, 2018

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
Mesothelioma (Level IV)	93	4	130	$500,000	5	$34,375
Lung Cancer (Level III)	94	4	88	$120,000	5	$8,250
Other Cancer (Level II)	8	0	10	$0	0	$0
Other Asbestos Disease (Level I)	10	0	12	$0	0	$0
Unspecified Disease Level Claims	368	0	369	$0	0	$0

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Brauer 524(g) Asbestos Trust

Report of Compensation and Expense Reimbursement
(January 1, 2018 through December 31, 2018)

	Compensation	Expense Reimbursement
Ken M. Kawaichi (Trustee)	$21,555	$1
Dean M. Trafelet (Futures Representative)	$2,875	$-0-

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