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, 2020, the **Brauer 524(g) Asbestos Trust Special-Purpose Financial Statements and Report of Independent Auditors for the Years Ended December 31, 2019 and 2018 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, 2020

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, 2020**, 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, 2019 and 2018 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 Supply Asbestos Trust Annual Reports, 2019 annual report
ACL Doc 14257 · Page 4 of 22
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BRAUER 524(g) ASBESTOS TRUST

SPECIAL-PURPOSE FINANCIAL STATEMENTS
AND
REPORT OF INDEPENDENT AUDITORS

DECEMBER 31, 2019 AND 2018

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TABLE OF CONTENTS

Independent Auditors' Report	1 - 2
Financial Statements	
Special-Purpose Statements of Net Claimants' Equity	3
Special-Purpose Statements of Changes in Net Claimants' Equity	4
Notes to Special-Purpose Financial Statements	5 - 14

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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, 2019 and 2018, 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, 2019 and 2018, 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 29, 2020

BRAUER 524(g) ASBESTOS TRUST

SPECIAL-PURPOSE STATEMENTS OF NET CLAIMANTS' EQUITY
DECEMBER 31, 2019 AND 2018

ASSETS

	2019	2018
Cash and cash equivalents		
Unrestricted	$ 294,595	$ 236,913
Restricted	12,040	15,320
Investments in marketable securities	7,761,085	8,281,633
Accrued dividend income	377	385
Prepaid expenses	4,965	4,965
Total assets	$ 8,073,062	$ 8,539,216

LIABILITIES AND NET CLAIMANTS' EQUITY

Accrued expenses	$ 19,654	$ 12,626
Accrued payments to claimants	34,183	16,689
Federal income tax payable	2,409	-
Deferred tax liability	42,231	-
Claims processing deposits	12,040	15,320
Total liabilities	$ 110,517	$ 44,635
Net claimants' equity	$ 7,962,545	$ 8,494,581

(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, 2019 AND 2018

	2019	2018
Revenues		
Investment income	$ 233,819	$ 206,698
Filing fees collected on withdrawn claims	7,240	3,060
Realized gain (loss) on investments	8,273	(23,515)
Increase (decrease) in net unrealized gain on investments	256,460	(129,532)
Total additions	$ 505,792	$ 56,711
Operating Expenses		
Legal fees	$ 35,215	$ 23,059
Accounting fees	35,251	37,805
Claims processing fees	25,343	22,277
Audit fees	19,750	19,500
Trustee fees and expenses	33,390	21,556
Insurance expense	7,447	7,747
Delaware Trustee fees and expenses	3,250	3,250
FCR fees and expenses	2,000	2,875
File storage and retrieval fees	1,049	1,002
Consulting fees	-	648
Income tax expense	54,640	-
Northern Trust investment account fees	6,194	6,078
Total deductions	$ 223,529	$ 145,797
Net Increase (Decrease) in Net Claimants' Equity From Operations	$ 282,263	$ (89,086)
Deductions from Net Claimants' Equity		
Claims settled - Trust Claims	$ 814,299	$ 34,100
Adjustment to Pre-petition Liquidated Claims liability	-	(12,698)
Adjustment to Trust Claims liability	-	(990)
Supplemental Pre-Petition Claims payments	-	4,150
Supplemental Trust Claims payments	-	116
Total deductions	$ 814,299	$ 24,678
Net Decrease in Net Claimants' Equity	$ (532,036)	$ (113,764)
Net Claimants' Equity, Beginning of Year	8,494,581	8,608,345
Net Claimants' Equity, End of Year	$ 7,962,545	$ 8,494,581

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

Brauer Supply Asbestos Trust Annual Reports, 2019 annual report
ACL Doc 14257 · Page 10 of 22
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BRAUER 524(G) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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, 2019. 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, 2019 AND 2018

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) For the year ended December 31, 2018, the Trust's investments in marketable securities were considered as available for sale. The unrealized holdings gains/losses on these investments were 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, prior to the effective date of ASU 2016-01 on January 1, 2019, the unrealized holding gains/losses on available for sale investments would have been included as a component of net claimants' equity reported as accumulated other comprehensive income on the statements of changes in net claimants' equity. Subsequent to the effective date of ASU 2016-01 on January 1, 2019, the Trust's accounting for unrealized gains/losses on marketable securities is consistent with accounting principles generally accepted in the United States of America.

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.

Brauer Supply Asbestos Trust Annual Reports, 2019 annual report
ACL Doc 14257 · Page 12 of 22
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asbestosclaims.law/library/14257/12

BRAUER 524(G) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 - Summary of significant accounting policies (continued)

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.

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, 2019 and 2018, the Trust had $287,355 and $233,853 respectively, invested in Northern Trust money market funds. At December 31, 2019 and 2018, the Trust had $7,240 and $3,060, respectively, of unrestricted cash in the filing fee account.

At December 31, 2019 and 2018, 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 based on their quoted market prices, in the statements of net claimants' equity, 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 or losses 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.

Brauer Supply Asbestos Trust Annual Reports, 2019 annual report
ACL Doc 14257 · Page 13 of 22
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BRAUER 524(G) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 - Summary of significant accounting policies (continued)

Investments in marketable securities and related income (continued)

For the year ended December 31, 2018, investments in marketable securities were deemed by management to be available for sale. For the year ended December 31, 2019, investments in marketable securities were deemed by management to be trading.

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.

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, 2019, $2,409 was due for federal income taxes. At December 31, 2018, no current provision for federal income taxes was due or recorded. The Trust had available at December 31, 2019, a capital loss carryforward of approximately $10,800, 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, since the Trust's realization of the related income tax benefits was 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.

Brauer Supply Asbestos Trust Annual Reports, 2019 annual report
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ACL Doc 14257 · Page 14 of 22
asbestosclaims.law/library/14257/14

BRAUER 524(G) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 2 - Summary of significant accounting policies (continued)

Income taxes (continued)

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.

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, 2019 or 2018. 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 37% during the years ended December 31, 2019 and 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, 2019:

	2019		
	Fair Value	Cost	Unrealized Gain
Mutual funds			
Fixed income securities - corporate/ government			
Northern Trust Bond Index Fund	$3,992,955	$3,911,603	$ 81,352
Northern Trust Ultra-Short Fixed Income Fund	3,590,732	3,552,819	37,913
Fixed income securities - other bonds			
FlexShares iBoxx 3-Year Target Duration TIPS Index Fund	87,894	86,330	1,564
FlexShares iBoxx 5-Year Target Duration TIPS Index Fund	89,504	85,391	4,113
Total	$7,761,085	$7,636,143	$ 124,942

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BRAUER 524(G) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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, 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)

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.

Brauer Supply Asbestos Trust Annual Reports, 2019 annual report
ACL Doc 14257 · Page 16 of 22
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BRAUER 524(G) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 3 - Investments in marketable securities (continued)

Fair value measurements (continued)

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 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, 2019 and 2018 are as follows:

	2019			
	Level I	Level II	Level III	Total
Investments, at fair value				
Mutual funds	$7,761,085	$ -	$ -	$7,761,085

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

Sale of investments

The Trust had gross proceeds of $910,401 and recognized net gains of $4,727 from investments sold during 2019. The Trust had gross proceeds of $654,109 and recognized net losses of $24,394 from investments sold during 2018. The Trust also included capital gain distributions in realized gain (loss) on investments totaling $3,546 and $879 during the years ended December 31, 2019 and 2018, 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, 2019, no Pre-petition Liquidated Claims were paid. 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.

Brauer Supply Asbestos Trust Annual Reports, 2019 annual report
ACL Doc 14257 · Page 17 of 22
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BRAUER 524(G) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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. The liability for Pre-petition Liquidated Claims was $16,689 at December 31, 2019 and 2018.

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, 2019 and 2018, respectively, there were extended offers of $17,494 and $-0-. During the years ended December 31, 2019 and 2018, respectively, $796,805 and $42,741 of Trust claims were paid, including supplemental payments $116 during the year ended December 31, 2018. 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.

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.

Brauer Supply Asbestos Trust Annual Reports, 2019 annual report
ACL Doc 14257 · Page 18 of 22
Published by AsbestosClaims.Law
asbestosclaims.law/library/14257/18

BRAUER 524(G) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

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 Trusts' federal income tax expense (benefit) is calculated as follows for the years ended December 31:

	2019	2018
Modified taxable income	$ 72,170	$ 63,961
Tax rate	37%	37%
Federal income tax expense	26,703	23,666
Utilization of net operating loss	(14,294)	(23,666)
Change in valuation allowance	(71,657)	32,962
Change in tax position	1,643	-
Deferred federal income tax expense (benefit)	112,245	(32,962)
Net income tax expense	$ 54,640	$ -

During the year ended December 31, 2019, the Trust made cash payments for income taxes of $10,000. The Trust did not make any cash payments for income taxes during 2018.

BRAUER 524(G) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2019 AND 2018

NOTE 6 - Income taxes (continued)

Temporary differences between financial reporting and taxable income generate deferred tax assets and liabilities, as follows for the years ended December 31:

	2019	2018
Net operating loss carryforward	$ -	$ 15,936
Capital loss carryforward	3,998	7,058
Unrealized gain/loss on investments	(46,229)	48,663
Valuation allowance	-	(71,657)
Net deferred tax liability	$ (42,231)	$ -

NOTE 7 - Subsequent events

During March 2020, a global pandemic was declared by the World Health Organization related to the rapidly growing outbreak of a novel strain of coronavirus (COVID-19). The pandemic has significantly impacted the economic conditions in the U.S. and globally, accelerating in March, as federal, state and local governments react to the public health crisis, creating significant uncertainties in the U.S. economy. While the Trust's performance is based on a concentrated number of selected businesses, the overall market decline has had an impact on the unrealized appreciation (depreciation) on investments in securities. As of the report date, the total assets of the Trust are valued at approximately $8,184,000.

In response to the ongoing and evolving coronavirus (COVID-19) outbreak, the federal government enacted the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) into law on March 27, 2020. The CARES Act has a number of changes to U.S. tax laws which includes temporarily repealing certain provisions for tax years beginning before 2021 related to taxable income limitations for NOLs to fully offset taxable income. Also, NOLs arising in 2018, 2019, and 2020 can be carried back five tax years.

The Trust evaluated subsequent events through April 29, 2020, which is when the financial statements were available to be issued, and has concluded that no events or transactions have occurred or are pending that would have a material effect on the financial statements.

Brauer Supply Asbestos Trust Annual Reports, 2019 annual report
Published by AsbestosClaims.Law
ACL Doc 14257 · Page 20 of 22
asbestosclaims.law/library/14257/20

Brauer Supply Company Asbestos Trust

Report of Asbestos Claim Activity and Disposition during Period from January 1, 2019 through December 31, 2019

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)	92	81	250	$12,170,282	80	$661,347
Lung Cancer (Level III)	143	58	195	$2,494,897	54	$128,074
Other Cancer (Level II)	14	4	8	$106,350	4	$5,844
Other Asbestos Disease (Level I)	34	17	44	$34,000	14	$1,540
Unspecified Disease Level Claims	452	0	410	$0	0	$0

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Brauer 524(g) Asbestos Trust

Report of Compensation and Expense Reimbursement
(January 1, 2019 through December 31, 2019)

	Compensation	Expense Reimbursement
Ken M. Kawaichi (Trustee)	$33,390	$-0-
Dean M. Trafelet (Futures Representative)	$2,000	$-0-

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