IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Norfolk Division

In re:	)	Chapter 11 (closed)
	)	
C.E. THURSTON & SONS, INC.,	)	Case No.: 03-75932 (SCS)
	)	
Debtor.	)	
	)	

NOTICE OF FILING ANNUAL REPORT AND CLAIMS SUMMARY

The C.E. Thurston & Sons Asbestos Trust (the "Trust") hereby files its *Audited Financial Statements* for the fiscal year ending December 31, 2022 (and 2021) and an *Annual Report of Claims Activity* for the period covered by the Audited Financial Statements. The Annual Report and Financial Statements are attached hereto as **Exhibits 1-3**.

Pursuant to the provisions of section 2.2(b) of the C.E. Thurston & Sons Asbestos Trust Agreement, the Trust is providing copies of the Annual Report and the Financial Statements to the Trust Advisory Committee, the Legal Representative, the United States Trustee, and the Reorganized Debtor.

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Peter G. Zemanian, Esq., VSB #24922
Zemanian Law Group
223 E. City Hall Ave., Suite 201
Norfolk, Virginia 23510
(757) 622-0090
Local Counsel for C.E. Thurston & Sons Asbestos Trust

Date: April 27, 2023

ZEMANIAN LAW GROUP

/s/ Peter G. Zemanian

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-and-

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Counsel to the C.E. Thurston & Sons Asbestos Trust

Certificate of Service

I certify that on this 27th day of April, 2023, I caused a true copy of the foregoing *Notice of Filing of Annual Report and Claims Summary* (including *Exhibits 1-3*) to be filed electronically, and accordingly served upon all parties designated in this case to receive electronic service, and also to be served by first-class United States mail, postage prepaid, to each of the following persons:

Ann B. Brogan, Esq.
625 Mayflower Road
Norfolk, VA 23508

C. E. Thurston & Sons, Inc.
Attention: President
3490 E. Virginia Beach Blvd.
Norfolk, VA 23502

Donald N. Patten, Esq.
Patten, Wornom, Hatten & Diamonstein
12350 Jefferson Avenue, Suite 300
Newport News, VA 23602

Mark M. Gleason
One Gateway Center, Suite 525
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J. Michael Riley, Esq.
Martin & Jones
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Office of the United States Trustee
200 Granby Street, Room 625
Norfolk, VA 23510

John D. McIntyre, Esq.
McIntyre Stein & Ashby, PLLC
101 W. Main Street, Suite 920
Norfolk, VA 23510

/s/ Peter G. Zemanian

Exhibit 1

IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
Norfolk Division

In re:	)	Chapter 11 (closed)
	)	
C.E. THURSTON & SONS, INC.,	)	Case No.: 03-75932 -SCS
	)	
Debtor.	)	
	)	

ANNUAL REPORT AND ACCOUNT OF THE C.E. THURSTON & SONS ASBESTOS TRUST FOR THE FISCAL YEAR ENDING DECEMBER 31, 2022

Mark M. Gleason, the Trustee of the C.E. Thurston & Sons Asbestos Trust (the "Trust"), created pursuant to the Amended Plan of Reorganization dated January 27, 2006 (the "Plan") submits this Annual Report, Financial Statements, and Claims Summary for the fiscal year ending December 31, 2022.[1]

I. INTRODUCTION

The purpose of this Annual Report is to fulfill the reporting requirements of the C.E. Thurston & Sons Asbestos Trust Agreement (the "Trust Agreement") and to report to the Court on the actions taken by the Trustee on behalf of the Trust during the period January 1, 2022 to December 31, 2022 (the "Reporting Period").

Section 2.2(b) of the Trust Agreement provides:

> The Trustee shall timely account to the Bankruptcy Court as follows:
>
> (i) The Trustee shall cause to be prepared and filed with the Bankruptcy Court, as soon as available, and in any event within one hundred twenty (120) days following the end of each fiscal

[1] Capitalized terms not otherwise provided herein shall have the meaning ascribed to them in the Plan.

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> year of the Trust, an annual report containing financial statements of the Trust (including, without limitation, a balance sheet of the Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustee and accompanied by an opinion of such firm as to the fairness of the financial statements' presentation of the cash and investments available for the payment of Trust Claims and as to the conformity of the financial statements with generally accepted accounting principles. The Trustee shall provide a copy of such report to the Debtor, the TAC[2], and the Future Claimants' Representatives when such reports are filed with the Bankruptcy Court.
>
> (ii) Simultaneously with delivery of each set of financial statements referred to in Section 2.2(b)(i) above, the Trustee shall cause to be prepared and filed with the Bankruptcy Court a report containing a summary regarding the number and type of Trust Claims disposed of during the period covered by the financial statements. The Trustee shall provide a copy of such report to the Debtor, the TAC, and the Future Claimants' Representatives when such report is filed.
>
> (iii) All materials required to be filed with the Bankruptcy Court by this Section 2.2(b) shall be available for inspection by the public in accordance with procedures established by the Bankruptcy Court and shall be filed with the Office of the United States Trustee.

The Trust Agreement further provides for the inclusion of a description of the amounts paid to the Trustee, members of the Trust Advisory Committee ("TAC"), and the Future Claimants' Representative ("FCR") in the accounts filed with the Bankruptcy Court. See Sections 5.5(c), 6.6, and 7.6 of the Trust Agreement.

II. BACKGROUND

On August 18, 2003, C.E. Thurston & Sons, Inc. filed a voluntary petition for relief under Chapter 11 of Title 11 of the United States Code. On March 15, 2006, the Bankruptcy Court entered its Report and Recommendation recommending confirmation. On March 30, 2006, the

[2] Trust Advisory Committee

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ACL Doc 14269 · Page 5 of 24 asbestosclaims.law/library/14269/5

United States District Court for the Eastern District of Virginia entered an order confirming the Plan. On March 31, 2006 (the "Effective Date"), the Plan became effective and the Trustee began to operate the Trust.

The Trust was funded pursuant to Section D.4 of the Plan on or after the Effective Date. The purpose of the Trust is to assume the liabilities for all Asbestos Related Claims and Demands, as defined in the Plan, and to preserve, hold, manage, and maximize the Trust Assets for use in paying and otherwise satisfying Trust Claims and paying the Trust Expenses.

III. TRUST ADMINISTRATION

A. Trustee

Mark M. Gleason served as the Trustee of the Trust during the Reporting Period.

1. Meetings

The Trustee held meetings during the Reporting Period at least once per quarter. All TAC members and the FCR were invited to all quarterly meetings and attended either in person or via teleconference if available. Those unable to attend were provided an update.

2. Compensation

The compensation and expense reimbursement paid to the Trustee during the Reporting Period are set forth in the Trust's financial statements attached hereto as Exhibit "A." All payments related to Trustee compensation and expense reimbursement were made in accordance with the Trust Agreement.

B. Trust Officers

Nicole A. Snyder served as the Trust's Executive Director during the Reporting Period.

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ACL Doc 14269 · Page 6 of 24 asbestosclaims.law/library/14269/6

C. Trust Advisory Committee – TAC

Donald N. Patten, William C. Burgy and J. Michael Riley served as Members of the TAC (the "TAC Members") during the Reporting Period. The compensation and expenses paid to the TAC Members during the Reporting Period are also set forth in the Trust's financial statements. All payments related to TAC Member compensation and expense reimbursement were made in accordance with the Trust Agreement.

D. Future Claimants' Representative – FCR

Edward S. Stein served in the role of FCR for the Reporting Period. The compensation and expenses paid to the FCR during the Reporting Period are set forth in the Trust's financial statements. All distributions related to FCR compensation and expense reimbursement were made in accordance with the Trust Agreement.

E. Claims Processing

Claims Resolution Management Corporation processed the Trust's claims during the Reporting Period.

F. Investment Management

PNC Advisors served as the Trust's investment advisor during the Reporting Period.

G. Counsel

Campbell & Levine, LLC, of Pittsburgh, Pennsylvania and Wilmington, Delaware served as general counsel to the Trust during the Reporting Period. Peter G. Zemanian served as Virginia counsel to the Trust during the Reporting Period.

C.E. Thurston Asbestos Trust Annual Reports, 2022 annual report
ACL Doc 14269 · Page 7 of 24
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IV. ANNUAL REPORT AND ACCOUNT

A. Summary of Claims

The Trust began processing claims on November 16, 2006. As of December 31, 2007, the Trust had paid all 51 Pre-Petition Liquidated Claims received, totaling $320,000. The Trust received no Pre-Petition Liquidated Claims after 2007.

As of December 31, 2022, the Trust had received 37,474 Unliquidated Claims and had paid a total of 19,475 claims. After application of the payment percentage, the Trust has paid approximately $43,145,805 to asbestos victims in settlement of their Unliquidated Claims as of December 31, 2022.

During the Reporting Period, the Trust received 314 Unliquidated Claims and paid 287 claims. After application of the payment percentage, the Trust paid approximately $1,556,375 to asbestos victims in settlement of their Unliquidated Claims during the Reporting Period. The financial accounting activity is recorded on an accrual basis and may reflect adjustments after recording by the claims processor. Because certain timing differences or adjustments, the accounting records may differ slightly from the figures in this claims report.

A summary of the claims processed and paid by disease category is attached hereto as Exhibit B.

A summary of the claims processing procedures and policies may be found at the Trust website at www.claimres.com.

[Remainder of page intentionally blank]

B. Financial Information

The Trust's audited financial statements for the Reporting Period are attached hereto as Exhibit A. The financial statements were audited by Sisterson & Co. LLP.

Date: April 27, 2023

ZEMANIAN LAW GROUP

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Counsel to C.E. Thurston & Sons Asbestos Trust

C.E. Thurston Asbestos Trust Annual Reports, 2022 annual report
ACL Doc 14269 · Page 9 of 24
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SISTERSON
CERTIFIED PUBLIC
ACCOUNTANTS & CONSULTANTS

EXHIBIT 2 & EXHIBIT "A" to Annual Rpt.

C.E. THURSTON & SONS, INC. ASBESTOS TRUST

AUDITED FINANCIAL STATEMENTS

Years ended December 31, 2022 and 2021

310 GRANT STREET, STE 2100
PITTSBURGH, PA 15219

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PHONE: 412.281.2025

SISTERSON
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Sisterson & Co. LLP
310 Grant Street, Suite 2100
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15219-2300

Phone 412.281.2025
Fax 412.338.4597
Web www.sisterson.com

INDEPENDENT AUDITOR'S REPORT

To the Trustee of
C.E. Thurston & Sons, Inc. Asbestos Trust

Opinion

We have audited the accompanying financial statements of C.E. Thurston & Sons, Inc. Asbestos Trust (the "Trust"), organized in the State of Delaware, which comprise the statements of net claimants' equity as of December 31, 2022 and 2021, and the related statements of changes in net claimants' equity for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net claimants' equity of the Trust as of December 31, 2022 and 2021, and its changes in net claimants' equity for the years then ended, in conformity with the special-purpose basis of accounting as described in Note 2 of the financial statements.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Trust and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes that the financial statements were 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 better communicate the amount of equity presently available to current and future claimants. Our opinion is not modified with respect to this matter.

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INDEPENDENT AUDITOR'S REPORT
(continued)

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the special-purpose basis of accounting described in Note 2; this includes determining that the special-purpose basis of accounting described in Note 2 is an acceptable basis for the preparation of the financial statements in the circumstances. 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 fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

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INDEPENDENT AUDITOR'S REPORT
(continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

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 Virginia, 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 Virginia, is a matter of public record.

Sisterson & Co. LLP

April 21, 2023

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C.E. THURSTON & SONS, INC. ASBESTOS TRUST

STATEMENTS OF NET CLAIMANTS' EQUITY

	December 31, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents (Note 2(b))	$ 2,389,242	$ 3,436,928
Investments in securities (Notes 2(c) and 3)	16,149,358	17,982,352
Accrued interest income	199,288	188,097
Other current assets	20,213	19,250
Total assets	$ 18,758,101	$ 21,626,627
LIABILITIES AND NET CLAIMANTS' EQUITY		
Accrued professional fees	$ 44,922	$ 49,691
Net claimants' equity (Note 2(d))	$ 18,713,179	$ 21,576,936

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

C.E. Thurston Asbestos Trust Annual Reports, 2022 annual report
ACL Doc 14269 · Page 14 of 24
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C.E. THURSTON & SONS, INC. ASBESTOS TRUST

STATEMENTS OF CHANGES IN NET CLAIMANTS' EQUITY

	Year ended December 31, 2022	2021
Net claimants' equity, January 1	$ 21,576,936	$ 22,414,404
Additions to net claimants' equity		
Investment income, net of management fees	168,356	169,506
Net gain (loss) on investments in securities	(1,108,355)	436,681
Total additions	(939,999)	606,187
Deductions from net claimants' equity		
Claim settlements paid (Note 2(f))	1,556,375	1,052,010
Professional fees (Note 2(g))	196,601	221,811
Claims processing	71,541	70,862
Insurance	47,548	42,992
Trustee fees and expenses	42,500	46,250
Trust Advisory Committee fees and expenses	4,219	3,421
Other	2,425	3,111
Future Claimants' Representative fees and expenses	1,349	1,998
Record storage	1,200	1,200
Total deductions	1,923,758	1,443,655
Net decrease in net claimants' equity	(2,863,757)	(837,468)
Net claimants' equity, December 31	$ 18,713,179	$ 21,576,936

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

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C.E. THURSTON & SONS, INC. ASBESTOS TRUST

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - BUSINESS

(a) Description of business

The C.E. Thurston & Sons, Inc. Asbestos Trust (the "Trust") was established pursuant to the Amended Plan of Reorganization dated January 27, 2006 (the "Plan") for the bankruptcy of C.E. Thurston & Sons, Inc. ("Thurston") and confirmed by Court Order dated March 30, 2006. The purpose of the Trust is:

i) to assume liability pursuant to the Plan for all asbestos claims against Thurston;

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

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

The Trust was established on March 31, 2006, the Effective Date of the Plan ("effective date") and was deemed to be a Qualified Settlement Fund for Allowed Asbestos Disease Claimants ("Qualified Settlement Fund") by Order of Court dated March 30, 2006.

(b) Funding of the Trust

On the Effective Date, Thurston issued a 6.5%, $2,000,000 dollar promissory note to the Trust. In addition, 106.67 authorized shares of Thurston preferred stock were issued to the Trust totaling $1,000,000. Since these shares were covered by a five-year put/call provision, the exercise price was discounted at 6.5% to produce an initial recorded value of $729,881, which, if not sold, would be accreted over the next five years. From the effective date through May 2006, the Trust received previously agreed to sums of cash totaling $16,947,362, which consisted of contributions paid by, or on behalf of, Thurston and from pre-petition insurance proceeds. In May 2006, the Trust also received a total of $31,500,000 from two insurance settlements as required under the Plan. In August 2006, the Trust received $1,693,152 for its share of federal tax benefits received by Thurston. In 2008 and 2007, the Trust received $102,718 and $753,776, respectively, of additional contributions from Thurston. Pursuant to a final settlement agreement and release, it was determined the Trust would receive $663,111, which was previously held in escrow and was released in 2016. The rights to receive such funds (with value unknown at the time) were transferred to the Trust in 2006 by Thurston as part of the bankruptcy settlement.

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C.E. THURSTON & SONS, INC. ASBESTOS TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

i) The financial statements are prepared using the accrual basis of accounting, except as otherwise described below.

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

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 shown separately.

v) The funding received and due from Thurston and others, pursuant to the Plan, has been recorded directly to net claimants' equity. These funds do not represent taxable income to the Trust. Settlements paid for asbestos claims are reported as deductions in net claimants' equity and do not represent tax-deductible expenses of the Trust. No liability is recorded for unpaid claims, outstanding offers, future claim filings, and filed claims on which no offer has been made. Net claimants' equity represents funding available to pay present and future claims. Trust expenses are recorded as deductions from net claimants' equity.

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

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 to and deductions from net claimants' equity during the reporting period. Actual results could differ from those estimates.

C.E. Thurston Asbestos Trust Annual Reports, 2022 annual report Published by AsbestosClaims.Law
ACL Doc 14269 · Page 17 of 24 asbestosclaims.law/library/14269/17

C.E. THURSTON & SONS, INC. ASBESTOS TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Cash and cash equivalents

The Trust is invested in short-term securities with maturities of less than one year to be held until maturity. The Trust had invested in the following as of December 31:

	2022	2021
Cash	$ 119,326	$ 145,058
Money market funds	2,269,916	3,291,870
	$ 2,389,242	$ 3,436,928

The Trust maintains its cash and cash equivalents in accounts that, at times, are uninsured or may exceed federally insured limits with financial institutions and investment managers. 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.

(c) Investments in securities and related income

The Trust is invested in a diversified portfolio of stocks and bonds. Investments in securities are reported at fair value in the statements of net claimants' equity and changes in the fair value of these investments, as well as realized gains and losses, are included in net gain on investments in securities reported in the statements of changes in net claimants' equity.

All securities are deemed by management to be available for sale and are reported at fair value based on their quoted market prices or market prices observable, either directly or indirectly, for similar investments with net unrealized gains or losses reported within net claimants' equity. Realized gains and losses on disposals of investments are determined by the average cost method. Interest and dividend income is recognized on the accrual basis.

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. There were no investments considered to be permanently impaired or other than temporarily impaired investments as of December 31, 2022 and 2021.

The Trust's investments are exposed to various risks, such as interest rate, market and credit risk. Due to the level of risk associated with investments, 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.

See Note 3 for additional information relating to investments in securities.

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ACL Doc 14269 · Page 18 of 24 asbestosclaims.law/library/14269/18

C.E. THURSTON & SONS, INC. ASBESTOS TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Net claimants' equity

The Plan contains procedures for the distribution of the Trust's assets. Under the Plan, the Trust forecasts its anticipated sources and uses of cash until the last projected future claim has been paid. A payment percentage is then determined based on these forecasts with the consent of the Trust Advisory Committee and Future Claimants' Representative. This payment percentage is subject to periodic review and adjustment. Effective November 21, 2017, the Trust increased the payment percentage from 35% to 50%. The Trust has also decided that this increase in the payment percentage is to be applied to all post-bankruptcy claims that were paid at the lower rate. Payments related to increases in the payment percentage are processed as supplemental payments and are deducted from net claimants' equity when paid.

(e) Contributions from C.E. Thurston & Sons, Inc.

Pursuant to the Plan, the Trust received various contributions from Thurston and other entities during the period March 30, 2006, through December 31, 2006. These contributions to the Trust were as follows:

Cash contributions from Thurston	$	6,708,791
Preferred stock from Thurston at the initial discounted value plus accretion of $35,300		765,181
Promissory note from Thurston		2,000,000
Pre-petition insurance proceeds		11,931,723
Total	$	21,405,695

During 2007, the Trust received cash contributions from Thurston of $753,776 plus accretion on the preferred stock from Thurston of $49,737.

During 2008, the Trust received cash contributions from Thurston of $102,718 less a loss on the redemption of all of the shares of preferred stock from Thurston of $159,915. Since the original contribution of preferred stock from Thurston was recorded as a contribution from Thurston, the loss on the redemption of these preferred shares was recorded in the same account.

Pursuant to a final settlement agreement and release, it was determined the Trust would receive $663,111, which was previously held in escrow and was released in 2016. The rights to receive such funds (with value unknown at the time) were transferred to the Trust in 2006 by Thurston as part of the bankruptcy settlement. The Trust expects no further contributions from Thurston in the future.

C.E. THURSTON & SONS, INC. ASBESTOS TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Claim settlements paid

Claim settlements paid represents the actual amount of cash paid to claimants during the year. The Trust does not record a liability for unpaid claims, outstanding offers, future claim filings, and filed claims on which no offer has been made. At December 31, 2022, there were $252,320 of claims settled but not paid. At December 31, 2022, there were $264,760 of claim offers outstanding but not yet accepted by claimants.

(g) Professional fees

During the years ended December 31, 2022 and 2021, professional fees of $144,159 and $157,346, respectively, were paid to Gleason and Associates, P.C. whose president and managing director is the sole trustee of the Trust.

(h) Income taxes

No federal income tax benefit or provision was recorded for the years ended December 31, 2022 or 2021. As of December 31, 2022, the Trust has tax net operating loss (NOL) carryforwards of approximately $1,232,000 that will expire beginning in 2032 and NOL carryforwards of approximately $239,000 that do not expire. The use of NOL carryforwards that do not expire is limited to 80% of taxable income annually. As of December 31, 2022, the Trust has provided a valuation allowance for approximately $455,000, the full amount of the deferred tax asset related to NOL carryforwards due to the uncertainty of realizing those benefits in future years. During the year ended December 31, 2022, the Trust did not utilize any net operating loss carryforwards because the Trust had a taxable loss. During the year ended December 31, 2021, the Trust utilized approximately $37,000 of net operating loss carryforwards to offset taxable income. 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 Thurston and disbursements paid to settle asbestos claims are not taxable or deductible by the Trust.

The Financial Accounting Standards Board Accounting Standards Codification on Income Taxes clarifies recognition, measurement, presentation and disclosure relating to uncertain tax positions. The Trust is unaware of any unrecognized tax benefits or uncertain tax positions. The Trust's federal income tax returns for tax years 2019 and beyond remain subject to examination by the Internal Revenue Service.

(i) Subsequent events

The Trust evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through April 21, 2023, the date on which the financial statements were available to be issued.

C.E. Thurston Asbestos Trust Annual Reports, 2022 annual report
ACL Doc 14269 · Page 20 of 24
Published by AsbestosClaims.Law
asbestosclaims.law/library/14269/20

C.E. THURSTON & SONS, INC. ASBESTOS TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 3 - INVESTMENTS IN SECURITIES

Fair value measurements

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 listed equities.

Level II – Pricing inputs are other than quoted market prices included in Level I, however, are observable either directly or indirectly for the investment. The Trust includes its municipal bonds in Level II, because these pricing inputs are indirectly evident through interest rates for commonly quoted credit risks.

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 by the above fair value hierarchy levels and the corresponding cost of the investments are as follows:

December 31, 2022			
Level	Fair value	Cost	Unrealized gain (loss)
I	$ 2,677,207	$ 1,980,387	$ 696,820
II	13,472,151	13,761,684	(289,533)
	$ 16,149,358	$ 15,742,071	$ 407,287

December 31, 2021			
Level	Fair value	Cost	Unrealized gain
I	$ 3,515,866	$ 1,940,973	$ 1,574,893
II	14,466,486	14,394,213	72,273
	$ 17,982,352	$ 16,335,186	$ 1,647,166

C.E. Thurston Asbestos Trust Annual Reports, 2022 annual report
ACL Doc 14269 · Page 21 of 24
Published by AsbestosClaims.Law
asbestosclaims.law/library/14269/21

C.E. THURSTON & SONS, INC. ASBESTOS TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 3 - INVESTMENTS IN SECURITIES (continued)

Maturities of the Trust's municipal bonds at December 31, 2022 are as follows:

	Fair value	Cost	Unrealized Gain (loss)
Due in one year or less	$ 4,711,528	$ 4,753,085	$ (41,557)
Due after one year through five years	7,702,726	7,946,596	(243,870)
Due after five years through ten years	249,775	250,000	(225)
Due after ten years through twenty years	290,647	290,000	647
Due after twenty years	517,475	522,003	(4,528)
	$ 13,472,151	$ 13,761,684	$ (289,533)

Accrued interest income from municipal bonds at December 31, 2022 and 2021 was $189,280 and $186,465, respectively.

Temporary impairment of investments

The Trust evaluated investments in an unrealized loss position and considered the following investments to be temporarily impaired at December 31, categorized by the amount of months that the investment was in an unrealized loss position:

	2022					
	Less than 12 months		12 months or greater		Total	
	Fair value	Unrealized loss	Fair value	Unrealized loss	Fair value	Unrealized loss
Equity securities	$ 504,701	$ 91,234	$ 99,642	$ 65,912	$ 603,343	$ 157,146
Municipal bonds	4,491,621	43,140	7,587,378	248,650	12,078,999	291,790
Total	$ 4,996,322	$ 134,374	$ 7,687,020	$ 314,562	$ 12,683,342	$ 448,936

	2021					
	Less than 12 months		12 months or greater		Total	
	Fair value	Unrealized loss	Fair value	Unrealized loss	Fair value	Unrealized loss
Equity securities	$ 223,132	$ 36,346	$ 29,471	$ 2,065	$ 252,603	$ 38,411
Municipal bonds	206,086	646	4,002,320	22,575	4,208,406	23,221
Total	$ 429,218	$ 36,992	$ 4,031,791	$ 24,640	$ 4,461,009	$ 61,632

C.E. Thurston Asbestos Trust Annual Reports, 2022 annual report
ACL Doc 14269 · Page 22 of 24
Published by AsbestosClaims.Law
asbestosclaims.law/library/14269/22

C.E. THURSTON & SONS, INC. ASBESTOS TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 3 - INVESTMENTS IN SECURITIES (continued)

Temporary impairment of investments (continued)

The Trust's investments in equity and debt securities are diversified among common stocks and bonds of companies and governmental entities in various industry sectors. The Trust believes that the severity of the impairment is consistent with the current market developments. Therefore, the Trust evaluated the near-term prospects of the issuer in relation to the severity and duration of the impairment; based on that evaluation, recent market activities, and the Trust's ability and intent to hold those investments for a reasonable period of time sufficient for a forecasted recovery of fair value, the Trust does not consider those investments to be other-than-temporarily impaired at December 31, 2022.

NOTE 4 - SERVICE AGREEMENT

The Trust entered into a service agreement dated May 11, 2006 with H.K. Porter Company, Inc. ("Porter") to receive various accounting and financial services as requested by the Trust. This agreement expired on December 31, 2006, but automatically renews for successive one-year terms, while either party has the ability to terminate the agreement at any time. Based on the agreement, Porter was paid $120 per hour through July 31, 2021, and is reimbursed on a monthly basis. Effective August 1, 2021, the rate was changed to $75 per hour. For the years ended December 31, 2022 and 2021, the Trust paid $1,328 and $36,178, respectively, in service fees to Porter, which are included in professional fees in the accompanying statements of changes in net claimants' equity.

C.E. Thurston Asbestos Trust Annual Reports, 2022 annual report Published by AsbestosClaims.Law
ACL Doc 14269 · Page 23 of 24 **asbestosclaims.law/library/14269/23**

EXHIBIT 3

EXHIBIT "B" to Annual Rpt

C. E. Thurston & Sons Asbestos Trust
Claims Summary

		2021	2022
Beginning Open Claims			
	Bilateral non-cancer	257	266
	Severe Asbestosis	33	36
	Other Cancer	60	60
	Lung Cancer	230	237
	Mesothelioma	270	282
	Total	850	881
New Claims			
	Bilateral non-cancer	97	47
	Severe Asbestosis	19	9
	Other Cancer	28	24
	Lung Cancer	110	113
	Mesothelioma	118	121
	Total	372	314
Cumulative Claims Filed		37,160	37,474
Paid Claims			
	Bilateral non-cancer	64	56
	Severe Asbestosis	11	11
	Other Cancer	23	32
	Lung Cancer	57	84
	Mesothelioma	69	104
	Total	224	287
Cumulative Claims Paid		19,188	19,475

Expedited	Maximum	Dollars Paid	2021	2022
		Payment Percentage	*50.0%*	*50.0%*
$ 500	$ 500	Bilateral non-cancer	$ 16,000.00	$ 14,000.00
$ 4,070	$ 7,200	Severe Asbestosis	22,385.00	22,385.00
$ 1,400	$ 2,000	Other Cancer	16,100.00	22,190.00
$ 4,650	$ 10,000	Lung Cancer	132,525.00	195,300.00
$ 25,000	$ 50,000	Mesothelioma	865,000.00	1,302,500.00
		Total	$ 1,052,010.00	$ 1,556,375.00
Cumulative Post Petition Claim Payments			$ 41,589,430.00	$ 43,145,805.00

Closed without Payment			
	Bilateral non-cancer	25	23
	Severe Asbestosis	5	5
	Other Cancer	5	7
	Lung Cancer	45	40
	Mesothelioma	37	37
	Total	117	112