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, 2025 (and 2024) and an *Annual Report of Claims Activity* for the period covered by the Audited Financial Statements. The Annual Report and referenced 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.

[Remainder of Page Intentionally Blank]

Peter G. Zemanian, Esq., VSB #24922
Zemanian Law Group
6464 Hampton Blvd., Suite A
Norfolk, Virginia 23508
(757) 622-0090
Local Counsel for C.E. Thurston & Sons Asbestos Trust

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Date: April 30, 2026

ZEMANIAN LAW GROUP

/s/ Peter G. Zemanian
Peter G. Zemanian, Esq. (VSB #24922)
6464 Hampton Blvd., Suite A
Norfolk, Virginia 23508
Tel. 757.622.0090
Fax 757.622.0096

CAMPBELL & LEVINE, LLC

Marla Rosoff Eskin (Del. No. 2989)
Kathleen Campbell Davis (Del. No. 4229)
222 Delaware Avenue, Suite 1620
Wilmington, DE 19801
Tel. 302.426.1900
Fax 302.426.9947

-and-

Douglas A. Campbell (No. 19819)
310 Grant Street, Suite 1700
Pittsburgh, PA 15219
Tel. 412.261.0310
Fax 412.261.5066
Counsel to the C.E. Thurston & Sons Asbestos Trust

Certificate of Service

I certify that on this 30th day of April, 2026, 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

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

John M. Williams, Jr., Esq.
Law Offices of Peter T. Nicholl
36 South Charles Street, Suite 1700
Baltimore, MD 21201

Kenneth N. Whitehurst, Esq.
Office of the United States Trustee
200 Granby Street, Room 625
Norfolk, VA 23510

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

Mark M. Gleason
One Gateway Center, Suite 525
420 Ft. Duquesne Blvd.
Pittsburgh, PA 15222

J. Michael Riley, Esq.
Martin & Jones, PLLC
4140 Parklake Avenue, Suite 400
Raleigh, NC 27612

John D. McIntyre, Esq.
McIntyre Stein, PLLC
150 Boush St., Suite 401
Norfolk, VA 23510

/s/ Peter G. Zemanian

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EXHIBIT 1

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, 2025

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, 2025.[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, 2025 to December 31, 2025 (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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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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C. Trust Advisory Committee – TAC

Donald N. Patten, J. Michael Riley, and John Williams served as Members of the TAC (the "TAC Members") for the entirety of the Report 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

John D. McIntyre served in the role of FCR for the entirety of 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.

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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, 2025, the Trust had received 38,983 Unliquidated Claims and had paid a total of 20,482 claims. After application of the payment percentage, the Trust has paid approximately $47,048,145 to asbestos victims in settlement of their Unliquidated Claims as of December 31, 2025.

During the Reporting Period, the Trust received 335 Unliquidated Claims and paid 409 claims. After application of the payment percentage, the Trust paid approximately $1,209,960 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 30, 2026

ZEMANIAN LAW GROUP

/s/ Peter G. Zemanian

Peter G. Zemanian, Esq.
6464 Hampton Blvd., Suite A
Norfolk, Virginia 23508
Tel. 757.622.0090
Fax 757.622.0096

CAMPBELL & LEVINE, LLC

Marla Rosoff Eskin (No. 2989)
Kathleen Campbell Davis (No. 4229)
222 Delaware Avenue, Suite 1620
Wilmington, Delaware 19801
Tel. 302.426.1900
Fax 302.426.9947

-and-

Douglas A. Campbell
1700 Grant Building
Pittsburgh, PA 15219
Tel. 412.261.0310
Fax 412.261.5066

Counsel to C.E. Thurston & Sons Asbestos Trust

EXHIBIT

2.

EXHIBIT A

to Annual Report

SISTERSON
CPAS | CONSULTANTS

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

AUDITED FINANCIAL STATEMENTS

Years ended December 31, 2025 and 2024

Sisterson & Co. LLP
501 Grant Street, Suite 450
Pittsburgh, Pennsylvania 15219
www.sisterson.com
412.282.2025

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SISTERSON
CPAS | CONSULTANTS
Sisterson & Co. LLP
501 Grant Street, Suite 450
Pittsburgh, PA 15219
412.281.2025

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, 2025 and 2024, 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, 2025 and 2024, 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 the basis of accounting. The financial statements are prepared on a special-purpose basis of accounting, which is a basis of accounting other than 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.

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 judgment 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.

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.

INDEPENDENT AUDITOR'S REPORT

(continued)

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 27, 2026

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

STATEMENTS OF NET CLAIMANTS' EQUITY

	December 31, 2025	December 31, 2024
ASSETS		
Cash and cash equivalents (Note 2(b))	$ 3,577,943	$ 3,066,947
Investments in securities (Notes 2(c) and 3)	12,854,414	14,048,823
Accrued interest income	160,232	168,150
Other current assets	20,213	20,213
Total assets	$ 16,612,802	$ 17,304,133
LIABILITIES AND NET CLAIMANTS' EQUITY		
Accrued professional fees	$ 57,689	$ 50,106
Net claimants' equity (Note 2(d))	$ 16,555,113	$ 17,254,027

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

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

STATEMENTS OF CHANGES IN NET CLAIMANTS' EQUITY

	Year ended December 31, 2025	2024
Net claimants' equity, January 1	$ 17,254,027	$ 18,121,670
Additions to net claimants' equity		
Investment income, net of investment fees of $54,702 and $59,701, respectively	377,635	412,715
Net gain on investments in securities	532,906	475,587
Total additions	910,541	888,302
Deductions from net claimants' equity		
Claim settlements paid (Note 2(f))	1,209,960	1,389,590
Professional fees (Note 2(g))	180,528	201,519
Claims processing	106,297	57,595
Trustee fees and expenses	54,127	49,600
Insurance	48,510	48,510
Other	4,027	3,079
Trust Advisory Committee fees and expenses	3,998	2,941
Record storage	1,200	1,200
Future Claimants' Representative fees and expenses	808	1,911
Total deductions	1,609,455	1,755,945
Net decrease in net claimants' equity	(698,914)	(867,643)
Net claimants' equity, December 31	$ 16,555,113	$ 17,254,027

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

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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.

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 statements 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 from 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 (losses) 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.

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NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Cash and cash equivalents

Cash and cash equivalents consists of amounts held with a financial institution and amounts held with investment managers in money market accounts. Cash and cash equivalents were as follows as of December 31:

	2025	2024
Cash	$ 31,248	$ 8,688
Money market funds	3,546,695	3,058,259
	$ 3,577,943	$ 3,066,947

The Trust maintains its cash and cash equivalents in accounts that, at times, are uninsured or may exceed federally insured limits. 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 equity and debt securities. 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 (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 an accrual basis.

The Trust assesses the need for an allowance for credit losses on available-for-sale debt securities in an unrealized loss position by first determining whether it intends to sell, or it is more likely than not that it will be required to sell a security before the recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For debt securities available-for-sale that do not meet the aforementioned criteria, the Trust evaluates whether the decline in fair value has resulted from credit losses or other factors by assessing the extent of the unrealized loss, changes to credit ratings, and adverse conditions specific to the security, among other factors. If this evaluation indicates that a credit loss exists, a credit loss is recorded for the difference between the present value of expected cash flows and the amortized basis, limited to the amount that amortized cost exceeds fair value. As of December 31, 2025 and 2024, management has determined that there are no credit losses related to the Trust's available-for-sale debt securities.

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Investments in securities and related income (continued)

The Trust's investments are exposed to various risks, such as interest rate, market, and credit risks. 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.

(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.

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

(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. As of December 31, 2025, there were $275,150 of claims settled but not paid. As of December 31, 2025, there were $431,235 of claim offers outstanding but not yet accepted by claimants.

(g) Professional fees

During the years ended December 31, 2025 and 2024, professional fees of $142,893 and $145,604, 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, 2025 or 2024. As of December 31, 2025, the Trust has tax net operating loss ("NOL") carryforwards of approximately $1,086,000 that will expire beginning in 2032 and NOL carryforwards of approximately $369,000 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, 2025 and 2024, the Trust has provided a valuation allowance for approximately $538,000 and $553,000, respectively, the full amount of the deferred tax asset related to NOL carryforwards due to the uncertainty of realizing those benefits in future years. The Trust utilized approximately $40,000 and $106,000 of NOL carryforwards to offset taxable income during the years ended December 31, 2025 and 2024, respectively. 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.

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NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Income taxes (continued)

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 2022 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 27, 2026, the date on which the financial statements were available to be issued.

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 includes 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.

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NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 3 - INVESTMENTS IN SECURITIES (continued)

Fair value measurements (continued)

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, 2025			
	Level	Fair value	Cost	Unrealized gain (loss)
Equities	I	$ 2,834,521	$ 1,487,653	$ 1,346,868
Municipal bonds	II	10,019,893	9,993,824	26,069
		$ 12,854,414	$ 11,481,477	$ 1,372,937

	December 31, 2024			
	Level	Fair value	Cost	Unrealized gain (loss)
Equities	I	$ 2,896,558	$ 1,638,589	$ 1,257,969
Municipal bonds	II	11,152,265	11,237,233	(84,968)
		$ 14,048,823	$ 12,875,822	$ 1,173,001

Maturities of the Trust's municipal bonds at December 31, 2025 are as follows:

	Fair value	Cost	Unrealized gain (loss)
Due in one year or less	$ 1,772,595	$ 1,772,083	$ 512
Due after one year through five years	7,328,994	7,309,360	19,634
Due after five years through ten years	--	--	--
Due after ten years through twenty years	--	--	--
Due after twenty years	918,304	912,381	5,923
	$ 10,019,893	$ 9,993,824	$ 26,069

Accrued interest income from municipal bonds as of December 31, 2025 and 2024 was $149,201 and $155,066, respectively. Interest receivable is excluded from the estimate of credit losses.

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 3 - INVESTMENTS IN SECURITIES (continued)

The following table summarizes debt securities available-for-sale in an unrealized loss position for which an allowance for credit losses has not been recorded, aggregated by major security type and length of time in a continuous unrealized loss position as of December 31:

	2025					
	Less than 12 months		12 months or greater		Total	
	Fair value	Unrealized loss	Fair value	Unrealized loss	Fair value	Unrealized loss
Municipal bonds	$ 1,034,503	$ 7,502	$ 1,431,704	$ 4,386	$ 2,466,207	$ 11,888

	2024					
	Less than 12 months		12 months or greater		Total	
	Fair value	Unrealized loss	Fair value	Unrealized loss	Fair value	Unrealized loss
Municipal bonds	$ 3,990,101	$ 23,865	$ 4,888,894	$ 69,624	$ 8,878,995	$ 93,489

Unrealized losses on bonds have not been recognized into income because the bonds are (1) all of investment grade, (2) management does not intend to sell and it is likely that management will not be required to sell the securities prior to their anticipated recovery, and (3) the decline in fair value is largely due to changes in interest rates and other market conditions. The bond issuers continue to make timely principal and interest payments on the bonds. The fair value of these bonds is expected to recover as the bonds approach maturity.

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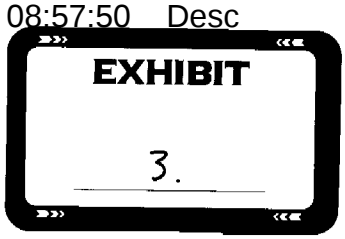


EXHIBIT B

to Annual Report

C. E. Thurston & Sons Asbestos Trust **EXHIBIT B**
Claims Summary

			2024		2025
		Beginning Open Claims			
		Bilateral non-cancer	385		494
		Severe Asbestosis	26		32
		Other Cancer	46		44
		Lung Cancer	228		250
		Mesothelioma	289		261
		Total	974		1,081
		New Claims			
		Bilateral non-cancer	290		78
		Severe Asbestosis	20		21
		Other Cancer	28		18
		Lung Cancer	125		106
		Mesothelioma	103		112
		Total	566		335
		Cumulative Claims Filed	38,648		38,983
		Paid Claims			
		Bilateral non-cancer	99		247
		Severe Asbestosis	9		16
		Other Cancer	21		17
		Lung Cancer	61		50
		Mesothelioma	95		79
		Total	285		409
		Cumulative Claims Paid	20,073		20,482
		Dollars Paid			
Expedited	Maximum	*Payment Percentage*	*50.0%*		*50.0%*
$ 500	$ 500	Bilateral non-cancer	$ 24,750.00	$	61,750.00
$ 4,070	$ 7,200	Severe Asbestosis	18,315.00		32,560.00
$ 1,400	$ 2,000	Other Cancer	14,700.00		11,900.00
$ 4,650	$ 10,000	Lung Cancer	141,825.00		116,250.00
$ 25,000	$ 50,000	Mesothelioma	1,190,000.00		987,500.00
		Total	$ 1,389,590.00	$	1,209,960.00
		Cumulative Post Petition Claim Payments	$ 45,838,185.00	$	47,048,145.00
		Closed without Payment			
		Bilateral non-cancer	80		33
		Severe Asbestosis	7		3
		Other Cancer	9		2
		Lung Cancer	43		44
		Mesothelioma	35		24
		Total	174		106