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

In re	)	Chapter 11
	)	
THE CHRISTY REFRACTORIES COMPANY, LLC,	)	Case No. 08-48541
	)	
	)	
Debtor.	)	Honorable Charles E. Rendlen III
	)	

NOTICE OF FILING

PLEASE TAKE NOTICE that, on April 30, 2020, the **Christy Refractories Asbestos Personal Injury 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

CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY 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 **Notice of Filing of the Christy Refractories Asbestos Personal Injury 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, those parties who did not receive the filing electronically were served via first-class United States mail, postage prepaid, as indicated on the attached Service List.

/s/ Joseph D. Frank

Mailing Information for Case 08-48541

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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CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

Special-Purpose Financial Statements
and
Report of Independent Auditors

Years Ended December 31, 2019 and 2018

CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

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REPORT OF INDEPENDENT AUDITORS

To the Trustee of
Christy Refractories Asbestos Personal Injury Trust

We have audited the accompanying special-purpose financial statements of the Christy Refractories Asbestos Personal Injury 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; this includes determining that the special-purpose basis of accounting is an acceptable basis for the preparation of the financial statements in these 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 error or fraud.

Auditor's 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 special-purpose financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special-purpose financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the special-purpose 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 entity's internal control. Accordingly, we express no such opinion.

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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 special-purpose 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 Christy Refractories Asbestos Personal Injury 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.

Emphasis of Matter

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 to the Trust. Our opinion is not modified with respect to this matter.

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.

BKM Sowan Horan, LLP

Addison, Texas
April 9, 2020

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CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

Special-Purpose Statements of Net Claimants' Equity

	December 31, 2019	December 31, 2018
ASSETS		
Cash and cash equivalents		
Unrestricted	$ 483,874	$ 1,444,807
Restricted	19,160	29,840
Insurance settlement receivable	-	800,000
Investments in marketable securities, certificates of deposit and demand deposit	21,462,281	19,436,812
Accrued interest and dividend income	205,790	189,038
Prepaid expenses	161,766	112,602
Total assets	$ 22,332,871	$ 22,013,099
LIABILITIES AND NET CLAIMANTS' EQUITY		
Accrued expenses	$ 34,322	$ 192,379
Accrued payment to claimants	79,708	375,203
Payable on pending investment purchases	-	214,497
Claims processing deposits	19,160	29,840
Deferred tax liability	397,818	-
Total liabilities	531,008	811,919
Net claimants' equity	$ 21,801,863	$ 21,201,180

See accompanying notes to special-purpose financial statements.

CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

Special-Purpose Statements of Changes in Net Claimants' Equity

	Years ended December 31, 2019	2018
Net Claimants' Equity, Beginning of Year	$ 21,201,180	$ 22,706,355
Additions		
Net gain on investments in marketable securities, net of management fees, custody fees and bond amortization	1,166,046	-
Interest and dividend income	781,241	876,022
Filing fees collected on withdrawn claims	12,240	26,780
Income tax benefit	-	230,437
Total additions	1,959,527	1,133,239
Deductions		
Payments to Claimants	671,546	1,303,087
Net loss on investments in marketable securities, net of management fees, custody fees and bond amortization	-	1,006,606
Net income tax expense	397,818	-
Trustee fees and expenses	74,559	90,066
Accounting fees	61,277	51,635
Trustee annual fee	50,000	50,000
Legal fees	25,576	28,759
Financial consulting fees	20,000	20,000
Insurance expense	17,562	17,886
Audit fees	14,085	14,764
Claims processing fees	13,461	19,080
Delaware Trustee fees and expenses	4,000	4,000
File storage and retrieval fees	3,506	3,477
Future Claimants' Representative fees and expenses	2,875	5,500
Foreign taxes paid	2,578	3,410
Consulting fees	-	20,144
Total deductions	1,358,843	2,638,414
Net Increase (Decrease) in Net Claimants' Equity	600,684	(1,505,175)
Net Claimants' Equity, End of Year	$ 21,801,863	$ 21,201,180

See accompanying notes to special-purpose financial statements.

CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

Notes to Special-Purpose Financial Statements

Note 1 - Nature of Trust

Description of Trust

The Christy Refractories Asbestos Personal Injury Trust (the "Trust") was established in accordance with the First Amended Plan of Reorganization (the "Plan"), under Chapter 11 of the United States Bankruptcy Code, of The Christy Refractories Company, LLC ("Christy"). The purpose of the Trust is:

- to assume liability for all present and future personal injury and/or wrongful death claims against Christy and/or its past or present predecessors, subsidiaries, affiliates, officers, directors or employees, arising from exposure to asbestos-containing products for which Christy is directly or indirectly liable;

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

- 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 September 26, 2011, 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 Christy Refractories Asbestos Personal Injury Trust.

Pursuant to the Plan, Christy and its Affiliates agreed to contributions totaling $2,600,000 to the Trust, including a cash contribution of $600,000 and a Promissory Note of $2,000,000. The Trust received $2,258,565 from Christy, representing both the $600,000 cash payment and $1,658,565 as the prepayment settlement amount in accordance with the terms of the promissory note. The note was deemed paid in full and cancelled. Christy also transferred its rights under insurance policies to the Trust, including $12,250,000 received from a certain insurer. In addition, the Trust received $2,038,862 from Christy's defense counsel, comprised of prepaid settlement funds that were deposited by one of Christy's insurers into Christy's defense counsel's trust account prior to Christy's bankruptcy filing.

The Trust is governed by a Trust Agreement and Trust Distribution Procedures ("TDP") that establish the framework and criteria for allowance and payment of Claims by the Trust. The Trust Agreement and TDP were approved by the United States District Court as part of the Plan.

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CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

Notes to Special-Purpose Financial Statements

Note 1 - Nature of Trust – (Continued)

Description of Trust – continued

There are eight disease levels specified in the TDP. Each claimant who meets the medical and exposure requirements of the TDP for a particular disease level may apply for expedited review and a specified payment amount (except those involving Lung Cancer 2 – Disease Level VI and all Foreign Claims, as defined in the TDP), which shall only be liquidated pursuant to the Asbestos PI Trust's Individual Review Process. Claimants eligible for expedited review also have an alternative, under the TDP, to submit additional documentation and request a more expansive review of their Claim (Individual Review Process) in which case claims may be paid within a range of amounts.

The Trust's assets consist primarily of cash and cash equivalents, investments in marketable securities, certificates of deposit, demand deposits, and certain insurance settlement receivables, which, with the earnings (or losses) on such assets, are intended to be totally consumed by the allowance and payment of claims and operation of the Trust. The percentage amount of each allowed claim that will actually be paid will be determined by projections of total allowed Claims and operational expenses of the Trust, on the one hand, and total assets and net earnings (or losses), on the other. The Trust began accepting claims in 2012 and began to pay claims in 2013. Pursuant to the TDP, effective November 1, 2016, the Trust increased the payment percentage from 11% (initial payment percentage) to 40%. Claimants whose claims were liquidated and paid in prior periods received additional payments in November 2016, as provided in the TDP. The payment percentage is subject to periodic review and adjustment. The Trustee is a fiduciary to the beneficiaries of the Trust and is responsible for administering the Trust and the Trust's assets in accordance with the Trust Agreement and the Plan.

Termination

The Trust Agreement (Section 8.2) provides that the Trust shall automatically dissolve on the date (the "Dissolution Date") ninety (90) days after the first to occur of the following events:

- The date on which the Trustee decides to dissolve the Trust because (A) the Trustee deems it unlikely that new Claims will be filed against the Trust , (B) all Claims duly filed with the Trust have been liquidated and paid to the extent provided in the Trust Agreement and TDP, or have been disallowed by a final, non-appealable order, to the extent possible based upon the funds available through the Plan, and twelve (12) consecutive months have elapsed during which no new Claims have been filed with the Trust;

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CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

Notes to Special-Purpose Financial Statements

Note 1 - Nature of Trust – (Continued)

Termination – continued

- If the Trustee has procured and have in place irrevocable insurance policies and have established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses of the Trust in a manner consistent with the Trust Agreement and the TDP, the date on which the Bankruptcy Court enters an order approving such insurance and other arrangements and such order becomes a final order; or

- To the extent that a rule against perpetuities shall be deemed applicable to the Trust, that date which is twenty-one (21) years less ninety-one (91) days after the death of the last survivor of all the descendants of the late Joseph P. Kennedy, Sr., father of the late President John F. Kennedy, living on the date of the Trust Agreement.

On the dissolution date or as soon as reasonably practicable, after the wind-up of the Trust's affairs by the Trustee and payment of all the Trust's liabilities have been provided for as required by applicable law, all remaining assets shall be applied to such charitable purposes, if practicable, which shall be related to the treatment of, research on, or the relief of individuals suffering from asbestos related lung disease or disorders.

Following the dissolution and distribution of the assets of the Trust, the Trust shall terminate and the Trustee shall execute and file a Certificate of Cancellation.

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CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

Notes to Special-Purpose Financial Statements

Note 2 - Summary of Significant Accounting Policies

Basis of accounting

The Trust's special-purpose financial statements are prepared using special-purpose accounting methods that differ from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting methods are being used to better communicate the equity available to satisfy current and future claims. Since the accompanying special-purpose financial statements and transactions are not based upon GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amount. These special-purpose accounting methods and the differences from GAAP are summarized as follows:

- The special-purpose financial statements are prepared using the accrual basis of accounting, except as otherwise described herein.
- The statements of net claimants' equity are not classified, resulting in no separation between current and noncurrent assets.
- These special-purpose financial statements do not include a statement of cash flows.
- Cash and cash equivalents are recorded at cost with accrued interest shown separately.
- The funding received from Christy, certain insurers and defense counsel of Christy, 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 tax-deductible expenses of the Trust.
- At December 31, 2019 and 2018, the liability for accrued payments to claimants reflected in the statements of net claimants' equity represents unpaid outstanding and accepted offers, respectively. No liability is recorded for future claims filings and filed claims on which no offer has been made. Net claimants' equity represents funding available to pay present and future claims on which no liability has been recorded.

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CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

Notes to Special-Purpose Financial Statements

Note 2 - Summary of Significant Accounting Policies – (Continued)

Basis of accounting – continued

- At December 31, 2019, the Trust's investments in marketable debt securities were considered as available for sale. At December 31, 2018, the Trust's investments in marketable equity and debt securities were considered as available for sale. The unrealized holdings gains (losses) on these investments are included in net gain or loss on investments in marketable securities, net of management fees, custody fees and bond amortization on the accompanying statements of changes in net claimants' equity. Under GAAP, 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 (loss).

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. Significant items subject to such estimates and assumptions include the carrying value of financial instruments, current and deferred income taxes and the accrued payments to claimants. Actual results could differ from those estimates.

Financial instruments

The Trust's financial instruments are cash and cash equivalents, insurance settlement receivable, accrued investment income, marketable securities, certificates of deposit, demand deposits, accrued expenses and payments to claimants.

The carrying amount of cash and cash equivalents, accrued investment income and accrued expenses approximate their fair values based on their short-term nature. The carrying amount of the insurance settlement receivable at December 31, 2018 and payments to claimants approximates fair value based upon management's estimates. The carrying amount of marketable securities, certificates of deposit and demand deposits is based on fair value.

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CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

Notes to Special-Purpose Financial Statements

Note 2 - Summary of Significant Accounting Policies – (Continued)

Cash and cash equivalents

The Trust considers all highly liquid debt instruments purchased with an original maturity value of three months or less to be cash equivalents. Cash and cash equivalents at December 31, 2019 and 2018, as follows:

	2019	2018
Money market funds		
Goldman Sachs Government Obligations	$ 458,891	$ 1,075,657
First American Funds Treasury Obligations	12,743	342,370
Filing fee account	12,240	26,780
Total	$ 483,874	$ 1,444,807

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.

Concentrations of credit risk

Financial instruments, which potentially subject the Trust to concentrations of credit risk, consist primarily of cash and cash equivalents, investments in marketable securities, certificates of deposit, demand deposits and insurance settlements receivable. The Trust maintained its cash and cash equivalents in accounts that are not federally insured but considers them to be of high credit quality. The Trust has not experienced any losses in such accounts, and it does not believe it is exposed to any significant credit risk.

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. However, the Trust has a formal investment policy of placing investments in high-quality financial instruments.

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CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

Notes to Special-Purpose Financial Statements

Note 2 - Summary of Significant Accounting Policies – (Continued)

Insurance settlements receivable

The Trust records insurance settlements as a receivable after all conditions are met in accordance with the related signed settlement agreements. No provision for potentially uncollectible insurance settlement receivables has been made. In addition, the receivable has not been discounted to estimated net present value, and no allowance has been made for the contingency that less than the full settlement amount may be received. The insurance settlement receivable was received in full during the year ended December 31, 2019.

Investments in marketable securities and related income

Investments in marketable securities are reported at fair value in the special-purpose statements of net claimants' equity and changes in the fair value of investments, as well as unrealized and realized gains and losses are included in net gain or loss on investments in marketable securities, net of management fees, custody fees and bond amortization reported in the special-purpose statements of changes in net claimants' equity. Purchases and sales of marketable securities are recorded on the trade date.

Realized gains and losses on disposals of investments are determined by the specific identification method. Interest and dividend income are recognized on the accrual basis. For 2019 and 2018, investment management fees of $36,813 and $37,064, respectively, custody fees of $12,283 and $14,639, respectively, and bond amortization of $197,228 and $229,668, respectively, are included in net gain or loss on investments in marketable securities, net of management fees, custody fees and bond amortization in the accompanying statements of changes in net claimants' equity.

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.

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.

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CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

Notes to Special-Purpose Financial Statements

Note 2 - Summary of Significant Accounting Policies – (Continued)

Net claimants' equity

The Trust, under the adopted special-purpose accounting convention, does not record the liability for future claims expected to be filed over the life of the Trust. The net claimants' equity is available for (i) the payments of allowed asbestos-related claims and (ii) operational expenses of the Trust.

Subsequent events

The Trust has evaluated events and transactions subsequent to the date of the financial statements for matters requiring recognition or disclosure in the special-purpose financial statements. The accompanying special-purpose financial statements consider events through April 9, 2020, the date on which the financial statements were available to be issued. See Note 5 and 8.

Income taxes

Deferred tax assets and liabilities are recorded based on temporary differences between the carrying amounts of assets and liabilities for financial reporting and income tax purposes using the enacted tax rates and laws that will be in effect when the differences are expected to reverse. A valuation allowance is established when it is likely that the deferred tax assets may not be realized. No provision for state 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 Christy and from insurance settlements and disbursements paid to settle asbestos claims are not taxable or deductible by the Trust.

The Trustee's estimate of the potential outcome of any uncertain tax issues is subject to management's assessment of relevant risks, facts, and circumstances existing at that time. The Trust uses a more likely than not threshold for financial statement recognition and measurement of tax positions taken or expected to be taken in a tax return. To the extent that the Trustee's assessment of such tax position changes, the change in estimate is recorded in the period in which the determination is made. The Trust reports tax-related interest and penalties as a component of income tax expense and operating expenses, respectively. The Trust has recognized no increase in assets or liabilities for unrecognized tax benefits or expense.

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CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

Notes to Special-Purpose Financial Statements

Note 3 - Insurance Settlement Receivable

During September 2015, the Trust negotiated a settlement with an insurance company with total proceeds of $4,000,000, payable to the Trust in five equal annual payments of $800,000. The remaining balance of $800,000 at December 31, 2018, was received in September 2019 paying the balance in full.

Note 4 - Investments in Marketable Securities, Certificates of Deposit and Demand Deposits

Fair value measurements

The Trust measures its investments, at fair value, according to a hierarchy of valuation techniques. The following are the levels of the hierarchy and a brief description of the type of valuation information ("inputs") that qualifies an investment for each level:

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 certificates of deposit, demand deposits and mutual funds.

Level II – Pricing inputs are other than quoted market prices included in Level I, however are observable 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 Special-Purpose Financial Statements

Note 4 - Investments in Marketable Securities, Certificates of Deposit and Demand Deposits – (Continued)

Fair value measurements – continued

The valuations of the Trust's investments in marketable securities, certificates of deposit and demand deposits by the above fair value hierarchy levels and the corresponding cost of the investments as of December 31, 2019, and 2018, are as follows:

	December 31, 2019			
	Level	Market Value	Cost	Unrealized Gains
Certificates of deposit	1	$ 2,084,081	$ 2,079,582	$ 4,499
Mutual funds - equity funds	1	4,196,794	3,454,123	742,671
Municipal bonds	2	15,181,406	14,659,542	521,864
Total		$ 21,462,281	$ 20,193,247	$ 1,269,034

	December 31, 2018			
	Level	Market Value	Cost	Unrealized Gains
Certificates of deposit and demand deposit	1	$ 1,737,717	$ 1,736,485	$ 1,232
Mutual funds - equity funds	1	3,974,957	3,695,248	279,709
Municipal bonds	2	13,724,138	13,592,719	131,419
Total		$ 19,436,812	$ 19,024,452	$ 412,360

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Notes to Special-Purpose Financial Statements

Note 4 - Investments in Marketable Securities, Certificates of Deposit and Demand Deposits – (Continued)

Fair value measurements – continued

Maturities of the Trust's debt securities at December 31, 2019 are as follows:

	Level	Market Value	Cost	Unrealized Gains (Losses)
Due in one year or less	2	$ 683,386	$ 684,683	$ (1,297)
Due after one year through five years	2	4,948,295	4,800,805	147,490
Due after five years through ten years	2	7,333,648	7,011,805	321,843
Due after ten years through twenty years	2	2,055,421	2,004,800	50,621
Due after twenty years	2	160,656	157,449	3,207
Total		$ 15,181,406	$ 14,659,542	$ 521,864

Note 5 - Taxation

The Trust reports its income to the Internal Revenue Service as a designated settlement fund which is taxed at the highest rate applicable to trusts under Section 1(e) of the Code, which is 37% for the years ending December 31, 2019 and 2018.

For net operating loss (NOLs) created in years beginning after December 31, 2017, the carry forward of NOLs will be limited to a reduction of 80% of modified taxable income without expiration. NOLs prior to January 1, 2018 will carry forward 20 years and there is no limitation in the reduction of modified taxable income.

On March 27, 2020, the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) was enacted into law. 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 and NOLs arising in 2018, 2019, and 2020 can be carried back five tax years.

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CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

Notes to Special-Purpose Financial Statements

Note 5 - Taxation – (Continued)

The Trust's federal income tax expense (benefit) is calculated as follows:

	Years Ended December 31,	
	2019	2018
Modified taxable income	$ **399,743**	$ 259,505
Tax rate	**37%**	37.0%
Federal income tax expense	**147,905**	96,017
Deferred federal income tax expense (benefit)	**316,969**	(393,510)
Change in valuation allowance	**(67,056)**	67,056
Net income tax expense (benefit)	$ **397,818**	$ (230,437)

Temporary differences between financial reporting income and taxable income generate deferred tax assets and liabilities, as follows:

	Years Ended December 31,	
	2019	2018
Net operating loss carryfoward	$ **71,725**	$ 219,629
Valuation allowance	**-**	(67,056)
Unrealized gain on investments	**(469,543)**	(152,573)
Net deferred tax liability	$ **(397,818)**	$ -

At December 31, 2019, the Trust had approximately $193,800 of net operating loss carryforwards starting to expire in 2033. The amount of income taxes the Trust pays is subject to ongoing audits by federal authorities.

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CHRISTY REFRACTORIES ASBESTOS PERSONAL INJURY TRUST

Notes to Special-Purpose Financial Statements

Note 6 - Trust Advisory Committee and Legal Representative

The Trust Agreement sets forth the role and responsibility of the Trust Advisory Committee ("TAC") and Legal Representative ("LR"). The members of the TAC serve in a fiduciary capacity representing all holders of present Asbestos Claims ("Current Claimants"). The Trustee is required to consult with or obtain the consent of the TAC on certain matters identified in the Trust Agreement and the TDP. The TAC is comprised of three attorneys who are engaged by Current Claimants. Members of the Trust Advisory Committee were not reimbursed for any fees or expenses during the period covered by these financial statements.

The LR serves in a fiduciary capacity, representing the interests of the individuals who may file an Asbestos Claim in the future, but who at this time are unknown to the Trust (Future Asbestos Claimants). His role, in part, is to protect rights of the Future Asbestos Claimants. The Trustee is required to consult with or obtain the consent of the LR on certain matters identified in the Trust Agreement and the TDP.

Note 7 - Subsequent Events

The global outbreak of coronavirus disease 2019 ("COVID-19") presents various global risks. The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. Management of the Trust is actively monitoring the global situation on its financial condition, liquidity, operations, suppliers, vendors, and industry. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Trust is not able to estimate the effects, if any, of the COVID-19 outbreak on its results of operations and financial condition.

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Christy Refractories Company, LLC Asbestos Personal Injury 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	5	$104,000
Category A Claims (Disease Levels IV – VIII)	458	25	420	$1,656,865	30	$854,241
Category B Claims (Disease Levels II and III)	55	3	483	$22,000	3	$8800
Disease Level I Claims	5	0	8	$0	0	$0*
Unspecified Disease Level Claims	458	0	407	$0	0	$0

* The Payment Percentage does not apply to Disease Level I claims

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Christy Refractories Asbestos Personal Injury Trust

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

	Compensation	Expense Reimbursement
Alan B. Rich (Trustee)	$124,546	$13
Dean M. Trafelet (Futures Representative)	$2,875	$-0-

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