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ATTORNEYS FOR THE
CONGOLEUM PLAN TRUST

UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

IN RE:	)	**Case No. 09-04371 (JAP)**
	)	
CONGOLEUM CORPORATION,	)	**Chapter 11**
CONGOLEUM SALES, INC., and	)	**Case No. 03-51524**
CONGOLEUM FISCAL, INC.,	)	
	)	**Jointly Administered**
Debtors.	)	
	)	

NOTICE OF FILING OF ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE CONGOLEUM PLAN TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2016

PLEASE TAKE NOTICE that, on April 28, 2017, the Plan Trustee of the Congoleum Plan Trust ("Trust") filed the Annual Report, Financial Statements and Results of Operations of the Trust for Fiscal Year Ended December 31, 2016 (the "Annual Report") and its audited financial statements for the same period (the "Audited Financial Statements"). The Annual

Report and the Audited Financial Statements are attached hereto as Exhibits "A" and "A-1," respectively.

Dated: April 28, 2017

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Douglas T. Tabachnik

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EXHIBIT A

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CONGOLEUM FISCAL, INC.,	)	
	)	**Jointly Administered**
Debtors.	)	

ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE CONGOLEUM PLAN TRUST
FOR FISCAL YEAR ENDED DECEMBER 31, 2016

The Honorable Alfred Wolin, Ret., the Plan Trustee of the Congoleum Plan Trust (the "Plan Trust"),[1] created pursuant to the Fourth Amended Joint Plan of Reorganization Under

[1] Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of the Debtors, the Official Asbestos Claimants' Committee, the Official Committee of Bondholders for Congoleum Corporation, *et al.* and the Futures Representative dated as of March 11, 2010 (as modified).

Chapter 11 of the Bankruptcy Code of the Debtors, the Official Asbestos Claimants' Committee, the Official Committee of Bondholders for Congoleum Corporation, *et al.* and the Futures Representative dated as of March 11, 2010 (as modified) (the "Plan"), submits this Annual Report, Financial Statements and Results of Operations of the Congoleum Plan Trust for Fiscal Year Ended December 31, 2016.

I. Plan Trust Asbestos Claims

Section 2.2(c) of the Plan Trust Agreement requires the Plan Trustee to account to the District Court, regardless of whether the Reorganization Cases are closed, and file an annual report containing financial statements of the Plan Trust and a summary of the number and type of Plan Trust Asbestos Claims disposed of, and the amount paid in respect of such Plan Trust Asbestos Claims, during the period covered by the financial statements.

A. Asbestos Personal Injury Claims

The First Amended Congoleum Plan Trust Distribution Procedures (effective July 7, 2011) (as amended, the "TDP"), the Congoleum Plan Trust Claim Form for Asbestos Personal Injury Claims, the Congoleum Plan Trust Release and other claims-related forms and instructions are available at www.congoleumtrust.com.

1. Payment Percentage, Maximum Annual Payment and Claims Payment Ratio

The Payment Percentage for 2016 was 12.5%.

The Maximum Annual Payment for 2016 was $7,170,000.

Pursuant to the TDP, Claims Payment Ratios are 75% for Category A claims and 25% for Category B claims. Category A claims consist of Asbestos Personal Injury Claims involving severe asbestosis and malignancies (Disease Levels IV – VIII). Category B claims

consist of Asbestos Personal Injury Claims involving Other Asbestos Disease (Disease Level I), non-malignant Asbestosis (Disease Level II) or Pleural Disease (Disease Level III).

From the unused and remaining Maximum Annual Payment in 2015, the Plan Trust carried $2,888,430 into 2016 for payment on Category A claims and $7,591,142 for payment on Category B claims.

For 2016, 75% of the Maximum Available Payment[2] of $7,170,000 was allocated to Category A claims and 25% was allocated to Category B claims, with payments as follows:[3]

Category A claims 75% =	$ 5,377,500
Carryover from 2015 =	$ 2,888,430
Permitted Transfer Amount[4] =	$ 4,342,985
Total for 2016 =	$ 12,608,916
Paid in 2016 (net of refunds)[5] =	$ 12,624,579
Carryover into 2017 =	$ 0
Category B claims 25% =	$ 1,792,500
Carryover from 2015 =	$ 7,591,142
Total for 2016 =	$ 9,383,642
Paid in 2016 (net of refunds) =	$ 5,936

[2] The Maximum Available Payment is the portion of the Maximum Annual Payment remaining after the Plan Trust reimburses the Reorganized Debtors for the Claims Handling Fee (as defined in the Plan Trust Agreement). No Claims Handling Fee was paid in 2016.

[3] Amounts reported paid in 2016 for Category A claims and Category B claims are reported on a cash basis.

[4] Pursuant to Section 2.6 of the TDP, as amended by the Sixth Amendment to the TDP, in 2016, the Plan Trustee, with the consent of the TAC and FR, transferred excess funds of $4,342,985, remaining in Category B to pay Category A claims. See TDP, Sec. 2.6 ("[I]f, at the end of a calendar year, there are excess funds in either Category A or Category B and insufficient funds in the other Category to pay such Category's claims, the Plan Trustee may transfer up to a specified amount of excess funds … to the Category with the shortfall ….")

[5] Amounts reported paid in 2016 (net of refunds) for Category A claims include $15,663 of supplemental payments to claimants who were previously paid at the prior Payment Percentage to increase their recovery to the 12.5% Payment Percentage level in accordance with Section 5.2 of the TDP.

Permitted Transfer Amount[4] =	$ 4,342,985
Carryover into 2017 =	$ 5,034,721

A total of 132 liquidated Category A claims and 9 liquidated Category B claims were in the FIFO Payment Queue (as that term is defined in the TDP) as of December 31, 2016.

2. Claims Statistics for the Fiscal Year Ending December 31, 2016

The Plan Trust received 13,192 Asbestos Personal Injury Claims in 2016. The Plan Trust liquidated and paid 943 claims in 2016. Below is further detail with respect to the Asbestos Personal Injury Claims received and paid by the Plan Trust in 2016.

Total Asbestos Personal Injury Claims received in 2016 =	13,192
Total Category A claims received in 2016 =	4,175
Total Category B claims received in 2016 =	9,017
Total Asbestos Personal Injury Claims paid in 2016 =	943
Total Category A claims paid in 2016 =	913
Total Category B claims paid in 2016 =	30

Since inception of the Plan Trust, the Plan Trust has not approved 255,851 claims, including rejected claims, claims with uncured deficiencies, and withdrawn and deferred claims. The number of claims in the FIFO Processing Queue (as that term is defined in the TDP) on December 31, 2016, totaled 347, of which 233 are Category A claims and 114 are Category B claims.

B. Allowed Asbestos Property Damage Claims

All Asbestos Property Damage Claims were resolved and paid in 2011. Thus, the Plan Trust did not pay any Asbestos Property Damage Claims in 2016.

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II. Compensation and Expenses of the Trustees, Trust Advisory Committee and Futures Representative

A. Trustees

Under Section 4.5(c) of the Plan Trust Agreement, the Plan Trust is required to report to the Court the amount of compensation and expenses paid to the Plan Trustee and the Delaware Trustee. The Plan Trustee and the Delaware Trustee have received compensation and reimbursement for out-of-pocket costs and expenses during the fiscal year ending December 31, 2016, as follows:

Plan Trustee	$ 284,624
Delaware Trustee	$ 2,500

B. Trust Advisory Committee

Under Section 5.6 of the Plan Trust Agreement, the Plan Trust is required to report to the Court the amount of compensation and expenses paid to the Trust Advisory Committee. The Trust Advisory Committee received compensation and reimbursement for out-of-pocket costs and expenses during the fiscal year ending December 31, 2016, as follows:

Trust Advisory Committee	$ 4,810

C. Futures Representative

Under Section 6.5 of the Plan Trust Agreement, the Plan Trust is required to report to the Court the amount of compensation and expenses paid to the Futures Representative. The Futures Representative received compensation and reimbursement for out-of-pocket costs and expenses during the fiscal year ending December 31, 2016, as follows:

Futures Representative	$ 86,568

Congoleum Asbestos Trust Annual Reports, 2016 annual report
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III. Financial Statements

A copy of the Plan Trust's audited financial statements for the year ending December 31, 2016, is attached hereto as Exhibit "A-1."

Dated: April 28, 2017

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ATTORNEYS FOR THE
CONGOLEUM PLAN TRUST

EXHIBIT A-1

CONGOLEUM PLAN TRUST

SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2016

COHN REZNICK

ACCOUNTING • TAX • ADVISORY

CONGOLEUM PLAN TRUST

DECEMBER 31, 2016

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Independent Auditor's Report

The Trustee
Congoleum Plan Trust

We have audited the accompanying special-purpose financial statements of Congoleum Plan Trust (the "Trust"), which comprise the special-purpose statement of assets, liabilities and net claimants' equity as of December 31, 2016, and the related special-purpose statements of changes in net claimants' equity and cash flows for the year 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 special-purpose financial statements in accordance with the special-purpose basis of accounting described in Note 2 to these special-purpose financial statements; 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 special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the special-purpose financial statements are free from 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. 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 assets, liabilities and net claimants' equity of the Congoleum Plan Trust as of December 31, 2016, and the results of its operations and its cash flows for the year then ended in accordance with the special-purpose basis of accounting described in Note 2 to the special-purpose financial statements.

Emphasis of Matter

We draw attention to Note 2 to the special-purpose financial statements, which describes that the Trust's special-purpose financial statements are prepared to present the net assets available for the payment of claims and related operating expenses of the Trust to the beneficiaries of the Trust in accordance with the special-purpose accounting methods adopted by the Trustee which is a basis of accounting other than accounting principles generally accepted in the United States of America ("GAAP"). It is not intended to be a complete presentation of the Trust's assets and liabilities in accordance with GAAP. Our opinion is not modified with respect to that matter.

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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 District of New Jersey, and is not intended to be and should not be used by anyone other than these specified parties.

Cohn Reznick LLP

Roseland, New Jersey
April 24, 2017

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CONGOLEUM PLAN TRUST

SPECIAL-PURPOSE STATEMENT OF ASSETS, LIABILITIES AND NET CLAIMANTS' EQUITY

DECEMBER 31, 2016

ASSETS

Cash and Cash Equivalents:	
CitiBank	$ 14,129,248
US Trust	6,586,698
Total cash and cash equivalents	20,715,946
Investments, at Fair Value:	
CitiBank	
Investments	92,248,480
Income receivable	914,731
U.S. Trust	
Investments	94,879,370
Income receivable	805,440
Total investments	188,848,021
Other Assets:	
Prepaid expenses	34,067
TOTAL ASSETS	$ 209,598,034

LIABILITIES AND NET CLAIMANTS' EQUITY

LIABILITIES:	
Settled claims payable	$ 2,694,857
Accounts payable	189,536
Total liabilities	2,884,393
NET CLAIMANTS' EQUITY	206,713,641
TOTAL LIABILITIES AND NET CLAIMANTS' EQUITY	$ 209,598,034

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

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CONGOLEUM PLAN TRUST

SPECIAL-PURPOSE STATEMENT OF CHANGES IN NET CLAIMANTS' EQUITY

YEAR ENDED DECEMBER 31, 2016

ADDITIONS:	
Contributions:	
Insurance settlements	$ 16,654,472
Other	1,500
Total contributions	16,655,972
Investment income, net:	
Interest and dividends income	4,576,809
Investment advisory fees	(573,250)
Net realized gain on investment securities	556,201
Net unrealized loss on investment securities	(1,001,154)
Total investment income, net	3,558,606
TOTAL ADDITIONS	20,214,578
DEDUCTIONS:	
Claims settled	11,412,223
General and administrative:	
Claims consultant fees	72,534
Claims processing fees	738,991
Insurance	59,888
Accounting	152,482
Other	2,500
Professional services:	
Legal fees	1,341
Trust general counsel	330,547
Trust litigation counsel	166,508
Future claims representative fees	86,568
Future claims representative attorney and expert fees	150,153
TAC attorney fees	69,956
TAC expenses	4,810
Trustee	284,624
TOTAL DEDUCTIONS	13,533,125
NET INCREASE IN NET CLAIMANTS' EQUITY	6,681,453
NET CLAIMANTS' EQUITY - beginning	200,032,188
NET CLAIMANTS' EQUITY - ending	$ 206,713,641

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

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CONGOLEUM PLAN TRUST

SPECIAL-PURPOSE STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net increase in net claimants' equity	$ 6,681,453
Adjustments to reconcile net increase in net claimants' equity to net cash provided by operating activities:	
Net realized gain on investment securities	(556,201)
Net unrealized loss on investment securities	1,001,154
Amortization of bond premiums	2,015,371
Decrease (increase) in operating assets:	
Insurance settlement receivable	7,000,000
Income receivable	8,543
Prepaid expenses	(6,493)
Increase (decrease) in operating liabilities:	
Settled claims payable	(1,219,505)
Accounts payable	10,841
NET CASH PROVIDED BY OPERATING ACTIVITIES	14,935,163
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sale of investment securities	58,613,526
Purchases of investment securities	(69,584,975)
NET CASH USED BY INVESTING ACTIVITIES	(10,971,449)
NET INCREASE IN CASH AND CASH EQUIVALENTS	3,963,714
CASH AND CASH EQUIVALENTS - beginning	16,752,232
CASH AND CASH EQUIVALENTS - ending	$ 20,715,946

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

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CONGOLEUM PLAN TRUST
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 1 - ORGANIZATION

The Congoleum Plan Trust (the "Trust") was established on July 1, 2010 and is a "Qualified Settlement Fund" pursuant to the meaning of Section 1.468B-1 et seq. to the Treasury Regulations promulgated under section 468B of the Internal Revenue Code. The Trust assumed all Asbestos Personal Injury Claims (whether now existing or arising at any time hereafter) and use the Trust assets to pay holders of such Asbestos Personal Injury Claims in accordance with the Congoleum Plan Trust Agreement and the Congoleum Plan Trust Distribution Procedures.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trustee which differ from accounting principles generally accepted in the United States of America ("GAAP"). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net assets available for the payment of claims and related operating expenses of the Trust. Since the accompanying 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.

The special-purpose accounting methods include the following:

Investment securities are recorded at fair value. All interest and dividend income, net of investment expenses, are included in investment income in the accompanying special-purpose statements of changes in net claimants' equity. Net realized and unrealized gains and (losses) on investment securities are recorded as a net addition or (deduction) in the special-purpose statements of changes in net claimants' equity. Under GAAP, a determination would need to be made as to the type of investments held (available-for-sale, held-to-maturity, or trading securities). Depending on the determination of the type of investments, gains or losses could be recorded as other comprehensive income.

Net claimants' equity represents funds available to pay asbestos related claims that have been submitted but not processed or not yet submitted. Trust expenses are also paid from net claimants' equity. Under GAAP, net claimants' equity would be reduced for estimates of amounts to be paid for claims that have been submitted, but not processed or not yet submitted.

Claims are expensed in the period in which the confirmed claims are settled. The Trust considers settled claims as claims that were approved through the Claim Review Process. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Payments for services to be received over an extended period in the future are expensed as paid since these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.

Taxes are recognized based on amounts expected to be payable per tax return. Under GAAP, deferred income tax assets and liabilities are required to be computed annually for temporary differences between the financial statement and tax bases of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the periods in which the temporary differences are expected to affect taxable income.

Income tax expense is estimated and recorded as incurred in the period in which certain income and expense items affect current Federal income taxes payable. Income tax refunds are recorded when cash is received by the Trust and deferred income taxes are not recognized. Under GAAP, the provision for income taxes is recorded based upon income reported for financial statement purposes, and Federal and State income taxes both currently payable and changes in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities, such as unrealized gains and losses on investment securities, and recognition of deferred taxes.

Cash Equivalents

The Trust considers all short-term investments with original maturity of three (3) months or less to be cash equivalents.

The Trust maintains its cash and cash equivalents, which at times may exceed Federally insured limits, with financial institutions. 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.

Investment Securities

Investment securities are stated at fair value with changes in unrealized gains and losses recorded in the current period. Investment income is recognized when earned. Any unearned interest and dividend income are recorded as accrued interest and dividends receivable. Realized gains and losses on sales are determined using the specific identification method.

Fair Value Hierarchy

Investments are classified as available for sale and stated at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In accordance with FASB ASC 820-10-50, *Fair Value Measurements* establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Inputs that are based upon quoted prices for identical instruments traded in active markets.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Hierarchy (Continued)

Level 2: Inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment.

Level 3: Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The following section describes the valuation methodologies the Trust uses to measure its financial assets at fair value.

Equities: Valued at the closing price reported on the active market on which the individual securities are traded.

Bonds: Valued using a metrics system provided by the pricing vendors.

Public Real Estate Investment Trusts ("REITs"): Valued at the closing price reported on the active market on which the REITs are traded.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset. In addition, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

Income Taxes

The Trust has elected to be treated as a Qualified Settlement Fund under the Internal Revenue Code and Treasury Regulations. As a result, the Trust is subject to Federal income taxes based on modified gross income. In the opinion of management, the Trust is not subject to state income taxes, and, therefore, the special-purpose financial statements do not include any provision or liability for state income taxes. There was no Federal income tax expense for the year ended December 31, 2016.

Net operating losses expiring through 2035, which approximate $5,273,000, are available to offset future taxable income generated by the Trust.

The Trust files income tax returns in the United States Federal jurisdiction. U.S. Federal income tax returns filed prior to 2013 are closed under the statute of limitations.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with the special-purpose accounting methods described above requires the Trust to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the special-purpose financial statements, as well as the reported amounts of additions and deductions to net claimants' equity during the reporting period. Actual results could differ from those estimates and such differences could have a material effect on net claimants' equity. As of December 31, 2016, the Trust has made no significant estimates and assumptions.

Subsequent Events

The Trust has evaluated subsequent events through April 24, 2017, the date the special-purpose financial statements were available to be issued.

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

CitiBank and U.S. Trust

Cash, cash equivalent and investment securities consist of the following at December 31, 2016:

	Cost	Fair Value	Unrealized Gains
Cash and cash equivalents	$ 20,715,946	$ 20,715,946	$ -
Equities	32,432,993	39,352,916	6,919,923
Bonds	146,413,511	147,653,786	1,240,275
Public real estate investment trusts	115,875	121,148	5,273
Total	$ 199,678,325	$ 207,843,796	$ 8,165,471

The maturities of the Trust's investment in bonds are as follows as of December 31, 2016:

	Less than One Year	After One Year to Five Years	After Five Years to Ten Years	After Ten Years	Total
Bonds	$ 16,222,713	$ 44,064,882	$ 67,319,859	$ 20,046,332	$ 147,653,786

Congoleum Corporation (the "Corporation")

In July 2010, in accordance with the terms of the settlement agreements, the Trust acquired 2,008,017 shares of the Corporation common stock. This investment was recorded at the fair value of the Corporation, based on an appraisal as of July 1, 2010, in accordance with the special-purpose basis of accounting described in Note 2.

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CONGOLEUM PLAN TRUST
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

Congoleum Corporation (the "Corporation") (Continued)
On October 29, 2014, the Trust sold 1,362,065 shares of the Corporation for $500,000. Based on the pro rata share of the fair value of the Corporation at the date acquired, the carrying basis of the shares sold was $3,616,089. During 2014, the realized loss on this transaction amounted to $3,116,089.

Management reviewed the remaining 645,952 shares of the Corporation, with a carrying value of $1,714,911 at December 31, 2014. Due to the level of uncertainty related to changes in the value of the Corporation, the remaining investment was written off in 2014.

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS

At December 31, 2016, investments measured at fair value on a recurring basis are summarized below:

Description	Assets Measured at Fair Value	Fair Value Hierarchy Level		
		Level 1	Level 2	Level 3
Cash and cash equivalents	$ 20,715,946	$ 20,715,946	$ -	$ -
Equities:				
Common stock	33,196,770	33,196,770	-	-
Mutual funds	6,156,146	6,156,146	-	-
Total equities	39,352,916	39,352,916	-	-
Bonds:				
Corporate	11,889,412	-	11,889,412	-
Municipal	135,071,005	-	135,071,005	-
International	693,369	-	693,369	-
Total bonds	147,653,786	-	147,653,786	-
Public real estate investment trusts	121,148	-	121,148	-
Total investments	$ 207,843,796	$ 60,068,862	$ 147,774,934	$ -

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CONGOLEUM PLAN TRUST
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2016

NOTE 4 - FAIR VALUE OF FINANCIAL INSTRUMENTS (Continued)

At December 31, 2016, equities consist of the following:

Common stock:		
Consumer discretionary	$	4,392,577
Consumer staples		2,250,321
Energy		2,821,796
Financials		6,531,778
Health care		4,645,565
Industrials		3,621,028
Information technology		6,167,179
Materials		893,529
Real Estate		75,686
Telecommunications		1,205,096
Utilities		592,215
Total common stock		33,196,770
Mutual funds:		
Large cap blend		3,129,420
Foreign large cap blend		3,026,726
Total mutual funds		6,156,146
Total equities	$	39,352,916

NOTE 5 - CONTINGENT LIABILITIES

The Plan Documents (as defined in the Confirmed Plan) subject the Trust to certain reimbursement and indemnification obligations that may result in future claims against the Trust.

The probability of such claims cannot be reasonably determined. Accordingly, no associated liability has been recorded in the accompanying special-purpose financial statements. Such claims, if any, are not expected to be material.

NOTE 6 - LIABILITY FOR ASBESTOS CLAIMS

The ultimate number of claims to be filed and the liability for all such claims are not determinable at this time. However, the Trustees' estimate of the liquidated value of future claims is approximately $792,105,000 (unaudited). These claims will be paid in accordance with the Payment Percentage at the time of the payment. As of December 31, 2016, the Payment Percentage was 12.5%.

The net claimants' equity at December 31, 2016 represents funding available for all claims for which no fixed liability has yet been established.

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NOTE 7 - RISKS AND UNCERTAINTIES

The Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to these risks, it is possible that changes in the values of the investment securities will occur in the near term, and that such changes could have a material effect on the fair value of the investment amounts as stated on the special-purpose statement of assets, liabilities and net claimants' equity.

NOTE 8 - TRUSTEE FEE

The Trustee fee includes the Trustee's compensation, provided under Section 4.5 of the Congoleum Plan Trust Agreement, and compensation for services rendered regarding Congoleum, Inc. of which the Trust had been the majority owner and retains a minority position.

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