LAW OFFICES OF
DOUGLAS T. TABACHNIK, P.C.
Douglas T. Tabachnik
Woodhull House
63 West Main St., Suite C
Freehold, New Jersey 07728-2141
Telephone: (732) 780-2760
Facsimile: (732) 780-2761
dtabachnik@dttlaw.com

-and-

STUTZMAN, BROMBERG
ESSERMAN & PLIFKA,
A Professional Corporation
Sander L. Esserman (Texas Bar No. 06671500)
Steven A. Felsenthal (Texas Bar No. 06889900)
2323 Bryan Street, Suite 2200
Dallas, Texas 75201
Telephone: (214) 969-4900
Facsimile: (214) 969-4999
esserman@sbep-law.com
felsenthal@sbep-law.com

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**
Reorganized Debtors.	)	
	)	

NOTICE OF FILING OF ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE CONGOLEUM PLAN TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2023

PLEASE TAKE NOTICE that, on April 29, 2024, 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, 2023 (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 29, 2024

THE HON. MARY ANNE MASON (RET.),
PLAN TRUSTEE OF
THE CONGOLEUM PLAN TRUST

By counsel: */s/ Douglas T. Tabachnik*
Douglas T. Tabachnik

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Telephone: (214) 969-4900
Facsimile: (214) 969-4999
esserman@sbep-law.com
felsenthal@sbep-law.com

EXHIBIT A

LAW OFFICES OF
DOUGLAS T. TABACHNIK, P.C.
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CONGOLEUM FISCAL, INC.,	)	
	)	**Jointly Administered**
Reorganized Debtors.	)	

ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF OPERATIONS OF THE CONGOLEUM PLAN TRUST
FOR FISCAL YEAR ENDED DECEMBER 31, 2023

The Hon. Mary Anne Mason, Ret., the Plan Trustee[1] of the Congoleum Plan Trust (the "Plan Trust"), created pursuant to the Fourth Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code of the Debtors, the Official Asbestos Claimants' Committee,

[1] On February 13, 2023, the Hon. Mary Anne Mason, Ret., was appointed as the Plan Trustee, succeeding Trustee Charles A. Koppelman who served as the Plan Trustee until his death on November 25, 2022. During the period of the Trustee vacancy, the Trust did not pay claims or operating expenses.

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, 2023.[2]

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 and Claims Payment Ratio

In accordance with TDP Section 5.2, the Plan Trustee, with the consent of the Trust Advisory Committee ("TAC") and the Futures Representative, adjusted the Payment Percentage from 12.5% to 8.67%, effective October 12, 2023.

[2] 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).

In 2023, the Plan Trust paid 1,483 Asbestos Personal Injury Claims totaling $17,893,629.[3]

Pursuant to Section 2.6 of the TDP, as amended by the Seventh Amendment to the TDP (the "Seventh Amendment"), commencing in calendar year 2017 and continuing through calendar year 2023, the Plan Trust did not apply the Claims Payment Ratio provisions in the TDP subject to the ability of the Plan Trustee, any member of the TAC or the Futures Representative to reinstate the provisions in the manner provided in the Seventh Amendment. Pursuant to Section 2.6 of the TDP, during the time when the Plan Trust is not applying the Claims Payment Ratio, the Plan Trust continues to internally track and maintain records regarding the funds allocated to Category A and to Category B and the payment and approval of claims with respect thereto.[4]

A total of 41 liquidated Category A claims and 2 liquidated Category B claims were in the FIFO Payment Queue (as that term is defined in the TDP) as of December 31, 2023.

2. Claims Statistics for the Fiscal Year Ending December 31, 2023

The Plan Trust received 5,497 Asbestos Personal Injury Claims in 2023. The Plan Trust liquidated and paid 1,483 claims in 2023. Below is further detail with respect to the claims received and paid by the Plan Trust in 2023.

Total Asbestos Personal Injury Claims received in 2023 =	**5,497**
Total Category A claims received in 2023 =	4,022
Total Category B claims received in 2023 =	1,475

[3] Dollar figure is net of refunds. Amounts reported paid in 2023 are reported on a cash basis.

[4] 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).

Total Asbestos Personal Injury Claims paid in 2023 =	**1,483**
Total Category A claims paid in 2023 =	1,381
Total Category B claims paid in 2023 =	102

Since inception of the Plan Trust, the Plan Trust has not approved 301,418 claims consisting of rejected claims, claims with uncured deficiencies, and withdrawn and deferred claims.

B. Allowed Asbestos Property Damage Claims

All Asbestos Property Damage Claims were resolved and paid in 2011, with no Asbestos Property Damage Claims paid since that date.

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

Pursuant to Sections 4.5(c), 5.6, and 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 Plan Trustee, the Delaware Trustee, the Trust Advisory Committee, and the Futures Representative during the reporting period. Please reference the Special-Purpose Statements of Changes in Net Claimants' Equity Year Ended December 31, 2023 in the Trust's financial statements, attached hereto, for this information.

III. Financial Statements

A copy of the Plan Trust's Audited Special-Purpose Financial Statements For the Years Ended December 31, 2023 and 2022, is attached hereto as Exhibit "A-1."

Dated: April 29, 2024

THE HON. MARY ANNE MASON (RET.),
PLAN TRUSTEE OF
THE CONGOLEUM PLAN TRUST

By counsel: */s/ Douglas T. Tabachnik*
Douglas T. Tabachnik

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EXHIBIT A-1

Congoleum Plan Trust

Special-Purpose Financial Statements
For the Years Ended December 31, 2023 and 2022

The report accompanying these financial statements was issued by BDO USA, P.C., a Virginia professional corporation, and the U.S. member of BDO International Limited, a UK company limited by guarantee.

Congoleum Plan Trust

Special-Purpose Financial Statements
For the Years Ended December 31, 2023 and 2022

Congoleum Plan Trust

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Tel: 703-893-0600
Fax: 703-893-2766
www.bdo.com

8401 Greensboro Drive
Suite 800
McLean, VA 22102

Independent Auditor's Report

Trustee
Congoleum Plan Trust
Dallas, Texas

Opinion

We have audited the special-purpose financial statements of Congoleum Plan Trust (the Trust), which comprise the special-purpose statements of assets, liabilities and net claimants' equity as of December 31, 2023 and 2022, and the related special-purpose statements of changes in net claimants' equity and the special-purpose statements of cash flows for the years then ended, and the related notes to the special-purpose financial statements.

In our opinion, the accompanying special-purpose financial statements present fairly, in all material respects, the net assets of the Trust as of December 31, 2023 and 2022, and the results of its changes in net claimants' equity and its cash flows for the years then ended, in accordance with the basis of accounting described in Note 2 to the special-purpose financial statements.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Special-Purpose 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 of the special-purpose financial statements which describes the basis of accounting. As described in Note 2, the accompanying special-purpose financial statements were prepared in order to account for the amount of net assets presently available to fund current and future claims, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the special-purpose financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special-purpose financial statements in accordance with the basis of accounting as described in Note 2 to the special-purpose financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair

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presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special-purpose financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern within one year after the date that the special-purpose financial statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Special-Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose 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 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 special-purpose financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the special-purpose 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 special-purpose 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 special-purpose 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.

Other Matter - Restriction of Use

Our report is intended solely for the information and use of the Trust and is not intended to be and should not be used by anyone other than the specified party.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the annual report and account of the Trust for the year ended December 31, 2023 but does not include the special-purpose financial statements and our auditor's report thereon. Our opinion on the special-purpose financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the special-purpose financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the special-purpose financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

BDO USA, P.C.

McLean, Virginia
April 22, 2024

Special-Purpose Financial Statements

Congoleum Plan Trust

Special-Purpose Statements of Assets, Liabilities and Net Claimants' Equity

December 31,	**2023**	2022
Assets		
Cash and cash equivalents		
Morgan Stanley	**$ 563,019**	$ 6,970,975
Total cash and cash equivalents	**563,019**	6,970,975
Investments		
Morgan Stanley:		
Investments	**136,255,837**	137,311,867
Alternative investments	**10,682,231**	12,503,915
Income receivable	**1,508,845**	1,365,039
Total investments	**148,446,913**	151,180,821
Other assets		
Prepaid expenses	**90,935**	38,594
Prepaid federal income taxes	**2,575,000**	2,619,000
Total other assets	**2,665,935**	2,657,594
Total assets	**151,675,867**	160,809,390
Liabilities		
Settled claims payable	**330,727**	515,711
Accounts payable and accrued expenses	**148,412**	311,034
Total liabilities	**479,139**	826,745
Net claimants' equity	**$ 151,196,728**	$ 159,982,645

See accompanying notes to the special-purpose financial statements.

Congoleum Plan Trust

Special-Purpose Statements of Changes in Net Claimants' Equity

Years Ended December 31,	**2023**	2022
Additions		
Insurance settlements	**$ 1,399,995**	$ -
Capital gains distributions	**461,104**	459,540
Interest and dividend income, net	**5,158,306**	5,294,240
Realized gain on sale of investment securities		157,125
Net change in fair value of alternative investments	**-**	36,890
Unrealized gain on investments, net	**8,166,338**	-
Other income	**1,000**	1,000
Total additions	**15,186,743**	**5,948,795**
Deductions		
Unrealized loss on investments, net	**-**	25,790,829
Claims settled	**17,708,645**	12,193,762
Net change in fair value of alternative investments	**211,790**	**-**
Investment advisory fees	**393,198**	491,249
Realized loss on sale of investment securities	**3,522,532**	**-**
General and administrative expenses		
Trustee	**224,533**	324,478
Accounting	**236,083**	191,134
Claims processing fees	**379,844**	381,518
Claims consulting and forecasting fees	**144,815**	53,645
Insurance	**81,454**	81,211
Future claims representative fees and expenses	**379,780**	194,305
Professional services		
Trust general counsel	**525,005**	377,494
TAC attorney fees and expenses	**94,914**	94,506
Trust legal fees	**114**	2,509
Trust litigation counsel fees and expenses	**16,256**	94,359
Special & Local Counsel fees and expenses	**7,197**	**-**
Statutory fees	**2,500**	2,500
Federal income tax	**44,000**	85,700
Total deductions	**23,972,660**	**40,359,199**
Net decrease in net claimants' equity	**(8,785,917)**	(34,410,404)
Net claimants' equity at the beginning of the year	**159,982,645**	194,393,049
Net claimants' equity at the end of the year	**$151,196,728**	**$ 159,982,645**

See accompanying notes to the special-purpose financial statements.

Congoleum Plan Trust

Special-Purpose Statements of Cash Flows

Years Ended December 31,	**2023**	2022
Cash flows from operating activities:		
Decrease in net claimants' equity	**$ (8,785,917)**	$ (34,410,404)
Adjustments to reconcile decrease in net claimants' equity to net cash used in operating activities:		
Realized loss (gain) on sale of investment securities	**3,522,532**	(157,125)
Unrealized (gain) loss on investments, net	**(8,166,338)**	25,790,829
Amortization of bond premium	**1,276,546**	1,147,448
Net change in fair value of alternative investments	**211,791**	(36,890)
Cost adjustments	**28,788**	(5,393)
Changes in operating assets and liabilities:		
Income receivable	**(143,806)**	(4,730)
Prepaid expenses	**(52,341)**	75,749
Prepaid federal income taxes	**44,000**	(2,619,000)
Settled claims payable	**(184,984)**	(1,192,152)
Accounts payable and accrued expenses	**(162,622)**	218,965
Federal income taxes payable	**-**	(95,300)
Net cash used in operating activities	**(12,412,351)**	(11,288,003)
Cash flows from investing activities:		
Proceeds from sales of investments	**107,280,914**	125,356,786
Purchases of investments	**(101,276,519)**	(112,026,907)
Net cash provided by investing activities	**6,004,395**	13,329,879
Net (decrease) increase in cash and cash equivalents	**(6,407,956)**	2,041,876
Cash and cash equivalents at the beginning of the year	**6,970,975**	4,929,099
Cash and cash equivalents at the end of the year	**$ 563,019**	**$ 6,970,975**

See accompanying notes to the special-purpose financial statements.

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 Congoleum, Inc.'s liability for all Asbestos Personal Injury Claims (whether now existing or arising at any time hereafter) and uses 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.

2. Summary of Significant Accounting Policies

Basis of accounting

The Trust's special-purpose 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 claimant's equity and related operating expenses of the Trust. 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.

The special-purpose accounting methods include the following:

a. 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 statement 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 statement of changes in net claimants' equity.

b. Amortization and accretion of bond premiums or discounts is included in investment income.

c. 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.

d. Insurance recoveries are recorded when received. These recoveries come from various insurance settlements, which were obtained by entities which assigned the rights to such policies to the Trust or were negotiated by the Trust. Under GAAP, insurance recoveries are recorded when the related policies are settled and collectability is assured.

e. 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. The Claims Review Process means the claims have been liquated by the Trust, offers extended, offers accepted and executed releases provided to the Trust. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have

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been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust.

f. 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. Under GAAP, the provision for income taxes is recorded based upon income reported for special-purpose financial statement purposes, and federal income taxes both currently payable and changes in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities. Under GAAP, deferred taxes include a provision for taxes attributable to changes in unrealized gains and losses on investments.

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.

Cash equivalents

The Trust considers all highly liquid 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 income receivable. Realized gains and losses on sales are determined using the specific identification method.

Settled claims payable, accrued expenses and accounts payable

Settled claims payable consist of certain claims that are settled but unpaid at December 31, 2023 and 2022. A settled claim is a claim that has been accepted by the claimant, with an executed release submitted to the Trust, and approved by the Trustee. An unpaid claim is a claim that has been approved for payment by the Trustee but cannot be paid due to annual cap limitations or has been authorized by the Trustee and not paid. Unpaid claims that are a result of annual cap limitations are recorded when settled.

Accounts payable and accrued expenses consist of outstanding invoices associated with managing the Trust.

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Interest and dividends income

Interest income on cash, cash equivalents and bonds are recognized when it has been earned, not received. Premium amortization and discount accretion is included in interest and dividends income.

Dividend income on equities is recognized when the right to receive payment is established, typically at the dividend declaration date.

Income taxes

The Trust is classified as a Qualified Settlement Fund pursuant to the Internal Revenue Code and Regulations thereunder (the Code). As a result, the Trust is subject to federal income taxes based on modified gross income, as defined by the Code. In the opinion of the Trustee and advisors, 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.

Income tax expense is estimated and includes amounts payable or receivable under current federal income taxes.

The Trust records income tax expense (or benefit) associated with amounts payable (or receivable) under current federal income taxes and does not record a provision for (or benefit from) deferred taxes. Accordingly, there is no provision for deferred taxes associated with changes in cumulative unrealized gains and losses on investments (see Note 3). The income taxes associated with gains on investments will be recorded in the Trust's special-purpose financial statements when the net gains are realized (i.e. the securities are sold) and the taxes become currently payable.

The Trust is generally no longer subject to income tax examinations by the Internal Revenue Service for the years ended December 31, 2020 and prior.

Risk and uncertainties

Certain of the Trust's assets are exposed to credit risk. Cash and cash equivalents are maintained at financial institutions and, at times, balances may exceed federally insured limits. The Trust has not experienced any losses related to these balances. There are no amounts on deposit in excess of federally insured limits at December 31, 2023.

The Trust invests in a professionally managed investment portfolio that contains common shares of publicly traded companies, corporate and government obligations, and alternative investments. Such investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the Trust's account balance and the amounts reported in the special-purpose statements of assets, liabilities and net claimants' equity.

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3. Cash, Cash Equivalents and Investments

Cash, cash equivalents, and investment securities consist of the following at December 31, 2023:

	Cost	Fair Value	Unrealized Gains (Losses)
Cash and cash equivalents	**$ 563,019**	**$ 563,019**	**$ -**
Equities	**13,767,310**	**17,377,990**	**3,610,680**
Bonds	**119,009,585**	**118,877,847**	**(131,738)**
Total	**$ 133,339,914**	**$ 136,818,856**	**$ 3,478,942**

Cash, cash equivalents, and investment securities consist of the following at December 31, 2022:

	Cost	Fair Value	Unrealized Gains (Losses)
Cash and cash equivalents	$ 6,970,975	$ 6,970,975	$ -
Equities	23,795,792	24,291,100	495,308
Bonds	118,203,471	113,020,767	(5,182,704)
Total	$ 148,970,238	$ 144,282,842	$ (4,687,396)

The maturities of the Trust's investments in bonds are as follows as of December 31, 2023:

	Less than 1 Year	After 1 Year Through 5 Years	After 5 Years Through 10 Years	After 10 Years	Total
Bonds	**$ 372,458**	**$ 20,224,445**	**$ 28,175,158**	**$ 70,105,786**	**$118,877,847**

The maturities of the Trust's investments in bonds are as follows as of December 31, 2022:

	Less than 1 Year	After 1 Year Through 5 Years	After 5 Years Through 10 Years	After 10 Years	Total
Bonds	$ 2,293,855	$ 24,159,512	$ 25,795,273	$ 60,772,127	$ 113,020,767

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4. Fair Value of Financial Instruments

Fair value hierarchy

Investments are 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.

- **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 the documented trade price if trading in an active market. Otherwise, a metrics system is provided by the pricing vendors.

Alternative investments: Valued using the Trust's proportionate share of each fund's net assets, as reported as of the date of the special-purpose financial statements.

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.

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Congoleum Plan Trust

Notes to the Special-Purpose Financial Statements

Investments measured at fair value on a recurring basis are summarized below:

	As of December 31, 2023			
	Assets Measured At Fair	Fair Value Hierarchy Level		
Description	Value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 563,019	$ 563,019	$ -	$ -
Equities	17,377,990	17,377,990	-	-
Bonds:				
Corporate	14,599,589	-	14,599,589	-
Municipal	104,278,258	-	104,278,258	-
Total bonds	118,877,847	-	118,877,847	-
Alternative investments	10,682,231	-	-	10,682,231
Total investments at fair value	$ 147,501,087	$ 17,941,009	$ 118,877,847	$ 10,682,231

Investments measured at fair value on a recurring basis are summarized below:

	As of December 31, 2022			
	Assets Measured At Fair	Fair Value Hierarchy Level		
Description	Value	Level 1	Level 2	Level 3
Cash and cash equivalents	$ 6,970,975	$ 6,970,975	$ -	$ -
Equities	24,291,100	24,291,100	-	-
Bonds:				
Corporate	11,128,852	-	11,128,852	-
Municipal	101,891,915	-	101,891,915	-
Total bonds	113,020,767	-	113,020,767	-
Alternative investments	12,503,915	-	-	12,503,915
Total investments at fair value	$ 156,786,757	$ 31,262,075	$ 113,020,767	$ 12,503,915

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Level 3 gains and losses

The following table sets forth a summary of changes in the fair value of the Trust's alternative investments (Level 3 assets) for the year ended December 31:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	
	2023	2022
Balance at the beginning of the year	**$ 12,503,915**	$ 5,347,025
Purchases	**-**	7,120,000
Liquidations / distributions	**(1,609,893)**	-
Net change in fair value	**(211,791)**	36,890
	$ 10,682,231	$ 12,503,915

The Trust invests in two alternative investment real estate investment trusts (REIT's) which have investments in properties located primarily within the United States in a variety of real estate markets such as Multifamily, Retail, Single-Family Rental, Hospitality, Industrial, Office, Self-Storage, Medical Office, and Real Estate Debt. The REIT's investment strategy is primarily to acquire stabilized, income-oriented commercial real estate. The REIT's are principally comprised of properties, located in the United States but may also be diversified on a global basis through investments in properties, outside of the United States. To a lesser extent, the REIT's may invest in debt secured by commercial real estate and real estate-related securities. The REIT's investments in real estate-related securities provide investors with current income, a source of liquidity for our share repurchase plan and cash management.

Redemptions may be requested on a monthly basis; no more than 2% monthly and 5% quarterly of shares outstanding and subject to certain conditions. As the vast majority of the REIT's assets consist of properties that cannot be readily liquidated without impacting the ability to realize full value upon disposition, the redemption may be limited.

5. Income Taxes

For the years ended December 31, 2023 and 2022, the Trust's provision for federal income taxes is $44,000 and $85,700, respectively. During the years ended December 31, 2023 and 2022, the Trust made estimated income tax payments totaling $0 and $2,800,000, respectively. The Trust has an overpayment totaling $2,575,000 related to taxes filed for the year ended December 31, 2022, which is recorded in prepaid federal income taxes on the accompanying special purpose statement of assets, liabilities and net claimants' equity and will be used to relieve future estimated tax payments.

As disclosed in Note 2 to the special-purpose financial statements, the Trust does not record a provision for (or benefit from) deferred taxes. Accordingly, there is no provision for deferred taxes associated with cumulative unrealized gains and losses on investments.

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6. Contingent Liabilities

The Plan Documents (as defined in the 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.

7. Claims Settled

For the year ended December 31, 2023, the Trust settled 1,462 claims totaling $17,708,645 including 45 claims totaling $330,727 that were settled but not paid as of December 31, 2023. The Trust paid 1,483 claims totaling $17,893,629 during the year ended December 31, 2023. For the year ended December 31, 2022, the Trust settled 780 claims totaling $12,193,762 including 66 claims totaling $515,711 that were settled but not paid as of December 31, 2022. The Trust paid 1,186 claims totaling $13,385,914 during the year ended December 31, 2022.

8. Liability for Asbestos Claims

Personal injury claims that were settled, but unpaid as of December 31, 2023 and 2022, have been accrued and included in claims payable. These amounts have been included in deductions from net claimants' equity in the accompanying special-purpose statements of changes in net claimants' equity for the payment of claims for the years ended December 31, 2023 and 2022.

The Trust considers settled claims as claims that were approved through the claims review process for which the claimant has returned a signed release to the Trust.

The ultimate number of Asbestos PI Trust Claims to be filed and the liability for all such claims are not determinable at this time. The net claimants' equity at December 31, 2023 and 2022 represents funding available for all Asbestos Claims for which no fixed liability has yet been established.

9. Trustee Fee

The Trustee fee includes the Trustee's compensation, provided under Section 4.5 of the Congoleum Plan Trust Agreement.

10. Subsequent Events

The Trust has evaluated its December 31, 2023 special-purpose financial statements for subsequent events through April 22, 2024, the date the special-purpose financial statements were available to be issued. The Trust is not aware of any subsequent events which would require recognition or disclosure in the special-purpose financial statements.

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