IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
DURABLA MANUFACTURING COMPANY, and DURABLA CANADA LTD.,	Case No. 09-14415 (MFW)
	(Jointly Administered)
Reorganized Debtors.	

NOTICE OF FILING ANNUAL REPORT AND CLAIMS SUMMARY

The Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust (the "Trust") hereby files its Audited Financial Statements for the fiscal year ending December 31, 2021 and Annual Report for the period covered by the Audited Financial Statements, which are attached hereto as Exhibit 1.

Pursuant to the provisions of the Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust Agreement, the Trust is providing copies of the Annual Report and the Financial Statements to the Trust Advisory Committee, the Legal Representative, the United States Trustee and the Reorganized Debtor.

Date: April 29, 2022

CAMPBELL & LEVINE, LLC

/s/ Kathleen Campbell Davis

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Counsel to the Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust

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Exhibit 1

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
DURABLA MANUFACTURING COMPANY, and DURABLA CANADA LTD.,	Case No. 09-14415 (MFW)
	(Jointly Administered)
Reorganized Debtors.	

ANNUAL REPORT AND ACCOUNT OF THE
DURABLA MANUFACTURING COMPANY AND DURABLA CANADA LTD
ASBESTOS TRUST FOR THE FISCAL YEAR ENDING DECEMBER 31, 2021

Edward D. Robertson, Jr., the Trustee of the Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust (the "Trust"), created pursuant to the Debtors' Joint Chapter 11 Plan (the "Plan") submits this Annual Report, Financial Statements, and Claims Summary for the fiscal year ending December 31, 2021.

I. INTRODUCTION

The purpose of this Annual Report is to fulfill the reporting requirements of the Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust Agreement (the "Trust Agreement") and to report to the Court on the actions taken by the Trustee on behalf of the Trust during the period January 1, 2021 to December 31, 2021 (the "Reporting Period").

Section 2.2(c) of the Trust Agreement provides:

The Trustee shall timely account to the Bankruptcy Court as follows:

> (i) The Trustee shall cause to be prepared and filed with the Bankruptcy Court, as soon as available, and in any event within one hundred and twenty (120) days following the end of each fiscal year, an annual report (the "Annual Report") containing financial statements of the Asbestos Trust (including, without limitation, a balance sheet of the Asbestos Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustee and accompanied by an opinion of such firm as to the fairness of the

> financial statements' presentation of the cash and investments available for the payment of claims and as to the conformity of the financial statements with generally accepted accounting principles. The Trustee shall provide a copy of such Annual Report to the TAC and the Legal Representative when such reports are filed with the Bankruptcy Court.
>
> (ii) Simultaneously with the filing of the Annual Report, the Trustee shall cause to be prepared and filed with the Bankruptcy Court a report containing a summary regarding the number and type of claims disposed of during the period covered by the financial statements. The Trustee shall provide a copy of such report to the TAC and the Legal Representative when such report is filed.
>
> (iii) All materials required to be filed with the Bankruptcy Court by this Section 2.2(c) shall be available for inspection by the public in accordance with procedures established by the Bankruptcy Court and shall be filed with the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee").

The Trust Agreement further provides for the inclusion of a description of the amounts paid to the Trustee, TAC, and FCR in the accounts filed with the Bankruptcy Court. See Sections 4.5(c), 5.6, and 6.5.

II. BACKGROUND

On December 15, 2009, Durabla Manufacturing Company filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. § 101, *et seq.* in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). On November 8, 2010 Durabla Canada Ltd filed its petition for relief under chapter 11 in the Bankruptcy Court. On June 27, 2012, the Bankruptcy Court entered an order confirming the Plan. That order was affirmed by the United States District Court for the District of Delaware on August 2, 2012. On September 12, 2012 (the "Effective Date"), the Plan became effective and the Trustee began to operate the Trust.

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The purpose of the Trust is to assume the liabilities of Durabla Manufacturing Company and Durabla Canada Ltd for all Channeled Asbestos Claims, as defined in the Plan, and to preserve, hold, manage, and maximize the assets of the Asbestos Trust for use in paying and satisfying Channeled Asbestos claims in accordance with the Trust Agreement and the Trust Distribution Procedures (the "Trust Documents") and in such a way that holders of Channeled Asbestos Claims are treated fairly, equitably, and reasonably in light of the finite assets available to satisfy such claims, and to otherwise comply in all respects with the requirements of a trust set forth in section 524(g)(2)(B) of the Bankruptcy Code.

On and after the Effective Date, the Trust was funded as provided for in Sections 5.1, 5.2 and 11.1 of the Plan.

III. TRUST ADMINISTRATION

A. Trustees

Edward D. Robertson, Jr. served as the Trustee of the Trust during the Reporting Period. Wilmington Trust served as the Delaware Trustee.

1. Meetings

During the Reporting Period, the Trustee met virtually and was in communication with the TAC and FCR regarding Trust matters, including, but not limited to, negotiations regarding revisions to the Trust Distribution Procedures, the proof of claim form and related instructions. In some instances, the Trustee obtained waivers of the formal meeting requirement, in accordance with the requirements of the Trust Agreement. The Trustee met virtually with Trust advisors and devoted time to Trust matters outside of scheduled meetings. Activities by the Trustee and his advisors included the investment of trust assets, ensuring compliance with the Trust Documents,

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working with the Trust's claims processor, and communicating with claimants. On September 8, 2020, the Trust began accepting the filing of claims.

2. Compensation

The compensation and expenses paid to the Trustee during the Reporting Period are set forth in the Trust's financial statements attached hereto as Exhibit "A." The inclusion of this information in the Trust's financial statements satisfies the requirements of Section 4.5 of the Trust Agreement. All distributions related to Trustee compensation and expense reimbursements were made in accordance with the Trust Agreement guidelines.

B. Trust Officers

John Brophy served as the Trust's Executive Director during the Reporting Period.

C. Trust Advisory Committee

Deirdre Pacheco, James Ferraro, John A. Baden, IV, and Benjamin Shein served as Members of the Trust Advisory Committee ("TAC Members") during the Reporting Period. The compensation and expenses paid to the TAC Members during the Reporting Period are set forth in the Trust's financial statements. The inclusion of this information in the Trust's financial statements satisfies the requirements of Section 5.6 of the Trust Agreement. All distributions related to TAC Member compensation and expense reimbursements were made in accordance with the Trust Agreement guidelines.

D. Future Claims Representative

Lawrence Fitzpatrick served as the Future Claim Representative (the "FCR") during the reporting period. The compensation paid to the FCR during the Reporting Period is set forth in the Trust's financial statements. The inclusion of this information in the Trust's financial statements satisfies the requirements of Section 6.5 of the Trust Agreement. All distributions

related to FCR compensation and expense reimbursements were made in accordance with the Trust Agreement guidelines.

F. General Counsel

Campbell & Levine, LLC of Pittsburgh, Pennsylvania and Wilmington, Delaware served as general counsel to the Trust.

IV. ANNUAL REPORT AND ACCOUNT

A. Summary of Claims:

During the Reporting Period, the Trust received 3,784 claims.

B. Financial Information

The Trust's audited financial statements for the Reporting Period are attached hereto as Exhibit "A." The financial statements were audited by BDO USA, LLC.

Date: April 29, 2022

CAMPBELL & LEVINE, LLC

/s/ Kathleen Campbell Davis

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Counsel to the Trust

Exhibit A

Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust

Special-Purpose Financial Statements with Supplementary Information

Years Ended December 31, 2021 and 2020

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

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Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust

Audited Special-Purpose Financial Statements
with Supplementary Information
Years Ended December 31, 2021 and 2020

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Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust

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Independent Auditor's Report

Trustee
Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust
Wilmington, Delaware

Opinion

We have audited the special-purpose financial statements of Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust (the Trust) (a common law Trust originally created under the laws of the State of Delaware), which comprise the special-purpose statements of assets, liabilities, and net assets available for the payment of claims as of December 31, 2021 and 2020, and the related special-purpose statements of changes in net assets available for the payment of claims 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, 2021 and 2020, and the changes in net assets and 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.

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BDO is the brand name for the BDO network and for each of the BDO Member Firms.



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 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.

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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.

BDO USA, LLP

April 27, 2022

Special-Purpose Financial Statements

Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust

Special-Purpose Statements of Assets, Liabilities and Net Assets Available for the Payment of Claims

December 31,	2021	2020
Assets		
Cash and cash equivalents	$ 550,803	$ 304,772
Interest receivable	148,042	135,235
Investments, at fair value		
Equity securities	3,727,152	3,851,072
Bonds	13,472,474	13,093,712
Total assets	$ 17,898,471	$ 17,384,791
Liabilities		
Accounts payable and accrued expenses	$ 33,652	$ 36,764
Total liabilities	33,652	36,764
Net assets available for the payment of claims	$ 17,864,819	$ 17,348,027

See accompanying notes to the special-purpose financial statements.

Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust

Special-Purpose Statements of Changes in Net Assets Available for the Payment of Claims

Years Ended December 31,	2021	2020
Additions		
Interest and dividend income, net	$ 335,796	$ 347,441
Net appreciation in fair value of investments	522,726	719,508
Total additions	858,522	1,066,949
Deductions		
Operating expenses	341,730	380,928
Total deductions	341,730	380,928
Increase in net assets available for the payment of claims	516,792	686,021
Net assets available for the payment of claims		
Beginning of the year	17,348,027	16,662,006
End of the year	$ 17,864,819	$ 17,348,027

See accompanying notes to the special-purpose financial statements.

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Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust

Special-Purpose Statements of Cash Flows

Years Ended December 31,	2021	2020
Cash flows from operating activities:		
Increase in net assets available for the payment of claims	$ 516,792	$ 686,021
Adjustments to reconcile the increase in net assets available for the payment of claims to net cash provided by operating activities:		
Amortization of premiums on bonds, net	252,909	259,411
Net appreciation in fair value of investment securities	(522,726)	(719,508)
Changes in operating assets and liabilities:		
Interest receivable	(12,807)	6,351
Accrued expenses and accounts payable	(3,112)	13,057
Net cash provided by operating activities	231,056	245,332
Cash flows from investing activities:		
Sales and maturities of bonds	1,550,000	1,218,333
Purchases of bonds	(2,395,942)	(1,597,850)
Purchases of equity securities	1,001,210	(1,593,356)
Sales of equity securities	(140,293)	1,691,562
Net cash provided by (used in) investing activities	14,975	(281,311)
Net increase (decrease) in cash and cash equivalents	246,031	(35,979)
Cash and cash equivalents at the beginning of the year	304,772	340,751
Cash and cash equivalents at the end of the year	$ 550,803	$ 304,772

See accompanying notes to the special-purpose financial statements.

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Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust

Notes to the Special-Purpose Financial Statements

1. Description of the Trust

On June 27, 2012, the United States Bankruptcy Court for the District of Delaware (the Bankruptcy Court) entered an order (the Confirmation Order) confirming the Joint Chapter 11 Plan of Reorganization for Durabla Manufacturing Company and Durabla Canada Ltd. (the Plan). On August 2, 2012, the District Court entered an order affirming the Confirmation Order.

The essential elements of the Plan include, among other things, the creation of the Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust (the Trust) under Section 524(g) of Chapter 11 of the United States Bankruptcy Code (the Bankruptcy Code) in the Bankruptcy Court. The Confirmation Order has become final and is no longer appealable, and the Plan became effective on September 12, 2012.

Pursuant to the Plan, the Trust assumed certain assets and the responsibility for all Channeled Asbestos Claims. The Trustee is responsible for supervising and administering the Trust and utilizing the Trust's assets and income to pay the holders of all Channeled Asbestos Claims in accordance with the Trust Agreement and the Trust Distribution Procedures (TDP) in such a way that holders of such claims are treated fairly, equitably and reasonably in light of the limited assets available to satisfy such claims, and to otherwise comply in all respects with the requirements of a trust set forth in section 524(g)(2)(B) of the Bankruptcy Code.

2. Significant Accounting Policies

Basis of presentation

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trust, 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 the related operating expenses of the Trust. Since the accompanying special-purpose financial statements are not based upon GAAP, the accounting treatment by other parties for these same transactions may differ as to timing and amount. The special-purpose accounting methods include the following:

- Assets are recorded when they are received by the Trust and are available for the payment of asbestos claims.

- Future fixed liabilities under contractual obligations and other agreements entered into by the Trust are recorded as deductions in net assets available for the payment of claims in the same period that such contractual obligations or agreements are signed. Under GAAP, liabilities and contractual obligations are recorded over the period that is benefited by the underlying contract or agreement.

- The full amounts of claims will be expensed in the period in which the confirmed claims are settled. A settled claim is a claim that has been allowed by the Trust and accepted by the claimant, with an approved release. 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. No claims were settled or paid during the years ended December 31, 2021 and 2020.

- Payments for services to be received over an extended period in the future are expensed as paid because 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.

- Payments for property and equipment are expensed as incurred. Under GAAP, payments for property and equipment are capitalized and depreciated over the useful lives of the assets. To date, the Trust has incurred no expense related to purchases of property and equipment.

- 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.

- Under GAAP, for financial statement disclosure purposes all investments would be categorized based on the priority of inputs used to measure fair value. Under GAAP, inputs used in measuring fair value are categorized into three levels. Level 1 includes inputs that are based upon quoted prices for identical instruments traded in active markets. Level 2 includes 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 includes 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 accompanying special-purpose financial statements do not categorize all investments into these levels.

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 disclosures 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 the net assets available for the payment of claims during the reporting period. Actual results could differ from those estimates and such differences could have a material effect on the net assets available for the payment of claims.

Cash equivalents

The Trust considers all highly liquid instruments with original maturities of three months or less to be cash equivalents.

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Investments

Investment securities are stated at fair value. Fair values for investment securities are based on quoted market prices for identical or similar instruments traded in active markets as of the date of the special-purpose financial statements. The net appreciation or depreciation in fair value of investments in the accompanying special-purpose statements of changes in net assets available for the payment of claims consists of realized gains or losses on sales of investments and the changes in unrealized gains or losses on investments held. Investment income is recognized when earned. Interest and dividend income, net of investment expenses, and amortization and accretion of bond premiums or discounts, are included in interest and dividend income, net in the accompanying special-purpose statements of changes in net assets available for the payment of claims. Gains and losses on sales of investment securities are determined using the average cost method.

Accrued expenses and accounts payable

Accrued expenses and accounts payable consist of accruals and outstanding invoices associated with managing and operating the Trust.

Operating expenses

Operating expenses of the Trust are paid from the net assets available for the payment of claims when invoices are received.

Income taxes

The Trust is classified as a Qualified Settlement Fund pursuant to the Internal Revenue Code and Regulations thereunder (the Code). 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 4). The income taxes associated with gains on investments will be recorded in the Trust's financial statements when the net gains are realized (i.e. the securities are sold) and the taxes become currently payable. In addition, there is no provision for deferred taxes associated with any future benefit from the potential use of net operating loss carryforwards to reduce taxable income in future years.

The Trust is generally no longer subject to income tax examinations by the Internal Revenue Service for the years ended December 31, 2017 and prior.

Risks and uncertainties

The Trust's assets that are exposed to credit risk consist primarily of cash. Cash balances are maintained at high-quality financial institutions and the Trust believes the credit risk related to

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these cash balances is minimal. The Trust has not experienced any losses related to these balances. There were no amounts on deposit in excess of federally insured limits at December 31, 2021.

The Trust invests in a professionally managed portfolio that contains equity securities and municipal bonds. Such investment securities 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 that such changes could materially affect the Trust's account balance and the amounts reported in the special-purpose statements of assets, liabilities and net assets available for the payment of claims.

3. Funding Under Joint Plan of Reorganization

Pursuant to the Plan, assets to be transferred to the Trust included cash, certain notes, rights to any future proceeds received pursuant to certain insurance policies, and the proceeds of settlement agreements with certain insurance companies, subject to the terms and conditions of the settlement agreements as approved by the Bankruptcy Court.

During the period from September 12, 2012 (inception) through December 31, 2012, the Trust received a total of $2,441,070 in cash. Additionally, during the period from September 12, 2012 (inception) through December 31, 2012, the Trust received a total of $6,360,554 in insurance settlement proceeds assigned to the Trust.

Finally, during the period from September 12, 2012 (inception) through December 31, 2012, the Trust received a total of $7,162,117 in principal payments and $179,612 in interest payments under the terms of three separate promissory notes that were issued to the Trust pursuant to the Plan. While the original terms called for future principal and interest payments through December 31, 2020 at an interest rate of 5% per annum, the promissory notes were paid in full during the year ended December 31, 2012 at a discount of 8%. Accordingly, there are no further amounts due to the Trust under these promissory notes.

All Asbestos Trust Assets, as defined by the Plan, have been received. Under the terms of settlement agreements with certain insurance companies, or under the terms of future settlements negotiated by the Trust, the Trust may be entitled to future insurance recoveries. In accordance with the Trust's accounting policies, such insurance recoveries are recorded as an addition to net assets available for the payment of claims when the funds are received from the insurance companies.

4. Investments

Investment securities consist of the following at December 31, 2021:

Description	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Equity securities	$ 1,630,299	$ 2,096,853	$ -	$ 3,727,152
Bonds	12,960,145	512,329	-	13,472,474
	$14,590,444	$ 2,609,182	$	$17,199,626

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Investment securities consist of the following at December 31, 2020:

Description	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Market Value
Equity securities	$ 2,100,489	$ 1,750,583	$ -	$ 3,851,072
Bonds	12,361,920	731,792	-	13,093,712
	$ 14,462,409	$ 2,482,375	$ -	$ 16,944,784

Net appreciation in the fair value of investment securities of $522,726 and $719,508 for the years ended December 31, 2021, and 2020, respectively, consist of the net change in unrealized gains (losses) and net realized gains (losses) from investment sales.

Unrealized gains and losses

Net change in unrealized gains (losses) from investment market appreciation (depreciation) of the following as of December 31:

	2021	2020
Bonds	**$ (219,463)**	$ 246,989
Equity securities	**346,270**	475,608
	$ 126,807	$ 722,597

Realized gains and losses

Net realized gains (losses) from investment sales consist of the following as of December 31:

	2021	2020
Bonds	**$ 5,192**	$ 1,983
Equity securities	**390,727**	(5,072)
	$ 395,919	$ (3,089)

5. Income Taxes

During the years ended December 31, 2021 and 2020, the Trust paid no income taxes and recorded no income tax expense.

On December 22, 2017, Congress passed the Tax Cuts and Jobs Act (the 2017 Tax Act) which reduced the income tax rate from 39.6% to 37% and modified the rules regarding the usability of certain net operating losses for the Trust beginning on January 1, 2018. Under the 2017 Tax Act, the Trust's net operating losses of approximately $1,250,000 generated prior to January 1, 2018, are available to offset future taxable income and will expire, if not utilized, on various dates through 2037. The net operating loss carryforwards of approximately $880,000 generated after January 1, 2018, do not expire but can only be used to offset up to 80% of taxable income in future years as part of the 2017

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Tax Act. In addition, there are no net operating loss carryback provisions under the 2017 Tax Act. As of December 31, 2021, the Trust has approximately $2,130,000 in net operating losses. These operating loss carryforwards will expire, if not utilized, on various dates through 2041.

As of December 31, 2021 and 2020, the estimated deferred tax liability associated with unrealized gains on investments is approximately $970,000 and $920,000, respectively.

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 net operating loss carry forwards, net capital loss carryforwards, or cumulative unrealized gains and losses on investments.

6. 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. The Trust has obtained insurance for purposes of supporting its obligation to indemnify the Trustee.

7. Liability for Asbestos Claims

The ultimate number of Channeled Asbestos Claims to be filed and the liability for such claims is not determinable at this time. The net assets available for the payment of claims at December 31, 2021 and 2020, represents funding available for all Channeled Asbestos Claims for which no fixed liability has yet been established. The net assets available for the payment of claims at December 31, 2021 and 2020, may or may not be sufficient to meet all future obligations of the Trust.

8. Trust Liability Insurance

The Trust purchased liability insurance for a premium of $36,715 and $22,780 during the years ended December 31, 2021, and 2020, respectively. The current policy term is October 12, 2021, to October 12, 2022. The Trust's accounting policy is to expense in the current period any amounts that will not be available to pay future Channeled Asbestos Claims or expenses of the Trust. Accordingly, $36,715 and $22,780 was included in operating expenses and recorded as a deduction in net assets available for the payment of claims for the years ended December 31, 2022, and 2021, respectively.

9. COVID-19

On January 30, 2020, the World Health Organization (WHO) announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the COVID-19 outbreak) and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The COVID-19 pandemic has greatly contributed to significant volatility in financial markets through the date of issuance of these consolidated special-purpose financial statements. In addition, the

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COVID-19 pandemic has impacted the operational and logistical processes of organizations. The Trustees, Trust advisors, and management of the Trust continue to monitor the impact of this global situation on the Trust's financial condition and operations. Given the daily evolution of the COVID-19 pandemic and the global responses to curb its spread, the Trust is not able to estimate the long-term effects of the COVID-19 pandemic on its financial condition and operations.

10. Subsequent Events

The Trust has evaluated its December 31, 2021, special-purpose financial statements for subsequent events through April 27, 2022, 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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Supplementary Information

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McLean, VA 22102

Independent Auditor's Report on Supplementary Information

Trustee
Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust
Wilmington, Delaware

Our audits of the special-purpose financial statements included in the preceding section of this report were conducted for the purpose of forming an opinion on those statements as a whole. The supplementary information presented in the following section of this report is presented for purposes of additional analysis and is not a required part of the special-purpose financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audit of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

BDO USA, LLP

April 27, 2022

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BDO is the brand name for the BDO network and for each of the BDO Member Firms.

Durabla Manufacturing Company and Durabla Canada Ltd. Asbestos Trust

Supplemental Schedules of Operating Expenses

Years Ended December 31,	2021	2020
Trustee fees and expenses	$ 85,603	$ 83,941
Investment advisor, management, and bank fees	80,780	76,589
Accounting, finance, and tax fees	77,898	96,675
Trust liability insurance	36,715	22,780
Consulting services	20,270	18,574
General legal fees	16,379	26,727
Claims administrator fees	12,993	37,768
Legal representative counsel fees and expenses	9,499	11,127
Trust Advisory Committee Counsel fees and expenses	1,500	6,688
Trust management fee	93	59
Total operating expenses	$ 341,730	$ 380,928

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: DURABLA MANUFACTURING COMPANY, and DURABLA CANADA LTD., Reorganized Debtors.	Chapter 11 Case No. 09-14415 (MFW) (Jointly Administered)

CERTIFICATE OF SERVICE

I, Kathleen Campbell Davis, of Campbell & Levine, LLC, hereby certify that on April 29, 2022 I caused a copy of the *Notice of Filing of Annual Report and Claims Summary* to be served upon the parties below by electronic mail as shown:

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Dated: April 29, 2022

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