UNITED STATES BANKRUPTCY COURT FOR THE
SOUTHERN DISTRICT OF OHIO, WESTERN DIVISION

In Re: EAGLE-PICHER INDUSTRIES, INC., et al., Debtors.	Consolidated Case No. 1-91-10100 Chapter 11 Hon. Burton Perlman, U.S.B.J.

ANNUAL REPORT AND ACCOUNT OF THE TRUSTEES OF THE EAGLE-PICHER INDUSTRIES, INC. PERSONAL INJURY SETTLEMENT TRUST FOR THE YEAR ENDING DECEMBER 31, 2014

Purpose of Report

James J. McMonagle, Stephen A. Madva, and Laura R. Walker (the "Trustees"), as Trustees of the Eagle-Picher Industries, Inc. Personal Injury Settlement Trust (the "Trust"), respectfully submit this annual report and account (the "Report") in order to comply with Sections 3.2(c) and 5.12 of the Eagle-Picher Industries, Inc. Personal Injury Settlement Trust Agreement (the "Trust Agreement") and with this Court's Order Regarding Accountings of the Eagle-Picher Industries, Inc. Personal Injury Settlement Trust dated March 14, 1997.

Section 3.2(c) of the Trust Agreement provides as follows:

> **(c) The Trustees shall cause to be prepared and filed with the Bankruptcy Court, as soon as available, and in any event within one hundred twenty (120) days following the end of each fiscal year, an annual report containing (1) financial statements of the PI Settlement Trust** (including, without limitation, a balance sheet of the PI Settlement 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 Trustees 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 **and (2) such other matters as the Trustees deem appropriate to report to the Bankruptcy Court.** The Trustees shall provide a copy of such report to the TAC and to Reorganized Eagle-Picher.
>
> (i) Simultaneously with delivery of each set of financial statements referred to in Article 3.2(c) above, the Trustees shall cause to be

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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.

(ii) All materials required to be filed with the Bankruptcy Court by this Article 3.2 shall be available for inspection by the public in accordance with procedures established by the Bankruptcy Court.

Section 5.12 of the Trust Agreement provides as follows:

5.12. Settlement of Trustees' Accounts. Notwithstanding any state law to the contrary, the Bankruptcy Court shall have exclusive jurisdiction over the settlement of the accounts of the Trustees, whether such account is rendered by the Trustees themselves or is sought by any other person. **The Trustees shall render successive accounts covering periods ending at the end of each calendar year consisting of the filings required by Article 3.2(c) of this Trust Agreement. In addition, an account shall be rendered for the period ending on the date of the death, resignation, removal or retirement of any Trustee. Upon the approval of any such account by the Bankruptcy Court after hearing on notice to Reorganized Eagle-Picher, the TAC and such other parties as the Bankruptcy Court may designate, the Trustees shall be discharged from any further liability or responsibility, as to all matters embraced in such account.**

Paragraph (a) of this Court's Order dated March 14, 1997, reads in pertinent part as follows:

(a) The Accounting required of the Trust for each successive calendar year shall consist of the annual report and the claims summary required under Sections 3.2(c) and 3.2(c)(i) of the Trust Agreement, together with any further information the Trustees may deem appropriate to provide the Court, plus an application for approval of the Accounting and discharge of the Trustees, and a proposed order (the "Materials"). These Materials shall be filed no later than April 30 of each year.

The principal purposes of this Report and the accompanying year-end audited financial statements are to inform the Court, the Trust's beneficiaries, and other interested parties of the actions taken and decisions made by the Trustees in the year ended December 31, 2014, and to provide a basis, under Section 5.12 of the Trust Agreement, for the discharge from liability of the Trustees for all matters included in this Report or otherwise embraced by the account.

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Jurisdiction

The Court has jurisdiction over the Application for Order Approving Annual Report and Account pursuant to Section 9.1 of the Plan of Reorganization.

Summary

Under this Court's supervision, the Trust has processed more than 624,700 claims over the past eighteen years. In 2014, through the Trust's ownership of the Claims Processing Facility, Inc. (the "CPF"), the Trust received a total of 10,895 asbestos-disease claims; processed to allowance or disallowance a total of 11,099 asbestos-disease claims; and made payments to asbestos victims or their survivors totaling approximately $31.3 million. Valid malignant claims made up approximately 80% of the Trust's paid claims. The total amount the Trust has distributed to victims of asbestos disease or their survivors as of December 31, 2014 was approximately $725.5 million.

Throughout the year the Trustees continued the implementation of their strategy to manage the investment of Trust funds on a sound basis while sustaining the cash flow necessary to pay allowed claims without delay. The Trustees and Trust staff held quarterly conference calls with the Trust's investment advisor and three investment managers, as well as periodic client visits and strategy sessions, to monitor progress in the management of the portfolio. At year end, the Trust's net assets were valued at approximately $360.6 million.

These activities and others are described in more detail below.

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I. Meetings of the Trustees

The Trustees held four meetings in person during 2014 and one meeting telephonically. The Trustees' Advisory Committee participated in all of the in-person meetings. In addition, the Audit Committee held a separate meeting in person.

II. Trustee Succession

Section 5.1(d) of the Trust Agreement prescribes a mandatory retirement age for Trustees. Ruth R. McMullin attained this mandatory retirement in the first quarter of 2014. Ms. McMullin retired as Trustee and Chairperson effective December 31, 2013 and was retained by the Trust as a consultant through February 2014.

After a diligent search and consideration of candidates, and following consultation with the Trustees' Advisory Committee pursuant to Section 3.2(e) of the Trust Agreement, in December 2013 the Trustees unanimously elected Laura R. Walker as successor Trustee, effective January 1, 2014. Among other accomplishments, Ms. Walker is the current President and CEO of New York/New Jersey Public Radio, she has served on several boards of directors, and she holds an MBA from Yale School of Management.

III. Trust Administration

The Trustees continued to retain the firm of Sikich, LLP as auditors, the firm of Deloitte Tax LLP as tax consultant, and the firm of Marsh USA as insurance broker.

William B. Nurre retired in the first quarter of 2014 and Melanie K. Impastato, Esq., General Counsel to the Trust, succeeded him as Executive Director of the Trust and

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President of the CPF effective February 7, 2014. As a CPF employee for nearly two decades, Ms. Impastato has advised on every aspect of the Trust's claims process since inception.

The Trustees continued to serve as directors of the CPF, as discussed in Section V.D below, and spent considerable time individually on Trust matters during the course of the year. For example, among other activities:

- Mr. McMonagle continued to monitor developments with respect to legislation, litigation, and bankruptcies of asbestos companies potentially affecting the Trust and provided oversight of management and staff. He was unanimously elected Chairperson of the Trust and the CPF, effective January 1, 2014.

- Mr. Madva worked with Trust staff on the Trust's and CPF's insurance programs, advised on claims filing trends and related developments, and assisted the CPF in pursuing additional asbestos personal injury claims processing opportunities.

- Ms. Walker succeeded Mr. McMonagle as Chair of the Audit Committee and assisted the CPF in pursuing additional asbestos personal injury claims processing opportunities.

The Trustees also reviewed measures in place to protect against any potential cyber-attack on the CPF's systems or website and acquired data breach insurance for the CPF and the trusts for which it processes claims, including the Trust, which became effective on September 1, 2014.

The Trustees and Trust staff continued to monitor developments in asbestos personal injury litigation and claims filing. In 2014 this included, among other things, monitoring and taking appropriate steps in connection with allegations and judicial determinations concerning the reliability of certain evidence submitted to substantiate asbestos personal injury claims.

The Trust also continued to monitor legislative activities related to asbestos personal injury litigation and trusts established under Section 524(g). For example, Wisconsin

enacted legislation effective March 2014 that requires tort plaintiffs to disclose their Section 524(g) trust claim submissions and permits tort defendants to identify additional Section 524(g) trusts with which they believe a tort plaintiff should file claims. This and similar legislative developments may impact the subpoena burden faced by the Trust.

The Trust responded to approximately 359 third party subpoenas in 2014. The subpoenas largely sought claims filing information and were primarily issued from non-bankrupt asbestos defendants. In most instances, the Trust responded to properly issued subpoenas by providing a copy of the claimant's claim form after providing notice to the claimant. Generally, the Trust received reimbursement for the costs and expenses it incurred responding to the subpoenas.

Consistent with the Trust's long-standing policy, the Trust did not divulge any medical information or settlement amounts in responding to these subpoenas and, to the extent that any of the subpoenas requested such information, the Trust took action to quash or otherwise oppose the request.

IV. Asset Management

A. Investment Allocation

The Trust continued to implement the investment strategy developed over time in reliance on the advice of Cambridge Associates. The invested assets of the Trust are allocated among four portfolios: (1) a short-term bond portfolio composed primarily of short-term tax-exempt bonds; (2) a total-return bond portfolio composed primarily of intermediate-term tax-exempt bonds, with up to 10% of the portfolio in below-investment-grade fixed income securities; (3) an equity portfolio composed of shares of United States companies with medium-

to-large capitalization benchmarked to the Russell 1000 Index; and (4) an equity portfolio composed of American Depository Receipts representing ownership interest in securities of over 250 large capitalization companies in developed markets outside the United States, benchmarked to the Standard & Poor's ADR Index.

Upon the advice of the Trust's investment advisor, the Trust's target investment allocation during 2014 was 8% short-term bonds, 54% total-return bonds, and 38% equities. The actual allocation varied from these targets during the course of the year, due principally to fluctuations in the value of the Trust's equity portfolios. The allocation of invested assets at December 31, 2014 was 8.9% in short-term bonds, 54.8% in total-return bonds, and 36.3% in equities (20.5% in the Russell 1000 Index portfolio and 15.8% in the S&P ADR Index portfolio).

The Trust continued to retain as investment managers J.P. Morgan Asset Management to manage the short-term bond portfolio, Standish Mellon Asset Management to manage the total-return bond portfolio, and The Northern Trust Company to manage the Trust's investments in equity securities. The Trust also continued to retain The Northern Trust Company as custodian of all of the Trust's investment accounts.

Over the course of the year, in addition to quarterly phone conferences with all of the investment managers, the Trustees met regularly in person with Cambridge Associates and had in person-meetings with all three investment managers.

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B. Investment Performance

Investment returns over the past three years were as follows:

	2014	2013	2012
Short-term bond portfolio	0.1%	0.7%	1.0%
Intermediate-term bond portfolio	5.7%	-1.3%	4.3%
Equity:			
Russell 1000 Index portfolio	13.2%	32.9%	16.2%
S&P ADR Index portfolio	-4.9%	14.9%	15.8%
Total Return	**4.9%**	**8.9%**	**8.2%**

Both the short-term and intermediate-term bond portfolio are almost entirely invested in tax-exempt bonds, meaning the investment returns for those portfolios are after-tax returns. The equity portfolios managed by The Northern Trust Company replicate indices, and the 2014 returns of the portfolios closely mirrored the 2014 returns of those indices, which were 13.2% for the Russell 1000 Index and -4.3% for the S&P ADR Index.

Since 1998 the Trust has not been required to pay any federal income taxes because it has been able to offset its capital gains tax obligations by carrying forward operating and capital losses. Beginning in 2015 or 2016, the Trust expects to exhaust its remaining tax loss carry forwards and resume making federal income tax payments.

V. Claims Processing

A. Claim Filing Options

A claimant has the option to file either a Discounted Cash Payment ("DCP") or an Individualized Review Claim ("IRC") claim. The DCP is designed, in part, for claimants who can easily be determined by the Trust to have a valid non-malignant injury claim and who wish to have a fixed payment now and a limited release retaining the right to receive a further

payment if the injured should subsequently be diagnosed as having an asbestos-related malignancy. The DCP option is also available for malignant claims, using a fixed payment schedule. The DCP payment schedule is a one-time payment as follows:

Mesothelioma	$6,500
Lung Cancer	$2,000
Other Cancer	$1,000
Non-malignant	$400

IRC claims are reviewed using tort system principles and a confidential, proprietary claim valuation model. This option is available for all disease categories. Trust management has advised claimants' counsel that, based on current facts and circumstances including the Trust's current payment percentage, the IRC option will generally result in a higher payment for malignancies than the DCP option. The filing option is the claimant's choice.

B. Claims Processing Results

The CPF, on behalf of the Trust, received a total of 10,895 individual asbestos personal injury claims in 2014, of which 5,229 sought DCP and 5,666 sought IRC. Claims filed or received over the past three years were as follows:

	2014	2013	2012
Total claims received	**10,895**	**12,761**	**16,790**
Discounted Cash Payment	5,229	5,347	7,294
Individualized Review Claim	5,666	7,414	9,496

The ratio of non-malignant to malignant claim filings was approximately 1.42 to 1 in 2014, compared to a ratio of 1.39 to 1 in 2013 and 5.18 to 1 from inception through December 31, 2014. Approximately 80% of all dollars paid in 2014 went to claimants with malignant diseases.

During 2014, the CPF processed a total of 11,099 claims to allowance or initial disallowance, with a backlog at year-end of 564 claims. The Trust paid approximately $31.3

million in 2014 to asbestos victims in settlement of their claims. These figures over the past three years were as follows:

	2014	2013	2012
Claims processed to allowance or initial disallowance	11,099	14,153	18,380
Claims paid (in millions)	$31.3	$35.9	$30.2
Claims backlog at year-end	564	768	2,142

As of December 31, 2014, the CPF, on behalf of the Trust, has received since inception a total of 626,713 individual asbestos personal injury claims. Of these 626,713 claims, the CPF has processed to allowance or initial or final disallowance a total of 624,776 claims including 1,373 Trust processed prepetition settled claims. The Trust has paid a total of approximately $725.5 million on allowed claims.

The Trust also processed during 2014 approximately 7,349 disallowance responses. The initial disallowance rate was slightly higher at 65.1% in 2014, compared to an initial disallowance rate of 63.1% in 2013. The principal source of disallowances is proof of exposure to Eagle-Picher asbestos-containing product that does not comply with the requirements of the Claims Resolution Procedures. Since the inception of the Trust, the historical cure rate for disallowances is approximately 33.5%.

1. Discounted Cash Payment Claims

During 2014 the CPF, on behalf of the Trust, received 5,229 DCP claims and processed to allowance or initial disallowance a total of 4,980 DCP claims. Upon initial review, the CPF allowed approximately 28.5% of DCP claims reviewed in 2014 and initially disallowed approximately 71.5%. Claimants have one year following initial disallowance to correct any deficiency in the claim. The Trust paid a total of $2.8 million on allowed DCP claims during

2014, bringing the total paid to claimants on DCP claims over the life of the Trust to $117.7 million.

2. Individualized Review Claims

The CPF, on behalf of the Trust, received 5,666 claims requiring individualized review during the Report Period. The CPF processed to allowance or initial disallowance 6,119 IRC claims in 2014, of which approximately 40% were allowed and 60% were initially disallowed. (As noted above, claimants have one year following initial disallowance to correct any deficiency in the claim.) The Trust paid a total of $28.5 million on allowed IRC claims in 2014, bringing the total paid on such claims to $603.7 million.

C. Alternative Dispute Resolution

Nine claims went to arbitration in the Trust's Alternative Dispute Resolution ("ADR") program in 2014, with five reaching a decision by year-end: three claims settled in favor of the Trust and two settled in favor of the claimant.

As of December 31, 2014, a total of 1,123 individual claims (including 345 claims consolidated into a single proceeding) had gone to decision through the Trust's Evaluation by Document Alternative Dispute Resolution program. The Trust's position prevailed in approximately 82% of these cases.

At year-end, 13 claims were pending appeal of a Nonbinding Evaluation by Document award. Claimants' counsel has notified the Trust of its intent to bring these cases to the tort system, but no proceeding against the Trust has been initiated in the tort system as of the date of this Report. All of these claims have been pending appeal for a number of years.

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ADR claims and awards over the past three years were as follows:

	2014	2013	2012
Total ADR awards	**5**	**35**	**9**
Trust's position prevailed	3	35	8
Claimant's position prevailed	2	0	1
Claims pending in ADR	34	49	87

In addition, at the close of the Report Period 34 claimants had initiated dispute resolution or had pending a request to invoke the process, compared to 49 claims as of December 31, 2013. The decrease is a result of the Trust's settling more claims in 2014 at the time ADR is requested prior to initiating arbitration.

Pursuant to Section IV.M of the Trust's ADR Procedures and upon due consideration, the Trustees amended the ADR Procedures to reflect a revision to the arbitrator's fee in Section IV.E.1, effective September 2014.

D. The CPF

The Trustees continued to serve as the three directors of the CPF, a subsidiary of the Trust. The Trustees are not compensated for their service as CPF directors, but they are entitled to hourly or per diem compensation for work performed outside of CPF board and committee meetings. As of the date of this Report, the Trustees have not incurred any compensation for service as CPF directors.

In addition to processing the Trust's claims, the CPF continues to process claims on a contract basis for the Keene Creditors Trust, the Raytech Corporation Asbestos Personal Injury Settlement Trust, and the UNR Asbestos-Disease Trust.

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In 2014, the CPF took steps to streamline the claims filing process and protect the confidentiality of claimant data by instituting an email notification program and a PIN number account verification requirement.

A copy of the audited financial statements of the CPF for the year ended December 31, 2014 is attached as Exhibit B.

VI. Cost Control

The Trust and the CPF continued to monitor costs closely. Trust operating expenses in 2014 were approximately $166,000 higher than the previous year. Approximately 66% of all operating expenses are directly attributable to claims processing. Claims processing expenses totaled $3.47 million in 2014, $3.13 million in 2013, and $3.09 million in 2012.

VII. Financial Statements

The Trust's audited financial statements for 2014 are attached as Exhibit A.

Dated: Cleveland, Ohio
April 27, 2015

James J. McMonagle, Trustee (Chairperson), for himself and for Stephen A. Madva, Trustee, and Laura R. Walker, Trustee

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Exhibit A

EAGLE-PICHER INDUSTRIES, INC.
PERSONAL INJURY SETTLEMENT TRUST

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Years Ended
December 31, 2014 and 2013



EAGLE-PICHER INDUSTRIES, INC.
PERSONAL INJURY SETTLEMENT TRUST
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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
Eagle-Picher Industries, Inc.
Personal Injury Settlement Trust
Cincinnati, Ohio

We have audited the accompanying financial statements of Eagle-Picher Industries, Inc. Personal Injury Settlement Trust (the Trust), which comprise the Special-Purpose Statements of Net Assets as of December 31, 2014 and 2013, and the related Special-Purpose Statements of Operations and Changes in Net Assets for the years then ended, and the related Notes to Special-Purpose Financial Statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Section 3.2 of the Trust Agreement dated November 29, 1996, as described in Note 2. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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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 accompanying special-purpose financial statements referred to above present fairly, in all material respects, the net assets of Eagle-Picher Industries, Inc. Personal Injury Settlement Trust at December 31, 2014 and 2013, and its changes in net assets for the years then ended, on the basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the special-purpose financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions of Section 3.2 of the Trust Agreement dated November 29, 1996, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the financial reporting provisions of the Trust Agreement. Our opinion is not modified with respect to that matter.

Restriction on Use

This report is intended solely for the use of the Trustees, beneficiaries of the Trust, and the United States Bankruptcy Court for the Southern District of Ohio, Western Division, and should not be used for any other purpose.

Sikich LLP

Naperville, Illinois
March 30, 2015

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FINANCIAL STATEMENTS

EAGLE-PICHER INDUSTRIES, INC.

PERSONAL INJURY SETTLEMENT TRUST

SPECIAL-PURPOSE STATEMENTS OF NET ASSETS

December 31, 2014 and 2013

	2014	2013
ASSETS		
Cash and cash equivalents (Note 3)	$ 5,975,147	$ 7,901,131
Investments in debt and equity securities (Note 5)	400,806,717	415,308,530
Prepaid working capital - Claims Processing Facility, Inc.	192,136	182,075
TOTAL ASSETS	$ 406,974,000	$ 423,391,736
LIABILITIES AND NET ASSETS		
LIABILITIES		
Settled but unpaid claims	$ 11,889,184	$ 12,381,234
Accounts payable	73,722	72,633
Accrued expenses	242,259	203,151
ADR fee liability	10,500	8,750
Lease commitments payable	25,923	40,487
Net deferred income tax liability (Note 6)	34,098,172	31,167,608
Total liabilities	46,339,760	43,873,863
NET ASSETS	360,634,240	379,517,873
TOTAL LIABILITIES AND NET ASSETS	$ 406,974,000	$ 423,391,736

See accompanying notes to special-purpose financial statements.

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EAGLE-PICHER INDUSTRIES, INC.
PERSONAL INJURY SETTLEMENT TRUST

SPECIAL-PURPOSE STATEMENTS OF
OPERATIONS AND CHANGES IN NET ASSETS

For the Years Ended December 31, 2014 and 2013

	2014	2013
INVESTMENT INCOME		
Tax-exempt interest income	$ 7,282,571	$ 7,658,213
Taxable interest and dividend income	4,811,330	4,354,392
Net realized capital gain	18,660,201	9,254,400
Net unrealized capital gain (loss)	(10,703,625)	16,098,620
Total investment income	20,050,477	37,365,625
OPERATING EXPENSES		
General and administrative expenses	706,051	722,180
Claims processing and administration	3,473,448	3,129,542
Professional fees	305,603	480,159
Investment related expenses	755,817	743,152
Total operating expenses	5,240,919	5,075,033
INCOME BEFORE TAX EXPENSE	14,809,558	32,290,592
Income tax expense (Note 6)	2,932,064	9,838,729
NET INCREASE IN NET ASSETS FROM OPERATIONS	11,877,494	22,451,863
Claims settled	30,761,127	36,099,731
NET DECREASE IN NET ASSETS	(18,883,633)	(13,647,868)
NET ASSETS, BEGINNING OF YEAR	379,517,873	393,165,741
NET ASSETS, END OF YEAR	$ 360,634,240	$ 379,517,873

See accompanying notes to special-purpose financial statements.

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EAGLE-PICHER INDUSTRIES, INC.
PERSONAL INJURY SETTLEMENT TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

December 31, 2014 and 2013

1. DESCRIPTION OF THE TRUST

The Eagle-Picher Industries, Inc. Personal Injury Settlement Trust (the Trust) was established on November 29, 1996, as an Ohio trust, pursuant to the Third Amended Consolidated Plan of Reorganization for Eagle-Picher Industries, Inc. (Eagle-Picher), dated August 28, 1996, as modified (the Plan). The Trust's investment assets are held in an investment partnership, EPPIST Investment Partnership, in which the Trust is a 99.9% partner. A wholly owned subsidiary of the Trust, EPPIST LLC, is a 0.1% partner. The following description of the Trust provides only general information. Readers should refer to the Trust Agreement and the Plan for a complete description of the provisions of the Trust.

The purpose of the Trust is to assume any and all liabilities of Eagle-Picher with respect to any and all Asbestos Personal Injury Claims and Lead Personal Injury Claims (hereinafter jointly referred to as Toxic Personal Injury Claims) and to use the assets and income of the Trust to pay bona fide Toxic Personal Injury Claims in accordance with the provisions set forth in the Trust Agreement, the Eagle-Picher Industries, Inc. Asbestos Injury Claims Resolution Procedures, and any Lead Personal Injury Claims procedures adopted pursuant to the Trust Agreement.

The Trustees are responsible for supervising and administering the Toxic Personal Injury Claims resolution process. The Trust will use its net assets for the Trust's general and administrative expenses and for settlement of Toxic Personal Injury Claims as defined in the Plan.

2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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

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2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

a. Future fixed liabilities and contractual obligations entered into by the Trust are recorded directly against net assets. Accordingly, the future minimum rental commitments for noncancelable operating leases have been recorded as a deduction from net assets. Under GAAP, liabilities and contractual obligations are recorded only as incurred.

b. The Trust records the liability for Toxic Personal Injury Claims when a signed release has been received from the claimant. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not reported and for those claims that have been submitted but not yet approved for payment by the Trust.

c. Payments for fixed assets and prepaid insurance are expensed as incurred. Under GAAP, payments for fixed assets are capitalized and depreciated or amortized over the useful lives of the assets.

d. Both debt and equity securities are recorded at fair value as determined by the most recently traded price of each security at the balance sheet date, and the related securities transactions are recorded on a trade date basis. Interest income receivable is included in the carrying value of investments. At December 31, 2014 and 2013, interest income receivable was $3,358,665 and $3,488,728, respectively. Investment income is recognized when earned, and realized gains and losses on security dispositions are recognized on the specific identification method of accounting. The changes in unrealized gains and losses resulting from recording investments at fair value are included on the Special-Purpose Statements of Operations and Changes in Net Assets.

e. The Trust processes claims through its wholly owned subsidiary, Claims Processing Facility, Inc. (CPF) (see Note 11). Payments to this entity are accounted for as prepaid working capital and expensed by the Trust as the funds are expensed by CPF. No investment in CPF was recorded by the Trust as would be required by GAAP.

Use of Estimates

The preparation of special-purpose financial statements in conformity with the basis of accounting 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

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2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements

The Trust follows the authoritative guidance issued by the Financial Accounting Standards Board (FASB) which defines fair value, establishes a framework for measuring fair value by providing a hierarchy used to classify the source of the information measuring fair value, and expands disclosures about fair value measurements.

Assets and liabilities carried at fair value are classified and disclosed in one of the following categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Income Taxes

The Trust follows authoritative guidance issued by FASB that clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination. Measurement of the tax uncertainty occurs if the recognition threshold has not been met. This guidance also addresses derecognition, classification, interest and penalties, disclosure, and transition.

In the normal course of business, the Trust is subject to examination by taxing authorities. The Trust's tax returns for years subsequent to the fiscal year ended December 31, 2010 are open, by statute, for review by authorities. However, at present, there are no ongoing income tax audits or unresolved disputes with the tax authorities with which the Trust currently files or has filed.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents, which include commercial paper, short-term bills and notes, and other highly liquid marketable securities, were $5,975,147 and $7,901,131 as of December 31, 2014 and 2013, respectively. These securities had original maturities of three months or less when purchased.

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EAGLE-PICHER INDUSTRIES, INC.
PERSONAL INJURY SETTLEMENT TRUST
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS (Continued)

4. CONCENTRATION OF CREDIT RISK

The Trust maintains cash balances at one financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2014 and 2013; uninsured balances totaled $974,451 and $438,262, respectively.

5. INVESTMENTS

Investments in debt and equity securities consisted of the following as of December 31, 2014 and 2013:

2014	Cost	Fair Value
Tax-exempt municipal bonds	$ 238,998,223	$ 252,689,108
Corporate bonds	496,120	497,063
Equity securities	67,870,833	145,897,290
Preferred stock	945,096	863,577
Rights/warrants	-	899
Non-government-backed collateralized mortgage obligations	1,044,775	858,780
TOTAL INVESTMENTS	$ 309,355,047	$ 400,806,717

2013	Cost	Fair Value
Tax-exempt municipal bonds	$ 230,589,252	$ 238,174,214
Corporate bonds	496,136	495,200
Equity securities	79,982,272	174,740,870
Preferred stock	952,730	981,565
Non-government-backed collateralized mortgage obligations	1,132,845	916,681
TOTAL INVESTMENTS	$ 313,153,235	$ 415,308,530

The fair value of investments in equity securities and preferred stock is primarily based on quoted market prices in active markets. When quoted market prices are not available and for investments in tax-exempt municipal bonds, unit trust equity, and non-government-backed collateralized mortgage obligations, fair value is estimated by reference to fair values for similar securities or by discounting cash flows at an appropriate risk rate taking into consideration the varying degrees of risk specific to each financial asset. In categorizing the tax-exempt municipal bonds by rating, the lowest rating from Fitch, Moody's, or Standard and Poor's was used.

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EAGLE-PICHER INDUSTRIES, INC.
PERSONAL INJURY SETTLEMENT TRUST
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS (Continued)

5. INVESTMENTS (Continued)

The Trust follows the authoritative guidance issued by FASB which expands disclosure of major security types based on the nature and risks of the securities.

Fair value measurements recorded on a recurring basis at December 31, 2014 and 2013 were as follows:

2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Tax-exempt bonds				
AAA rated	$ -	$ 33,300,911	$ -	$ 33,300,911
AA- to AA+ rated	-	134,127,142	-	134,127,142
A- to A+ rated	-	72,595,356	-	72,595,356
BBB- to BBB+ rated	-	12,665,699	-	12,665,699
Total tax-exempt bonds	-	252,689,108	-	252,689,108
Corporate bonds	-	497,063	-	497,063
Equity securities				
International	63,209,070	-	-	63,209,070
Consumer discretionary	12,454,191	-	-	12,454,191
Consumer staples	6,747,371	-	-	6,747,371
Energy	6,515,950	-	-	6,515,950
Financial services	15,622,421	-	-	15,622,421
Health care	11,419,353	-	-	11,419,353
Materials	3,673,744	-	-	3,673,744
Industrials	8,679,739	-	-	8,679,739
Technology	13,433,375	-	-	13,433,375
Utilities/telecommunications	4,142,076	-	-	4,142,076
Total equity securities	145,897,290	-	-	145,897,290
Preferred stock	863,577	-	-	863,577
Non-government-backed collateralized mortgage obligations	-	858,780	-	858,780
Rights/warrants	-	899	-	899
TOTAL INVESTMENTS	$ 146,760,867	$ 254,045,850	$ -	$ 400,806,717

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EAGLE-PICHER INDUSTRIES, INC.
PERSONAL INJURY SETTLEMENT TRUST
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS (Continued)

5. INVESTMENTS (Continued)

2013	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Tax-exempt bonds				
AAA rated	$ -	$ 15,152,892	$ -	$ 15,152,892
AA- to AA+ rated	-	123,644,851	-	123,644,851
A- to A+ rated	-	81,245,117	-	81,245,117
BBB- to BBB+ rated	-	16,039,214	-	16,039,214
B rated	-	2,092,140	-	2,092,140
Total tax-exempt bonds	-	238,174,214	-	238,174,214
Corporate bonds	-	495,200	-	495,200
Equity securities				
International	66,459,531	-	-	66,459,531
Consumer discretionary	16,290,298	-	-	16,290,298
Consumer staples	8,713,752	-	-	8,713,752
Energy	10,596,034	-	-	10,596,034
Financial services	20,048,001	-	-	20,048,001
Health care	13,194,931	-	-	13,194,931
Materials	4,760,529	-	-	4,760,529
Industrials	12,279,254	-	-	12,279,254
Technology	16,757,574	-	-	16,757,574
Utilities/telecommunications	5,640,966	-	-	5,640,966
Total equity securities	174,740,870	-	-	174,740,870
Preferred stock	981,565	-	-	981,565
Non-government-backed collateralized mortgage obligations	-	916,681	-	916,681
TOTAL INVESTMENTS	$ 175,722,435	$ 239,586,095	$ -	$ 415,308,530

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6. INCOME TAXES

The Trust is classified as a Qualified Settlement Fund pursuant to the Internal Revenue Code and Regulations thereunder. As a result, the Trust is subject to federal income taxes based on modified gross income. In computing modified gross income, the Trust is not allowed a deduction for claim settlement payments. The Trust is not subject to Ohio state income taxes, as the Trust's income is not subject to the Ohio Commercial Activity Tax. Further, there does not appear to be any basis for the Trust to be treated as a taxable entity in any other state. As a result, the special-purpose financial statements do not include any provision or liability for state income taxes.

The components of the income tax expense, which can be seen on the Special-Purpose Statements of Operations and Changes in Net Assets are as follows:

	Year Ended December 31,	
	2014	2013
Current	$ 1,500	$ -
Deferred	2,930,564	9,838,729
TOTAL TAX EXPENSE	$ 2,932,064	$ 9,838,729

The federal income taxes for Qualified Settlement Funds are 39.6% effective January 1, 2013. The net deferred income tax liability on the Special-Purpose Statements of Net Assets is calculated at 39.6% on December 31, 2014 and 2013.

The Trust paid federal income taxes of $1,500 and $0 during 2014 and 2013, respectively. At December 31, 2014, the Trust had no remaining net capital loss carryforwards. The Trust used all net capital loss carryforwards totaling approximately $4,200,000 originating in years 2010 and 2011. At December 31, 2014, the Trust had net operating loss carryforwards of approximately $5,350,000 originating in years 2008 through 2014 that begin to expire in year 2028.

Significant components of deferred tax assets and liabilities, which can be seen on the Special-Purpose Statements of Net Assets, (calculated by applying the appropriate federal tax rate to the loss carryforwards stated above) are as follows:

	December 31,	
	2014	2013
Capital loss carryforwards	$ -	$ (1,658,529)
Net operating loss carryforwards	(2,116,685)	(7,626,740)
Net unrealized gain on securities	36,214,857	40,452,877
NET DEFERRED TAX LIABILITY	$ 34,098,172	$ 31,167,608

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6. INCOME TAXES (Continued)

The income tax expense differs from the amount that would be calculated by applying statutory tax rates to income before income tax expense due to the fact that certain income of the Trust is not subject to tax and certain expenses incurred by the Trust are not deductible for income tax purposes.

Realization of the deferred tax asset is dependent upon the Trust's ability to generate sufficient future taxable income. Management believes that it is more-likely-than-not that sufficient taxable income will be generated in future years to realize the recorded deferred tax asset of the Trust. Future taxable income of the Trust is based on management's forecast of operating results and investment returns and there can be no assurance that such results will be achieved.

7. LEASE COMMITMENTS

In 2013, the Trust entered into a noncancelable, three-year lease for office space. The future minimum rental commitment under the lease is $14,637 for 2015, and $12,500 for 2016. The future minimum rental commitments for the noncancelable lease have been recorded as a deduction from net assets as described in Note 2a.

8. LIABILITY FOR TOXIC PERSONAL INJURY CLAIMS

From inception through December 31, 2014 and 2013, the Trust received approximately 626,700 and 615,800 asbestos disease claims, respectively. No lead personal injury claims have been filed with the Trust. Claim payments for the years ended December 31, 2014 and 2013 were $31,253,177 and $35,885,334 respectively. The total number of such claims to be filed and the aggregate value of all Toxic Personal Injury Claims are not determinable at this time. Moreover, the Trust's responsibility is to pay only that percentage of total claim value that it can afford to pay. Thus, no liabilities have been recorded in the accompanying financial statements other than those that have been settled but unpaid. Although the aggregate value of present and future claims is not determinable, the Trustees, in accordance with the Trust Agreement, periodically retain experts for the purpose of calculating a payment percentage, which is reviewed by the Trustees on a regular basis. Effective December 31, 2013, the Trustees approved a change in the payment percentage from 31% to 28%.

The projected liquidation value of claims which have been received but not settled is not determinable at this time, nor is it anticipated that this amount will be determinable in future years.

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8. LIABILITY FOR TOXIC PERSONAL INJURY CLAIMS (Continued)

The net assets represent current funding available for the Trust's general and administrative expenses and for all current and future claimants for which no fixed liability has been established. Net assets are subject to fluctuations due to changes in the fair value of the Trust's investments.

9. LIABILITY INSURANCE FOR TRUSTEES AND OFFICERS

In 2014, the Trust purchased liability insurance for the Trustees and Officers for which it paid $57,972 in premiums. The current policy term is May 31, 2014 to May 31, 2016. In 2014, the Trust purchased excess liability insurance for the Trustees and Officers for which it paid $10,490 in premiums. The policy period is May 31, 2014 to May 31, 2015. The Trust's accounting policy is to expense rather than capitalize any assets which will not be available to pay future Toxic Personal Injury Claims expenses of the Trust. As of December 31, 2014 and 2013, prepaid premiums on these policies are approximately $45,434 and $14,508, respectively, and have been expensed in the accompanying financial statements.

10. TRUSTEES AND TRUSTEES' ADVISORY COMMITTEE

The Trust Agreement permits the Trustees to be compensated for providing administrative and certain professional services for the Trust. In addition, the Trust Agreement requires the Trustees to consult with a Trustees' Advisory Committee (TAC) on certain administrative matters before the Trustees can implement action on behalf of the Trust. The TAC members are compensated for providing these consultative services.

As such, the Trust has incurred the following expenses for the years ended December 31, 2014 and 2013:

	2014	2013
Trustee and TAC fees	$ 347,661	$ 329,277

11. CLAIMS PROCESSING FACILITY, INC.

The Trust is the sole corporate owner of Claims Processing Facility, Inc. (CPF). The purpose of CPF is to process claims on behalf of the Trust and on behalf of other trusts CPF may contract with.

For the years ended December 31, 2014 and 2013, claims administration and processing expenses incurred at CPF totaled $3,475,449 and $3,176,292, respectively. Claims administration and processing expenses for the Trust for the years ended December 31, 2014 and 2013, net of certain income items not recorded at CPF, totaled $3,473,448 and $3,129,542, respectively.

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11. CLAIMS PROCESSING FACILITY, INC. (Continued)

Agreements entered into in connection with establishment of CPF require, among other matters, contributions to working capital in proportion to expected usage of the claims facility. The related cash payments made to CPF for the years ended December 31, 2014 and 2013 amounted to $3,485,510 and $2,855,168, respectively.

12. SUBSEQUENT EVENTS

The Trust has evaluated subsequent events through March 30, 2015, which was the date that these financial statements were available for issuance, and determined that there were no significant nonrecognized subsequent events through that date.

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SUPPLEMENTARY INFORMATION

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees
Eagle-Picher Industries, Inc.
Personal Injury Settlement Trust
Cincinnati, Ohio

We have audited the special-purpose financial statements of Eagle-Picher Industries, Inc. Personal Injury Settlement Trust as of and for the years ended December 31, 2014 and 2013, and our report thereon dated March 30, 2015 appears on pages 3-4. Our audits were conducted for the purpose of forming an opinion on the special-purpose financial statements as a whole. The supplemental Schedules of General and Administrative Expenses and Schedules of Prepaid Working Capital are presented for purposes of additional analysis and are 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 our audits of the special-purpose financial statements and certain additional procedures, including comparing and reconciling 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.

Sikich LLP

Naperville, Illinois
March 30, 2015

EAGLE-PICHER INDUSTRIES, INC.

PERSONAL INJURY SETTLEMENT TRUST

SCHEDULES OF GENERAL AND ADMINISTRATIVE EXPENSES

For the Years Ended December 31, 2014 and 2013

	2014	2013
Trustee and TAC fees	$ 347,661	$ 329,277
Payroll (including benefits, taxes, and bonuses)	230,883	228,193
Leases	2,280	46,408
Insurance	69,661	37,152
Meeting costs, travel, and reimbursed expenses	38,566	55,337
Other general and administrative	17,000	25,813
TOTAL GENERAL AND ADMINISTRATIVE EXPENSES	$ 706,051	$ 722,180

(See independent auditor's report.)

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EAGLE-PICHER INDUSTRIES, INC.
PERSONAL INJURY SETTLEMENT TRUST

SCHEDULES OF PREPAID WORKING CAPITAL -
CLAIMS PROCESSING FACILITY, INC.

For the Years Ended December 31, 2014 and 2013

	2014	2013
Prepaid working capital, beginning of year	$ 182,075	$ 503,199
Cash payments to CPF	3,485,510	2,855,168
CPF claims processing expenses	(3,475,449)	(3,176,292)
PREPAID WORKING CAPITAL, END OF YEAR	$ 192,136	$ 182,075

(See independent auditor's report.)

Exhibit B

CLAIMS PROCESSING FACILITY, INC.

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Years Ended
December 31, 2014 and 2013



CLAIMS PROCESSING FACILITY, INC.
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Claims Processing Facility, Inc.
Naperville, Illinois

We have audited the accompanying Special-Purpose Statements of Financial Condition of Claims Processing Facility, Inc. as of December 31, 2014 and 2013, and the related Special-Purpose Statements of Operations and Cash Flows for the years then ended, and the related Notes to Special-Purpose Financial Statements. All of these financial statements are prepared using the income tax basis of accounting.

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 income tax basis of accounting described in Note 2; this includes determining that the income tax basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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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 accompanying special-purpose financial statements referred to above present fairly, in all material respects, the financial position of Claims Processing Facility, Inc. at December 31, 2014 and 2013, and the results of its operations and its cash flows for the years then ended, in accordance with the basis of accounting Claims Processing Facility, Inc. uses for income tax purposes, as described in Note 2.

Basis of Accounting

We draw attention to Note 2 of the special-purpose financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of accounting Claims Processing Facility, Inc. uses for income tax purposes, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Restriction on Use

This report is intended solely for the use of management of Claims Processing Facility, Inc., the Directors, Eagle-Picher Industries, Inc. Personal Injury Settlement Trust, and the United States Bankruptcy Court for the Southern District of Ohio, Western Division, and should not be used for any other purpose.

Sikich LLP

Naperville, Illinois
March 30, 2015

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FINANCIAL STATEMENTS

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CLAIMS PROCESSING FACILITY, INC.

SPECIAL-PURPOSE STATEMENTS OF FINANCIAL CONDITION

December 31, 2014 and 2013

	2014	2013
ASSETS		
Cash and cash equivalents	$ 919,544	$ 529,671
Fixed assets at cost, less accumulated depreciation (Note 6)	242,613	424,154
Prepaid expenses	117,867	101,318
Accounts receivable	61,838	274,846
TOTAL ASSETS	$ 1,341,862	$ 1,329,989
LIABILITIES AND STOCKHOLDER'S EQUITY		
LIABILITIES		
Deferred revenue (Note 2)	$ 192,136	$ 182,075
Accrued expenses	73,318	71,506
Total liabilities	265,454	253,581
STOCKHOLDER'S EQUITY		
Common stock, $0.01 par value, 300 shares authorized, 150 shares issued and outstanding	2	2
Additional paid-in capital	1,076,406	1,076,406
Total stockholder's equity	1,076,408	1,076,408
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	$ 1,341,862	$ 1,329,989

See accompanying notes to special-purpose financial statements.

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CLAIMS PROCESSING FACILITY, INC.

SPECIAL-PURPOSE STATEMENTS OF OPERATIONS

For the Years Ended December 31, 2014 and 2013

	2014	2013
REVENUES		
Claims processing revenue	$ 3,884,928	$ 3,980,051
Interest income	87	74
Total revenues	3,885,015	3,980,125
EXPENSES		
Salaries and related items (Note 4)	2,925,225	3,068,087
Depreciation and amortization (Notes 5 and 6)	256,230	318,145
General and administrative	257,790	195,163
Leases (Note 3)	336,162	274,308
Professional fees	64,297	68,052
Insurance (Note 8)	43,780	35,795
Total operating expenses	3,883,484	3,959,550
(Gain) loss on disposal of fixed assets	(76)	16,130
Total expenses	3,883,408	3,975,680
INCOME BEFORE TAX EXPENSE	1,607	4,445
Tax expense (Note 7)	1,607	4,445
NET INCOME	$ -	$ -

See accompanying notes to special-purpose financial statements.

CLAIMS PROCESSING FACILITY, INC.

SPECIAL-PURPOSE STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	$ -	$ -
Adjustments to reconcile net income to net cash from operating activities		
Depreciation and amortization	256,230	318,145
(Gain) loss on disposal of fixed assets	(76)	16,130
(Increase) decrease in assets		
Prepaid expenses	(16,549)	(5,463)
Interest and other receivables	213,008	211,892
Increase (decrease) in liabilities		
Deferred revenue	10,061	(321,124)
Accrued expenses	1,812	(114,681)
Net cash from operating activities	464,486	104,899
CASH FLOWS FROM INVESTING ACTIVITIES		
Net purchase of fixed assets	(75,713)	(91,483)
Proceeds from sale of fixed assets	1,100	425
Net cash from investing activities	(74,613)	(91,058)
CASH FLOWS FROM FINANCING ACTIVITIES		
None	-	-
Net cash from financing activities	-	-
NET INCREASE IN CASH AND CASH EQUIVALENTS	389,873	13,841
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	529,671	515,830
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 919,544	$ 529,671
SUPPLEMENTAL DISCLOSURE		
Income taxes paid	$ 2,000	$ 3,000

See accompanying notes to special-purpose financial statements.

CLAIMS PROCESSING FACILITY, INC.

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

December 31, 2014 and 2013

1. DESCRIPTION OF BUSINESS

Claims Processing Facility, Inc. (CPF) commenced operations in 1998 as a corporation operating on a cooperative basis (within the meaning of Section 1381(a)(2) of the Internal Revenue Code (IRC) of 1986, as amended). CPF was formed by two trusts, Eagle-Picher Industries, Inc. Personal Injury Settlement Trust (EPI) and UNR Asbestos-Disease Claims Trust (UNR) (collectively, the member trusts). UNR sold an undivided 80% interest in its claim processing facility and fixed assets (the Facility) to EPI for $2,000,000. Concurrently, both EPI and UNR contributed their respective ownership in the Facility to CPF in exchange for one-half of CPF's authorized capital stock (150 shares of common stock each). In addition, EPI and UNR each entered into a contract (the Agreement) with CPF to receive at-cost claims processing services.

On March 20, 2006, UNR gave CPF formal notice of its decision to terminate the Agreement. Pursuant to the terms of the Agreement, the termination was effective on September 30, 2006. Pursuant to CPF's by-laws, UNR's 150 shares of stock (par value $0.01) in CPF were canceled on March 28, 2007.

CPF signed a claims processing agreement with UNR to process its asbestos personal injury claims and handle trust administration matters on a third party contract basis for a period ending December 31, 2018. The agreement automatically renews for an additional two-year period unless either party provides 90-day written notice prior to the expiration of the term.

CPF signed a claims processing agreement with the Keene Creditors Trust to process its asbestos personal injury claims on a third party contract basis for a period ending December 31, 2016. The agreement automatically renews for an additional one-year period unless either party provides 60-day written notice prior to the expiration of the term.

CPF signed a claims processing agreement with Raytech Asbestos Personal Injury Settlement Trust to process its asbestos personal injury claims on a third party contract basis for a period ending December 31, 2016. The agreement automatically renews for an additional one-year period unless either party provides 60-day written notice prior to the expiration of the term.

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2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

CPF's special-purpose financial statements are prepared using the tax method of accounting. This method was adopted to better reflect the underlying economics of the organization when initially formed, which was to provide at-cost claims processing services for its members and should therefore not produce a significant amount of taxable income.

Cash and Cash Equivalents

Cash equivalents consist of amounts invested in a money market fund. Interest income is recognized when earned.

Intangible Asset

The intangible asset (see Note 5) was amortized on a straight-line basis over the 15-year maximum period allowed for tax purposes, which ended in 2013.

Fixed Assets

Depreciation of fixed assets with a useful life of one year or more, principally office furniture, office equipment, data processing equipment, and software is provided for on the declining balance tax method. In 2014, CPF implemented a capitalization threshold of $5,000.

Deferred Revenue

Cash for operating expenses is provided by EPI, based on CPF's operating requirements. Claims processing revenue is recorded based on the net cost of the claims processed during the period.

Below is a summary of the cash advanced, the revenue earned, and the deferred revenue balance for the years ended December 31, 2014 and 2013:

	2014	2013
Deferred revenue, beginning of year	$ 182,075	$ 503,199
Cash advanced	3,485,510	2,855,168
EPI claims processing revenue	(3,475,449)	(3,176,292)
DEFERRED REVENUE, END OF YEAR	$ 192,136	$ 182,075

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CLAIMS PROCESSING FACILITY, INC.
NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS (Continued)

3. LEASE COMMITMENTS

CPF entered into a noncancelable lease for office space, effective November 1, 2005, which had an expiration date of August 31, 2015. The lease was amended, effective July 1, 2013. The amendment extended the expiration date to December 31, 2018. The amendment to the lease included a free rent provision covering the first four months of the lease.

The accounting treatment for this lease reflects CPF's tax basis methodology for accounting. Under accounting principles generally accepted in the United States of America, the incentive above would have been amortized over the term of the lease agreement.

Future minimum rental commitments under the lease at December 31, 2014, are as follows:

Year Ending December 31,		
2015	$	185,978
2016		193,131
2017		200,284
2018		207,437
TOTAL	$	786,830

4. CPF RETIREMENT SAVINGS PLAN

CPF has a retirement savings plan (CPF Retirement Savings Plan) for the benefit of all employees who meet certain eligibility requirements. CPF made the following contributions to the plan: (1) quarterly contributions based on a percentage of each eligible participant's paid compensation, which amounted to $167,759 for the year 2014 and $190,987 for the year 2013; and (2) discretionary matching contributions based on a percentage of the participants' deferral amount, which amounted to $31,839 for the year 2014 and $35,780 for the year 2013. The CPF Retirement Savings Plan permits all eligible employees to defer up to 50% of their annual compensation, subject to the legal maximum in effect during the year. The CPF Retirement Savings Plan is in compliance with the most recent requirements of the IRC.

5. INTANGIBLE ASSET

In 1998, CPF recorded an intangible asset of $2,183,382 that represents the difference between the total value of $2,500,000 the Facility contributed by EPI and UNR, as discussed in Note 1, and the fair market value of its underlying fixed assets of $316,618. For the year ended December 31, 2013, amortization expense was $42,455. There was no amortization expense for the year ended December 31, 2014 as the intangible asset was fully amortized in the year ended December 31, 2013. Therefore, there is no intangible asset on the Special-Purpose Statements of Financial Condition.

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6. FIXED ASSETS

Fixed assets are recorded at cost and primarily consist of the following as of December 31, 2014 and 2013:

	2014	2013
Data processing equipment	$ 406,359	$ 427,821
Data processing software	857,907	788,845
Office furniture and machines	406,696	413,149
Other	7,684	8,976
Subtotal	1,678,646	1,638,791
Accumulated depreciation	(1,436,033)	(1,214,637)
TOTAL	$ 242,613	$ 424,154

Depreciation expense on fixed assets was $256,230 and $275,690 in 2014 and 2013, respectively.

7. INCOME TAXES

CPF has adopted the authoritative guidance issued by the Financial Accounting Standards Board (FASB) that clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination. Measurement of the tax uncertainty occurs if the recognition threshold has not been met. This guidance also addresses derecognition, classification, interest and penalties, disclosure, and transition.

In the normal course of business, CPF is subject to examination by taxing authorities. CPF's tax returns for years subsequent to 2010 are open, by statute, for review by authorities. However, at present, there are no ongoing income tax audits or unresolved disputes with the tax authorities with which CPF currently files or has filed.

Income taxes are recorded by CPF in accordance with income tax regulations applicable to a regular corporation. In 2014 and 2013, CPF recorded the following taxes, which are all included in tax expense in the Special-Purpose Statements of Operations:

	2014	2013
Federal income tax	$ 945	$ 2,615
State income tax	662	1,830
TOTAL	$ 1,607	$ 4,445

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8. LIABILITY INSURANCE

Effective May 31, 2014 and 2013, EPI purchased employment practices insurance, errors and omissions insurance, and fiduciary liability insurance. CPF also purchased data breach insurance effective September 1, 2014 and is an insured party under all of the policies. The combined premiums were $49,022 and $28,433 for one year of coverage effective May 31, 2014 and 2013, respectively, and $48,406 and $26,666, respectively, of the premiums were allocated to and paid by CPF. As of December 31, 2014 and 2013, a prepaid expense of $26,006 and $11,111, respectively, is included in the Special-Purpose Statements of Financial Condition related to the policies maturing May 31, 2015 and 2014.

During the years 2014 and 2013, EPI carried and paid for Trustees and Officers insurance, and CPF's directors and officers were insured parties under the policy.

9. CONCENTRATION OF CREDIT RISK

CPF maintains cash balances at one financial institution. Accounts at this institution are insured by the Federal Deposit Insurance Corporation up to $250,000. At December 31, 2014, the uninsured balance totaled $943,982.

10. SUBSEQUENT EVENTS

CPF has evaluated subsequent events through March 30, 2015, which was the date that these financial statements were available for issuance, and determined that there were no significant nonrecognized subsequent events through that date.

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UNITED STATES BANKRUPTCY COURT FOR THE
SOUTHERN DISTRICT OF OHIO, WESTERN DIVISION

In Re: EAGLE-PICHER INDUSTRIES, INC., DAISY PARTS, INC., TRANSICOIL, INC., MICHIGAN AUTOMOTIVE RESEARCH CORPORATION, EAGLE-PICHER MINERALS, INC. AND HILLSDALE TOOL AND MANUFACTURING CO., Debtors.	Consolidated Case No. 1-91-10100 Chapter 11 Judge Perlman

CERTIFICATE OF SERVICE

I, Christopher K. Kiplok, hereby certify:

1. I am a member of the Bar of the State of New York and I am a partner of Hughes Hubbard & Reed LLP, counsel for the Trustees of the Eagle-Picher Industries, Inc. Personal Injury Settlement Trust.

2. On April 27, 2015, I served copies of the Notice of Hearing and Application for Order Approving Annual Report and Account of the Trustees of the Eagle-Picher Industries, Inc. Personal Injury Settlement Trust for the Year Ending December 31, 2014 and all attachments thereto on the persons listed on the following service list by causing to be mailed a true copy thereof, securely enclosed in a post-paid, properly addressed wrapper, in the mail box under the exclusive care and custody of the United States Postal Service at Bowling Green Station, New York, New York.

Dated: New York, New York
April 27, 2015

/s/ Christopher K. Kiplok
Christopher K. Kiplok

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