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

In Re:	Consolidated Case No. 1-91-10100
EAGLE-PICHER INDUSTRIES, INC., *et al.*,	Chapter 11
Debtors.	Hon. Guy R. Humphrey, 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, 2023

Purpose of Report

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

Section 3.2(c) of the Trust Agreement provides:

> (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

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> statements referred to in Article 3.2(c) above, the Trustees 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.
>
> (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:
>
> 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 . . . 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, reads, in pertinent part:
>
> (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 during the year-ended December 31, 2023, 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.

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 received more than 702,000 claims over the past 26 years. In 2023, through the Trust's ownership of the Claims Processing Facility, Inc. ("CPF"), the Trust (i) received a total of 5,519 asbestos-disease claims; (ii) processed to allowance or disallowance a total of 5,126 initial asbestos-disease claims; (iii) processed 1,088 disallowance responses; and (iv) made payments to asbestos victims or their survivors totaling approximately $17.6 million. From inception through December 31, 2023, the Trust distributed more than $922 million to victims of asbestos disease or their survivors.

Throughout 2023, the Trustees continued to implement 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. Effective November 1, 2023, the Trustees in consultation with the Trustees' Advisory Committee ("TAC") approved a two percent increase to the percentage that the Trust will pay on allowed individualized review claims (the "Payment Percentage"). This was the first increase to the Payment Percentage since 2015.

During 2023, the Trustees, the Trust's senior management team, and the Trust's investment advisor held four regular quarterly meetings, and also held one annual investment meeting, to monitor the management of the portfolio. At year-end, the Trust's net assets were valued at approximately $260 million.

Together, the Trust's current assets and past distributions total over $1.2 billion, from an initial Trust corpus of approximately $730 million. This achievement is a testament to

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the Trust's governing documents, the Trustees' sound management, and this Court's ongoing oversight.

I. Meetings of the Trustees

During 2023, the Trustees held four regular meetings, one Audit Committee meeting, four IT Steering Committee meetings, and one investment managers meeting. One of the regular meetings was held in person, while the other regular meetings were held virtually. The Trust's Executive Directors, TAC members, the Trust's investment advisor (Cambridge Associates LLC), and the Trust's tax advisor (Deloitte Tax LLP) participated in all of the regular meetings. In addition, the Audit Committee held a separate meeting. The CPF's IT Steering Committee held four separate virtual meetings, which Trustee Madva attended as a representative of the Board and Trust.

II. Trust Administration

A. Trustees

The Trustees continued to retain CohnReznick as auditors for the Trust and CPF. CohnReznick has significant experience auditing section 524(g) trusts, asbestos trust financial statements, asbestos personal injury claims, and IT security controls. The Trustees also continued to retain Deloitte Tax LLP as tax consultant and Marsh USA as insurance broker.

Throughout 2023, Teena Mandele continued in her roles as the Trust's Executive Director and as the President of the CPF, the Trust's wholly-owned subsidiary.

The Trustees continued to serve as directors of the CPF and spent time individually on numerous Trust matters during the course of the year. For example, among other activities:

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- Mr. Madva continued as Chairperson of the Trust and CPF, and in that role devoted significant time to management of the Trust, and to communicating with the Trust's investment advisor, investment managers, and counsel. Mr. Madva also worked with the Trust's Executive Director and CPF staff on the Trust's and CPF's insurance programs and the CPF's IT Steering Committee to help guide the vison, policy, security and budget for IT development for the Trust and CPF.

- Ms. Walker continued as Chair of the Audit Committee, and devoted significant time to continued collaboration with the Trust's professional staff, investment advisor, investment managers, and counsel on the prudent management of the Trust, the Trust's assets, and the CPF.

- Mr. Kiplok devoted significant time to monitoring developments with respect to litigation and bankruptcies involving companies with significant asbestos-related personal injury liabilities and to considering how such litigations and bankruptcies might potentially affect the Trust and to communicating with the Trust's investment advisor and investment managers.

B. Processing Fee

As first reported in the Trust's 2021 annual report (ECF No. 7013), in February 2021 the Trust instituted a $100 claim processing fee to be paid by all claimants except *pro se* claimants. The Trust fully refunds the claim processing fee to holders of valid claims. The Trust did not change any policies or practices regarding the processing fee during 2023.

C. Actuarial Study and Increase to Payment Percentage

As discussed in the 2021 annual report and the 2022 interim and annual reports (ECF Nos. 7013, 7028, and 7044, respectively), the number of claims received by the Trust has generally declined during the last several years, relative to prior years. During the thirty-month period immediately preceding this reporting period (*i.e.*, July 1, 2020 through December 31, 2022), the number of claims received by the Trust had fallen approximately 40% below the numbers projected by the Trust's then-current actuarial models. (Prior to 2023, the Trust's actuarial models were last updated in 2020.)

In light of this trend, and pursuant to Section IV of the Claims Resolution Procedures, the Trust reassessed the Payment Percentage (which, as noted above, is the

percentage to be paid on allowed individualized review claims) in 2023. Consistent with Section 5.8 of the Trust Agreement, which authorizes the Trustees' good faith reliance on the opinion of experts, the Trust retained an expert consultant, Ankura Consulting Group, LLC ("Ankura"), to analyze Trust data on claims filings, claims resolution, investment results, and economic projections, as well as other relevant information, and to provide an updated recommendation regarding the Trust's Payment Percentage. The Trust's actuarial advisors have a long history of working with, and conducting similar analyses for, trusts similar to the Trust.

At the September 2023 regular meeting of the Trustees, Ankura made a presentation regarding the actuarial study, including factors that may be contributing to the declining number of claims filed with the Trust.

Relying on the findings of the actuarial study and other considerations including their evaluation of current information regarding claim filing trends, settlement values, asset performance, operating costs, and other factors that determine what fraction of the settlement value of each allowable claim the Trust can afford to pay, the Trustees approved a forward-looking increase of the Payment Percentage from 33% to 35%, effective November 1, 2023. This decision was made in consultation with the Trustees' Advisory Committee. This was the first adjustment to the Payment Percentage since November 2015, when the Trustees re-set the Payment Percentage to 33%; they then decided to maintain that percentage in intervening years based on, among other things, advice from their expert consultants.

Attached as Exhibit C hereto is the Trust's letter to claimants and claimants' counsel notifying them of this development. The Trust has paid claims at this increased Payment Percentage since November 1, 2023.

D. Asbestos-Related Litigation

The Trust continued to monitor developments in the progress of several asbestos-related litigations, including some bankruptcies that resulted in, or are expected to result in, the creation of new section 524(g) trusts.[1] The Trust also continued to monitor proposed legislation related to asbestos personal injury litigation and trusts established under section 524(g).

The Trustees and Trust management are following these litigation and legislative developments because they may affect the cost of Trust administration through the subpoena burden faced by the Trust and through the cost of additional reporting. Indeed, even without the impact of potential legislative changes, the Trust responded to approximately 33 third-party subpoenas during 2023. The subpoenas largely sought claims filing information and were primarily issued by asbestos defendants. In most instances, the Trust responded to properly issued subpoenas by providing, after giving notice to the claimants, copies of claimants' claim forms. 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.

Subsequent to the reporting period, claimants in the *In re DBMP LLC* bankruptcy, Case No. 20-30080 (Bankr. W.D.N.C.), authorized the Trust to release certain of their claim information to their counsel of record, to enable such counsel to in turn produce that information

[1] As of December 31, 2023, such asbestos-related bankruptcies included *In re Bestwall LLC*, No. 17-31795 (Bankr. W.D.N.C.); *In re Aldrich Pump LLC*, No. 20-30608 (Bankr. W.D.N.C.); *In re Imerys Talc America, Inc.*, No. 19-10289 (Bankr. D. Del.); *In re Cyprus Mines Corp.*, No. 21-10398 (Bankr. D. Del.); *In re DBMP LLC*, No. 20-30080 (Bankr. W.D.N.C.); *In re LTL Mgmt. LLC*, No. 23-12825 (Bankr. D. N.J.); and *In re HONX Inc.*, No. 22-90035 (Bankr. S.D. Texas).

to DBMP LLC ("DBMP") in response to DBMP's discovery requests to the claimants. In accordance with Trust policy, DBMP has agreed to reimburse the Trust for the expenses it incurs in connection with responding to DBMP's information requests.

E. Lead Litigation

As noted in the 2020, 2021, and 2022 annual reports (ECF Nos. 7006, 7013, and 7044, respectively), in early 2020, the Trust received non-party subpoenas issued in connection with litigation pending in the U.S. District Court for the Eastern District of Wisconsin seeking information concerning the Debtors' manufacturing of white lead carbonate pigment. After subsequent motion practice, including before this Court, and discussions with opposing counsel, the Trust produced certain documents related to the Debtors' manufacturing of white lead carbonate pigment and fulfilled its obligations in responding to the subpoenas.

In early 2021, the U.S. Court of Appeals for the Seventh Circuit issued an opinion that significantly limited the plaintiffs' viable causes of action, reversing several of the District Court's prior opinions and remanding the case for further proceedings.

Following the Seventh Circuit's remand to the District Court, defendants filed renewed motions for summary judgment. On March 2, 2022, the District Court granted those motions, directing entry of judgment for all remaining claims against all remaining defendants.

In September 2022, plaintiffs appealed the District Court's grant of summary judgment.[2] After the reporting period, in February 2024, the Seventh Circuit affirmed the District Court's grant of summary judgment in substantial part. The Seventh Circuit's decision

[2] In May 2022, plaintiffs also petitioned the Wisconsin Supreme Court to exercise original jurisdiction over a claim for declaratory judgment. On October 11, 2022, the Wisconsin Supreme Court denied plaintiffs' petition for original jurisdiction. *See McHenry v. Armstrong Containers, Inc.*, No. 22-AP-797-OA (Wisc. Sup. Ct.).

noted that the litigation involved claims asserted by approximately 170 plaintiffs across several actions, and it affirmed the dismissal of the claims brought by all but three of those plaintiffs. As to those three remaining plaintiffs, the Seventh Circuit did not express any opinion as to the merit of their claims, but concluded the District Court erred by applying the issue preclusion (collateral estoppel) doctrine to dismiss these claims before the three plaintiffs have had their own opportunity to litigate certain issues that other plaintiffs had lost.

Following the Seventh Circuit's February 2024 decision, certain of the plaintiffs whose claims were dismissed moved to stay the issuance of the court's mandate pending their expected petition for a writ of certiorari to the United States Supreme Court. On March 4, 2024, the Seventh Circuit denied the plaintiffs' motion.

If the current District Court and Seventh Circuit decisions stand, and absent a contrary ruling in the further proceedings as to the three plaintiffs whose claims have not yet been decided, there will be no state in which holders of Lead Personal Injury Claims, as defined in the Trust Agreement, have obtained a final, non-appealable liability judgment against a lead pigment manufacturer. Therefore, it remains very unlikely that the Trustees will be required to estimate the Trust's possible liability for, or to decide whether to reserve funds or otherwise maintain resources for the payment of, Lead Personal Injury Claims.

III. Asset Management

A. Investment Allocation

The Trust continued to implement the investment strategy developed over time in reliance on the advice of Cambridge Associates LLC. The Trust's invested assets 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 interests in securities of approximately 150 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 2023 was 8% short-term bonds, 48% intermediate-term bonds, and 44% 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 as of December 31, 2023 was as follows:

Short-Term Bonds	**7.9%**
Intermediate-Term Bonds	**46.9%**
Equities:	**45.2%**
Russell 1000 Index portfolio	24.1%
S&P ADR Index portfolio	21.1%

The Trust continued to retain as investment managers J.P. Morgan Asset Management Inc. to manage the short-term bond portfolio, Insight Investments (formerly BNY Mellon/Standish) to manage the total-return bond portfolio, and The Northern Trust Company to manage the Trust's equity investments. The Trust also continued to retain The Northern Trust Company as custodian of all of the Trust's investment accounts.

B. Investment Performance

The Trust's investment returns over the past three years were:

	2023	2022	2021
Short-term bond portfolio	3.1%	(0.6%)	0.2%
Intermediate-term bond portfolio	5.8%	(7.4%)	(2.7%)
Equity:			
Russell 1000 Index portfolio	26.5%	(19.3%)	27.4%
S&P ADR Index portfolio	20.3%	(9.2%)	16.3%
Total Return	**13.1%**	**(10.3%)**	**8.4%**

Both the short-term and intermediate-term bond portfolios are almost entirely invested in tax-exempt bonds, meaning that the investment returns for those portfolios are after-tax returns. The equity portfolios managed by The Northern Trust Company replicate indices, and the 2023 returns of the portfolios closely tracked the 2023 returns of those indices, which were 26.5% for the Russell 1000 Index and 19.6% for the S&P ADR Index.

IV. Claims Processing

A. Claim Filing Options

Trust claimants have the option to file either a Discounted Cash Payment ("DCP") claim or an Individualized Review ("IR") claim. The DCP option is designed, in part, for claimants whom the Trust can easily determine have a valid non-malignant injury claim and who wish to receive an initial fixed payment, which is subject to a limited release and allows the claimant to retain the right to receive an additional payment if the claimant is subsequently diagnosed with an asbestos-related malignancy. The DCP option is also available for claims for a malignant injury using a fixed payment schedule. The DCP payment schedule allows for one-time payments as follows:

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

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

B. Claims Processing Results

The CPF, on behalf of the Trust, received a total of 5,519 individual asbestos personal injury claims in 2023, of which 398 sought DCP and 5,121 sought IR. Claims filed or received over the past three years were as follows:

	2023	2022	2021	2020
Total claims received	**5,519**	**4,655**	**4,951**	**7,213**
Discounted Cash Payment	398	798	2,228	4,534
Individualized Review	5,121	3,857	2,723	2,679

As discussed in prior annual reports, claim filings have declined since 2020. There likely are several reasons for this reduction. Some of those reasons may be temporary, while others may portend a permanent decrease in claims. One permanent factor is the natural evolution of the actuarial curve and the fact that potential claimants are aging. The Trust's actuarial models factor this into their analyses.

The ratio of non-malignant to malignant claims filings was approximately 2.25 to 1 in 2023, compared to the ratio of 1.84 to 1 in 2022, 1.13 to 1 in 2021, 1.07 to 1 in 2020, 1.55 to

1 in 2019, and 4.38 to 1 from inception through December 31, 2023. Approximately 74% of all dollars paid in 2023 went to claimants with malignant diseases.

During 2023, the CPF processed a total of 5,126 claims to allowance or initial disallowance. There were 865 claims that remained unprocessed at year end. The Trust paid approximately $17.6 million in 2023 to asbestos victims in settlement of their claims.

As of December 31, 2023, the CPF, on behalf of the Trust, had received a total of 702,650 individual asbestos personal injury claims since inception. Of the 702,650 claims, the CPF had processed to allowance or initial or final disallowance 701,785 claims, in addition to 1,373 Trust-processed prepetition settled claims. To date, the Trust has paid a total of approximately $922 million on allowed claims.

During 2023, the Trust also processed approximately 1,088 disallowance responses. The initial disallowance rate for 2023 was 32%. The initial disallowance rate for claims filed after the Trust instituted the processing fee in February 2021 was 35% (through December 31, 2023). The principal reason for initial disallowances continues to be that proofs of exposure to Eagle-Picher asbestos-containing products do not comply with the requirements of the Trust's Claims Resolution Procedures. Since the Trust's inception, the historical initial disallowance rate is 54%, and the cure rate for disallowances is approximately 31%.

1. Discounted Cash Payment Claims

During 2023, the CPF, on behalf of the Trust, received 398 DCP claims and processed 389 of those claims to allowance or initial disallowance. Upon initial review, the CPF allowed approximately 34% of DCP claims and initially disallowed approximately 66%. Claimants have one year following initial disallowance to correct any deficiency in their claim. During 2023, the Trust paid a total of approximately $341,600 on allowed DCP claims, bringing

the total that the Trust has paid to claimants on DCP claims over its lifetime to $129,050,600 million.

2. Individualized Review Claims

During 2023, the CPF, on behalf of the Trust, received 5,121 IR claims and processed 4,737 IR claims to allowance or initial disallowance. Upon initial review, the CPF allowed approximately 71% of IR claims and initially disallowed approximately 29%. As noted above, claimants have one year following initial disallowance to correct any deficiency in their claim. During 2023, the Trust paid a total of $17,233,522 on allowed IR claims, bringing the total that the Trust has paid to claimants on IR claims over its lifetime to $788,825,114.

C. Alternative Dispute Resolution

Three claims elected Alternative Dispute Resolution ("ADR") during 2023. All of these claims were resolved through settlement before the ADR process proceeded.

D. The CPF

The Trustees continued to serve as the three directors of the CPF. 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 received any compensation for their 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, the UGL Trust, the Bondex Trust and its subfund NMBFiL Trust, the Fairbanks Asbestos Personal Injury Trust, and the Mallinckrodt Asbestos Personal Injury Trust.

The Trust has also contracted with the Bondex Trust and its subfund, NMBFiL, to provide certain accounting and budgeting services that are similar, although more basic in format, to the services that the CPF provides to the EPI Trust.

The Trustees closely monitor the CPF's activities and results, including the average cost for the CPF to process claims for the trusts. CPF seeks to provide high-quality, efficient claims processing services for all of its client trusts, and through efficiencies of operations and scale is able to reduce claims processing costs for the Trust as well as its client trusts.

The Trustees and CPF continue to actively monitor any bankruptcy filings that may result in the creation of section 524(g) trusts for the purpose of evaluating potential new business opportunities for the CPF. Whether and when CPF might realize new business from any newly formed section 524(g) trusts is uncertain. Relative to historical experience, it has been taking increasingly long for new section 524(g) trusts to emerge from the bankruptcy process, limiting the CPF's opportunities for new business. In addition, the CPF continues to face competition from other claims processing facilities.

V. Cost Control

The Trustees and the CPF continually look for ways to reduce the Trust's costs while enhancing the quality of claims processing. Trust operating expenses of $3.8 million in 2023 were approximately $91,000 lower than CPF had forecasted in its budget at the beginning of the year. Approximately 63% of all operating expenses are attributable to claims processing. Claims processing expenses totaled $2.4 million in 2023, $2.9 million in 2022, and $2.96 million in 2021.

VI. Financial Statements

The Trust's audited financial statements for the year ended December 31, 2023 are attached as Exhibit A hereto and the CPF's audited financial statements for the year ended December 31, 2023 are attached as Exhibit B hereto.

Dated: Bluffton, South Carolina
April 25, 2024

s/ Stephen A. Madva
Stephen A. Madva, Trustee (Chairperson),
for himself and for Trustee Laura R. Walker
and Trustee Christopher K. Kiplok

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Exhibit A

Eagle-Picher Industries, Inc.
Personal Injury Settlement Trust

Special-Purpose Consolidated Financial Statements
(With Supplementary Information)
and Independent Auditor's Report

December 31, 2023 and 2022

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Eagle-Picher Industries, Inc. Personal Injury Settlement Trust

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Independent Auditor's Report

To the Trustees
Eagle-Picher Industries, Inc. Personal Injury Settlement Trust

Opinion

We have audited the accompanying special-purpose consolidated financial statements of Eagle-Picher Industries, Inc. Personal Injury Settlement Trust (the "Trust"), which comprise the special-purpose consolidated statements of net assets as of December 31, 2023 and 2022, and the related special-purpose consolidated statements of operations and changes in net assets for the years then ended, and the related notes to the special-purpose consolidated financial statements (collectively the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the consolidated net assets of the Trust as of December 31, 2023 and 2022, and the related consolidated statements of operations and changes in net assets for the years then ended, in accordance with the basis of accounting described in Note 2 to the 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 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.

Basis of Accounting

We draw attention to Note 2 of the Financial Statements, which describes the basis of accounting. The Financial Statements are prepared on a special-purpose basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. The special-purpose basis of accounting has been adopted by the Trustees to communicate the amount of net assets presently available to fund current and future claims. As a result, the Financial Statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with the special-purpose basis of accounting; this includes determining that the special-purpose basis of accounting is an acceptable basis for the preparation of the Financial Statements in these circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 Financial Statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about 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.

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.

CohnReznick LLP

Dallas, Texas
April 10, 2024

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Eagle-Picher Industries, Inc. Personal Injury Settlement Trust

Special-Purpose Consolidated Statements of Net Assets
December 31, 2023 and 2022

Assets

	2023	2022
Cash and cash equivalents	$ 3,783,158	$ 7,126,158
Restricted cash	434,300	292,400
Investments	308,089,162	288,139,086
Investment income receivable	2,391,278	2,581,847
Prepaid federal taxes	-	2,695
Total assets	$ 314,697,898	$ 298,142,186

Liabilities and Net Assets

Liabilities		
Settled but unpaid claims	$ 12,016,758	$ 10,821,540
Accounts payable and accrued expenses	265,900	332,429
Claims processing deposits	434,300	292,400
Due to Claims Processing Facility, Inc.	937,999	519,033
Federal income taxes payable	986,727	-
Deferred income tax liability	40,437,844	30,718,728
Total liabilities	55,079,528	42,684,130
Net assets	259,618,370	255,458,056
Net liabilities and net assets	$ 314,697,898	$ 298,142,186

See Notes to Special-Purpose Consolidated Financial Statements.

Eagle-Picher Industries, Inc. Personal Injury Settlement Trust

Special-Purpose Consolidated Statements of Operations and Changes in Net Assets
Years Ended December 31, 2023 and 2022

	2023	2022
Investment income (loss)		
Tax-exempt interest income	$ 4,535,484	$ 4,173,841
Taxable interest and dividend income	3,217,460	3,645,862
Net realized capital gain	4,424,802	118,961
Net unrealized capital gain (loss)	25,214,763	(38,905,110)
Total investment income (loss)	37,392,509	(30,966,446)
Filing fee income	90,600	75,300
Operating expenses		
General and administrative expenses	469,904	506,340
Claims processing and administration	2,434,373	2,901,519
Professional fees	316,479	428,902
Investment related expenses	625,799	644,966
Total operating expenses	3,846,555	4,481,727
Income (loss) before tax expense	33,636,554	(35,372,873)
Income tax benefit (expense)	(10,708,538)	14,623,462
Net increase (decrease) in net assets from operations	22,928,016	(20,749,411)
Claims settled	(18,767,702)	(18,901,575)
Net increase (decrease) in net assets	4,160,314	(39,650,986)
Net assets, beginning of period	255,458,056	295,109,042
Net assets, end of period	$ 259,618,370	$ 255,458,056

See Notes to Special-Purpose Consolidated Financial Statements.

Eagle-Picher Industries, Inc. Personal Injury Settlement Trust

Notes to Special-Purpose Consolidated Financial Statements
December 31, 2023 and 2022

Note 1 - Description of 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 ("CRP"), 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.

The Trust will terminate in accordance with Trust Agreement article 7.2.

Note 2 - Summary of significant accounting policies

Basis of accounting

The Trust's special-purpose consolidated financial statements (the "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 and the differences from GAAP include the following:

- The Financial Statements are prepared using the accrual basis of accounting, except as otherwise described herein.
- These Financial Statements do not include a statement of cash flows.
- Future fixed liabilities and contractual obligations entered into by the Trust are recorded directly against net assets. Under GAAP, liabilities and contractual obligations are recorded only as incurred.
- 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.

- 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.

- The Trust processes claims through its wholly-owned subsidiary, Claims Processing Facility, Inc. ("CPF") (see Note 7). The Trust recognizes claims processing expenses in an amount equal to net operating expenses of CPF and records a Due to CPF until reimbursement is made to the entity. GAAP would require consolidating the financial results of CPF.

Principles of consolidation
The Financial Statements includes, the Trust, EPPIST Investment Partnership and EPPIST LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

Cash and cash equivalents
Cash and cash equivalents include commercial paper, short-term bills and notes, and other highly liquid marketable securities. These securities had original maturities of three months or less when purchased.

Restricted cash
Restricted cash represents filing fees received from claimants. Filing fees will be refunded to the claimant if the claim is accepted or retained by the Trust if the claim does not qualify for payment.

Investments and related income
Investments consists of debt and equity securities that are available for sale and are recorded at fair value as determined by the most recently traded price of each security at the statement of net assets date, and the related securities transactions are recorded on a trade-date basis. 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 consolidated statements of operations and changes in net assets.

Claims processing deposits
Claims processing deposits represent filing fees collected for each unliquidated claim, which will be refunded by the Trust if the claim is paid.

Concentrations of credit risk
Financial instruments, which potentially subject the Trust to concentrations of credit risk, consist primarily of cash and cash equivalents and investments. The Trust maintains cash and cash equivalents at financial institutions it considers to be of high credit quality. At times, the Trust may have cash deposits in banks that exceed federally insured limits. The Trust has not experienced any losses in such accounts, and it does not believe it is exposed to any significant credit risk.

The Trust's investments are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with investments, it is at least reasonably possible that significant changes in risks in the near term may materially affect the amounts reported in the Financial Statements. To mitigate this risk, the Trust has established a formal investment policy that provides for diversification in high quality debt and equity instruments and establishes standards to invest the Trust's assets. In addition, the Trust routinely reviews their asset allocation model as well as their portfolio performance with their investment advisors.

Eagle-Picher Industries, Inc. Personal Injury Settlement Trust

Notes to Special-Purpose Consolidated Financial Statements
December 31, 2023 and 2022

Use of estimates
The preparation of 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 Financial Statements, as well as the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the fair value of investments and the provision for income taxes. Actual results could differ from those estimates.

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

- Level 1 - Unadjusted quoted prices for identical assets or liabilities in active markets.
- Level 2 - Inputs other than Level 1 that are based on observable market data. These include: quoted prices for similar assets in active markets, quoted prices for identical assets in inactive markets, inputs that are observable that are not prices (such as interest rates, credit risks, etc.) and inputs that are derived from or corroborated by observable markets.
- Level 3 - Developed from unobservable data that are not corroborated by market data.

Income taxes
The Trust is classified as a Qualified Settlement Fund pursuant to the Internal Revenue Code ("IRC") 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 Financial Statements do not include any provision or liability for state income taxes.

Income taxes are provided for the tax effects of transactions reported in the Financial Statements and consist of taxes currently due plus deferred taxes. Deferred tax assets are recognized for deductible temporary differences and deferred tax liabilities are recognized for taxable temporary differences. Temporary differences are the differences between the reported amounts of assets and liabilities and their tax bases. Deferred tax assets are reduced by a valuation allowance when, in the opinion of management, it is more likely than not that some portion or all of the deferred tax assets will not be realized. Deferred tax assets and liabilities are adjusted for the effects of the changes in tax laws and rates on the date of enactment.

The amount of income taxes the Trust pays is subject to ongoing audits by federal authorities. The Trust's estimate of the potential outcome of any uncertain tax issues is subject to management's assessment of relevant risks, facts, and circumstances existing at that time. The Trust uses a more likely than not threshold for financial statement recognition and measurement of tax position taken or expected to be taken in a tax return. To the extent that the Trust's assessment of such tax position changes, the change in estimate is recorded in the period in which the determination is made. The Trust reports tax-related interest and penalties as a component of income tax expense and operating expenses, respectively.

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Eagle-Picher Industries, Inc. Personal Injury Settlement Trust

Notes to Special-Purpose Consolidated Financial Statements
December 31, 2023 and 2022

Subsequent events
The Trust has evaluated events and transactions subsequent to the date of the Financial Statements for matters requiring recognition or disclosure in the Financial Statements. The accompanying Financial Statements consider events through April 10, 2024, the date on which the Financial Statements were available to be issued.

Note 3 - Investments

The Trust had a cumulative net unrealized holding gain on investments of approximately $109,291,000 and $84,077,000 at December 31, 2023 and 2022, respectively. Investments consisted of the following as of December 31, 2023 and 2022:

	December 31, 2023			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Tax-exempt municipal bonds	$ 165,082,638	$ 3,890,002	$ (1,879,748)	$ 167,092,892
Equity securities	33,504,258	107,350,607	(44,387)	140,810,478
Preferred stock	20,557	16,081	-	36,638
Non-government-backed collateralized mortgage obligations	190,237	-	(41,083)	149,154
	$ 198,797,690	$ 111,256,690	$ (1,965,218)	$ 308,089,162

	December 31, 2022			
	Cost	Gross unrealized gains	Gross unrealized losses	Fair value
Tax-exempt municipal bonds	$ 167,432,793	$ 902,892	$ (5,175,934)	$ 163,159,751
Equity securities	36,389,107	88,523,411	(139,644)	124,772,874
Preferred stock	20,557	11,501	-	32,058
Non-government-backed collateralized mortgage obligations	219,920	-	(45,517)	174,403
	$ 204,062,377	$ 89,437,804	$ (5,361,095)	$ 288,139,086

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.

Eagle-Picher Industries, Inc. Personal Injury Settlement Trust

Notes to Special-Purpose Consolidated Financial Statements
December 31, 2023 and 2022

Fair value measurements recorded on a recurring basis at December 31, 2023 were as follows:

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
Tax-exempt municipal bonds	$ -	$ 167,092,892	$ -	$ 167,092,892
Equity securities	140,810,478	-	-	140,810,478
Preferred stock	36,638	-	-	36,638
Non-government-backed collateralized mortgage obligations	-	149,154	-	149,154
Total	$ 140,847,116	$ 167,242,046	$ -	$ 308,089,162

Fair value measurements recorded on a recurring basis at December 31, 2022 were as follows:

	December 31, 2022			
	Level 1	Level 2	Level 3	Total
Tax-exempt municipal bonds	$ -	$ 163,159,751	$ -	$ 163,159,751
Equity securities	124,772,874	-	-	124,772,874
Preferred stock	32,058	-	-	32,058
Non-government-backed collateralized mortgage obligations	-	174,403	-	174,403
Total	$ 124,804,932	$ 163,334,154	$ -	$ 288,139,086

Maturities of the Trust's debt securities at December 31, 2023 are as follows:

	Fair value	Cost	Net unrealized income (loss)
Due in 1 year or less	$ 7,903,676	$ 7,929,051	$ (25,375)
Due after 1 year through 5 years	37,021,430	37,042,005	(20,575)
Due after 5 years through 10 years	50,777,736	51,130,061	(352,325)
Due after 10 years through 20 years	59,507,476	57,321,761	2,185,715
Due after 20 years through 30 years	12,031,728	11,849,997	181,731
	$ 167,242,046	$ 165,272,875	$ 1,969,171

Note 4 - Income taxes

The Trust reports its income to the Internal Revenue Service as a designated settlement fund which is taxed at the highest rate applicable to trusts under Section I(e) of the IRC, which was 37% as of December 31, 2023 and 2022, respectively.

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Eagle-Picher Industries, Inc. Personal Injury Settlement Trust

Notes to Special-Purpose Consolidated Financial Statements
December 31, 2023 and 2022

The Trust's federal income tax expense (benefit) for the years ended December 31, 2023 and 2022 is calculated as follows:

	2023	2022
Modified taxable income (loss)	$ 3,795,747	$ (639,274)
Tax rate	37 %	37 %
Tax (benefit) expense generated on modified taxable income (loss)	1,404,426	(236,531)
True up prior year estimates	(25,350)	7,960
Deferred income tax (benefit) expense	9,329,462	(14,394,891)
Net federal tax (benefit) expense	$ 10,708,538	$ (14,623,462)

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. The Trust has not recognized any income tax liability or expense related to the review of uncertain tax positions.

The tax effects of temporary differences for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Deferred tax asset (liability)		
Net operating loss carryforward	$ -	$ 236,531
Unrealized gain on investments	(40,437,844)	(30,955,259)
Net deferred tax liability	$ (40,437,844)	$ (30,718,728)

For the years ended December 31, 2023 and 2022, the Trust made cash payments of $1,200 and $5,003,500 for federal income taxes, respectively.

Note 5 - Liability for Toxic Personal Injury Claims

From inception through December 31, 2023 and 2022, the Trust received approximately 702,000 and 698,500 asbestos disease claims, respectively. No lead personal injury claims have been filed with the Trust. Cash paid for claim payments for the years ended December 31, 2023 and 2022 was approximately $17,572,000 and $19,634,000, 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 November 1, 2015, the Trustees approved a change in the payment percentage from 28% to 33%. Effective November 1, 2023, the Trustees approved an increase in the payment percentage from 33% to 35%.

Eagle-Picher Industries, Inc. Personal Injury Settlement Trust

Notes to Special-Purpose Consolidated Financial Statements
December 31, 2023 and 2022

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.

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.

Note 6 - 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. For the year ended December 31, 2023, the Trust incurred Trustee and TAC fees of approximately $405,000. For the year ended December 31, 2022, the Trust incurred Trustee and TAC fees of approximately $409,000. The Trust also maintains liability insurance for Trustees and Officers.

Effective October 1, 2022, a partner from the Trust's outside counsel was appointed Trustee of EPI. At December 31, 2023, no amounts were owed to the Trust's outside counsel. At December 31, 2022, the Trust owed the Trust's outside counsel approximately $33,000. During the years ended December 31, 2023 and 2022, the Trust incurred approximately $34,000 and $327,000 of legal expenses with their outside counsel, respectively.

Note 7 - Claims Processing Facility, Inc. ("CPF")

The Trust is the sole corporate owner of 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, 2023 and 2022, claims administration and processing expenses incurred at CPF were approximately $2,435,000 and $2,902,000, respectively. The related cash payments made to CPF for the years ended December 31, 2023 and 2022 amounted to approximately $2,016,000 and $3,520,000, respectively.

Supplementary Information

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Independent Auditor's Report on Supplementary Information

To the Trustees
Eagle-Picher Industries, Inc. Personal Injury Settlement Trust

We have audited the special-purpose consolidated financial statements (the "Financial Statements") of the Eagle-Picher Industries, Inc. Personal Injury Settlement Trust (the "Trust") as of and for the years ended December 31, 2023 and 2022, and our report thereon dated April 10, 2024, which expressed an unmodified opinion on the Financial Statements, appears on pages 2 and 3. Our audits were conducted for the purpose of forming an opinion on the Financial Statements as a whole. The Supplemental Schedules of General and Administrative Expenses and Due to Claims Processing Facility, Inc. ("CPF") are presented for purposes of additional analysis and are not a required part of the 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 Financial Statements. The information has been subjected to the auditing procedures applied in the audit of the Financial Statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the Financial Statements or to the 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 Financial Statements as a whole.

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.

CohnReznick LLP

Dallas, Texas
April 10, 2024

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Eagle-Picher Industries, Inc. Personal Injury Settlement Trust

Schedules of General and Administrative Expenses
Years Ended December 31, 2023 and 2022

	2023	2022
Trustee and TAC fees and expenses	$ 405,006	$ 409,432
Insurance	57,803	57,763
Other general and administrative	7,095	39,145
Total general and administrative expenses	$ 469,904	$ 506,340

See Independent Auditor's Report on Supplementary Information.

Eagle-Picher Industries, Inc. Personal Injury Settlement Trust

Schedules of Due to Claims Processing Facility, Inc. ("CPF")
Years Ended December 31, 2023 and 2022

	2023	2022
Beginning of year	$ 519,033	$ 1,137,494
Cash payments to CPF	(2,016,407)	(3,519,980)
CPF net operating expenses	2,435,373	2,901,519
End of year	$ 937,999	$ 519,033

See Independent Auditor's Report on Supplementary Information.

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Exhibit B

Claims Processing Facility, Inc.

Financial Statements - Income Tax Basis and Independent Auditor's Report

December 31, 2023 and 2022

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Claims Processing Facility, Inc.

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Independent Auditor's Report

To the Board of Directors
Claims Processing Facility, Inc.

Opinion

We have audited the accompanying financial statements - income tax basis of Claims Processing Facility, Inc. (the "Company"), which comprise the statements of assets, liabilities, and stockholder's equity - income tax basis as of December 31, 2023 and 2022, and the related statements of revenues and expenses and changes in retained earnings - income tax basis and cash flows - income tax basis for the years then ended, and the related notes to the financial statements (collectively, the "Financial Statements").

In our opinion, the accompanying Financial Statements present fairly, in all material respects, the assets, liabilities, and stockholder's equity of the Company as of December 31, 2023 and 2022, and the results of its revenues and expenses and its cash flows for the years then ended in accordance with the basis of accounting the Company uses for income tax purposes as described in Note 2.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company 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.

Other Matter - Basis of Accounting

We draw attention to Note 2 of the Financial Statements, which describes the basis of accounting. The Financial Statements are prepared on the basis of accounting the Company 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.

Responsibilities of Management for the Financial Statements

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

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Auditor's Responsibilities for the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 generally accepted auditing standards 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, including omissions, 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 Financial Statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 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 Company'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 Financial Statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company'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.

Restriction on Use

This report is intended solely for the use of management of the Company, the Directors, the 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.

CohnReznick LLP

Dallas, Texas
April 10, 2024

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Claims Processing Facility, Inc.

Statements of Assets, Liabilities, and Stockholder's Equity - Income Tax Basis
December 31, 2023 and 2022

Assets

	2023	2022
Cash	$ 394,073	$ 821,210
Accounts receivable	114,263	119,964
Due from Eagle-Picher Industries, Inc.		
Personal Injury Settlement Trust (Note 3)	937,999	519,033
Prepaid expenses	94,272	126,034
Fixed assets at cost, less accumulated depreciation	722	4,831
Total assets	$ 1,541,329	$ 1,591,072

Liabilities and Stockholder's Equity

Liabilities		
Accounts payable and accrued expenses	$ 92,433	$ 142,176
Stockholder's equity		
Common stock, $0.01 par value per share; 300 shares authorized, 150 shares issued and outstanding	2	2
Additional paid-in capital	1,076,406	1,076,406
Retained earnings	372,488	372,488
Total stockholder's equity	1,448,896	1,448,896
Total liabilities and stockholder's equity	$ 1,541,329	$ 1,591,072

See Notes to Financial Statements - Income Tax Basis.

Claims Processing Facility, Inc.

Statements of Revenues and Expenses and Changes in Retained Earnings - Income Tax Basis
Years Ended December 31, 2023 and 2022

	2023	2022
Revenues		
Claims processing revenue	$ 3,338,120	$ 3,474,501
Expenses		
Salaries and related items	2,379,960	2,451,160
Depreciation	4,109	8,203
General and administrative	421,099	469,085
Leases	373,121	371,443
Professional fees	92,003	107,214
Insurance	67,677	67,247
Total expenses	3,337,969	3,474,352
Operating income before tax expense	151	149
Tax expense	151	149
Net income	-	-
Retained earnings, beginning of year	372,488	372,488
Retained earnings, end of year	$ 372,488	$ 372,488

See Notes to Financial Statements - Income Tax Basis.

Claims Processing Facility, Inc.

Statements of Cash Flows - Income Tax Basis
Years Ended December 31, 2023 and 2022

	2023	2022
Cash flows from operating activities		
Net income	$ -	$ -
Adjustments to reconcile net income to net cash provided by (used in) operating activities		
Depreciation expense	4,109	8,203
Loss on disposal of fixed assets	-	-
Changes in operating assets and liabilities		
Accounts receivable	5,701	(10,477)
Prepaid expenses	31,762	(7,216)
Accrued expenses	(49,743)	36,015
Due from Eagle-Picher Industries, Inc. Personal Injury Settlement Trust	(418,966)	618,461
Net cash provided by (used in) operating activities	(427,137)	644,986
Cash, beginning of year	821,210	176,224
Cash, end of year	$ 394,073	$ 821,210

See Notes to Financial Statements - Income Tax Basis.

Claims Processing Facility, Inc.

Notes to Financial Statements - Income Tax Basis
December 31, 2023 and 2022

Note 1 - Description of the Company

Claims Processing Facility, Inc. ("CPF" or the "Company") is wholly owned by Eagle-Picher Industries, Inc. Personal Injury Settlement Trust ("EPI") and processes personal injury claims on behalf of EPI and various other asbestos settlement trust clients. Claim processing contracts with trust clients expire through December 31, 2025. Some of these agreements contain language that provides for an automatic annual renewal upon the stated expiration date, unless either party provides written notice within a specified period prior to the expiration date.

Note 2 - Summary of significant accounting policies

Basis of presentation

CPF's Financial Statements have been prepared on the basis of accounting used for federal income tax reporting under the Internal Revenue Code ("IRC"). This method was adopted to better reflect the underlying economics of the organization, which is to provide at-cost claims processing services for EPI. These practices differ in some respects from accounting principles generally accepted in the United States of America ("GAAP"). Such differences include: (1) credit losses on accounts receivable generally are not recognized until they are realized, (2) the methods and lives used for computing depreciation for fixed assets, (3) all leases are classified as operating leases, while under GAAP, leases are evaluated and classified as operating or finance with a right-of-use asset and liability presented on the balance sheet, (4) consolidation accounting and variable interest entities, (5) accounting for deferred income taxes as well as uncertain tax positions, and (6) revenue is recorded when services are rendered and bill, while under GAAP, revenue is evaluated under a five-step model. Accordingly, the accompanying financial statements are not intended to present financial information and results of operations in accordance with GAAP.

Cash and cash equivalents

Cash and cash equivalents consist of cash and money market funds with maturities of three months or less. The Company had no cash equivalents or money market funds on hand as of December 31, 2023 and December 31, 2022. CPF maintains its cash and cash equivalents at one financial institution that is insured by the Federal Deposit Insurance Company up to $250,000. At times during the year, cash balances may exceed this limit. CPF has not experienced any credit losses in such accounts and does not believe they are exposed to any significant risk of loss.

Accounts receivable

Accounts receivable are reported at the amount outstanding for services rendered to trust clients. Charges to earnings for uncollectible balances are recognized when management has exhausted reasonable collection efforts. CPF believes that all accounts receivable will be fully collected. Accordingly, no allowance for doubtful accounts is required.

Due from EPI

Due from EPI consists of amounts not yet reimbursed to CPF for net operating expenses.

Fixed assets

Depreciation on the majority of the fixed assets is provided under the Accelerated Cost Recovery System ("ACRS") and Modified ACRS ("MACRS") as amended in the IRC. These methods depreciate using the double-declining balance or straight-line methods over the estimated useful lives. The lives of these assets can range from three to 39 years.

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Under ACRS and MACRS, the recovery period may be longer or shorter than that which would be utilized if the economic useful life, as determined under GAAP, was applied in the computation of the annual depreciation charge to operations. Repairs and maintenance costs are charged to expense when incurred.

Materials and supplies are expensed in the year they are first used. Repairs and maintenance costs are charged to expense when incurred applying the de minimis safe harbor capitalization policy and routine maintenance rules based on the applicable unit of property to maintain property in ordinary efficient operating condition.

Revenue recognition
Claims processing revenue is recognized as services are rendered which are based on the contractual terms of the claims processing contracts. In addition, CPF also recognizes revenue for certain services such as trust client onboarding as these services are rendered.

Income taxes
Income taxes are recorded by CPF in accordance with federal and state income tax regulations applicable to a C-corporation. The Company's taxable income (loss) is subject to examination by federal and state taxing authorities. The Company reports tax-related interest and penalties as a component of general and administrative expenses on the statements of revenues and expenses and changes in retained earnings - income tax basis. There were no penalties or interest during the years ended December 31, 2023 and 2022.

Subsequent events
The Company evaluates events and transactions occurring subsequent to the date of the Financial Statements for matters requiring recognition or disclosure in the Financial Statements. The accompanying Financial Statements consider events through April 10, 2024, the date on which the Financial Statements were available to be issued.

Note 3 - Related party transactions

Due from EPI
Due from EPI consisted of the following:

	December 31, 2023	December 31, 2022
Beginning of year	$ 519,033	$ 1,137,494
Cash reimbursements from EPI	(2,016,407)	(3,519,980)
CPF net operating expenses	2,435,373	2,901,519
End of year	$ 937,999	$ 519,033

Legal
Effective October 1, 2022, a partner of the Company's outside counsel was appointed Trustee of EPI. At December 31, 2023 and 2022, no amounts were due to the Company's outside counsel. During the year ended December 31, 2023, no legal expenses were incurred with their outside legal counsel. During the year ended December 31, 2022, the Trust incurred approximately $12,400, respectively, of legal expenses with their outside counsel.

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Claims Processing Facility, Inc.

Notes to Financial Statements - Income Tax Basis
December 31, 2023 and 2022

Salary advances
During the year ended December 31, 2023, no advances were made to any employees. During the year ended December 31, 2022, the Company made advances to an employee of approximately $42,700. All advances are repaid on a monthly basis. There were no amounts outstanding at December 31, 2023 and 2022.

Note 4 - Prepaid expenses

Prepaid expenses consisted of the following:

	December 31, 2023	December 31, 2022
Insurance	$ 50,468	$ 51,732
Lease expense	14,112	44,710
Supplies and other	29,692	29,592
Total	$ 94,272	$ 126,034

Note 5 - Fixed assets

Fixed assets, net consisted of the following:

	December 31, 2023	December 31, 2022
Data processing equipment	$ 160,781	$ 160,781
Data processing software	972,480	972,480
Office furniture and machines	379,322	379,322
Leasehold improvements and other	674	674
	1,513,257	1,513,257
Less accumulated depreciation	(1,512,535)	(1,508,426)
Total	$ 722	$ 4,831

For the years ended December 31, 2023 and 2022, depreciation expense on fixed assets was approximately $4,100 and $8,200, respectively.

Claims Processing Facility, Inc.

Notes to Financial Statements - Income Tax Basis
December 31, 2023 and 2022

Note 6 - Income taxes

In 2023 and 2022, CPF recorded the following current income taxes, which are all included in tax expense in the accompanying statements of revenues and expenses and changes in retained earnings - income tax basis:

	Year ended December 31,	
	2023	2022
State income tax	$ 151	$ 149
Total	$ 151	$ 149

Note 7 - 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 approximately $137,000 and $158,000, respectively, for the years ended December 31, 2023 and 2022; which is included in salaries and related items in the accompanying statements of revenues and expenses and changes in retained earnings; and (2) discretionary matching contributions based on a percentage of the participants' deferral amount, which amounted to approximately $35,000 and $34,000, respectively, for the years ended December 31, 2023 and 2022; which is included in accounts payable and accrued expenses in the accompanying statements of assets, liabilities, and stockholder's equity - income tax basis. The CPF Retirement Savings Plan permits all eligible employees to defer up to 100% 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.

Note 8 - Commitments

Lease agreement

CPF rents office space under a noncancelable lease agreement which expired on December 31, 2018. The lease was amended effective October 1, 2017, which extended the expiration date to May 31, 2024. On December 21, 2023, the lease was amended and extended the expiration date to November 30, 2029. The amendment included a free rent provision of six months over the term of the lease. In addition to monthly base rent, the lease also requires CPF to pay a proportionate share of operating expenses and property taxes. The accounting treatment for this lease reflects CPF's tax basis methodology for accounting.

Claims Processing Facility, Inc.

Notes to Financial Statements - Income Tax Basis
December 31, 2023 and 2022

Future minimum rental commitments under the lease at December 31, 2023, are as follows:

Years ending December 31,	Amount
2024	$ 147,174
2025	165,839
2026	169,788
2027	173,736
2028	177,685
Thereafter	181,633
	$ 1,015,855

Employee agreement
CPF entered into an agreement with a former employee pursuant to which, over the period from December 2022 through October 2023, CPF incurred obligations totaling approximately $318,000. On December 31, 2022, the remaining obligation was approximately $228,000, which was paid in full during 2023.

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Exhibit C

EAGLE-PICHER PERSONAL INJURY SETTLEMENT TRUST

November 1, 2023

Dear Claimants and Claimants' Counsel:

The Trustees of the Eagle-Picher Personal Injury Settlement Trust have approved an increase of the Payment Percentage from 33% to 35%, with the increase to become effective on November 1, 2023. The Trustees have taken this action pursuant to the Claims Resolution Procedures, which require the Trustees to reconsider the Payment Percentage at least every three years but permit them to adjust it more frequently where necessary to comply with the requirement of treating present and future claimants as equitably as reasonably possible. The Trustees last re-set the Payment Percentage to 33% in November 2015 and decided to maintain that percentage in intervening years based on, among other things, advice from their expert consultants.

The Trustees based their decision on their evaluation of current information regarding claim filing trends, settlement values, asset performance, operating costs, and other factors that determine what fraction of Eagle-Picher settlement value of each allowable claim the Trust can afford to pay. In considering adjustments to the Payment Percentage, the Trustees rely on advice from their actuarial and financial experts, who have a long history of working with trusts similar to ours, as well as the advice and consent of our Trustees Advisory Committee.

Today's increase in the Payment Percentage—which is in addition to the Trust's adjustment of payments for inflation—is well supported by the analyses prepared by the Trustees' experts, and it primarily results from two factors. First, the Trust has seen a steady and continued drop in the new claim filings over the past four years. Taking this trend as well as changes in the landscape of asbestos personal injury litigation into account, the Trustees' actuarial experts have projected future claim filings at a level lower than previous forecasts for the remaining life of the Trust. Second, the Trust has out-performed earlier expectations concerning the returns on its investments and management of its operating expenses.

The Trustees will continue to evaluate changes to the Payment Percentage to ensure that it is based on the most current and accurate data available. Of course, even with the Trustees' continuing commitment to the sound management of the Trust's assets and costs, the Trust will never be able to pay more than a fraction of the fair value of claims, and changes in economic conditions, claims filing, or other factors might require future adjustments to the Payment Percentage. Nevertheless, the Trustees and management are delighted that the circumstances permit today's increase in the Payment Percentage. Should you have any questions, please do not hesitate to contact me at (630) 281-6501 or teena.mandele@cpf-inc.com.

Sincerely yours,

Teena M Mandele

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