IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

In re:	)	Jointly Administered at
	)	Case No. 03-35592 JKF
MID-VALLEY, INC., *et. al.*,	)	
	)	Chapter 11
Reorganized Debtors.	)	
	)	Document No. 2669
_____	)	

ORDER OF COURT PERMITTING THE FILING OF CERTAIN DOCUMENTS WITHOUT REOPENING THE REORGANIZATION CASES[1]

WHEREAS, this Court entered an Order of Final Decree on November 21, 2005 at Docket No. 2514 ordering that the Reorganized Debtors' Reorganization Cases be closed; and

WHEREAS, pursuant to the terms of the Confirmation Order, the Asbestos PI Trust Documents and the Silica PI Trust Documents, certain additional informational and other filings are anticipated to be made including, but not limited to (i) annual reports to be filed by the Asbestos and Silica PI Trusts; and (ii) amended Plan Exhibits filed by the Reorganized Debtors (collectively, the "Additional Filings"); and

WHEREAS, at the hearing held on November 6, 2006, this Court indicated that the Additional Filings should not necessitate the reopening of these Reorganization Cases or any related payment of filing fees; it is hereby

ORDERED, that the Clerk of this Court is directed to accept the Additional Filings and the Additional Filings shall not require the reopening of these Reorganized Cases or

[1] Capitalized terms used herein without definition shall have the meaning ascribed to such terms in the Uniform Glossary of Defined Terms for Plan Documents filed of record on November 5, 2004 (Dkt. No. 2086).

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the payment of any related filing fees; and it is further

ORDERED, each such Additional Filing shall include a copy of this Order, affixed to the front of the Additional Filing; and it is further

ORDERED, that counsel for the Reorganized Debtors shall immediately serve a copy of this Order on (i) each entity set forth in the Reorganized Debtors' current Official Service List; (ii) each entity set forth on the current Bankruptcy Rule 2002 Notice List; and (iii) any other parties-in-interest, and file a certificate of service with the Clerk of the Bankruptcy Court within ten (10) days hereof; and it is further

ORDERED, that the Clerk of the Bankruptcy Court is hereby directed to make a notation on the dockets that, the Reorganization Cases (Case Nos. 03-35592, 03-35593, 03-35595, 03-35596, 03-35597, 03-35599, 03-35600, and 03-35601) have been closed.

Dated: 11/16/2006 12:39:42, 2006

Judith K. Fitzgerald
United States Bankruptcy Judge

wmk

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IN THE UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF PENNSYLVANIA

In re:	§	Jointly Administered at
	§	Case No. 03-35592-JKF
MID-VALLEY, INC., et al.,	§	
	§	Chapter 11
Reorganized Debtors	§	
	§	

DII INDUSTRIES, LLC ASBESTOS PI TRUST'S 2020 ANNUAL REPORT

Pursuant to the DII Industries, LLC Asbestos PI Trust Agreement, the Trustees of the DII Industries, LLC Asbestos PI Trust ("Trust") report the following 2020 activities:

I. Financial Statements

The Trust's Special-Purpose Financial Statements with Report of Independent Auditors for the Years Ended December 31, 2020 and 2019 are attached as Exhibit A.

II. Claims Summary

A summary of the number and types of claims the Trust disposed of in 2020 is attached as Exhibit B.

III. Trustees' Fees, Expenses, and Activities

In 2020, the Trustees earned $763,367 and were reimbursed $11,116 of the expenses they incurred (a) conducting weekly meetings with the Trust's staff; (b) leading quarterly meetings with the Trust Advisory Committee and Legal Representative; (c) monitoring the Trust's financial portfolio; (d) meeting regularly with the Trust's financial advisors and investment managers; (e) reviewing and approving the Trust's financial statements, audit reports, and processes; (f) supervising the Trust's responses to discovery requests and activity in arbitrations, mediations, and litigation; (g) considering and improving the Trust's claims review processes; (h) monitoring the Trust's claims processing facility's performance; (i) assessing the Trust's

staffing needs and staff compensation; (j) supervising the enhancement of the Trust's information security procedures; (k) making supplemental payments resulting from the 2018 increase in the Trust's Payment Percentage; (l) overseeing the Trust's maintenance of its Documented Site list (a report of changes made to the list in 2020 is attached as Exhibit C); (m) evaluating, approving, and monitoring the relocation of the Trust's office upon the termination of its prior lease; and (n) otherwise administering the Trust.

In particular, and as described below, the Trustees devoted significant attention to (a) responding to the COVID-19 pandemic; (b) replacing Alan Kahn as Managing Trustee following his retirement; (c) responding to civil investigative demands that the Trust received from the Office of the Texas Attorney General; (d) overseeing the Trust's claims audit program; and (e) monitoring and implementing adjustments to models that the Trust uses to value claims submitted for Individual Review.

A. COVID-19 Pandemic Responses

In 2020, the Trustees oversaw the Trust's responses to the COVID-19 pandemic's impact on many facets of its organization, including its operations, workforce, and finances. Specifically, on multiple occasions, the Trust extended deadlines and modified release and affidavit requirements to help claimants overcome obstacles posed by COVID-19. Additionally, the Trust modernized its infrastructure and transitioned its staff from onsite to remote work, while maintaining its robust security and productivity standards. The Trust also carefully considered guidance from the Centers for Disease Control and Prevention and other organizations to develop a safe and efficient return-to-office policy. Finally, the Trust evaluated the financial benefits and tax incentives available to organizations and individuals under legislation passed in response to the COVID-19 pandemic.

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B. Alan Kahn's Retirement and Appointment of Successors

Alan Kahn retired and resigned his service as Trustee on June 12, 2020. The Trustees designated Marcellene Malouf to succeed him as the Trust's Managing Trustee. Additionally, Judge David Herndon, retired Chief Judge of the United States District Court for the Southern District of Illinois, was appointed as a Trustee on August 28, 2020, by the unanimous vote of Ms. Malouf and Mark Gleason.

C. Texas Civil Investigative Demands

In August 2019, the Trust received a civil investigative demand from the Office of the Texas Attorney General (OAG) that, the Trust understands, was issued to investigate whether Texas Medicaid beneficiaries were properly notifying Texas Medicaid of their rights to recover from the Trust. In November 2019, the Trust received a second civil investigative demand from the OAG, which asked the Trust to identify law firms that had received claim payments on behalf of Trust claimants. In September and December 2019, after discussions and notice, the Trust submitted partial responses to these demands, but it did not provide any claimant-related information.

During 2020, the Trust and the OAG actively discussed the demands, focusing on the scope of information to be produced. In July 2020, the Trust petitioned to modify or set aside the August 2019 Texas demand. In response, the OAG substantially narrowed its request. Specifically, the OAG identified individuals whose treatment for asbestos-related injuries was paid for by the Texas Medicaid program and asked the Trust to produce limited information about Trust claim payments that it made to those individuals or their representatives. The Trust notified affected claimants of the information it intended to produce to the Texas Attorney General and set forth how they could object to the production. After no claimant notified the

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Trust that they had filed an objection, the Trust produced information to the Texas Attorney General in November 2020. Additionally, in 2020, the Texas Attorney General confirmed that no outstanding obligations remained under the November 2019 demand.

The Trustees received frequent reports on the Texas demands from Trust staff and attorneys. They asked questions and provided feedback in response.

D. Claims Audit Program

The Trustees oversaw the resolutions of more than 750 claim audits in 2020 as part of the Trust's ongoing efforts to ensure that its assets are used to pay valid claims. Additionally, the Trust examined certain doctors' medical reports to assess their reliability. The Trustees received frequent reports on these audits and ongoing examinations from Trust staff and attorneys, and they provided feedback in response.

E. Individual Review Models

Section 2.2 of the Trust Distribution Procedures instructs the Trustees to use their reasonable best efforts to ensure that claims' average Liquidated Amounts approximate the Average Values provided in Section 5.3 of the Trust Distribution Procedures. To continue to meet this goal, in 2020, the Trustees implemented adjustments made in 2019 to the models the Trust uses to value Disease Level VIII – Mesothelioma and Disease Level VII – Lung Cancer 1 claims submitted for Individual Review. They also monitored the performance of these and other models the Trust uses to value claims submitted for Individual Review.

IV. Trust Advisory Committee Fees, Expenses, and Activities

In 2020, the Trust paid the Trust Advisory Committee and its legal counsel and other professionals $97,236 in fees and reimbursed $632 of the expenses they incurred. During the

year, the Trust Advisory Committee advised the Trustees in their performance of the activities discussed above.

V. Legal Representative Fees, Expenses, and Activities

In 2020, the Trust paid the Legal Representative and its legal counsel and other professionals $69,655 in fees and reimbursed $49 of the expenses they incurred. Like the Trust Advisory Committee, the Legal Representative advised the Trustees in their performance of the activities discussed above.

VI. Additional Information

For additional information regarding the Trust's financial statements or operations, please contact its Executive Director, Gregg McHugh, at 12222 Merit Drive, Suite 1150, Dallas, Texas 75251, or at 214-271-0554, or go to www.diiasbestostrust.org.

/s/
Marcellene J. Malouf, Managing Trustee
DII Industries, LLC Asbestos PI Trust

/s/
Mark M. Gleason, Trustee
DII Industries, LLC Asbestos PI Trust

/s/
Honorable David R. Herndon, Trustee
DII Industries, LLC Asbestos PI Trust

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Exhibit A

Special-Purpose Financial Statements with
Report of Independent Auditors
Years Ended December 31, 2020 and 2019

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DII INDUSTRIES, LLC ASBESTOS PI TRUST

Special-Purpose Financial Statements
with
Report of Independent Auditors

Years Ended December 31, 2020 and 2019

DII INDUSTRIES, LLC ASBESTOS PI TRUST

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BKM SOWAN HORAN
ACCOUNTANTS CONSULTANTS

15301 Dallas Parkway
Suite 960
Addison, Texas 75001
MAIN 214 545 3965
FAX 214 545 3966
www.bkmsh.com

REPORT OF INDEPENDENT AUDITORS

To the Trustees of the
DII Industries, LLC Asbestos PI Trust

We have audited the accompanying special-purpose financial statements of the DII Industries, LLC Asbestos PI Trust (the "Trust"), which comprise the statements of net claimants' equity as of December 31, 2020 and 2019; the related statements of changes in net claimants' equity and changes in investments for the years then ended; and the related notes to the financial statements (collectively, the "Financial Statements").

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the Financial Statements in accordance with the special-purpose accounting methods adopted by the Trust and its Trustees. These methods are described in Note 2. Management is also responsible for the design, implementation, and maintenance of internal controls 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 the 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 audits to obtain reasonable assurance about whether the Financial Statements are free from material misstatement.

The audit involved performing procedures to obtain audit evidence about the amounts and disclosures in the Financial Statements. The procedures selected depended 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 considered internal controls relevant to the Trust'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 Trust's internal controls. Accordingly, we express no such opinion. The audit also included evaluating the appropriateness of accounting policies used, the reasonableness of significant accounting estimates made by management, and the overall presentation of the Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the Financial Statements present fairly, in all material respects, the financial positions of the Trust as of December 31, 2020 and 2019; the results of its operations; and the changes in its investments for the years then ended in conformity with the special-purpose method of accounting.

Basis of Accounting

We draw attention to Note 2 of the Financial Statements, which describes the basis of accounting. The Financial Statements were prepared pursuant to a special-purpose method of accounting, which differs from accounting principles generally accepted in the United States of America. The Trust has used the special-purpose method of accounting to communicate to its beneficiaries the net assets available for the payment of claims and the related operating expenses. Our opinion is not modified with respect to this matter.

Restriction of Use

This report is intended for the information and use of the Trustees, management of the Trust, and for filing with the United States Bankruptcy Court for Western District of Pennsylvania – Pittsburgh Division (the "Bankruptcy Court"), and it should not be used by anyone other than those specified parties. This restriction is not intended to limit distribution of this report, which, upon filing with the Bankruptcy Court, is a matter of public record.

BKM Sowan Horan, LLP

April 15, 2021
Addison, Texas

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DII INDUSTRIES, LLC ASBESTOS PI TRUST

Special-Purpose Statements of Net Claimants' Equity

	December 31,	
	2020	2019
ASSETS		
Investments, at fair value	**$ 1,634,467,170**	$ 1,653,707,221
Investment income receivable	**9,841,214**	10,170,424
Prepaid expenses and other assets	**397,318**	185,144
Property and equipment, net	**65,460**	104,561
Prepaid income taxes	**-**	525,487
Total assets	**1,644,771,162**	1,664,692,837
LIABILITIES		
Accounts payable and accrued expenses	**704,486**	593,894
Settled but unpaid claims	**1,132,861**	2,686,874
Income taxes payable	**9,663,641**	-
Deferred income tax liability	**148,670,436**	127,604,555
Total liabilities	**160,171,424**	130,885,323
Net claimants' equity (Note 2)	**$ 1,484,599,738**	$ 1,533,807,514

See accompanying notes to special-purpose financial statements

DII INDUSTRIES, LLC ASBESTOS PI TRUST

Special-Purpose Statements of Changes in Net Claimants' Equity

	Years ended December 31,	
	2020	2019
Investment income, net		
Interest and dividend income, net	**$ 31,525,430**	$ 38,191,560
Realized gain on investments, net	**21,368,151**	8,431,277
Unrealized gain on investments, net of investment fees and expenses	**71,242,000**	120,978,371
Total investment income	**124,135,581**	167,601,208
Operating expenses		
Asbestos claims payment expense	**134,659,953**	194,901,824
Operating and legal expenses	**7,428,172**	8,139,292
Total operating expenses	**142,088,125**	203,041,116
Loss before federal income taxes	**(17,952,544)**	(35,439,908)
Income tax expense	**(31,255,232)**	(55,773,099)
Decrease in net claimants' equity	**(49,207,776)**	(91,213,007)
Net claimants' equity, beginning of year	**1,533,807,514**	1,625,020,521
Net claimants' equity, end of year	**$ 1,484,599,738**	$ 1,533,807,514

See accompanying notes to special-purpose financial statements

DII INDUSTRIES, LLC ASBESTOS PI TRUST

Special-Purpose Statements of Changes in Investments

	Years ended December 31,	
	2020	2019
Investment inflows		
Investment income, net	**$ 53,222,791**	$ 48,040,287
Unrealized gain on investments, net	**71,242,000**	124,140,684
Total inflows	**124,464,791**	172,180,971
Investment outflows		
Asbestos claims payments	**136,213,966**	201,370,018
Operating and legal payments	**7,490,876**	11,363,552
Income taxes paid	**-**	2,751,329
Total outflows	**143,704,842**	215,484,899
Net decrease in investments	**(19,240,051)**	(43,303,928)
Investments, beginning of year	**1,653,707,221**	1,697,011,149
Investments, end of year	**$ 1,634,467,170**	$ 1,653,707,221

See accompanying notes to special-purpose financial statements

DII INDUSTRIES, LLC ASBESTOS PI TRUST

Notes to Special-Purpose Financial Statements

Note 1 - Description of the Trust

General

The Trust is a Pennsylvania common law trust and is a Qualified Settlement Fund within the meaning of Treasury Department regulations issued pursuant to Section 468B of the Internal Revenue Code. The Trust was created on January 20, 2005, in connection with the plan of reorganization (the "Plan") for DII Industries, LLC and certain of its affiliated debtors and debtors-in-possession (the "Debtors"). The Debtors were direct or indirect subsidiaries of Halliburton Company ("Halliburton"). The Plan was confirmed by order entered on July 21, 2004, by the Bankruptcy Court (the "Order"). The Order was affirmed by the United States District Court for the Western District of Pennsylvania on December 1, 2004. The Plan became effective on January 20, 2005. The purpose of the Trust is to assume the asbestos liabilities of the Debtors, Halliburton, Harbison-Walker Refractories Company, and certain other businesses and to use the Trust's assets and income to pay holders of those liabilities so that all holders of similar asbestos claims, both current and future, are treated in a substantially equivalent manner.

Halliburton, its affiliates, and other related companies were granted the protection of a permanent channeling injunction entered by the Bankruptcy Court in connection with the Order. The injunction enjoins the assertion of Asbestos Unsecured PI Trust Claims ("Asbestos Claims") against those entities and channels such claims to the Trust for resolution.

The Trustees are fiduciaries to the Trust and are responsible for administering the Trust and the Trust's assets in accordance with the Plan.

The Trust is governed by a Trust Agreement (TA) and Trust Distribution Procedures (TDP) that establish the framework and criteria for allowance and payment of Asbestos Claims by the Trust.

The Trust's assets consist primarily of cash, cash equivalents, and investments, which, with the earnings on such investments, are intended to be totally consumed by the allowance and payment of claims and operation of the Trust. The percentage of the amount of each allowed claim that will actually be paid will be determined by projections of total allowable Asbestos Claims and operational expenses of the Trust, on the one hand, and total assets and net earnings, on the other.

The Trust will terminate in accordance with TA article 7.2.

DII INDUSTRIES, LLC ASBESTOS PI TRUST

Notes to Special-Purpose Financial Statements

Note 2 - Summary of Significant Accounting Policies

Basis of accounting

The Trust's Financial Statements are prepared using a special-purpose accounting method adopted by the Trust and its Trustees, which differs from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting method does not record the Trust's ultimate claims liability, but otherwise conforms with GAAP.

Cash equivalents

The Trust considers all highly liquid debt instruments purchased with an original maturity of three (3) months or less to be cash equivalents.

Investments

Investments are stated at estimated fair value. When quoted prices in active markets for identical assets are available, these quoted market prices are used to determine the fair value. In other cases, the Trust may hold investments for which there is no active market or the market is dislocated. When determining the fair value of such investments, the valuation is dependent on facts and circumstances requiring judgment by the Trustees and Trust management. In exercising that judgment, they rely upon the valuation by the Trust's investment managers and advisors. It is acceptable to use inputs based on estimates or assumptions, or to make adjustments to observable inputs to determine fair value when markets are not active and relevant observable inputs are not available. Changes in fair value are recorded as additions and deductions to net claimants' equity. Realized gains and losses on investments in securities are calculated based on the specific identification method. The Trust records securities transactions on a trade-date basis. Dividend income is recorded on the ex-dividend date. Interest is recorded on an accrual basis.

Claims and claims processing expense

Amounts due to claimants for allowed claims are recorded when signed releases are received and verified. Allowed claims with signed releases that are received and verified but not paid before the end of the year are accrued as settled, but unpaid claims in the special-purpose statements of net claimants' equity. Additional or supplemental payments receive the same treatment when all sufficient evidence has been received and verified. See Note 4.

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Note 2 - Summary of Significant Accounting Policies – (Continued)

Claims and claims processing expense – continued

Claims processing expenses are recorded as incurred and are included in operating and legal expenses in the special-purpose statements of changes in net claimants' equity.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. The Trust uses both straight-line and accelerated methods of depreciation over the estimated useful lives of the assets, which range from 5 to 7 years. Depreciation expense was approximately $51,000 and $53,000 for the years ended December 31, 2020 and 2019, respectively, and is included in operating and legal expenses in the special-purpose statements of changes in net claimants' equity.

Net claimants' equity

The Trust, under the adopted special-purpose accounting convention, does not record the liability for future claims expected to be filed over the life of the Trust. Net claimants' equity is available for (i) the payments of allowed asbestos-related claims, whether pending or future, and (ii) operational expenses of the Trust.

Concentration of credit risk

Financial instruments, which potentially subject the Trust to concentrations of credit risk, consist primarily of cash, 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, based on consultations with its advisors, 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 certain investments, the values of investments may change materially. The Trust has a formal investment policy that provides for diversification and establishes standards to invest the Trust's assets.

Use of estimates

The preparation of the Financial Statements requires the Trust's Trustees and management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the financial statement date, and the reported amounts of additions to and deductions from net claimants' equity during the reporting periods.

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DII INDUSTRIES, LLC ASBESTOS PI TRUST

Notes to Special-Purpose Financial Statements

Note 2 - Summary of Significant Accounting Policies – (Continued)

Use of estimates – continued

Significant items subject to such estimates and assumptions include the carrying value of investments and the estimates of current and deferred income taxes. Actual results could differ from these estimates.

Statements of changes in investments

The accompanying statements of changes in investments represent the various inflows and outflows of cash during the reporting periods in order to reconcile the changes in investments, at fair value, from the beginning to the end of the respective year on the cash basis.

Income taxes

Deferred income tax assets and liabilities are determined based upon differences between financial reporting and tax basis of assets and liabilities and are measured using the enacted tax rates and laws. A valuation allowance is established when it is more likely than not that the deferred tax assets may not be realized. The amount of income taxes the Trust pays is subject to potential audits by federal authorities. The Trust's estimate of the potential outcome of any uncertain tax issue is subject to the Trustees' and Trust 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 positions taken or expected to be taken in a tax return. To the extent that the Trust's assessment of such tax positions 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 and legal expenses, respectively. The Trust has not recognized any income tax liability or expense related to the review of uncertain tax positions.

Subsequent events

The Trust has evaluated events and transactions subsequent to the date of the Financial Statements to determine if they require recognition or disclosure. The Financial Statements consider events through April 15, 2021, the date on which the Financial Statements were available to be issued.

New accounting pronouncements

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02. The new standard was issued to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. This standard affects any entity that enters into a lease, with some specified scope exemptions.

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DII INDUSTRIES, LLC ASBESTOS PI TRUST

Notes to Special-Purpose Financial Statements

Note 2 - Summary of Significant Accounting Policies – (Continued)

New accounting pronouncements – continued

The amendments in this ASU are effective for fiscal years beginning after December 15, 2021. The Trust is assessing the impact of adopting this ASU on its Financial Statements and related disclosures.

Note 3 - Funding of the Trust

Funding of the Trust was set forth in the Plan. On January 20, 2005, its effective date, the Trust received $950,000 in cash; a note receivable from Halliburton in the amount of $30,742,628 due December 31, 2005; and 59,500,000 shares of Halliburton stock from the Debtors, which had a market value of $2,504,652,500. The value of this funding, as of the effective date, totaled $2,536,345,128.

All shares of the Halliburton stock were sold on March 23, 2005, generating proceeds to the Trust of $2,481,983,000, net of fees and other charges of $46,767,000. The note receivable was paid in full at a discounted amount of $30,685,035 by December 31, 2005. The net cash realized from the funding of the Trust totaled $2,513,618,035.

The Plan also provides for additional funding through the Asbestos PI Trust Additional Funding Agreement (the "Funding Agreement"). Under the Funding Agreement, the Debtors are obligated to pay the Trust any insurance recoveries in excess of $2,300,000,000. This obligation ceases once the Debtors have paid an aggregate of $700,000,000 to the Trust. No proceeds were received or due during the years ended December 31, 2020 and 2019, in connection with the Funding Agreement. No estimate of any future collection under this obligation has been recorded as it is uncertain to occur.

Note 4 - Claims Processing

The Trust reviews and determines Asbestos Claims in accordance with the TDP. The TDP provides for processing, and either withdrawing, disallowing or allowing, liquidating, and paying all Asbestos Claims as required by the Plan and the TA. For the years ended December 31, 2020 and 2019, approximately $134,660,000 and $194,902,000, respectively, were expensed as Asbestos Claims payments. The Trust had approximately $1,133,000 and $2,700,000, respectively, in claims which were qualified for payment but were unpaid at December 31, 2020 and 2019.

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Note 4 - Claims Processing – (Continued)

During 2018, the Trustees, Trust Advisory Committee (TAC), and Legal Representative (LR) approved an increase to the Payment Percentage, from 50% to 60%. As a result of the change, all claims paid at Payment Percentages lower than 60%, subject to certain limitations, were or will be paid a supplemental payment by the Trust. During the years ended December 31, 2020 and 2019, the Trust paid approximately and $6,469,000 and $83,649,000 in such supplemental claims payments, respectively.

The TDP requires the Trust to dedicate 60% of the Maximum Available Payment (MAP), as defined in the TDP, in any given year to the payment of claims involving severe asbestosis and malignancies and to dedicate 40% of the MAP to claims involving non-malignant asbestosis and pleural disease. In 2019, the Trust suspended the enforcement of these restrictions. During the year ended December 31, 2020, the Trust did not exhaust the MAP.

Note 5 - Estimated Asbestos Claims

At inception, the Trust estimated that its ultimate claims liability would be $3,700,000,000. It last updated this forecast in 2018, resulting in an estimated remaining claims liability of approximately $2,684,000,000.

Note 6 - Trust Advisory Committee and Legal Representative

The TA sets forth the roles and responsibilities of the TAC and LR. The members of the TAC serve in a fiduciary capacity representing all holders of present Asbestos Claims ("Current Claimants"). The TAC is comprised of eight attorneys who are engaged by Current Claimants.

The LR serves in a fiduciary capacity, representing the interests of the individuals who may file Asbestos Claims in the future, but who at this time are unknown to the Trust ("Future Claimants"). His role, in part, is to protect rights of the Future Claimants. The Trustees are required to consult with or obtain the consent of the TAC and LR on certain matters identified in the TA and the TDP.

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Note 7 - Taxation

The Trust reports its income to the Internal Revenue Service as a Qualified Settlement Fund, which is taxed at the highest rate applicable to trusts under Section 1(e) of the Internal Revenue Code, which is 37% for the years ending December 31, 2020 and 2019.

The Trust's federal income tax expense is calculated as follows:

	Years ended December 31,	
	2020	2019
Modified taxable income	$ **38,442,302**	$ 25,336,282
Tax rate	**37%**	37%
Current federal income tax expense	**14,223,652**	9,374,424
Adjustment to prior year estimates	**(4,034,301)**	2,346,717
Deferred federal income tax expense	**21,065,881**	44,051,958
Income tax expense	$ **31,255,232**	$ 55,773,099

The Trust's net deferred income tax liability is comprised of the federal income tax on the estimated net unrealized gains on investments of approximately $148,670,000 and $127,600,000 at December 31, 2020 and 2019, respectively.

Note 8 - Investments at Fair Value

The TA provides general guidelines for the investments of the Trust. More specific policies and guidelines are set forth in the Investment Guidelines, which were developed by the Trust's financial advisor and adopted by the Trustees.

The Trust's financial advisor and Trustees routinely review the Trust's asset allocations and investment managers.

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Note 8 - Investments at Fair Value – (Continued)

The estimated cost basis and fair values of the Trust's investments are as follows:

	December 31, 2020		December 31, 2019	
	Cost	**Fair Value**	Cost	Fair Value
Cash and cash equivalents	$ **197,561,072**	$ **197,561,072**	$ 153,026,144	$ 153,026,144
Equity securities	**96,171,650**	**340,113,189**	111,793,844	328,560,016
Foreign equity funds	**15,000,000**	**69,042,643**	30,000,000	86,317,415
Debt securities	**818,927,075**	**852,869,967**	905,529,202	928,345,673
Hedge funds	**19,581,600**	**174,880,299**	40,456,485	157,457,973
	$ **1,147,241,397**	$ **1,634,467,170**	$ 1,240,805,675	$ 1,653,707,221

The Trust had a cumulative net unrealized gain on investments of approximately $487,226,000 and $412,902,000 at December 31, 2020 and 2019, respectively. The Trust's net realized gain on sales of investments was approximately $21,368,000 and $8,431,000 for the years ended December 31, 2020 and 2019, respectively. Interest and dividend income is shown net of bond discount amortization of approximately $14,036,000 and $14,234,000 for the years ended December 31, 2020 and 2019, respectively.

The following are descriptions of the valuation methodologies used for financial assets measured at fair value, including the general classification of such assets pursuant to the valuation hierarchy. There were no changes in valuation techniques during the years ended December 31, 2020 and 2019.

Cash and cash equivalents

Cash equivalents are carried at cost, which approximates fair value. Cash and cash equivalents include cash balances and money market funds, which are classified as Level 1 investments.

Equity securities

All of the Trust's investments in equity securities are publicly traded and are in SEC filers. These securities are classified as Level 1, as quoted prices are available for these securities in an active market.

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Notes to Special-Purpose Financial Statements

Note 8 - Investments at Fair Value – (Continued)

Debt securities

The Trust's investments in debt securities do not have quoted market prices. Their fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flow and are classified within Level 2 of the valuation hierarchy. These Level 2 securities would include U.S. agency securities; agency mortgage-backed securities; obligations of states and political subdivisions; and certain corporate, asset-backed, and other securities.

Foreign equity funds

The Trust's investment in foreign equity funds do not have quoted market prices. Their fair values are estimated by using pricing models and quoted prices of the publicly traded international securities included in the funds. The funds are classified within Level 2 of the valuation hierarchy.

Hedge funds

The fair values for hedge funds are based on the net asset values provided by the funds, which are subject to independent financial statement audits. The Trust invests in hedge funds that pursue multiple strategies to diversify risk and reduce volatility. The Trust's independent financial advisors monitor, regularly meet with, and review each fund manager. Additionally, the Trustees and Trust management regularly review manager performance reports and meet directly with the fund managers annually. As of December 31, 2020 and 2019, there were no unfunded commitments to the hedge funds.

The hedge funds are subject to various restrictions or lock-up provisions, which could prevent the Trust from realizing the current fair value estimate. Additionally, the Trust's hedge fund investments may be subject to certain fees and expenses upon liquidation before various dates. The Trust's liquidity by exit date without fees at December 31, 2020, is summarized as follows:

Liquidity within		
0 – 6 months	$	118,340,147
7 – 12 months		52,388,248
25 – 36 months		3,333,354
Designated illiquid		818,550
	$	174,880,299

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Note 8 - Investments at Fair Value – (Continued)

Financial assets with changes in fair value that are measured on a recurring basis were as follows:

	December 31, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Cash and cash equivalents	**$ 197,561,072**	**$ -**	**$ -**	**$ 197,561,072**
Equity securities	**340,113,189**		**-**	**340,113,189**
Foreign equity funds	**-**	**69,042,643**	**-**	**69,042,643**
Debt securities	**-**	**852,869,967**	**-**	**852,869,967**
	$ 537,674,261	**$ 921,912,610**	**$ -**	
Hedge funds measured at net asset value				**174,880,299**
Investments at fair value				**$ 1,634,467,170**

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	$ 153,026,144	$ -	$ -	$ 153,026,144
Equity securities	328,560,016	-	-	328,560,016
Foreign equity funds	-	86,317,415	-	86,317,415
Debt securities	-	928,345,673	-	928,345,673
	$ 481,586,160	$ 1,041,663,088	$ -	
Hedge funds measured at net asset value				157,457,973
Investments at fair value				$ 1,653,707,221

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Note 9 - Commitments and Contingencies

Leases

The Trust previously had a non-cancelable lease for office space that expired at the end of 2020. The Trust signed a 66-month office lease in September 2020, which commenced in December 2020 and includes options to return rentable space for a fee. Rent expense for the years ended December 31, 2020 and 2019, was approximately $201,000 and $224,000, respectively. Future minimum lease payments under the current terms of the lease are as follows:

Years Ending December 31,		
2021	$	97,992
2022		198,113
2023		202,374
2024		206,634
2025		210,895
Thereafter		106,512
	$	1,022,520

Retirement plan

The Trust maintains a safe-harbor 401(k) benefit plan (the "Plan"), which, in the years ended December 31, 2020 and 2019 covered all employees who attained age nineteen (19) and completed one year of service consisting of at least 1,000 hours. The Trust makes matching contributions to the Plan up to 4% of eligible and enrolled employees' annual compensation. The Trust also typically contributes 3% of every eligible employee's annual salary, regardless of whether the employee contributes to the Plan. The Trust's contributions were approximately $181,000 and $195,000 for the years ended December 31, 2020 and 2019, respectively.

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Notes to Special-Purpose Financial Statements

Note 10 - COVID-19

In early 2020, the World Health Organization declared the rapidly spreading coronavirus disease ("COVID-19") outbreak a pandemic. This pandemic has resulted in governments worldwide enacting emergency measures to combat the spread of the virus.

The Trust considered the impact of COVID-19 on the assumptions and estimates used in preparing the Financial Statements and determined that there were no material adverse impacts on the Trust's operations and financial position at December 31, 2020. The Trust is not aware of any specific event or circumstance that would require an update to its estimates or judgments or a revision of the carrying value of its assets or liabilities as of the date of issuance of the Financial Statements. These estimates may change, as new events occur and additional information is obtained.

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Exhibit B

Claims Disposed Of In 2020

CLAIMS DISPOSED OF IN 2020

	HAL Claims	HAL Payments	HW Claims	HW Payments
Claims Paid in 2020	**4,996**	**$ 63,260,191.06**	**2,595**	**$ 66,527,474.54**
Level I. Other Asbestos Disease	29	$ 2,982.08	12	$ 3,694.35
Level II. Asbestosis/Pleural Disease	1,736	$ 1,187,007.13	929	$ 2,193,993.16
Level III. Asbestosis/Pleural Disease	625	$ 932,839.86	404	$ 1,806,539.92
Level IV. Severe Asbestosis	63	$ 395,986.55	57	$ 1,134,965.20
Level V. Other Cancer	210	$ 1,106,218.86	116	$ 1,746,359.49
Level VI. Lung Cancer 2	414	$ 696,565.11	233	$ 1,663,099.87
Level VII. Lung Cancer 1	671	$ 4,299,032.17	350	$ 10,281,350.93
Level VIII. Mesothelioma	1,248	$ 54,639,559.30	494	$ 47,697,471.62
Claims Withdrawn and Deemed Withdrawn in 2020	**8,945**		**7,983**	
Claims Disallowed in 2020	**918**		**779**	

These figures do not include supplemental payments made to claimants whose claims were disposed of before 2020.

Exhibit C

2020 Documented Site List Changes

2020 DOCUMENTED SITE LIST - ADDITIONS

Record	Site Name	City	State	Country	Entity	Begin Date	End Date	Effective Date
35010624	National Space Technology Laboratories	Hancock County	MS	USA	HAL	1/1/1976	12/31/1982	1/15/2020
35010625	Weyerhaeuser West Site	Everett	WA	USA	HAL	1/1/1973	12/31/1982	10/15/2020

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2020 DOCUMENTED SITE LIST - UPDATES

Record	Site Name	City	State	Country	Entity	Begin Date	End Date	Effective Date
1000971	Westinghouse Electric Corp	East Pittsburgh	PA	USA	HW	8/26/1955	7/5/1957	1/15/2020
3100008	Standard Oil -- Baton Rouge Refinery	Baton Rouge	LA	USA	HAL	12/1/1931	12/31/1982	1/15/2020
1000451	Esso Standard Oil Company – Baton Rouge Refinery	Baton Rouge	LA	USA	HAL	12/1/1931	12/31/1982	1/15/2020
3100761	Chalmette Petroleum Corporation	Chalmette	LA	USA	HAL	1/1/1936	12/31/1982	1/15/2020
1000343	Aluminum Company of America – North Plant	Alcoa	TN	USA	HAL	1/1/1965	12/31/1982	4/15/2020
3102394	J.R. Simplot Company - Don Plant	Pocatello	ID	USA	HAL	1/1/1964	12/31/1982	4/15/2020
3102486	Kansas City Southern Railway Company	Pittsburgh	KS	USA	HAL	11/1/1947	12/31/1982	4/15/2020
3102997	Missouri Pacific Railroad Company	Dupo	IL	USA	HAL	4/1/1946	12/31/1982	4/15/2020
3104830	Oregon-Washington Railroad & Navigation Company	Seattle	WA	USA	HAL	1/1/1933	12/31/1982	4/15/2020
3104151	Standard Railway Equipment Co.	Hammond	IN	USA	HAL	2/1/1951	12/31/1982	4/15/2020
3104269	Tennessee Coal, Iron & R.R. Co.	Birmingham	AL	USA	HAL	1/1/1940	12/31/1982	4/15/2020
3104651	United Engineering & Foundry Company (Tennessee Coal Iron)	Birmingham	AL	USA	HAL	1/1/1940	12/31/1982	4/15/2020
3104665	United States Steel Corporation	Birmingham	AL	USA	HAL	1/1/1940	12/31/1982	4/15/2020
3104674	United States Steel Corporation	Birmingham	AL	USA	HW	1/8/1969	6/9/1978	4/15/2020
3104574	U.S. Steel Corporation	Joliet	IL	USA	HAL	1/1/1951	12/31/1982	7/15/2020
3101690	Esso Standard Oil Company	Bayonne	NJ	USA	HAL	1/1/1938	12/31/1982	7/15/2020
3101709	Exxon Company USA	Bayonne	NJ	USA	HAL	1/1/1938	12/31/1982	7/15/2020
3102527	Kennecott Copper Company - Smelter	Magna	UT	USA	HAL	10/4/1961	12/31/1982	7/15/2020
3100602	Bunker Hill Company	Kellogg	ID	USA	HAL	1/1/1979	12/31/1982	7/15/2020
3100514	Boise Cascade Paper Mill	St. Helens	OR	USA	HAL	1/1/1939	12/31/1982	7/15/2020
3104091	St. Helens Pulp & Paper Company	St. Helens	OR	USA	HAL	1/1/1939	12/31/1982	7/15/2020
3100122	Allison Division of General Motors	Speedway	IN	USA	HAL	6/26/1939	12/31/1982	7/15/2020
3102940	Mesta Machine Company	West Homestead	PA	USA	HAL	10/1/1940	12/31/1982	7/15/2020
3102941	Mesta Machine Company	Pittsburgh	PA	USA	HAL	10/1/1940	12/31/1982	7/15/2020
3102639	Lever Brothers Company	Hammond	IN	USA	HAL	3/3/1936	12/31/1982	7/15/2020
3101607	E.R. Squibb Co.	New Brunswick	NJ	USA	HAL	1/1/1945	12/31/1982	10/15/2020
1000685	Anchor Hocking Corporation - Plant 6	Salem	NJ	USA	HW	9/4/1969	9/4/1970	10/15/2020
1000684	Anchor Hocking Corporation	Lancaster	OH	USA	HW	5/2/1967	5/2/1968	10/15/2020
3104972	Wisconsin Power & Light Company	Sheboygan	WI	USA	HAL	5/1/1950	12/31/1982	10/15/2020
3104564	U.S. Rubber Company	Los Angeles	CA	USA	HAL	10/29/1941	12/31/1982	10/15/2020
3103545	Polaroid Corporation – 730-750 Main St	Cambridge	MA	USA	HAL	1/1/1972	12/31/1982	10/15/2020
35010571	Polaroid Corporation – 730-750 Main St	Cambridge	MA	USA	HW	8/22/1967	12/4/1968	10/15/2020
3104269	Tennessee Coal Iron & R.R. Co	Birmingham	AL	USA	HAL	10/26/1939	12/31/1982	10/15/2020
3104665	United States Steel Corporation	Birmingham	AL	USA	HAL	10/26/1939	12/31/1982	10/15/2020
3102154	Hoffmann-La Roche Inc.	Nutley	NJ	USA	HAL	1/1/1981	12/31/1982	10/15/2020
3104921	Weyerhaeuser Corporation Mill A	Everett	WA	USA	HAL	1/1/1977	12/31/1982	10/15/2020

2020 DOCUMENTED SITE LIST - REMOVALS

Record	Site Name	City	State	Country	Entity	Begin Date	End Date	Effective Date
35010468	Big Three Industries	Houston	TX	USA	HAL	~~1/1/1973~~	~~12/31/1974~~	1/15/2020
35010516	Chrylser Corporation of Canada	Toronto	Ontario	Canada	HAL	~~1/1/1948~~	~~12/31/1982~~	1/15/2020
3103108	National Space Technologies	New Orleans	LA	USA	HAL	~~1/1/1976~~	~~12/31/1982~~	1/15/2020
3100688	Carnegie-Illinois Steel Corp.	Carnegie	IL	USA	HAL	~~1/1/1947~~	~~12/31/1982~~	7/15/2020