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

IN RE:

H. K. PORTER COMPANY, INC.,	Case No. 91-468 (PGH) WWB
Debtor.	Chapter 11

STATUS REPORT OF TRUSTEE
FOR THE H. K. PORTER ASBESTOS TRUST

Mark M. Gleason, Trustee of the H. K. Porter Asbestos Trust, by and through his counsel, hereby files his status report as follows:

Enclosed are the following:

- The report of claims paid and disposed of during 2020 and 2019.
- Copies of the audited annual reports for the Trust and Corporation.

Extensions for submissions of the income tax returns have been requested.

Respectfully submitted,
CAMPBELL & LEVINE, LLC

Dated: March 30, 2021

By:/s/ Philip E. Milch
Douglas A. Campbell, Esquire
dcampbell@camlev.com
PA I.D. No. 23143
Philip E. Milch, Esquire
pmilch@camlev.com
PA I.D. No. 53519
310 Grant Street, Suite 1700
Pittsburgh, PA 15219
(412) 261-0310

Annual Report of Claims Disposed of During the Year

As Required by Section 3.2(b)(ii) of the
H. K. Porter Company Inc. Asbestos Trust Agreement

During 2020, scheduled payments were sent to holders of Class 5, Asbestos Personal Injury Claims in February, May, August, and November.

The claims data by process election and disease are shown in the attached tables.

Year	Claims Paid	Payments Value	
2000	75,737	$ 15,913,689	
2001	101,940	$ 22,242,771	
2002	59,759	$ 13,035,607	
2003	56,112	$ 11,785,097	
2004	52,390	$ 11,888,160	
2005	36,047	$ 9,503,180	
2006	17,834	$ 4,941,996	
2007	13,438	$ 3,640,261	
2008	1,022	$ 381,283	
2009	3,514	$ 26,099,363	*
2010	4,318	$ 7,205,245	*
2011	5,487	$ 4,991,836	*
2012	4,869	$ 2,766,739	*
2013	19,392	$ 5,409,207	
2014	8,200	$ 2,450,792	
2015	4,627	$ 1,287,192	
2016	8,649	$ 2,123,056	
2017	11,877	$ 2,629,015	
2018	10,575	$ 2,060,077	
2019	12,188	$ 2,313,552	
2020	10,369	$ 2,102,508	

* The dollar values for 2009 – 2012 include supplemental payments.

Since 1999, the Trust has paid out over $154 million.

The actual payment data above reflects adjustments for voided checks, processing errors and returned payments.

In January 2009, the Trust increased the payment percentage from 4.6% to 6.3%. The Trust also decided that this increase in the Payment Percentage was to be applied retroactively to all claims which were previously paid by the Trust.

The Payment Percentage was reduced from 6.3% to 4.0% in October 2012.

The Payment Percentage was reduced from 4.0% to 3.0% in June 2014. In 2014, payments were made on qualifying claims at the 4.0% Payment Percentage until the Payment Percentage was reduced. Subsequent qualifying claims were paid at the Payment Percentage of 3.0%.

The financial accounting activity is recorded on an accrual basis and may reflect adjustments after recording by the claims processor. Because certain timing differences or adjustments, the accounting records may differ slightly from the figures in this claims report.

The Trust's next regular quarterly payment date is scheduled for May of 2021.

CERTIFICATE OF SERVICE

I, Theresa Matiasic, hereby certify that on the 30th day of March, 2021, I caused a true and correct copy of the foregoing Notice to be served by first class mail, postage prepaid, upon all parties whose names and addresses appear on the attached service list.

/s/Theresa Matiasic
Theresa Matiasic
Campbell & Levine, LLC
1700 Grant Building
Pittsburgh, PA 15219
(412) 261-0310

H.K. Porter Asbestos Trust
One Gateway Center, Suite 550
420 Fort Duquesne Boulevard
Pittsburgh, PA 15222-1402

United States Trustee
Liberty Center, Suite 970
1001 Liberty Avenue
Pittsburgh, PA 15222

George L. Cass, Esquire
Buchanan Ingersoll & Rooney, P.C.
One Oxford Centre, 20th Floor
Pittsburgh, PA 15219

William H. Jeffress, Jr., Esquire
J. Bradley Bennett, Esquire
Miller, Cassidy, Larroca & Lewin
2555 M. Street, N.W.
Washington, DC 20037

Perry Weitz, Esquire
Weitz & Luxenberg
700 Broadway
New York, NY 10003

Roberta A. Colton, Esquire
Trenam, Kemker, Scharf, Barkin,
Frye, O'Neil & Mullis
101 E. Kennedy Boulevard, Suite 2700
Tampa, FL 33601

Timothy J. Hogan, Esquire
Peter G. Angelos, Esq.
111 S. George Street #2
Cumberland, MD 21502

Frederick J. Francis, Esquire
Meyer, Unkovic & Scott, LLP
535 Smithfield Street
1300 Oliver Building
Pittsburgh, PA 15222

John M. Bray, Esquire
King & Spalding
1700 Pennsylvania Avenue NW #200
Washington, DC 20006

Philip E. Beard, Esquire
Stonecipher, Cunningham, Beard & Schmitt
125 First Avenue
Pittsburgh, PA 15222

Paul H. Titus, Esquire
Schnader Harrison, Segal & Lewis, LLP
120 Fifth Avenue
Fifth Avenue Place, Suite 2700
Pittsburgh, PA 15222

David A. Brownlee, Esquire
Daniel J. Sponseller
K&L Gates
210 Sixth Avenue
Pittsburgh, PA 15222

Anne Cohen, Esquire
Debevoise & Plimpton
919 Third Avenue
New York, NY 10022

Mark Gleason
Gleason & Associates
One Gateway Center, Suite 525,
420 Fort Duquesne Blvd.
Pittsburgh, PA 51222-1402

Paul Whitehead, Esquire
United Steelworkers of America
5 Gateway Center
Pittsburgh, PA 15222

Ian D. Lanoff, Esquire
Bredhoff & Kaiser
805 15th Street NW, Suite 1000
Washington, DC 20005-2286

Mark L. Glosser, Esquire
6417 Darlington Rd
Pittsburgh, PA 15217-1837

Charles B. Wayne, Esquire
Lucinda J. Bach, Esquire
Piper Rudnick, LLP
500 Eighth Street, NW
Washington, DC 20004

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Brent M. Rosenthal, Esquire
Steven Wolens, Esquire
Baron & Budd
3102 Oak Lawn Avenue, Suite 1100
Dallas, TX 75209

Philip A. Pahigian, Esquire
6 Stonehedge Court
Little Silver, NJ 07739-1804

H.K. Porter Asbestos Trust			
	12/31/2019	12/31/2020	Cumulative 12/31/2020
Summary - All Claims			
Filed Claims			
No disease specified	363	840	7,259
Non-Malignant	9,751	5,412	583,789
Other Cancers	1,147	851	26,074
Lung Cancer	3,543	2,516	79,724
Mesothelioma	1,608	1,551	41,423
Total	16,412	11,170	738,269
Paid Claims			
Non-Malignant	9,054	7,552	431,411
Other Cancers	639	569	16,096
Lung Cancer	1,766	1,382	46,997
Mesothelioma	729	866	23,741
Total - Paid	12,188	10,369	518,245
Payments			
Non-Malignant	$ 1,017,386	$ 849,038	$ 92,917,968
Other Cancers	143,712	128,076	6,459,301
Lung Cancer	613,714	480,375	28,516,786
Mesothelioma	538,740	645,020	26,873,562
Total	$ 2,313,552	$ 2,102,508	$ 154,767,617
Claims Closed w/o Payment			
No disease specified	119	556	4,171
Non-Malignant	3,002	865	125,877
Other Cancers	297	118	7,706
Lung Cancer	1,070	835	24,309
Mesothelioma	734	523	14,410
Total - Closed w/o Payment	5,222	2,897	176,473
Pending Claims			43,551

H.K. Porter Asbestos Trust				
		12/31/2019	12/31/2020	Cumulative 12/31/2020
Expedited Claims				
Filed Claims				
	No disease specified	360	838	7,020
	Non-Malignant	9,678	5,325	571,304
	Other Cancers	1,143	839	24,746
	Lung Cancer	3,231	2,235	72,207
	Mesothelioma	1,137	1,093	33,833
	Total	15,549	10,330	709,110
Paid Claims				
	Non-Malignant	9,042	7,545	423,399
	Other Cancers	638	564	15,400
	Lung Cancer	1,553	1,197	44,039
	Mesothelioma	452	527	20,202
	Total - Paid	11,685	9,833	503,040
Payments				
	Non-Malignant	$ 1,016,306	$ 848,351	$ 91,599,819
	Other Cancers	143,550	127,275	6,209,448
	Lung Cancer	558,792	432,600	27,329,014
	Mesothelioma	270,540	316,760	22,281,924
	Total - Paid	$ 1,989,188	$ 1,724,986	$ 147,420,205
Claims Closed w/o Payment				
	No disease specified	118	553	3,943
	Non-Malignant	2,985	844	121,852
	Other Cancers	295	115	7,115
	Lung Cancer	951	799	20,533
	Mesothelioma	557	485	11,224
	Total - Closed w/o Payment	4,906	2,796	164,667
Non-Expedited Claims				
Filed Claims				
	No disease specified	3	2	239
	Non-Malignant	73	87	12,485
	Other Cancers	4	12	1,328
	Lung Cancer	312	281	7,517
	Mesothelioma	471	458	7,590
	Total	863	840	29,159
Paid Claims				
	Non-Malignant	12	7	8,012
	Other Cancers	1	5	696
	Lung Cancer	213	185	2,958
	Mesothelioma	277	339	3,539
	Total - Paid	503	536	15,205
Payments				
	Non-Malignant	$ 1,080	$ 686	$ 1,318,149
	Other Cancers	162	801	249,853
	Lung Cancer	54,922	47,775	1,187,772
	Mesothelioma	268,200	328,260	4,591,638
	Total - Paid	$ 324,364	$ 377,522	$ 7,347,412
Claims Closed w/o Payment				
	No disease specified	1	3	228
	Non-Malignant	17	21	4,025
	Other Cancers	2	3	591
	Lung Cancer	119	36	3,776
	Mesothelioma	177	38	3,186
	Total - Closed w/o Payment	316	101	11,806

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H. K. PORTER COMPANY, INC. ASBESTOS TRUST

AUDITED FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

310 GRANT STREET, STE 2100
PITTSBURGH, PA 15219

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PHONE: 412.281.2025

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CERTIFIED PUBLIC
ACCOUNTANTS & CONSULTANTS

Sisterson & Co. LLP
310 Grant Street, Suite 2100
Pittsburgh, Pennsylvania
15219-2300

Phone 412.281.2025
Fax 412.338.4597
Web www.sisterson.com

INDEPENDENT AUDITOR'S REPORT

To the Trustee of
H. K. Porter Company, Inc. Asbestos Trust

We have audited the accompanying financial statements of the H. K. Porter Company, Inc. Asbestos Trust (the "Trust", organized in the State of Pennsylvania), which comprise the statements of net claimants' equity as of December 31, 2020 and 2019, and the related statements of changes in net claimants' equity for the years then ended, and the related notes to 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 basis of accounting described in Note 2; this includes 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, and for determining that the special-purpose basis of accounting described in Note 2 is an acceptable financial reporting framework.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements of the H. K. Porter Company, Inc. Asbestos Trust as of and for the years ended December 31, 2020 and 2019, are fairly presented, in all material respects, in conformity with the basis of accounting described in Note 2.

Emphasis of Matter

As discussed in Note 2 to the financial statements, the financial statements were prepared on a special-purpose basis of accounting and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. The special-purpose basis of accounting has been used in order to better communicate the amount of equity presently available to current and future claimants. Our opinion is not modified with respect to this matter.

Restriction on Use

This report is intended solely for the information and use of the management of the Trust, the Trustee, the beneficiaries of the Trust, and the United States Bankruptcy Court for the Western District of Pennsylvania, and is not intended to be, and should not be, used by anyone other than these specified parties. This restriction is not intended to limit the distribution of this report, which, upon filing with the United States Bankruptcy Court for the Western District of Pennsylvania, is a matter of public record.



March 24, 2021

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H. K. PORTER COMPANY, INC. ASBESTOS TRUST

STATEMENTS OF NET CLAIMANTS' EQUITY

	December 31, 2020	2019
ASSETS		
Cash and cash equivalents (Note 2(b))	$ 540,851	$ 475,524
Due from H.K. Porter Company, Inc. (Note 2(c))	6,268,862	9,283,471
Investment in H.K. Porter Company, Inc. (Note 2(e))	19,520,822	17,853,116
Other current assets	47,169	40,393
Total assets	$ 26,377,704	$ 27,652,504
LIABILITIES AND NET CLAIMANTS' EQUITY		
Accrued professional fees	$ 54,112	$ 92,074
Net Claimants' Equity (Note 2(f))	$ 26,323,592	$ 27,560,430

The accompanying notes are an integral part of these financial statements.

H. K. PORTER COMPANY, INC. ASBESTOS TRUST

STATEMENTS OF CHANGES IN NET CLAIMANTS' EQUITY

	Year ended December 31, 2020	2019
Net Claimants' Equity, January 1	$ 27,560,430	$ 27,747,176
Additions to Net Claimants' Equity		
Investment income	81	81
Increase in investment in H.K. Porter Company, Inc.	1,667,706	2,875,667
Increase in funding from H.K. Porter Company, Inc. (Note 2(c))	135,391	279,343
Total additions to Net Claimants' Equity	1,803,178	3,155,091
Deductions from Net Claimants' Equity		
Claim settlements paid (Note 2(g))	2,102,508	2,313,424
Claims processing	285,242	355,007
Professional fees (Note 2(h))	390,835	392,527
Trustee fees	171,340	175,287
Insurance	50,585	49,209
Trust advisory committee fees	36,000	51,600
Other	3,506	4,182
Record storage	--	601
Income taxes (Note 2(i))	--	--
Total deductions from Net Claimants' Equity	3,040,016	3,341,837
Net decrease in Net Claimants' Equity	(1,236,838)	(186,746)
Net Claimants' Equity, December 31	$ 26,323,592	$ 27,560,430

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - BUSINESS

(a) Description of business

The H. K. Porter Company, Inc. Asbestos Trust ("Trust") was established pursuant to the Fourth Amended Creditors' Committee Plan of Reorganization ("Plan") for the bankruptcy of H. K. Porter Company, Inc. ("Porter") and confirmed by court order dated June 25, 1998. The purpose of the Trust is:

i) to assume liability pursuant to the Plan for all asbestos claims against Porter, which Porter had originally estimated to be in excess of $2 billion;

ii) to use the Trust's assets and income to pay holders of valid asbestos claims; and

iii) to comply in all respects with the requirements of a trust set forth in Section 524(g)(2)(B)(i) of the Bankruptcy Code.

The Trust was established on July 28, 1998, the Effective Date of the Plan ("Effective Date") and was deemed to be a continuation of Porter's Qualified Settlement Fund for Allowed Asbestos Disease Claimants ("Qualified Settlement Fund") by Order of Court dated August 26, 1998. The Qualified Settlement Fund was established pursuant to an Order of Court dated December 20, 1996.

(b) Funding of the Trust

Pursuant to the Plan, Porter was required to transfer to the Trust insurance policies for the benefit of property damage claimants ("Property Damage Insurance Policies"). In addition, Porter was obligated to transfer to the Trust its pro-rata share of any cash proceeds realized from the remaining insurance policies ("Porter Retained Insurance Policies"). The Trust has received its pro-rata share of all recoveries from the Porter Retained Insurance Policies.

On the Effective Date, all authorized shares of the Porter common stock were issued to the Trust and Porter assigned the Property Damage Insurance Policies to the Trust. In 1998, Porter recognized its obligation to pay to the Trust, the Trust's pro-rata share of the distribution value, as defined by the Plan, less the amount of the Qualified Settlement Fund as of the last day of the month in which the effective date occurred (July 31, 1998).

A Stipulation to Clarify the Intent of the Plan of Reorganization was approved by Order of the Court dated August 19, 1999. The stipulation provided that Porter's investment income on funds owed to the Trust would be considered to be part of, and added to, the total amount of the Trust's Pro Rata Share of the Distribution Value to be distributed to the Trust. As a result of the stipulation, Porter annually recognizes an increase in the amount due to the Trust for the earnings on funds owed to the Trust (See note 2(c)).

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The Trust's financial statements are prepared using special-purpose accounting methods that differ from accounting principles generally accepted in the United States of America. The special-purpose accounting methods are being used to better communicate to the beneficiaries of the Trust the equity available to satisfy current and future claims. These special-purpose accounting methods and differences from accounting principles generally accepted in the United States of America are summarized as follows:

i) The financial statements are prepared using the accrual basis of accounting, except as otherwise described below.

ii) The statements of net claimants' equity are not classified, resulting in no separation between current and noncurrent assets.

iii) These special purpose financial statements do not include a statement of cash flows.

iv) Cash and cash equivalents are recorded at cost with accrued interest shown separately.

v) The funding received and due from Porter, pursuant to the plan, has been recorded directly to net claimants' equity. These funds do not represent taxable income to the Trust. Settlements paid for asbestos claims are reported as deductions from net claimants' equity and do not represent tax-deductible expenses of the Trust. No liability is recorded for unpaid claims, outstanding offers, future claim filings and filed claims on which no offer has been made. Net claimants' equity represents funding available to pay present and future claims.

vi) The investment in Porter has not been consolidated in the accompanying financial statements, but has instead been presented at the underlying net book value of Porter as of December 31, 2020 and 2019.

vii) The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of additions to and deductions from net claimants' equity during the reporting period. Actual results could differ from those estimates.

(b) Cash and cash equivalents

The Trust is invested in short-term securities with maturities of less than one year to be held until maturity. The Trust was invested in cash securities of $540,851 and $475,524 as of December 31, 2020 and 2019, respectively.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Cash and cash equivalents (continued)

The Trust maintains its cash and cash equivalents with financial institutions and in money market accounts. The Trust has not experienced any losses in such accounts and management does not believe it is exposed to any significant credit risk on cash and cash equivalents.

(c) Amount due from H. K. Porter Company, Inc.

Under the Plan, the Trust assumed responsibility for all asbestos-related claims against Porter. In return, Porter recorded a liability to the Trust and assigned the Property Damage Insurance claims to the Trust.

Changes in the amount due from Porter during 2020 were as follows:

Due from Porter - December 31, 2019	$	9,283,471
Trust portion of Porter's investment earnings		135,391
Total cash received from Porter during 2020		(3,150,000)
Due from Porter - December 31, 2020	$	6,268,862

During 2019, the Trust received $3,260,000 in cash from Porter.

(d) Settlement of insurance litigation

As part of the Plan, Porter and the Trust have pursued claims against various insurance companies that provided coverage to Porter over the period of its operations. The nature of any recovery from future litigation is speculative. As such, the Trust does not recognize any amount as due until there is an award by a court or finalization of a settlement.

Pursuant to the Plan, the Trust was obligated to pay $750,000 plus the first $1 million after taxes recovered from the Porter Retained Insurance Policies to a Pre-Effective Date Co-defendant Fund ("Co-defendant Fund"). The Plan provides for processing and payment of pre-effective date claims made by parties seeking contribution, reimbursement, guaranty, subrogation, or indemnity as a defendant of Porter in lawsuits wherein damages were sought for asbestos personal injuries from the Co-defendant Fund.

In 1998, the Trust transferred $1.4 million to the Co-defendant Fund. In 1999, the Trust transferred to the Co-defendant Fund the final $350,000 payment from insurance recoveries. There were no accruals for payments from the Co-defendant Fund in 2020 or 2019.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Settlement of insurance litigation (continued)

In August 1999, an agreement was reached between Porter, the Trust, the Property Damage Claimants and the Property Damage Futures Representative whereby any proceeds from the Property Damage Insurance Policies shall be allocated as follows:

Trust	45%
Property Damage Claimants	45%
Futures Representative	10%

(e) Investment in H. K. Porter Company, Inc.

The Trust is the sole shareholder of the Porter common stock. The accounts of Porter have not been consolidated in the accompanying financial statements for the following reasons:

i) the interest is held solely to pay asbestos injury claims, and

ii) the objective of the financial statements is to communicate the equity available over the life of the Trust to current and future claimants.

As such, the Trust believes that recording the interest at the underlying net book value of Porter is appropriate. As such, the net income of Porter is recorded as an increase in the Trust's investment in Porter.

(f) Net claimants' equity

The Plan contains procedures for the distribution of the Trust's assets. Under the Plan, the Trust forecasts its anticipated sources and uses of cash until the last projected future claim has been paid. A payment percentage is then calculated such that the Trust will have no remaining assets or liabilities after the last future claimant receives his/her pro rata share. This payment percentage is subject to periodic review and adjustment.

(g) Claim settlements paid

Claim settlements paid represent the actual amount of cash paid to claimants during the year. The Trust does not record a liability for unpaid claims, outstanding offers, future claim filings and filed claims on which no offer has been made. As of December 31, 2020, there were $53,433 of claims settled but not paid. As of December 31, 2020, there were $539,221 of claim offers outstanding but not yet accepted by claimants.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Professional fees

During the years ended December 31, 2020 and 2019, trustee fees and professional fees of $461,717 and $437,901, respectively, were paid to Gleason and Associates, P.C. whose managing director is the sole trustee of the Trust.

(i) Income taxes

As of December 31, 2020 and 2019, no provision for federal income taxes was recorded because the Trust had net losses for federal income tax purposes. No provision for state income taxes was recorded because the Trust has no state income tax return filing obligation and is not obligated to pay state income taxes. Funds received by the Trust from Porter and disbursements paid to settle asbestos claims are not taxable or deductible by the Trust. The Trust's federal income tax returns for tax years 2017 and beyond remain subject to examination by the Internal Revenue Service.

At December 31, 2020, the Trust had approximately $19,000,000 of federal net operating loss carryforwards which begin to expire in 2023.

(j) Subsequent events

The Trust 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 March 24, 2021, the date on which the financial statements were available to be issued.

SISTERSON

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ACCOUNTANTS & CONSULTANTS

H. K. PORTER COMPANY, INC.
(Wholly-owned by the
H. K. Porter Company, Inc. Asbestos Trust)

AUDITED FINANCIAL STATEMENTS

Years ended December 31, 2020 and 2019

310 GRANT STREET, STE 2100
PITTSBURGH, PA 15219

SISTERSON.COM

PHONE: 412.281.2025

SISTERSON
CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Sisterson & Co. LLP
310 Grant Street, Suite 2100
Pittsburgh, Pennsylvania
15219-2300

Phone 412.281.2025
Fax 412.338.4597
Web www.sisterson.com

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
H. K. Porter Company, Inc.
Wholly-owned by the H. K. Porter Company, Inc. Asbestos Trust

We have audited the accompanying financial statements of H. K. Porter Company, Inc. (a Delaware corporation), which comprise the balance sheets as of December 31, 2020 and 2019, and the related statements of operations and comprehensive income, changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of H. K. Porter Company, Inc. as of December 31, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Sisterson & Co. LLP

March 24, 2021

H. K. PORTER COMPANY, INC.
(Wholly-owned by the H. K. Porter Company, Inc. Asbestos Trust)

BALANCE SHEETS

	December 31, 2020	December 31, 2019
ASSETS		
Current assets		
Cash and cash equivalents (Note 2(b))	$ 414,858	$ 646,986
Investments in marketable securities (Notes 2(c) and 3)	25,518,812	26,620,027
Interest receivable (Notes 2(c) and 3)	104,203	118,999
Other current assets	20,181	21,346
Total current assets	26,058,054	27,407,358
Other assets (Note 2(e))	1	1
	$ 26,058,055	$ 27,407,359
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accrued professional fees	$ 1,743	$ 4,166
Due to H. K. Porter Company, Inc. Asbestos Trust (Note 2(f))	6,268,862	9,283,471
Other payables (Note 2(d))	266,628	266,606
Total current liabilities	6,537,233	9,554,243
Common stock, par value $0.01 per share; 1,000 shares authorized and outstanding	10	10
Retained earnings	18,790,379	17,498,800
Accumulated other comprehensive income - unrealized holding gains on debt securities available for sale (Notes 2(c) and 3)	730,433	354,306
Total stockholder's equity	19,520,822	17,853,116
	$ 26,058,055	$ 27,407,359

The accompanying notes are an integral part of these financial statements.

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H. K. PORTER COMPANY, INC.
(Wholly-owned by the H. K. Porter Company, Inc. Asbestos Trust)

STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME

	Year ended December 31, 2020	2019
Income		
Dividends and interest, net of investment fees of $137,730 and $140,859, respectively	$ 473,945	$ 586,533
Unrealized gain on equity securities available for sale	1,107,190	2,053,291
Realized gain on sale of investments in marketable securities, net	10,891	143,400
Total income	1,592,026	2,783,224
Operating expenses		
Salaries	111,400	111,400
Professional fees	35,398	41,307
Office rent	10,200	10,200
Payroll taxes	9,725	9,964
Record storage	7,305	7,200
Group insurance	6,970	10,674
Employee benefits	5,570	5,570
Insurance	5,515	5,418
Taxes	3,447	3,248
Miscellaneous	832	907
Telephone	342	335
Supplies	295	320
Equipment rental and maintenance	205	205
	197,204	206,748
Income before other income	1,394,822	2,576,476
Other loss		
Service income (Note 5)	32,148	28,704
Recognition of obligation to Trust from investments (Note 2(f))	(135,391)	(279,343)
Total other loss	(103,243)	(250,639)
Income before income taxes	1,291,579	2,325,837
Income taxes (Note 2(h))	--	--
Net income	1,291,579	2,325,837
Other comprehensive income - increase in unrealized gain on debt securities available for sale	376,127	549,830
Comprehensive income	$ 1,667,706	$ 2,875,667

The accompanying notes are an integral part of these financial statements.

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H. K. PORTER COMPANY, INC.
(Wholly-owned by the H. K. Porter Company, Inc. Asbestos Trust)

STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Total
Balance, January 1, 2019	$ 10	$ 15,172,963	$ (195,524)	$ 14,977,449
Net income	--	2,325,837	--	2,325,837
Other comprehensive income from unrealized gain on debt securities available for sale	--	--	549,830	549,830
Balance, December 31, 2019	10	17,498,800	354,306	17,853,116
Net income	--	1,291,579	--	1,291,579
Other comprehensive income from unrealized gain on debt securities available for sale	--	--	376,127	376,127
Balance, December 31, 2020	$ 10	$ 18,790,379	$ 730,433	$ 19,520,822

The accompanying notes are an integral part of these financial statements.

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H. K. PORTER COMPANY, INC.
(Wholly-owned by the H. K. Porter Company, Inc. Asbestos Trust)

STATEMENTS OF CASH FLOWS

	Year ended December 31, 2020	2019
Cash flows from operating activities:		
Net income	$ 1,291,579	$ 2,325,837
Adjustments to reconcile net income to net cash used in operating activities:		
Unrealized holding gain on equity securities available for sale	(1,107,190)	(2,053,291)
Realized gain on sale of investments in marketable securities, net	(10,891)	(143,400)
Increase (decrease) in cash from changes in:		
Interest receivable	14,796	(5,054)
Other current assets	1,165	(769)
Accrued professional fees	(2,423)	2,666
Due to H. K. Porter Company, Inc. Asbestos Trust	(3,014,609)	(2,980,657)
Other payables	22	89
Net cash used in operating activities	(2,827,551)	(2,854,579)
Cash flows from investing activities:		
Proceeds from sales of investments	10,537,517	11,267,251
Purchases of investments	(7,942,094)	(9,064,128)
Net cash provided by investing activities	2,595,423	2,203,123
Net decrease in cash and cash equivalents	(232,128)	(651,456)
Cash and cash equivalents, beginning of year	646,986	1,298,442
Cash and cash equivalents, end of year	$ 414,858	$ 646,986

The accompanying notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - BUSINESS

(a) History

Starting in the 1950s and through 1983, H. K. Porter Company, Inc. ("Porter") engaged in the manufacture and sale of asbestos containing products. By 1991, Porter had been named as a defendant in approximately 78,000 asbestos lawsuits. As a result, Porter filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code on February 15, 1991.

(b) Plan of reorganization

The Fourth Amended Creditors' Committee Plan of Reorganization ("Plan") for Porter was confirmed by court order dated June 25, 1998. On July 28, 1998, the Plan became effective pursuant to its terms and conditions (the "effective date"). The Plan created the H. K. Porter Company, Inc. Asbestos Trust (the "Trust") which assumed liability for all asbestos related claims. The Plan also provides that the holders of asbestos claims will be permanently enjoined from pursuing their claims against Porter. As part of the Plan, Porter was required to estimate its potential liability due to persons with asbestos related diseases. As of the effective date, Porter estimated that its asbestos related liability was in excess of $2 billion.

In accordance with the Plan, all resources and equity of Porter will eventually accrue to the Trust for the payment of claims and other expenses.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

Porter uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

(b) Cash and cash equivalents

Porter invests in short-term securities with maturities of less than one year that are to be held until maturity. Porter had invested in the following as of December 31:

	2020	2019
Cash	$ 45,222	$ 84,172
Money market funds	369,636	562,814
	$ 414,858	$ 646,986

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) Cash and cash equivalents (continued)

Porter maintains its cash and cash equivalents with financial institutions and investment managers. Porter has not experienced any losses in such accounts, and management does not believe it is exposed to any significant credit risk on cash and cash equivalents.

(c) Investments in marketable securities and related income

Porter is invested in a diversified portfolio of stocks and bonds. All marketable securities are deemed by management to be available for sale. Debt securities are reported at fair value based on quoted market prices for U.S. government securities or indirectly observable market pricing information for corporate bonds and municipal bonds. Net unrealized holding gains or losses on debt securities are reported as a component of accumulated other comprehensive income. Equity securities are reported at fair value based on quoted market prices with net unrealized holding gains or losses reported within net income. Realized gains and losses on disposals of investments are determined by the specific identification method. Interest and dividend income are recognized on the accrual basis.

Investments considered to be permanently impaired in value are written down to their estimated net realizable value and the write down is recorded as a realized loss on investments. Unrealized losses that are other than temporary based upon management's estimates using quantitative and qualitative criteria are recognized as realized investment losses. Actual results could differ from those estimates.

Porter's investments are exposed to various risks, such as interest rate, market and credit risk. 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.

See Note 3 for additional information relating to investments.

(d) Settlement of insurance litigation

Pursuant to the Plan, Porter was required to transfer to the Trust certain insurance policies for the benefit of Property Damage Claimants ("Property Damage Insurance Policies"). Additionally, Porter transferred insurance policies to personal injury claimants suffering from non-asbestos related lung diseases in order to satisfy these claims ("Non-Asbestos Lung Diseases Insurance Policies"). Porter has pursued the recovery of amounts from the remaining insurance policies ("Porter Retained Insurance Policies"). These claims were against various insurance companies that provided coverage to Porter over the period of its operations. The nature of any future recovery from litigation is speculative. As such, Porter will not recognize any amounts as due until there is an award by a court or finalization of a settlement.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Settlement of insurance litigation (continued)

During 2020 and 2019, no insurance recoveries were recognized.

Pursuant to the Plan, all amounts recovered from the Porter Retained Insurance Policies are to be paid to the Trust, less the pro-rata share (0.6%) owed to the unsecured creditors. In 2020, there was no increase in amounts due to the Trust or in amounts due to unsecured creditors as a result of additional insurance recoveries.

In August 1999, an agreement was reached between Porter, the Trust, the Property Damage Claimants and the Property Damage Futures Representative whereby any proceeds from the Property Damage Insurance Policies shall be allocated as follows:

Trust	45%
Property Damage Claimants	45%
Futures Representative	10%

In 2010, Porter transferred all escrow funds to the Appointed Property Damage Claims Administrator to satisfy outstanding claims at that time. Pursuant to the agreed upon allocation above, $1,028,071 was reserved to satisfy potential future claims from property damage claimants. These funds were held in reserve until December 1, 2015, at which time remaining funds of $1,025,401, after deductions for attorney's fees and other costs, were released to the Trust.

(e) Investment in subsidiaries

Porter had investments in four wholly-owned companies: H. K. Porter Company (Canada) Limited, Connors Steel Company, Colorado-New Mexico Land Company and Southern Textile Corporation. Porter has dissolved each company except for H. K. Porter Company (Canada) Limited and has written off the value of the dissolved companies. Porter is working to dispose of the assets of the remaining company, which has little or no value. Management does not consider this investment to be material to the financial statements, and any recovery on the sale of this investment will be recognized at the time of sale.

(f) Due to H. K. Porter Company, Inc. Asbestos Trust

As part of the Plan, Porter was required to determine the extent of its potential liability to persons with asbestos related diseases. As of the effective date of the Plan, Porter estimated that this liability was in excess of $2 billion. Under the Plan, the Trust assumed responsibility for all asbestos claims against Porter. In return, Porter recognized a total liability to the Trust of $66,218,224, issued all authorized shares of the new Porter common stock to the Trust and assigned the Property Damage Insurance Policies to the Trust.

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NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) Due to H. K. Porter Company, Inc. Asbestos Trust (continued)

Pursuant to the Plan, Porter is obligated to transfer to the Trust its pro-rata share of any cash proceeds realized from the Porter Retained Insurance Policies.

A Stipulation to Clarify the Intent of the Plan of Reorganization was approved by Order of the Court dated August 19, 1999. The stipulation provided that Porter's investment income on funds owed to the Trust would be considered to be part of, and added to, the total amount of the Trust's Pro Rata Share of the Distribution Value to be distributed to the Trust. As a result of the stipulation, Porter recognized an additional liability to the Trust in 2020, for the earnings to date on funds that Porter owes, but has not yet paid, to the Trust.

According to the Plan, all payments made by Porter to the Trust are to resolve or satisfy contested and uncontested claims that have resulted from the exposure to or presence of asbestos products produced and sold by Porter.

Changes in the amount due to the Trust during 2020 were as follows:

Due from Porter - December 31, 2019	$	9,283,471
Trust portion of Porter's investment earnings		135,391
Total cash received from Porter during 2020		(3,150,000)
Due from Porter - December 31, 2020	$	6,268,862

During 2019, Porter paid the Trust $3,260,000 in cash.

(g) Pre-petition liabilities

Prior to the effective date, Porter had recorded unsecured liabilities of $37,562,786. The Class 1 priority unsecured creditors' claims were paid at full value. Pursuant to an initial calculation under the Plan, Porter paid the Class 7 unsecured creditors' claims at 4.64% of the liquidated amounts. A revised calculation indicated that the Class 7 unsecured creditors should have been paid 4.6086% of the liquidated amounts, which resulted in an overpayment of $3,733. This amount was credited to the account for future payments to unsecured creditors. In 1998, the remainder of the unsecured liabilities was written off.

As described above, no additional accruals were recorded in 2020 and 2019 for unsecured creditors. Porter will record the amount of any future recoveries, until such time as it can be paid to the unsecured creditors in a cost-effective manner.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Income taxes

For the years ended December 31, 2020 and 2019, no provision for income taxes was recorded because Porter had net losses for income tax purposes. Porter's income tax returns for tax years 2017 and beyond remain subject to examination by the applicable taxing authorities.

As of December 31, 2020, Porter had approximately $57,000,000 of net operating loss carryforwards for federal purposes, which begin to expire in 2024, and had approximately $64,000,000 of net operating loss carryforwards for state purposes that have begun to expire.

Temporary differences between financial statement income and taxable income consist of deferred tax assets related to the asbestos liability, net operating loss carryforwards and unrealized holding gains (losses) on equity investments. Porter has established a valuation allowance of $17,000,000 reducing its net deferred tax assets to $-0- as of December 31, 2020 and 2019, since Porter's realization of the related income tax benefits is not assured.

(i) Accumulated other comprehensive income

The increase in accumulated other comprehensive income of $376,127 and $549,830 for the years ended December 31, 2020 and 2019, respectively, was attributable to changes in the unrealized gain position of Porter's debt investments.

NOTE 3 - INVESTMENTS IN MARKETABLE SECURITIES

Fair value measurements

Investments measured and reported at fair value are classified and disclosed in one of the following categories.

Level I – Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level I include listed equities and U.S. government securities.

Level II – Pricing inputs are other than quoted market prices included in Level I, however, are observable either directly or indirectly for the investment. Porter includes its corporate and municipal bonds in Level II, because these pricing inputs are indirectly evident through interest rates for commonly quoted credit risks.

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 3 - INVESTMENTS IN MARKETABLE SECURITIES (continued)

Fair value measurements (continued)

Level III – Pricing inputs are unobservable for the investment and includes situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. Porter does not carry any Level III investments.

The valuations of Porter's investments by the above fair value hierarchy levels and the corresponding cost of the investments are as follows:

	December 31, 2020			
	Level	Fair value	Cost	Unrealized gain
Equity securities	I	$ 10,642,351	$ 5,943,502	$ 4,698,849
U.S. Government securities	I	4,484,820	4,332,177	152,643
Corporate bonds	II	4,427,932	4,263,626	164,306
Municipal bonds	II	5,963,709	5,550,225	413,484
Total debt securities		14,876,461	14,146,028	730,433
		$ 25,518,812	$ 20,089,530	$ 5,429,282

	December 31, 2019			
	Level	Fair value	Cost	Unrealized gain (loss)
Equity securities	I	$ 10,813,914	$ 7,222,255	$ 3,591,659
U.S. Government securities	I	5,070,020	5,037,460	32,560
Corporate bonds	II	5,071,035	5,010,335	60,700
Municipal bonds	II	5,665,058	5,404,012	261,046
Total debt securities		15,806,113	15,451,807	354,306
		$ 26,620,027	$ 22,674,062	$ 3,945,965

NOTE 3 - INVESTMENTS IN MARKETABLE SECURITIES (continued)

Maturities of Porter's debt securities as of December 31, 2020 are as follows:

	Fair value	Cost	Unrealized gain (loss)
Due in one year or less	$ 1,142,881	$ 1,110,039	$ 32,842
Due after one year through five years	8,236,480	7,923,205	313,275
Due after five years through ten years	2,700,843	2,516,092	184,751
Due after ten years through twenty years	2,785,198	2,585,598	199,600
Due after twenty years	11,059	11,094	(35)
	$ 14,876,461	$ 14,146,028	$ 730,433

Accrued interest receivable from debt securities as of December 31, 2020 and 2019 was $104,203 and $118,999, respectively.

Temporary impairment of investments

Following is a summary of investments by category in an unrealized loss position that Porter has evaluated and considered to be temporary impairments as of December 31:

	2020					
	Impaired for less than 12 months		Impaired for 12 months or greater		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Equity securities	$ 344,847	$ 35,116	$ 197,643	$ 33,888	$ 542,490	$ 69,004
U.S. Government securities	183,951	303	1,058,663	10,507	1,242,614	10,810
Total	$ 528,798	$ 35,419	$ 1,256,306	$ 44,395	$ 1,785,104	$ 79,814

	2019					
	Impaired for less than 12 months		Impaired for 12 months or greater		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Equity securities	$ 228,461	$ 13,498	$ 231,196	$ 28,837	$ 459,657	$ 42,335
U.S. Government securities	2,196,845	18,139	1,896,645	47,408	4,093,490	65,547
Municipal bonds	123,350	381	--	--	123,350	381
Total	$ 2,548,656	$ 32,018	$ 2,127,841	$ 76,245	$ 4,676,497	$ 108,263

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 3 - INVESTMENTS IN MARKETABLE SECURITIES (continued)

Porter's investments in equity and debt securities are diversified among common stocks and bonds of companies and governmental entities in various industry sectors. Porter believes that the severity of the impairment is consistent with the current market developments. Therefore, Porter evaluated the near-term prospects of the issuers in relation to the severity and duration of the impairment; based on that evaluation, recent market activities, and Porter's ability and intent to hold those investments for a reasonable period of time sufficient for a forecasted recovery of fair value, Porter does not consider those investments to be other-than-temporarily impaired as of December 31, 2020.

NOTE 4 - RETIREMENT PLAN

Porter maintains a 401(k) retirement plan ("Retirement Plan") covering all employees who have attained the age of 21 and completed one year of service. Participants can contribute a percentage of their compensation, subject to Internal Revenue Code limitations on maximum annual contributions. Porter made discretionary contributions to the Retirement Plan, which are allocated to each participant in the ratio of the participant's compensation to total compensation. During each of the years ended December 31, 2020 and 2019, Porter made contributions to the Retirement Plan of $5,570.

NOTE 5 - SERVICE AGREEMENT

Porter entered into a service agreement dated May 11, 2006 with C.E. Thurston & Sons Asbestos Trust ("Thurston Trust") to provide various accounting and financial services as requested by the Thurston Trust. The initial term of the agreement expired on December 31, 2006, but automatically renews for successive one-year terms, while either party has the ability to terminate the agreement at any time. Based on the agreement, Porter is paid $120 per hour and reimbursed on a monthly basis.

NOTE 6 - SUBSEQUENT EVENTS

Porter 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 March 24, 2021, the date on which the financial statements were available to be issued.

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

IN RE:

H. K. PORTER COMPANY, INC.,	Case No. 91-468 (PGH) WWB
Debtor.	Chapter 11

STATUS REPORT OF TRUSTEE
FOR THE H. K. PORTER ASBESTOS TRUST

Mark M. Gleason, Trustee of the H. K. Porter Asbestos Trust, by and through his counsel, hereby files his status report as follows:

Enclosed are the following:

- The report of claims paid and disposed of during 2020 and 2019.
- Copies of the audited annual reports for the Trust and Corporation.

Extensions for submissions of the income tax returns have been requested.

Respectfully submitted,
CAMPBELL & LEVINE, LLC

Dated: March 30, 2021

By:/s/ Philip E. Milch
Douglas A. Campbell, Esquire
dcampbell@camlev.com
PA I.D. No. 23143
Philip E. Milch, Esquire
pmilch@camlev.com
PA I.D. No. 53519
310 Grant Street, Suite 1700
Pittsburgh, PA 15219
(412) 261-0310

Annual Report of Claims Disposed of During the Year

As Required by Section 3.2(b)(ii) of the
H. K. Porter Company Inc. Asbestos Trust Agreement

During 2020, scheduled payments were sent to holders of Class 5, Asbestos Personal Injury Claims in February, May, August, and November.

The claims data by process election and disease are shown in the attached tables.

Year	Claims Paid	Payments Value	
2000	75,737	$ 15,913,689	
2001	101,940	$ 22,242,771	
2002	59,759	$ 13,035,607	
2003	56,112	$ 11,785,097	
2004	52,390	$ 11,888,160	
2005	36,047	$ 9,503,180	
2006	17,834	$ 4,941,996	
2007	13,438	$ 3,640,261	
2008	1,022	$ 381,283	
2009	3,514	$ 26,099,363	*
2010	4,318	$ 7,205,245	*
2011	5,487	$ 4,991,836	*
2012	4,869	$ 2,766,739	*
2013	19,392	$ 5,409,207	
2014	8,200	$ 2,450,792	
2015	4,627	$ 1,287,192	
2016	8,649	$ 2,123,056	
2017	11,877	$ 2,629,015	
2018	10,575	$ 2,060,077	
2019	12,188	$ 2,313,552	
2020	10,369	$ 2,102,508	

* The dollar values for 2009 – 2012 include supplemental payments.

Since 1999, the Trust has paid out over $154 million.

The actual payment data above reflects adjustments for voided checks, processing errors and returned payments.

In January 2009, the Trust increased the payment percentage from 4.6% to 6.3%. The Trust also decided that this increase in the Payment Percentage was to be applied retroactively to all claims which were previously paid by the Trust.

The Payment Percentage was reduced from 6.3% to 4.0% in October 2012.

The Payment Percentage was reduced from 4.0% to 3.0% in June 2014. In 2014, payments were made on qualifying claims at the 4.0% Payment Percentage until the Payment Percentage was reduced. Subsequent qualifying claims were paid at the Payment Percentage of 3.0%.

The financial accounting activity is recorded on an accrual basis and may reflect adjustments after recording by the claims processor. Because certain timing differences or adjustments, the accounting records may differ slightly from the figures in this claims report.

The Trust's next regular quarterly payment date is scheduled for May of 2021.

CERTIFICATE OF SERVICE

I, Theresa Matiasic, hereby certify that on the 30th day of March, 2021, I caused a true and correct copy of the foregoing Notice to be served by first class mail, postage prepaid, upon all parties whose names and addresses appear on the attached service list.

/s/Theresa Matiasic
Theresa Matiasic
Campbell & Levine, LLC
1700 Grant Building
Pittsburgh, PA 15219
(412) 261-0310

H.K. Porter Asbestos Trust
One Gateway Center, Suite 550
420 Fort Duquesne Boulevard
Pittsburgh, PA 15222-1402

United States Trustee
Liberty Center, Suite 970
1001 Liberty Avenue
Pittsburgh, PA 15222

George L. Cass, Esquire
Buchanan Ingersoll & Rooney, P.C.
One Oxford Centre, 20th Floor
Pittsburgh, PA 15219

William H. Jeffress, Jr., Esquire
J. Bradley Bennett, Esquire
Miller, Cassidy, Larroca & Lewin
2555 M. Street, N.W.
Washington, DC 20037

Perry Weitz, Esquire
Weitz & Luxenberg
700 Broadway
New York, NY 10003

Roberta A. Colton, Esquire
Trenam, Kemker, Scharf, Barkin,
Frye, O'Neil & Mullis
101 E. Kennedy Boulevard, Suite 2700
Tampa, FL 33601

Timothy J. Hogan, Esquire
Peter G. Angelos, Esq.
111 S. George Street #2
Cumberland, MD 21502

Frederick J. Francis, Esquire
Meyer, Unkovic & Scott, LLP
535 Smithfield Street
1300 Oliver Building
Pittsburgh, PA 15222

John M. Bray, Esquire
King & Spalding
1700 Pennsylvania Avenue NW #200
Washington, DC 20006

Philip E. Beard, Esquire
Stonecipher, Cunningham, Beard & Schmitt
125 First Avenue
Pittsburgh, PA 15222

Paul H. Titus, Esquire
Schnader Harrison, Segal & Lewis, LLP
120 Fifth Avenue
Fifth Avenue Place, Suite 2700
Pittsburgh, PA 15222

David A. Brownlee, Esquire
Daniel J. Sponseller
K&L Gates
210 Sixth Avenue
Pittsburgh, PA 15222

Anne Cohen, Esquire
Debevoise & Plimpton
919 Third Avenue
New York, NY 10022

Mark Gleason
Gleason & Associates
One Gateway Center, Suite 525,
420 Fort Duquesne Blvd.
Pittsburgh, PA 51222-1402

Paul Whitehead, Esquire
United Steelworkers of America
5 Gateway Center
Pittsburgh, PA 15222

Ian D. Lanoff, Esquire
Bredhoff & Kaiser
805 15th Street NW, Suite 1000
Washington, DC 20005-2286

Mark L. Glosser, Esquire
6417 Darlington Rd
Pittsburgh, PA 15217-1837

Charles B. Wayne, Esquire
Lucinda J. Bach, Esquire
Piper Rudnick, LLP
500 Eighth Street, NW
Washington, DC 20004

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Brent M. Rosenthal, Esquire
Steven Wolens, Esquire
Baron & Budd
3102 Oak Lawn Avenue, Suite 1100
Dallas, TX 75209

Philip A. Pahigian, Esquire
6 Stonehedge Court
Little Silver, NJ 07739-1804

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