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 2023 and 2022.
- 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 27, 2024

By/s/ Philip E. Milch
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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 2023, 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	
2021	5,080	$ 1,240,484	
2022	8,038	$ 1,774,402	
2023	13,898	$ 2,442,926	

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

Since 1999, the Trust has paid out over $160 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 Trust has commenced a review of the applicable Payment Percentage.

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.

H.K. Porter Asbestos Trust	12/31/2022	12/31/2023	Cumulative 12/31/2023
Summary - All Claims			
Filed Claims			
No disease specified	174	139	7,621
Non-Malignant	8,784	12,971	610,914
Other Cancers	899	1,116	28,691
Lung Cancer	3,264	3,752	89,369
Mesothelioma	1,183	1,143	45,000
Total	14,304	19,121	781,595
Paid Claims			
Non-Malignant	5,147	10,951	450,659
Other Cancers	639	622	17,682
Lung Cancer	1,565	1,621	51,144
Mesothelioma	687	704	25,776
Total - Paid	8,038	13,898	545,261
Payments			
Non-Malignant	$ 577,039	$ 1,230,870	$ 95,077,015
Other Cancers	143,127	139,703	6,815,139
Lung Cancer	546,744	563,602	29,960,633
Mesothelioma	507,492	508,752	28,372,642
Total	$ 1,774,402	$ 2,442,926	$ 160,225,429
Claims Closed w/o Payment			
No disease specified	266	196	4,910
Non-Malignant	1,316	1,991	132,172
Other Cancers	239	277	8,473
Lung Cancer	919	1,016	27,167
Mesothelioma	494	419	15,799
Total - Closed w/o Payment	3,234	3,899	188,521
Pending Claims			47,813

H.K. Porter Asbestos Trust	12/31/2022	12/31/2023	Cumulative 12/31/2023
Expedited Claims			
Filed Claims			
No disease specified	172	139	7,377
Non-Malignant	8,833	12,833	598,490
Other Cancers	888	1,103	27,340
Lung Cancer	2,791	2,919	80,217
Mesothelioma	803	707	36,217
Total	13,487	17,701	749,641
Paid Claims			
Non-Malignant	5,076	10,924	442,534
Other Cancers	629	618	16,970
Lung Cancer	1,404	1,430	47,716
Mesothelioma	426	467	21,472
Total - Paid	7,535	13,439	528,692
Payments			
Non-Malignant	$ 570,671	$ 1,228,440	$ 93,748,686
Other Cancers	141,525	139,050	6,562,698
Lung Cancer	505,236	514,512	28,651,750
Mesothelioma	255,600	280,800	23,043,724
Total - Paid	$ 1,473,032	$ 2,162,802	$ 152,006,857
Claims Closed w/o Payment			
No disease specified	266	195	4,679
Non-Malignant	1,290	1,975	128,071
Other Cancers	236	269	7,869
Lung Cancer	839	913	23,150
Mesothelioma	388	308	12,316
Total - Closed w/o Payment	3,019	3,660	176,085
Non-Expedited Claims			
Filed Claims			
No disease specified	2	-	244
Non-Malignant	(49)	138	12,424
Other Cancers	11	13	1,351
Lung Cancer	473	833	9,152
Mesothelioma	380	436	8,783
Total	817	1,420	31,954
Paid Claims			
Non-Malignant	71	27	8,125
Other Cancers	10	4	712
Lung Cancer	161	191	3,428
Mesothelioma	261	237	4,304
Total - Paid	503	459	16,569
Payments			
Non-Malignant	$ 6,368	$ 2,430	$ 1,328,330
Other Cancers	1,602	653	252,441
Lung Cancer	41,508	49,090	1,308,884
Mesothelioma	251,892	227,952	5,328,918
Total - Paid	$ 301,370	$ 280,124	$ 8,218,572
Claims Closed w/o Payment			
No disease specified	-	1	231
Non-Malignant	26	16	4,101
Other Cancers	3	8	604
Lung Cancer	80	103	4,017
Mesothelioma	106	111	3,483
Total - Closed w/o Payment	215	239	12,436

CERTIFICATE OF SERVICE

I, Theresa Matiasic, hereby certify that on the 27th day of March, 2024, 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.

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ACCOUNTANTS & CONSULTANTS

H. K. PORTER COMPANY, INC. ASBESTOS TRUST

AUDITED FINANCIAL STATEMENTS

Years ended December 31, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2023 and 2022, and the related statements of changes in net claimants' equity for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net claimants' equity of the Trust as of December 31, 2023 and 2022, and its changes in net claimants' equity for the years then ended, in conformity with the special-purpose basis of accounting as described in Note 2 of the financial statements.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of H. K. Porter Company, Inc. Asbestos Trust and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on a special-purpose basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The special-purpose basis of accounting has been 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.

INDEPENDENT AUDITOR'S REPORT
(continued)

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of H. K. Porter Company, Inc. Asbestos Trust's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about H. K. Porter Company, Inc. Asbestos Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

INDEPENDENT AUDITOR'S REPORT
(continued)

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.

Sisterson & Co. LLP

March 20, 2024

H. K. PORTER COMPANY, INC. ASBESTOS TRUST

STATEMENTS OF NET CLAIMANTS' EQUITY

	December 31, 2023	December 31, 2022
ASSETS		
Cash and cash equivalents (Note 2(b))	$ 524,134	$ 452,549
Due from H. K. Porter Company, Inc. (Note 2(c))	12,071,068	14,836,859
Investment in H. K. Porter Company, Inc. (Note 2(e))	5,831,276	5,210,783
Other current assets	64,380	52,845
Total assets	$ 18,490,858	$ 20,553,036
LIABILITIES AND NET CLAIMANTS' EQUITY		
Accrued professional fees	$ 87,728	$ 72,022
Net claimants' equity (Note 2(f))	$ 18,403,130	$ 20,481,014

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

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H. K. PORTER COMPANY, INC. ASBESTOS TRUST

STATEMENTS OF CHANGES IN NET CLAIMANTS' EQUITY

	Year ended December 31, 2023	2022
Net claimants' equity, January 1	$ 20,481,014	$ 25,916,536
Additions to net claimants' equity		
Investment income	203	138
Increase (decrease) in investment in H. K. Porter Company, Inc.	620,493	(2,719,894)
Increase in funding from H. K. Porter Company, Inc. (Note 2(c))	971,542	113,046
Total additions to net claimants' equity	1,592,238	(2,606,710)
Deductions from net claimants' equity		
Claim settlements paid (Note 2(g))	2,440,426	1,774,057
Professional fees (Note 2(h))	482,159	444,775
Claims processing	461,804	329,501
Trustee fees	175,450	181,750
Insurance	70,780	62,266
Trust advisory committee fees	35,800	33,200
Other	3,703	3,263
Total deductions from net claimants' equity	3,670,122	2,828,812
Net decrease in net claimants' equity	(2,077,884)	(5,435,522)
Net claimants' equity, December 31	$ 18,403,130	$ 20,481,014

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

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H. K. PORTER COMPANY, INC. ASBESTOS TRUST

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - BUSINESS

(a) Description of business

The H. K. Porter Company, Inc. Asbestos Trust (the "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)).

H. K. PORTER COMPANY, INC. ASBESTOS TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

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 statements 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, 2023 and 2022.

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 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.

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H. K. PORTER COMPANY, INC. ASBESTOS TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) 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 2023 were as follows:

Due from Porter - December 31, 2022	$	14,836,859
Trust portion of Porter's investment earnings		971,542
Porter bills paid by Trust		19,657
Trust bills paid by Porter		(26,990)
Total cash received from Porter during 2023		(3,730,000)
Due from Porter - December 31, 2023	$	12,071,068

During 2022, the Trust received $2,679,000 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 2023 or 2022.

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H. K. PORTER COMPANY, INC. ASBESTOS TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

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 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. As of the date the financial statements were available to be issued, the payment percentage is under review.

(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, 2023, there were $23,708 of claims settled but not paid. As of December 31, 2023, there were $766,282 of claim offers outstanding but not yet accepted by claimants.

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H. K. PORTER COMPANY, INC. ASBESTOS TRUST

NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) Professional fees

During the years ended December 31, 2023 and 2022, trustee fees and professional fees of $526,401 and $496,915, respectively, were paid to Gleason and Associates, P.C. whose President and Managing Director is the sole trustee of the Trust.

(i) Income taxes

As of December 31, 2023 and 2022, 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 2020 and beyond remain subject to examination by the Internal Revenue Service.

At December 31, 2023, the Trust had approximately $22,000,000 of federal net operating loss carryforwards that have begun to expire.

(j) Reclassification adjustment

During the year ended December 31, 2023, Porter management determined that it was necessary to recalculate the balance of the amount due to H. K. Porter Company, Inc. Asbestos Trust as of December 31, 2022. As a result, the due from H. K. Porter Company, Inc. has been increased by $13,044,641 and the investment in H. K. Porter Company, Inc. has been decreased by the same amount in the 2022 statement of net claimants' equity.

(k) 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 20, 2024, the date on which the financial statements were available to be issued.

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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, 2023 and 2022

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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

Opinion

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, 2023 and 2022, and the related statements of operations and comprehensive income (loss), changes in stockholder's equity, and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("U.S. GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of H. K. Porter Company, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

As discussed in Note 5 to the financial statements, the 2022 financial statements have been restated to correct a misstatement. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT
(continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about H. K. Porter Company, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with U.S. GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with U.S. GAAS, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of H. K. Porter Company, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about H. K. Porter Company, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Sisterson & Co. LLP

March 20, 2024

H. K. PORTER COMPANY, INC.

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

BALANCE SHEETS

	December 31, 2023	2022
ASSETS		
Current assets		
Cash and cash equivalents (Note 2(b))	$ 768,869	$ 437,500
Investments in marketable securities (Notes 2(c) and 3)	17,286,623	19,751,977
Interest receivable (Notes 2(c) and 3)	110,743	125,000
Other current assets	7,383	8,465
Total current assets	$ 18,173,618	$ 20,322,942
LIABILITIES AND STOCKHOLDER'S EQUITY		
Current liabilities		
Accrued professional fees	$ 4,314	$ 8,901
Due to H. K. Porter Company, Inc. Asbestos Trust (Note 2(f))	12,071,068	14,836,859
Other payables (Note 2(d))	266,960	266,399
Total current liabilities	12,342,342	15,112,159
Common stock, par value $0.01 per share; 1,000 shares authorized and outstanding	10	10
Retained earnings	6,060,880	5,877,119
Accumulated other comprehensive loss - unrealized holding loss on debt securities available for sale (Notes 2(c) and 3)	(229,614)	(666,346)
Total stockholder's equity	5,831,276	5,210,783
	$ 18,173,618	$ 20,322,942

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

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H. K. PORTER COMPANY, INC.

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STATEMENTS OF OPERATIONS AND COMPREHENSIVE INCOME (LOSS)

	Year ended December 31, 2023	2022
Income (loss)		
Dividends and interest, net of investment fees of $122,206 and $134,774, respectively	$ 441,881	$ 411,094
Unrealized holding gain (loss) on equity securities available for sale	160,476	(2,403,781)
Realized gain on sale of investments in marketable securities, net	723,062	420,559
Total income (loss)	1,325,419	(1,572,128)
Operating expenses		
Professional fees	134,977	48,271
Salaries	9,171	10,853
Office rent	10,200	10,200
Record storage	8,524	8,177
Payroll taxes	1,582	1,861
Taxes	2,826	3,184
Insurance	2,075	3,176
Miscellaneous	761	738
Supplies	--	29
Total operating expenses	170,116	86,489
Income (loss) before other loss	1,155,303	(1,658,617)
Other loss		
Service income (Note 4)	--	1,155
Recognition of obligation to Trust from investments (Note 2(f))	(971,542)	(777,581)
Total other loss	(971,542)	(776,426)
Income (loss) before income taxes	183,761	(2,435,043)
Income taxes (Note 2(h))	--	--
Net income (loss)	183,761	(2,435,043)
Other comprehensive income (loss) - (increase) decrease in unrealized holding loss on debt securities available for sale	436,732	(949,386)
Comprehensive income (loss)	$ 620,493	$ (3,384,429)

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

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H. K. PORTER COMPANY, INC.

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STATEMENTS OF CHANGES IN STOCKHOLDER'S EQUITY

	Common stock	Retained earnings	Accumulated other comprehensive income (loss)	Total
Balance, January 1, 2022, as previously stated	$ 10	$ 20,692,268	$ 283,040	$ 20,975,318
Restatement adjustment (Note 5)	--	(12,380,106)	--	(12,380,106)
Balance, January 1, 2022, as restated	10	8,312,162	283,040	8,595,212
Net loss, as restated (Note 5)	--	(2,435,043)	--	(2,435,043)
Other comprehensive loss from increase in unrealized holding loss on debt securities available for sale	--	--	(949,386)	(949,386)
Balance, December 31, 2022	10	5,877,119	(666,346)	5,210,783
Net income	--	183,761	--	183,761
Other comprehensive income from decrease in unrealized holding loss on debt securities available for sale	--	--	436,732	436,732
Balance, December 31, 2023	$ 10	$ 6,060,880	$ (229,614)	$ 5,831,276

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

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H. K. PORTER COMPANY, INC.

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STATEMENTS OF CASH FLOWS

	Year ended December 31, 2023	2022
Cash flows from operating activities:		
Net income (loss)	$ 183,761	$ (2,435,043)
Adjustments to reconcile net income (loss) to net cash used in operating activities:		
Unrealized holding (gain) loss on equity securities available for sale	(160,476)	2,403,781
Realized gain on sale of investments in marketable securities, net	(723,062)	(420,559)
Increase (decrease) in cash from changes in:		
Interest receivable	14,257	(15,771)
Other current assets	1,082	2,704
Accrued professional fees	(4,587)	6,174
Due to H. K. Porter Company, Inc. Asbestos Trust	(2,765,791)	(1,968,164)
Other payables	561	(1,297)
Net cash used in operating activities	(3,454,255)	(2,428,175)
Cash flows from investing activities:		
Proceeds from sales of investments	9,013,676	7,113,154
Purchases of investments	(5,228,052)	(5,626,188)
Net cash provided by investing activities	3,785,624	1,486,966
Net increase (decrease) in cash and cash equivalents	331,369	(941,209)
Cash and cash equivalents, beginning of year	437,500	1,378,709
Cash and cash equivalents, end of year	$ 768,869	$ 437,500

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

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H. K. PORTER COMPANY, INC.
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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 and use of estimates

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:

	2023	2022
Cash	$ 83,613	$ 133,075
Money market funds	685,256	304,425
	$ 768,869	$ 437,500

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NOTES TO FINANCIAL STATEMENTS
(continued)

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 (loss). 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.

Upon the implementation of Accounting Standards Update ("ASU") 2016-13 (see Note 2(k)), Porter assesses the need for an allowance for credit losses on available-for-sale debt securities in an unrealized loss position by first determining whether it intends to sell, or it is more likely than not that it will be required to sell a security before the recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For debt securities available-for-sale that do not meet the aforementioned criteria, Porter evaluates whether the decline in fair value has resulted from credit losses or other factors by assessing the extent of the unrealized loss, changes to credit ratings, and adverse conditions specific to the security, among other factors. If this evaluation indicates that a credit loss exists, a credit loss is recorded for the difference between the present value of expected cash flows and the amortized basis, limited to the amount that amortized cost exceeds fair value. As of December 31, 2023, management has determined that there are no credit losses related to Porter's available-for-sale debt securities. Under the previous guidance, Porter recorded an impairment loss on investments when the impairment was considered to be other-than-temporary. No such write-downs were recorded as of December 31, 2022.

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.

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H. K. PORTER COMPANY, INC.
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NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

During 2023 and 2022, 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 2023, 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 had dissolved each of these companies, prior to December 31, 2022.

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NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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.

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 2023, 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 2023 were as follows:

Due to the Trust - December 31, 2022	$	14,836,859
Trust portion of Porter's investment earnings		971,542
Porter bills paid by Trust		19,657
Trust bills paid by Porter		(26,990)
Total cash paid to the Trust during 2023		(3,730,000)
Due to the Trust - December 31, 2023	$	12,071,068

During 2022, Porter paid the Trust $2,679,000 in cash.

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NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 2023 and 2022 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.

(h) Income taxes

For the years ended December 31, 2023 and 2022, no provision for income taxes was recorded because Porter had net losses for income tax purposes. Porter's income tax returns for tax years 2020 and beyond remain subject to examination by the applicable taxing authorities.

As of December 31, 2023, Porter had approximately $63,000,000 of net operating loss carryforwards for federal purposes, which begin to expire in 2024, and had approximately $68,000,000 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 $21,000,000 reducing its net deferred tax assets to $-0- as of December 31, 2023 and 2022, since Porter's realization of the related income tax benefits is not assured.

(i) Accumulated other comprehensive loss

The increase (decrease) in accumulated other comprehensive loss of $436,732 and $(949,386) for the years ended December 31, 2023 and 2022, respectively, was attributable to changes in the unrealized gain (loss) position of Porter's investments in debt securities.

(j) Reclassifications

Certain items in the 2022 financial statements have been reclassified to conform to the 2023 presentation.

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NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) Adoption of Accounting Standards Update ("ASU") 2016-13

On January 1, 2023, Porter adopted ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326). Porter is impacted by Topic 326 as the guidance changes the accounting for available-for-sale debt securities. The guidance requires credit losses to be presented as an allowance, rather than as a write-down, on available-for-sale debt securities management does not intend to sell or believes that it is more likely than not they will be required to sell. Disclosures about Porter's policy for evaluating credit losses is presented within Note 2(c) above. Porter has determined that no allowance is necessary for its available-for-sale debt securities as of December 31, 2023. See Note 3 for further information regarding these investments. Topic 326 requires the use of the prospective transition approach for debt securities for which other-than-temporary impairment had been recognized prior to January 1, 2023. However, as no other-than-temporary impairment had been previously recorded, all debt securities were carried at their fair value on the date of adoption.

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.

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.

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NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 3 - INVESTMENTS IN MARKETABLE SECURITIES (continued)

Fair value measurements (continued)

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, 2023			
	Level	Fair value	Cost	Unrealized gain (loss)
Equity securities	I	$ 5,871,084	$ 2,470,107	$ 3,400,977
U.S. Government securities	I	4,078,925	4,274,710	(195,785)
Corporate bonds	II	3,070,542	3,188,297	(117,755)
Municipal bonds	II	4,266,072	4,182,146	83,926
Total debt securities		11,415,539	11,645,153	(229,614)
		$ 17,286,623	$ 14,115,260	$ 3,171,363

	December 31, 2022			
	Level	Fair value	Cost	Unrealized gain (loss)
Equity securities	I	$ 6,774,727	$ 3,534,222	$ 3,240,505
U.S. Government securities	I	4,046,610	4,331,981	(285,371)
Corporate bonds	II	3,213,339	3,514,036	(300,697)
Municipal bonds	II	5,717,301	5,797,579	(80,278)
Total debt securities		12,977,250	13,643,596	(666,346)
		$ 19,751,977	$ 17,177,818	$ 2,574,159

Maturities of Porter's debt securities as of December 31, 2023 are as follows:

	Fair value	Cost	Unrealized gain (loss)
Due in one year or less	$ 793,016	$ 816,122	$ (23,106)
Due after one year through five years	7,511,049	7,803,231	(292,182)
Due after five years through ten years	1,481,221	1,437,789	43,432
Due after ten years through twenty years	1,365,467	1,330,506	34,961
Due after twenty years	264,786	257,505	7,281
	$ 11,415,539	$ 11,645,153	$ (229,614)

H. K. PORTER COMPANY, INC.
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NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 3 - INVESTMENTS IN MARKETABLE SECURITIES (continued)

Interest receivable from debt securities as of December 31, 2023 and 2022 was $110,743 and $125,000, respectively. Interest receivable is excluded from the estimate of credit losses.

The following table summarizes debt securities available-for-sale in an unrealized loss position for which an allowance for credit losses (impairment loss for 2022) has not been recorded, aggregated by major security type and length of time in a continuous unrealized loss position as of December 31:

	2023					
	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
U.S. Government securities	$ 642,177	$ 4,555	$ 2,729,051	$ 195,869	$ 3,371,228	$ 200,424
Corporate Bonds	--	--	1,684,058	143,277	1,684,058	143,277
Municipal Bonds	230,075	432	1,287,173	28,274	1,517,248	28,706
Total	$ 872,252	$ 4,987	$ 5,700,282	$ 367,420	$ 6,572,534	$ 372,407

	2022					
	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
U.S. Government securities	$ 2,068,818	$ 100,149	$ 1,595,489	$ 187,228	$ 3,664,307	$ 287,377
Corporate Bonds	1,114,644	58,953	1,950,594	247,453	3,065,238	306,406
Municipal Bonds	2,625,945	90,696	400,442	33,961	3,026,387	124,657
Total	$ 5,809,407	$ 249,798	$ 3,946,525	$ 468,642	$ 9,755,932	$ 718,440

Unrealized losses on bonds have not been recognized into income because the bonds are all of investment grade (rated BBB- or better), management does not intend to sell and it is likely that management will not be required to sell the securities prior to their anticipated recovery, and the decline in fair value is largely due to changes in interest rates and other market conditions. The bond issuers continue to make timely principal and interest payments on the bonds. The fair value of these bonds is expected to recover as the bonds approach maturity.

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NOTES TO FINANCIAL STATEMENTS
(continued)

NOTE 4 - 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 was paid $120 per hour through July 2021 and reimbursed on a monthly basis. Effective August 1, 2021, the rate for services charged was reduced to $75 per hour. During the year ended December 31, 2023, Porter did not render any services to the Thurston Trust under this agreement.

NOTE 5 - RESTATEMENT ADJUSTMENT

During the year ended December 31, 2023, Porter management determined that it was necessary to recalculate the balance of the amount due to H.K. Porter Company, Inc. Asbestos Trust as of December 31, 2022, and for all prior periods which resulted in a restatement of retained earnings. The restatement adjustment decreased retained earnings as previously reported as of December 31, 2021, by $12,380,106. The restatement adjustment also increased the recognition of obligation to Trust from investments as previously reported for the year ended December 31, 2022, by $664,535.

The recalculation and resulting restatement adjustment were considered necessary based on the following factors:

- A $5MM net worth requirement that was required by the Plan expired on July 28, 2003. Upon the expiration of this requirement, insurance receipts totaling $2,684,712, received during the years ended December 31, 2001 and 2000 should have been allocated to the Trust through an increase in the amount due to the Trust as of December 31, 2003.

- During the period from 2003 through 2013, certain insurance policies were settled and recorded as income of $2,352,669 to Porter. Porter management has determined that these insurance policies could be utilized for the benefit of Asbestos Claimants in accordance with the terms of the Plan and as a result has determined that $2,338,553 should have been allocated to the Trust through an increase in the amount due to Trust between 2003 and 2013.

- Based on the inclusion of the above items in the amount due to the Trust, management has recalculated the amount of investment income to be allocated to the Trust during the period from 2003 through 2022 in accordance with the Plan, resulting in an increase to the amount due to the Trust of $8,021,376.

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

NOTES TO FINANCIAL STATEMENTS
(continued)

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 20, 2024, 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:	Case No. 91-468 WWB (PGH)
H.K. PORTER COMPANY, INC.	Chapter 11
Reorganized Debtor.	Document No. 3030
	Related to Document No. ____
	Hearing Date and Time:
H.K. PORTER COMPANY, INC.	
Movant,	Response Deadline:
vs.	
No Respondent,	
Respondent.	

ORDER OF COURT PERMITTING THE FILING OF CERTAIN DOCUMENTS WITHOUT REOPENING CASE

WHEREAS, this Court entered an Order of Final Decree on March 17, 2008 ordering that the Debtor's case be closed;

WHEREAS, pursuant to the terms of the Confirmation Order and the Plan, jurisdiction of this Court has been reserved with respect to various matters, including but not limited to (i) the Asbestos Trust Agreement[1], the Asbestos Permanent Channeling Injunction and Section 105(a) Injunction; (ii) Motions to recover assets for the benefit of the Debtor's estate; and (iii) consideration of settlements of any cause of action by the Debtor's estate;

WHEREAS, parties may need to file additional documents with the Court with respect to matters for which the Court's jurisdiction has been reserved ("Additional Documents");

WHEREAS, pursuant to the terms of the Confirmation Order, the Plan and the Asbestos

[1] Unless otherwise defined herein, capitalized terms shall have the meanings ascribed to them in the Plan.

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Trust Agreement, the Trustee is required to file annually certain reports including the financial report for the Asbestos Trust and its claims experience ("Additional Reports"); and

WHEREAS, Debtor believes that the filing of the Additional Documents and Additional Reports should not necessitate the reopening of this case or any related payment of filing fees; it is hereby

ORDERED, the Clerk of this Court is directed to accept the Additional Documents and Additional Reports of the Asbestos Trust and that the filing of such Additional Documents or Additional Reports shall not require the reopening of this case or the payment of any related filing fees; and it is further

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

ORDERED, that the Clerk of the Bankruptcy Court is hereby directed to make a notation on the docket that the Debtor's case has been closed; and it is further

ORDERED, that counsel for the Debtor shall promptly serve a copy of this Order on the current Service List and file a certification of service with the Bankruptcy Court within ten (10) days hereof.

Dated: March 17, 2008

Warren W. Bentz
United States Bankruptcy Judge

FILED