IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re:	§	
	§	
J T THORPE COMPANY,	§	**Case No. 02-41487-H5-11**
	§	**(Chapter 11)**
Debtor.	§	

NOTICE OF FILING AUDITED ANNUAL REPORT AND CLAIMS SUMMARY

The J T Thorpe Company Successor Trust (the "Trust") hereby files its Audited Annual Report for the fiscal year ending December 31, 2012, attached hereto as Exhibit A, and a summary of the claims disposed of during the period covered by the Audited Annual Report (the "Claims Summary"), attached hereto as Exhibit B.

Pursuant to the provisions of the J T Thorpe Company Successor Trust Agreement, the Trust is providing copies of the Audited Annual Report and the Claims Summary to the Trust Advisory Committee, the Legal Representative and the reorganized debtor.

Dated: April 30, 2013
Dallas, Texas

Respectfully submitted by:

Jo E. Hartwick

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CERTIFICATE OF SERVICE

I hereby certify that 30th day of April, 2013, I served a true and correct copy of the foregoing Notice of Filing Audited Annual and Claims Summary and Exhibits A and B thereto by electronic mail on the members of the Trust Advisory Committee (Steven T. Baron, Russell Budd, Bryan O. Blevins, Jr.), the Legal Representative (Richard B. Schiro) and by United States mail, postage prepaid, to the Reorganized Debtor, J T Thorpe Company, Attn: Mr. Richard Nowland, 6833 Kirbyville Avenue, Houston, Texas 77033 .

Jo E. Hartwick

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EXHIBIT A

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J T Thorpe Company Successor Trust

Special-Purpose Financial Statements
Years Ended December 31, 2012 and 2011

The report accompanying these financial statements was issued by BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

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J T Thorpe Company Successor Trust

Special-Purpose Financial Statements
Years Ended December 31, 2012 and 2011

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J T Thorpe Company Successor Trust

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Independent Auditor's Report

To the Board of Trustees
J T Thorpe Company Successor Trust
Dallas, Texas

We have audited the accompanying special-purpose statements of assets, liabilities and net claimants' equity of J T Thorpe Company Successor Trust ("Trust") (a Trust created under the laws of the State of Texas) as of December 31, 2012 and 2011, and the related special-purpose statements of changes in net claimants' equity and special-purpose statements of cash flows and investment securities for the years then ended, and the related notes to the special-purpose financial statements.

Management's Responsibility for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of these special-purpose financial statements in accordance with the special-purpose basis of accounting described in Note 2; including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the special-purpose 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 special-purpose 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 special-purpose financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the special-purpose financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the special-purpose 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 special-purpose 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 special-purpose 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 special-purpose financial statements referred to above present fairly, in all material respects, the financial position of J T Thorpe Company Successor Trust as of December 31, 2012 and 2011, and changes to the net claimants' equity and its cash flows and investments for the years then ended in conformity with the special-purpose basis of accounting described in Note 2.

Basis of Accounting

As described in Note 2 to the special-purpose financial statements, these special-purpose 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 communicate the amount of net assets presently available for current and future claimants of the Trust.

Restriction on Use

This report is intended solely for the information and use of the management of the Trust, the Trustees, the Trustees' Advisory Committee, the beneficiaries of the Trust, and the United States Bankruptcy Court for the Southern District of Texas, Houston Division, and is not intended to be and should not be used by anyone other than these specified parties.

BDO USA, LLP

April 19, 2013
Dallas, Texas

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J T Thorpe Company Successor Trust

Special-Purpose Statements of Assets, Liabilities and Net Claimants' Equity

December 31,	2012	2011
Assets		
Cash and cash equivalents	$ 5,744,002	$ 2,073,472
Investment securities, at fair value	123,678,124	132,049,884
Accrued interest and dividends receivable	957,668	568,496
Total assets	130,379,794	134,691,852
Liabilities		
Accrued expenses and accounts payable	30,253	69,621
Net claimants' equity	$ 130,349,541	$ 134,622,231

See accompanying notes to special-purpose financial statements.

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J T Thorpe Company Successor Trust

Special-Purpose Statements of Changes in Net Claimants' Equity

For the Years Ended December 31,	2012	2011
Additions		
Investment income	$ 4,389,158	$ 5,307,088
Net realized gain on investment securities	5,758,444	2,451,292
Net unrealized appreciation in fair value on investment securities	1,317,781	-
Total additions	11,465,383	7,758,380
Deductions		
Operating expenses	1,899,613	1,563,336
Net unrealized depreciation in fair value on investment securities	-	3,132,327
Total deductions	1,899,613	4,695,663
Net increase in net claimants' equity	9,565,770	3,062,717
Net claimants' equity, beginning of the year	134,622,231	145,455,340
Contributions to net claimants' equity	-	774
Distributions from net claimants' equity	(13,838,460)	(13,896,600)
Net claimants' equity, end of the year	$ 130,349,541	$ 134,622,231

See accompanying notes to special-purpose financial statements.

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J T Thorpe Company Successor Trust

Special-Purpose Statements of Cash Flows and Investment Securities

For the Years Ended December 31,	2012	2011
Cash inflows		
Investment income receipts	$ 3,999,986	$ 5,403,341
Net realized gains on sale of investment securities	5,758,444	2,451,292
Contributions to net claimants' equity	-	774
Total cash inflows	9,758,430	7,855,407
Cash outflows		
Distributions to claimants	13,838,460	13,896,600
Operating expenses paid	1,938,981	1,534,060
Total cash outflows	15,777,441	15,430,660
Net cash outflows	(6,019,011)	(7,575,253)
Non-cash changes		
Net unrealized appreciation (depreciation) on investment securities	1,317,781	(3,132,327)
Net decrease in cash equivalents and investment securities	(4,701,230)	(10,707,580)
Cash and cash equivalents and investment securities, beginning of year	134,123,356	144,830,936
Cash and cash equivalents and investment securities, end of year	$ 129,422,126	$ 134,123,356

See accompanying notes to special purpose financial statements.

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J T Thorpe Company Successor Trust

Notes to Special-Purpose Financial Statements

1. Description of the Trust

General

J T Thorpe Company Successor Trust (the "Trust") was established on April 21, 2004 (the "Effective Date") pursuant to the J T Thorpe Company Plan of Reorganization (the "Plan").

Purpose

The primary purposes of the Trust are as follows:

- To direct the litigation, resolution, payment and satisfaction of all asbestos injury claims in accordance with the Plan, the claims resolution procedures established under the Trust and the J T Thorpe Company Asbestos Claims Resolution Procedures (the "CRP");
- To preserve, hold, manage and maximize the Trust's assets for use in paying and satisfying allowed asbestos injury claims and allowed unsecured claims;
- To prosecute, settle and manage the disposition of the in-place insurance coverage; and
- To prosecute, settle and manage asbestos insurance actions.

The Trustees, with the consent and approval of the Trustees' Advisory Committee (the "TAC") and the Legal Representative, have to established claims resolution procedures that are to provide for the allowance and payment or disallowance of Class 7 Unsecured Asbestos Claims (as defined by the Plan). In furtherance of this purpose, the Trustees are responsible for supervising and administering the claims resolution procedures set forth in the CRP in such a way that all holders of similar Asbestos Claims are treated in a substantially equivalent manner and to otherwise comply in all respects with the requirements of a trust set forth in section 524(g)(2)(B)(i) of the Bankruptcy Code. Also in furtherance of its purpose, the Trustees are to hold, manage and liquidate the Trust's assets.

Funding of the Trust

The Trust assumed the liabilities of J T Thorpe Company with respect to all known asbestos injury claims and all unknown asbestos injury claims on the Effective Date. The Trust was initially funded by the following:

- Promissory notes for $2,300,000, funded by the Reorganized J T Thorpe Company and Thorpe Corporation (the "Obligors") on the Effective Date, and by the obligations of the Obligors to make future payments in respect to the Promissory Notes;
- Proceeds received pursuant to the terms of asbestos insurance action recoveries, asbestos in-place insurance coverage, asbestos insurance settlement agreements and asbestos insurance policies; and
- Assets transferred from the J T Thorpe Company Payment Trust, net of liabilities.

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J T Thorpe Company Successor Trust

Notes to Special-Purpose Financial Statements

Trustees of the Trust

The Trustees are to act as fiduciaries to the Trust in accordance with the provisions of the Successor Trust Agreement and the Plan. There are three trustees at all times, other than during a vacancy in the position of Trustee and other circumstances as defined in Article 5.01 of the J T Thorpe Successor Trust Agreement.

Trustees' Advisory Committee and Legal Representative

The Trustees' Advisory Committee (the "TAC"), which consists of three voting members, represents all holders of asbestos injury claims, excluding unknown asbestos claimants. Neither the TAC nor its members serve in a fiduciary capacity or owe fiduciary duties to holders of asbestos injury claims. The Legal Representative serves in a fiduciary capacity, representing the interests of unknown asbestos injury claimants, for the purpose of protecting the rights of persons that might subsequently assert asbestos injury claims. The TAC, together with the Legal Representative, participates with the Trustees in the implementation of the CRP by providing consultation with respect to critical issues affecting the Trust. Additionally, the Plan and the CRP provide for instances in which consent of the TAC and the Legal Representative must be obtained by the Trustees before implementing certain actions.

Claims Resolution Procedures

The CRP was adopted in connection with the Plan, the Disclosure Statement and the J T Thorpe Company Successor Trust Agreement. The CRP is designed to provide a prompt determination and payment of unsecured asbestos claims and provide reasonable assurance that the Trust will value, and be in a financial position to pay, similar unsecured claims that may arise in the future in substantially the same manner. Pursuant to the Plan and the Successor Trust Agreement, the CRP will be administered by the Trustees in consultation with the TAC, which represents the interests of holders of present unsecured asbestos injury claims, and a Legal Representative, who represents the rights and interests of unknown asbestos injury claimants.

Payment Sum Percentage

The CRP provides that, to seek to insure substantially equal treatment of all Uncovered Asbestos Claims, the Trustees must determine, with the consent of the TAC and the Legal Representative, the percentage of the full liquidated value that will be paid to holders of Unsecured Asbestos Claims (the "Payment Sum Percentage"). Based on their experts' recommendation, the Trustees determined that the Initial Payment Sum Percentage should be set at 18.5%. The TAC and the Legal Representative consented to the setting of the Initial Payment Sum Percentage at 18.5%. By order dated November 18, 2005, the United States Bankruptcy Court for the Southern District of Texas granted the Motion for Approval of the Initial Payment Sum Percentage Applicable to Asbestos Claims Processed by the J T Thorpe Company Successor Trust filed by the Trustees and ordered the Initial Payment Sum Percentage set at 18.5%. In November 2007, the Trustees requested that Analysis, Research & Planning Corporation ("ARPC") provide an updated claims study. As a result of ARPC's updated claims study, in December 2007, the Trustees unanimously voted, with the unanimous consent of the Trust Advisory Committee and Legal Representative, to raise the Payment Sum Percentage to 38%. In September 2009, the Trustees requested that Legal Analysis Systems, Inc. ("LAS") provide an updated claims study. As a result of LAS's updated claims study, in December 2009, the Trustees unanimously voted, with the unanimous consent of the Trust Advisory Committee and Legal Representative, to raise the Payment Sum Percentage to 57%.

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Trust Termination

The Trust automatically terminates on the date (the "Termination Date") ninety days after the first to occur of the following events:

- All asbestos injury claims duly filed with the Trust have been liquidated and settled or otherwise resolved, and twelve consecutive months have elapsed during which no new asbestos injury claim has been filed with the Trust;

- If the Trustees have procured and have in place irrevocable insurance policies and have established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses of the Trust in a manner consistent with this Trust and the CRP, the date on which the Bankruptcy Court enters an order approving such insurance and other arrangements;

- If in the judgment of two-thirds of the Trustees, with the consent of the TAC and the Legal Representative, which consent shall not be unreasonably withheld, that the continued administration of the Trust is uneconomic or adverse to the best interests of the persons holding asbestos injury claims; or

- Twenty-one years less ninety-one days after the death of the last survivor of all the descendents of George Herbert Walker Bush living on the date April 21, 2004.

2. Significant Accounting Policies

Basis of presentation

The Trust's financial statements are prepared using special-purpose basis of accounting adopted by the Trustees, which differ from accounting principles generally accepted in the United States of America (GAAP). The special-purpose basis of accounting was adopted in order to communicate to the beneficiaries of the Trust the net claimants' equity and the related operating expenses of the Trust. Since the accompanying special-purpose financial statements and transactions are not based upon GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amount. The special-purpose accounting methods include the following:

a. The funding received from JT Thorpe Company was recorded as contributions directly to net claimants' equity. These funds do not represent additions to the changes in net claimants' equity for the period. Under GAAP these funds would be recorded as income to the Trust in the period that the funds were assigned to the Trust, could be reasonably estimated, and collectability was assured.

b. Insurance recoveries are recorded when the related policies are settled and collectability is assured from the insurance carriers. These recoveries come from various insurance settlements, which were obtained by Trust and related entities and assigned to the Trust or were negotiated by the Trust. Future recoveries under such settlements, which were assigned to the Trust pursuant to the Plan, will be received by the Trust and will reduce the related insurance recovery receivable.

c. Investments are recorded at fair value. The net appreciation or depreciation in fair value of investments recorded in the accompanying special-purpose statement of changes in net

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claimants' equity consist of the net changes in unrealized gains or losses on investments held. Gain or loss on sale of investments is recorded in the accompanying special-purpose statement of changes in net claimants' equity as net realized gains or losses on investment securities. All interest and dividend income, net of investment expenses, are included in investment income in the accompanying special-purpose statements of changes in net claimants' equity. Under GAAP, for investments classified as available for sale securities, any unrealized gains and losses are recorded as other comprehensive income or loss, with the accumulated balance disclosed separately on the special-purpose statements of assets, liabilities and net assets available for the payment of claims.

d. Future fixed liabilities under contractual obligations and other agreements entered into by the Trust are recorded as deductions in the same period that such contractual obligations or agreements are signed. Under GAAP, estimates of the aggregate liability from asbestos injury claims and contractual obligations are recorded as incurred when they become estimable and incurrence of a loss is probable.

e. The full amounts of claims are treated as distributions from net claimants' equity in the period in which the confirmed claims are settled. A settled claim is a claim that has been allowed by the Trust and accepted by the claimant and paid by the Trust. Claim payments are recorded as distributions to claimants and are deducted directly from net claimants' equity. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust.

f. Payments for services to be received over an extended period in the future are expensed as paid because these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.

g. Payments for property and equipment are expensed as incurred. Under GAAP, payments for property and equipment are capitalized and depreciated over the estimated useful lives of the assets. To date, the Trust has made no payments related to purchases of property and equipment.

h. Income tax expense is estimated and recorded as incurred in the period in which certain income and expense items affect current federal income taxes payable. Income tax refunds are recorded when cash is received by the Trust. Under GAAP, the provision for income taxes is recorded based upon income reported for financial statement purposes. This would include federal and state income taxes currently payable and arising from changes in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities, such as unrealized gains and losses on investment securities.

Use of estimates

The preparation of the special-purpose financial statements in conformity with the special-purpose basis of accounting described above requires the Trust to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of additions and deductions to net claimants' equity during the reporting period. Actual

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results could differ from those estimates and such differences could have a material effect on net claimants' equity.

Cash and cash equivalents

The Trust considers all highly liquid investments with original maturities of three months or less to be cash equivalents. At December 31, 2012 and 2011, certain cash balances held at financial institutions are in excess of Federal Deposit Insurance Corporation insurance limits. The Trust believes that its cash and cash equivalents are with high quality financial institutions.

Investment securities

Investment securities are stated at fair value. Fair values are based on quoted market prices for identical or similar instruments traded in active markets as of the date of the special-purpose financial statements with changes in unrealized appreciation and depreciation recorded in the current period. Investment income is recognized when earned. Realized gains and losses on sales are determined using the specific identification method.

A decline in the fair value of any investment security below cost that is deemed to be other-than-temporary results in an impairment to reduce the carrying amount to fair value. The impairment is charged to deductions and a new cost basis is for the investment is established. To determine whether impairment is other-than-temporary, the Trust considers whether it has the ability and intent to hold the investment until a market price recovery and considers whether evidence indicating the cost of the investment is recoverable outweighs evidence to the contrary. Evidence considered in this assessment includes the reasons for the impairment, the severity and duration of the impairment, changes in value subsequent to year-end, forecasted performance of the investee, and the general market condition in the geographic area or industry the investee operates in. The Trust also holds investments in certain private placement investment limited partnership and hedge funds. The fair value of the private placement investment limited partnership and hedge funds are based upon the Trust's share in the estimated fair values of the net asset of these investments.

Operating expenses

Operating expenses of the Trust are recorded as deductions on the statement of changes in net claimants' equity in the period in which the invoices are received and approved.

Reclassifications

Certain reclassifications have been made to conform the previous year to the current year presentation. These reclassifications have no impact on the net increase in net claimants' equity.

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J T Thorpe Company Successor Trust

Notes to Special-Purpose Financial Statements

3. Investment Securities

The Trust has recorded all its investment securities at fair value, as follows:

December 31, 2012	Amortized Cost	Net Unrealized Gains/ (Losses)	Estimated Fair Value
US treasury/government/agency securities	$ 2,949,097	$ 11,837	$ 2,960,934
Equity securities	28,134,446	(1,046,446)	27,088,000
Corporate bonds	6,501,847	13,292	6,515,139
Other fixed income securities	70,377,702	1,069,298	71,447,000
Fixed income and mutual funds	15,303,373	(2,291,080)	13,012,293
Hedge funds and exchange traded funds	2,602,170	52,588	2,654,758
Total	$ 125,868,635	$ (2,190,511)	$ 123,678,124

December 31, 2011	Amortized Cost	Net Unrealized Gains/ (Losses)	Estimated Fair Value
US treasury/government/agency securities	$ 526,286	$ 50,043	$ 576,329
Equity securities	22,398,640	(1,925,887)	20,472,753
Corporate bonds	15,035,953	(371,008)	14,664,945
Other fixed income securities	33,659,524	1,794,489	35,454,013
Fixed income and mutual funds	62,158,303	(3,575,098)	58,583,205
Hedge funds	2,268,044	30,595	2,298,639
Total	$ 136,046,750	$ (3,996,866)	$ 132,049,884

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J T Thorpe Company Successor Trust

Notes to Special-Purpose Financial Statements

The contractual maturities of debt securities at December 31, 2012, were as follows:

Maturities	Amortized Cost	Fair Value
Due within one year	$ 6,649,845	$ 6,684,700
Due within two years	7,706,773	7,772,140
Due within three years	9,020,707	9,095,102
Due within four years	13,471,640	13,606,815
Due after four years	42,979,681	43,764,316
Total	$ 79,828,646	$ 80,923,073

The contractual maturities of debt securities at December 31, 2011, were as follows:

Maturities	Amortized Cost	Fair Value
Due within one year	$ 16,468,604	$ 15,735,649
Due within two years	18,325,959	18,156,366
Due within three years	17,176,754	16,913,714
Due within four years	16,803,351	16,525,559
Due after four years	33,808,658	34,792,153
Total	$ 102,583,326	$ 102,123,441

4. Fair Value Measurements

The Financial Accounting Standard Board (FASB) Accounting Standard Codification (ASC) Topic 820, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. FASB ASC Topic 820 applies to other accounting pronouncements that require or permit fair value measurements; however, it does not require any new fair value measurements.

FASB ASC Topic 820 defines fair value as the exit price, which is the price that would be received to sell an asset or paid to transfer a liability in a transaction between market participants at the measurement date. FASB ASC Topic 820 establishes a valuation hierarchy for disclosure of the inputs to valuation used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows.

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 inputs are quoted prices for similar assets and liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument.
- Level 3 inputs are measured based on prices or valuation models that require inputs that are both significant to the fair value measurement and less observable from objective sources.

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J T Thorpe Company Successor Trust

Notes to Special-Purpose Financial Statements

A financial asset or liability's classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement. The following table provides the assets and liabilities carried at fair value measured on a recurring basis as of December 31, 2012 and 2011:

December 31, 2012,	Level 1	Level 2	Level 3	Total
Assets:				
Investment securities	$ 122,425,574	$ 793,456	$ 459,094	$ 123,678,124

December 31, 2011,	Level 1	Level 2	Level 3	Total
Assets:				
Investment securities	$ 129,623,121	$ 2,102,976	$ 323,787	$ 132,049,884

The fair value of the Trust's invested assets in US equity securities, corporate bonds, mutual funds, foreign equity securities and US treasury, government and agency securities are based on quoted market prices from financial exchanges (Level 1). Quoted prices in active markets for identical assets are readily available for the short term assets held by the Trust.

The fair value of the Trust's investment in certain other fixed income securities and hedge funds are based on quoted prices for similar assets or liabilities in active markets or inputs that are observable for the asset or liability, either directly or indirectly through market corroboration, for substantially the full term of the financial instrument (Level 2).

The fair value of the Trust's investments in certain hedge funds, a corporate bond and in a diversified real estate fund are based on unobservable inputs developed using the reporting entities' estimates and assumptions, which reflect those that market participants would use (Level 3).

The following table sets forth a reconciliation of changes in the fair value of financial assets and liabilities classified as Level 3 in the fair value hierarchy:

Years Ended December 31	2012	2011
Balance as of beginning of the year	$ 323,787	$ 540,190
Total gains or losses (realized or unrealized)	(26,336)	(85,403)
Transfers in and out of Level 3	161,643	(131,000)
Balance as of the end of the year	$ 459,094	$ 323,787

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J T Thorpe Company Successor Trust

Notes to Special-Purpose Financial Statements

5. Distributions from Net Claimants' Equity

For the years ended December 31, 2012 and 2011, the Trust settled 2,303 and 1,505 claims totaling $13,838,460 and $13,896,600, respectively.

6. Taxation

The Trust reports its income to the Internal Revenue Service as a designated settlement fund, and as such, is subject to Federal income taxation.

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

Years Ended December 31,	2012	2011
Net taxable income	$ 953,138	$ 1,346,510
Tax rate	35%	35%
Federal current income tax expense	333,598	471,279
Federal deferred income tax benefit - NOL and valuation allowance	(333,598)	(471,279)
Income tax expense	$ -	$ -

At December 31, 2012 and 2011, the estimated net operating losses carry forward are approximately $3,417,000 and $4,370,000, respectively. The net operating losses will be carried forward to offset future net operating gains and will expire in 2019 if not utilized.

At December 31, 2012 and 2011, the estimated capital losses carry forward are approximately $2,795,000 and $8,554,000 respectively. The estimated capital losses, generated primarily in 2009, will be carried forward to offset future capital gains and will expire after 2014 if not utilized.

The future ability of the Trust to benefit from this federal tax loss carry-forwards is uncertain; therefore, the deferred tax asset related to the loss carryover has been fully reserved and has not been reflected on the statement of assets, liabilities and net claimants' equity.

7. Related Party Transactions

A managing shareholder of Lain Faulkner & Co., P.C. is also the Managing Trustee of the Trust. Lain Faulkner & Co., P.C. provided accounting services to the Trust in the amount of $237,187 and $186,702 for the years ended December 31, 2012 and 2011, respectively. Lain Faulkner & Co., P.C. also provided administrative services to the Trust through the Managing Trustee in the amount of $100,020 and $53,354 for the years ended December 31, 2012 and 2011, respectively.

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8. Commitments and Contingencies

Uninsured Liabilities

The Trust maintains general liability insurance with limits and deductibles that management believes prudent in light of the exposure of the Trust to loss and the cost of the insurance.

Other

The Trust is subject to potential claims and litigation. In the opinion of management, the outcome of such matters will not have a material adverse effect on the special-purpose financial statements of the Trust.

9. Subsequent Events

We have evaluated all subsequent events through April 19, 2013, the date the special-purpose financial statements is ready for issuance.

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EXHIBIT B

SUMMARY OF CLAIMS DISPOSED OF DURING THE FISCAL YEAR ENDING DECEMBER 31, 2012

Type of Claim	Number of Claims
Claims Submitted to the Trust:	3,283
New Claims Paid by the Trust:	2,369
Payments on Claims Paid Prior to 2012 due to Adjustment of Payment Sum Percentage:	NONE

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