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, 2021, 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 26, 2022
Dallas, Texas

Respectfully submitted by:

/s/ Briana L. Cioni

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Counsel for the J T Thorpe Company Successor Trust

CERTIFICATE OF SERVICE

I hereby certify that on the 26th day of April, 2022, 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, Ann Harper, 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: Emily Mitchell, 6833 Kirbyville St., Houston, Texas 77033 .

/s/ Briana L. Cioni

J.T. Thorpe Company (Texas) Asbestos Trust Annual Reports, 2021 annual report
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EXHIBIT A

J.T. Thorpe Company (Texas) Asbestos Trust Annual Reports, 2021 annual report
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J T THORPE COMPANY SUCCESSOR TRUST

Special-Purpose Financial Statements
with
Report of Independent Auditors

December 31, 2021 and 2020

J T THORPE COMPANY SUCCESSOR TRUST

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REPORT OF INDEPENDENT AUDITORS

To the Trustees
JT Thorpe Company Successor Trust
Dallas, Texas

Opinion

We have audited the accompanying special-purpose statements of assets, liabilities and net claimants' equity of JT Thorpe Company Successor Trust (the "Trust") (a Trust created under the laws of the State of Texas) as of December 31, 2021, and the related special-purpose statements of changes in net claimants' equity and special-purpose statements of cash flows and investments for the year then ended, and the related notes to the special-purpose financial statements (collectively, the "Financial Statements").

In our opinion, the 2021 Financial Statements referred to above present fairly, in all material respects, the financial position of the Trust as of December 31, 2021, and changes to the net claimants' equity and its cash flows and investments for the year then ended in conformity with the special-purpose basis of accounting described in Note 2 to the Financial Statements.

Basis for Opinion

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

Prior Period Financial Statements

The Financial Statements of the Trust as of December 31, 2020 were audited by other auditors whose report dated April 14, 2021, expressed an unmodified opinion on those statements.

Emphasis of Matter - Basis of Accounting

As described in Note 2 to the Financial Statements, these 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.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with the special-purpose basis of accounting described in Note 2 to the Financial Statements; including the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Financial Statements that are free from material misstatement, whether due to fraud or error.

In preparing these Financial Statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern within one year after the date that these Financial Statements are issued or available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of these 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 these Financial Statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of these Financial Statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

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.

BKM Sowan Horan, LLP

Dallas, Texas
April 18, 2022

J T THORPE COMPANY SUCCESSOR TRUST

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

	December 31, 2021	December 31, 2020
ASSETS		
Cash and cash equivalents	$ **2,259,831**	$ 2,623,429
Investments, at fair value	**83,066,884**	77,136,421
Accrued interest and dividends receivable	**526,643**	481,533
Prepaid taxes	**15,000**	812,260
Total assets	$ **85,868,358**	$ 81,053,643
LIABILITIES		
Accrued expenses and accounts payable	$ **33,797**	$ 45,644
Net claimants' equity	$ **85,834,561**	$ 81,007,999

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

	Years Ended December 31,	
	2021	2020
Additions:		
Investment income	**$ 3,028,680**	$ 2,520,266
Net realized gains on sale of investments	**1,782,795**	470,322
Net unrealized appreciation in fair value of investments	**4,624,284**	3,573,418
Total additions	**9,435,759**	6,564,006
Deductions:		
Claim distributions	**2,473,190**	5,104,110
Operating expenses	**1,104,835**	1,188,292
Income tax expense	**401,643**	-
Bond amortization expense	**629,529**	622,383
Total deductions	**4,609,197**	6,914,785
Net increase (decrease) in net claimants' equity	**4,826,562**	(350,779)
Net claimants' equity, beginning of the year	**81,007,999**	81,358,778
Net claimants' equity, end of the year	**$ 85,834,561**	$ 81,007,999

See accompanying notes to special-purpose financial statements.

J T THORPE COMPANY SUCCESSOR TRUST

Special-Purpose Statements of Cash Flows and Investments

	Years Ended December 31,	
	2021	2020
Cash inflows:		
Investment income receipts	**$ 2,983,570**	$ 2,550,361
Federal tax refund	**395,617**	-
Net realized gains on sale of investments	**1,782,795**	470,322
Total cash inflows	**5,161,982**	3,020,683
Cash outflows:		
Distributions to claimants	**2,473,190**	5,104,110
Operating expenses paid	**1,116,682**	1,173,053
Total cash outflows	**3,589,872**	6,277,163
Net cash inflows (outflows)	**1,572,110**	(3,256,480)
Non-cash changes:		
Bond amortization expense	**(629,529)**	(622,383)
Net unrealized appreciation in fair value of investments	**4,624,284**	3,573,418
Net increase (decrease) in cash and cash equivalents and investments	**5,566,865**	(305,445)
Cash and cash equivalents and investments, beginning of year	**79,759,850**	80,065,295
Cash and cash equivalents and investments, end of year	**$ 85,326,715**	$ 79,759,850

See accompanying notes to special-purpose financial statements.

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Note 1 - Description of the Trust

General

JT Thorpe Company Successor Trust (the "Trust") was established on April 21, 2004 (the "Effective Date") pursuant to the JT 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 and the JT 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 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 JT 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 JT 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 JT Thorpe Company Payment Trust, net of liabilities.

Note 1 - Description of the Trust – (Continued)

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 JT Thorpe Successor Trust Agreement (the "Trust Agreement").

Trustees' Advisory Committee and Legal Representative

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 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 Trust Agreement, the CRP will be administered by the Trustees in consultation with the TAC, and the Legal Representative.

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 Percentage"). Based on their experts' initial recommendation, the Trustees determined that the Payment Percentage should initially be set at 18.5%. The TAC and the Legal Representative consented to the setting of the Payment Percentage at 18.5%.

By order dated November 18, 2005, the United States Bankruptcy Court for the Southern District of Texas (the "Bankruptcy Court") granted the Motion for Approval of the Payment Percentage applicable to asbestos claims processed by the JT Thorpe Company Successor Trust filed by the Trustees and ordered the Payment Percentage set at 18.5%.

Note 1 - Description of the Trust – (Continued)

Payment Sum Percentage – continued

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 TAC and Legal Representative, to raise the Payment 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 TAC and Legal Representative, to raise the Payment Percentage to 57%.

In 2012, ARPC provided an updated claims study. As a result of that study the Payment Percentage remained at 57%.

In 2016, the Trustees requested ARPC provide an updated claims study. In May 2016, the Trustees unanimously voted, with the unanimous consent of the TAC and Legal Representative, to lower the Payment Percentage to 33%.

In 2018, the Trustees requested Ankura (formerly known as ARPC) provide an updated claims study. In May 2018, the Trustees unanimously voted, with the unanimous consent of the TAC and Legal Representative, to lower the Payment Percentage to 23%.

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;

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Note 1 - Description of the Trust – (Continued)

Trust Termination – continued

- 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 descendants of George Herbert Walker Bush living on the date April 21, 2004.

COVID-19 Consideration

On January 30, 2020, the World Health Organization ("WHO") announced a global health emergency because of a new strain of coronavirus originating in Wuhan, China (the "COVID-19 outbreak") and the risks to the international community as the virus spreads globally beyond its point of origin. In March 2020, the WHO classified the COVID-19 outbreak as a pandemic, based on the rapid increase in exposure globally.

The full impact of the COVID-19 outbreak continues to evolve as of the date of this report. As such, it is uncertain as to the full magnitude that the pandemic will have on the Trust's financial condition, liquidity, and future results of operations. Management is actively monitoring the impact of the global situation on its financial condition, liquidity and operations. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Trust is not able to estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity for fiscal year 2021 and beyond.

Note 2 - Summary of Significant Accounting Policies

Basis of presentation

The Trust's special-purpose financial statements ("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 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:

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

Basis of presentation – continued

- 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.

- 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 the Trust and related entities and assigned to the Trust or were negotiated by the Trust. Any future insurance recoveries received will be recorded as an addition to net claimants' equity. Under GAAP these funds would be recorded as income to the Trust in the period that the funds were received.

- Investments are recorded at fair value. The net appreciation or depreciation in fair value of investments recorded in the accompanying special-purpose statements of changes in net 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 statements of changes in net claimants' equity as net realized gains or losses. All interest and dividend income are included in investment income in the accompanying special-purpose statements of changes in net claimants' equity.

- The claim distributions are treated as a reduction to net claimants' equity in the period in which the confirmed claims are settled. A settled claim is a claim that has been accepted by the claimant and allowed 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.

- 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.

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

Basis of presentation – continued

- 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.

- 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. 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. Additionally, GAAP requires all tax positions to be reviewed using a more likely than not threshold for financial statement recognition of tax assets, and a liability to be recorded for an uncertain tax position taken or expected to be taken beyond this threshold.

Use of estimates

The preparation of the 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 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.

Investments

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 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.

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

Investments – continued

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 for the investment is established. To determine whether an 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. There was no other-than-temporary impairment noted at December 31, 2021 and 2020.

Accounts payable

Accounts payable consist of incurred but unpaid expenses associated with managing and operating the Trust.

Claim distributions

A settled claim is a claim that has been accepted by the claimant, with an executed release submitted to the Trust, and approved by the Trustees. An unpaid claim is a claim that has been approved for payment by the Trustees, but cannot be paid due to annual cap limitations or has been authorized by the Trustees and not paid.

Risk and uncertainties

The Trust's assets that are exposed to credit risk consists of cash and cash equivalents, investment securities, and accrued interest and dividends receivables. Cash is maintained at financial institutions and, at times, balances may exceed federally insured limits. The Trust has not experienced any losses in such accounts, and it does not believe it is exposed to any significant credit risk.

The Trust invests in a professionally managed investment portfolio that contains cash equivalent money-market funds, publicly traded investments, and corporate and government obligations. The Trust's investments are exposed to various risks, such as interest rate, market and credit risk. Due to the level or 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.

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

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.

Income taxes

The Trust is classified as a QSF under the Code which is taxed at the highest rate applicable to trusts under Section 1(e) of the Code, which was 37%. As a result, the Trust is subject to federal income taxes based on modified taxable income. No provision for state income taxes was recorded as 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 the Obligors, insurance settlements and distributions paid to settle insured and uninsured asbestos claims are not taxable or deductible by the Trust. The Trust recognizes both interest and penalties related to uncertain tax positions as part of the income tax provision.

The Trust records income tax expense (or benefit) associated with amounts payable (or receivable) under current federal income taxes and does not record a provision for (or benefit from) deferred taxes. Accordingly, there is no provision for deferred taxes associated with changes in cumulative unrealized gains and losses on investments or benefits from net operating or capital loss carryforwards. The income taxes associated with gains on investments will be recorded in the Trust's Financial Statements when the net gains are realized, and the income taxes become currently payable.

Subsequent events

The Trust has evaluated events and transactions subsequent to the date of the Financial Statements for matters requiring recognition or disclosure in the Financial Statements. The accompanying Financial Statements consider events through April 18, 2022, the date which the Financial Statements were available to be issued.

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Note 3 - Investments

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

Level 1 – Quoted prices are available in active markets for identical investments as of the reporting date.

Level 2 – Pricing inputs are other than quoted market prices included in Level 1, however, are observable indirectly for the investment.

Level 3 – Inputs that are generally unobservable and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. The fair values are therefore determined using model-based techniques that include option pricing models, discounted cash flow models, and similar techniques.

The following section describes the valuation methodologies the Trust uses to measure its financial assets at fair value.

Equity securities and mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

US treasury/government/agency securities: Value using the documented trade price if trading in an active market. Otherwise, valued using a metrics system provided by the pricing vendors.

Investments consisted of the following at:

	December 31, 2021		
	Cost	Net Unrealized Gains	Fair Value
US treasury/government/agency securities	$ **38,236,309**	$ **1,499,738**	$ **39,736,047**
Equity securities	**18,059,657**	**13,485,715**	**31,545,372**
Mutual funds	**7,965,501**	**3,819,964**	**11,785,465**
	$ **64,261,467**	$ **18,805,417**	$ **83,066,884**

Note 3 - Investments – (Continued)

	December 31, 2020		
	Cost	Net Unrealized Gains	Fair Value
US treasury/government/agency securities	$ 32,995,876	$ 1,983,638	$ 34,979,514
Equity securities	16,698,516	8,972,593	25,671,109
Mutual funds	14,046,784	2,439,014	16,485,798
	$ 63,741,176	$ 13,395,245	$ 77,136,421

Fair value measurements recorded on a recurring basis at December 31, 2021 were as follows:

	Level 1	Level 2	Level 3	Total
US treasury/ government/agency securities	$ -	$ 39,736,047	$ -	$ 39,736,047
Equity securities	31,545,372	-	-	31,545,372
Mutual funds	11,785,465	-	-	11,785,465
	$ 43,330,837	$ 39,736,047	$ -	$ 83,066,884

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Note 3 - Investments – (Continued)

Fair value measurements recorded on a recurring basis at December 31, 2020 were as follows:

	Level 1	Level 2	Level 3	Total
US treasury/ government/agency securities	$ -	$ 34,979,514	$ -	$ 34,979,514
Equity securities	25,671,109	-	-	25,671,109
Mutual funds	16,485,798	-	-	16,485,798
	$ 42,156,907	$ 34,979,514	$ -	$ 77,136,421

Maturities of the Trust's debt securities at December 31, 2021, are as follows:

	Fair Value	Cost	Net Unrealized Gains
Due within one year	$ 513,064	$ 512,039	$ 1,025
Due within two years	1,940,291	1,925,999	14,292
Due within three years	2,519,984	2,476,652	43,332
Due within four years	3,029,972	2,987,373	42,599
Due after four years	31,732,736	30,334,246	1,398,490
	$ 39,736,047	$ 38,236,309	$ 1,499,738

Note 4 - Net Claimants' Equity

The Trust records settlements of insurance rights as recoveries are settled and collectability is assured from the insurance carriers. Any future insurance proceeds will be recorded directly as an increase to net claimants' equity. There were no insurance settlement proceeds received during 2021 and 2020.

Note 5 - Distributions from Net Claimants' Equity

For the years ended December 31, 2021 and 2020, the Trust settled 607 and 1,945 claims totaling $2,473,190 and $5,104,110, respectively.

Note 6 - Taxation

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

	December 31,	
	2021	2020
Modified taxable income	$ **1,511,730**	$ 228,763
Tax rate	**37%**	37%
Tax expense generated on modified taxable income	**559,340**	84,609
True up of prior year estimates	**(82,502)**	-
Utilization of net operating loss carryforwards	**(75,195)**	(84,609)
Income tax expense	$ **401,643**	$ -

During 2021, the Trust utilized the remaining net operating loss carryforwards. As of December 31, 2020 the Trust had net operating loss carryforwards of approximately $203,000. During the year ended December 31, 2021, the Trust made estimated tax payments of $400,000.

Note 7 - 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 Financial Statements of the Trust.

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EXHIBIT B

J.T. Thorpe Company (Texas) Asbestos Trust Annual Reports, 2021 annual report
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SUMMARY OF CLAIMS DISPOSED OF
DURING THE FISCAL YEAR ENDING DECEMBER 31, 2021

Type of Claim	Number of Claims
Claims Submitted to the Trust:	1,999
New Claims Paid by the Trust:	596
Payments on Claims Paid Prior to 2021 due to Adjustment of Payment Sum Percentage:	NONE