UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In Re:	)	In Proceedings for a Reorganization
	)	Under Chapter 11 of the Bankruptcy
UNR INDUSTRIES, INC., UNARCO INDUSTRIES,	)	
INC., UNR, INC., UNR-ROHN, INC. (Alabama),	)	Nos. 82 B 9841-9845
UNR-ROHN, INC. (Indiana), JOBAL TUBE CO.,	)	82 B 9847
INC., UNR PRODUCTS, INC., AND FOLDING	)	82 B 9849 and
CARRIER CORP.	)	82 B 9851
	)	
Debtors.	)	Judge Eugene R. Wedoff

ANNUAL REPORT, SUMMARY OF CLAIMS DISPOSED, FINANCIAL STATEMENTS, AND ACCOUNT OF THE TRUSTEES OF THE UNR ASBESTOS-DISEASE CLAIMS TRUST FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/1

TABLE OF CONTENTS

I. INTRODUCTION 1

II. BACKGROUND 1

A. Trustees 2

B. Trustees' Advisory Committee 2

C. Claims Processing 3

III. SUMMARY OF CLAIMS DISPOSED 3

A. Option 1 4

B. Option 2 4

C. Option 3 5

IV. FINANCIAL INFORMATION 5

A. Financial Statements 5

B. Investment Income 6

C. Expenses 6

V. EVENTS DURING THE REPORTING PERIOD 6

A. Consideration of Payment Percentage……..……..6

B. Amendment to Trust Agreement Re: Investment Guidelines……7

UNR Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 14114 · Page 2 of 40
Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/2

Exhibits

1. Summary of Payments Made on Settlements in 2011
2. Claims Status Report as of December 31, 2011
3. Trust Asset and Management Statement as of December 31, 2011
4. Audited Financial Statements as of December 31, 2011

UNR Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 14114 · Page 3 of 40
Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/3

I. INTRODUCTION

The purpose of this Annual Report, Summary of Claims Disposed, Financial Statements and Account is to fulfill the reporting requirements of the UNR Asbestos-Disease Claims Trust Agreement dated February 23, 1990, as amended, (the "**Trust Agreement**") and to report to the Court the actions taken on behalf of the Trust by its Trustees during the fiscal year ended December 31, 2011 ("**Reporting Period**"). These materials provide the basis for the Court's discharge of the Trustees from liability as requested in the Application for an Order Approving Annual Report, Summary of Claims Disposed, Financial Statements, and Account of the Trustees of the UNR Asbestos-Disease Claims Trust for the Fiscal Year Ended December 31, 2011 filed herewith.

The annual reporting requirements are set forth in Article 3.02(d) of the Trust Agreement. The Trust's annual report must provide (1) audited annual financial statements; (2) a summary of the number of claims liquidated and the average amount paid; (3) the amount of investment income earned by the Trust; and (4) the amount of expenses incurred by the Trust.

This report begins by providing the Court a general background of the Trust; it then provides a summary of the claims disposed of during the Reporting Period, as well as a summary of the financial information required by the Trust Agreement. Last, this report summarizes the significant issues affecting the Trust during the Reporting Period and the actions the Trustees took in response to those issues.

II. BACKGROUND

On July 29, 1982, UNR Industries and ten of its affiliates filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code. On June 2, 1989, this Court entered an order confirming the Consolidated Plan of Reorganization for UNR Industries, Inc. Pursuant to the

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/4

plan, the UNR Asbestos-Disease Claims Trust (the "**Trust**") assumed UNR's liabilities resulting from all asbestos related disease claims, present and future. On February 25, 1990, the plan of reorganization became effective when the original Trustees signed the Trust Agreement.

As set forth in the Trust Agreement, the purpose of the Trust is to use its assets to pay *bona fide* asbestos disease claims in accordance with the Asbestos-Disease Claims Resolution Procedures, as amended ("**Claims Resolution Procedures**").

A. Trustees

As reported in the annual report for the year ended December 31, 2005, the Trust Agreement was amended to allow for only two Trustees. The current Trustees are Michael E. Levine of Woodbridge, Connecticut and Alison Overseth of New York, New York.

The Trust Agreement provides that a Trustee must retire as of December 31st of the year in which his or her 70th birthday occurs. Trustee Levine turned 70 in 2011. On August 31, 2011, by unanimous consent, the remaining Trustee and members of the Trust Advisory Committee extended Trustee Levine's term for an additional year.

B. Trustees' Advisory Committee

Article 6 of the Trust Agreement provides for a Trustees' Advisory Committee, which consists of three members who are all well experienced asbestos plaintiffs' lawyers: Gene Locks of Philadelphia, Pennsylvania; Robert Steinberg of Los Angeles, California; and Stanley Levy of New York, New York. The Trust Agreement requires the Trustees to consult with, and on certain matters to obtain the consent of, the Trustees' Advisory Committee. The Trustees' Advisory Committee attends all regularly scheduled meetings of the Trustees. Effectively, this committee acts as a representative body for the beneficiaries of the Trust.

UNR Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 14114 · Page 5 of 40
Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/5

C. Claims Processing

Shortly after the Trust's inception, the Trustees established a claims processing facility in North Aurora, Illinois, hired administrative staff, and created systems to process asbestos disease claims. From 1990 to 1998, the Trust utilized its claims facility to process asbestos disease claims in accordance with the Claims Resolution Procedures. On April 16, 1998, the Trust and Eagle-Picher Industries Personal Injury Settlement Trust formed the Claims Processing Facility ("**CPF**"), a corporation operating on a cooperative basis (within the meaning of Section 1381(a)(2) of the Internal Revenue Code). Until 2006, CPF processed the asbestos claims of both trusts on a user-based cost sharing arrangement.

During 2006, as claim filings continued to decrease, the economies of scale derived from cost-sharing decreased as well, and the UNR Trust's cost to process claims as a cost-sharing member of CPF rose considerably. As reported in the annual report for the period ending December 31, 2006, during 2006 the UNR Trust determined that to continue low cost claim processing, it was necessary to withdraw as a member of CPF and after reviewing proposals from claims processing organizations, the Trust entered into a new claims processing agreement with CPF to process claims on a contractual basis at a much lower fixed cost than what the Trust would have incurred as a member of CPF. The CPF continues to provide those services along with certain administrative services, and also provides necessary administrative office space.

III. SUMMARY OF CLAIMS DISPOSED

Pursuant to Article 3.02(d)(ii)(a) of the Trust Agreement, the Trustees are required to include in their annual report to the Court the total number of asbestos claims liquidated during the Reporting Period and the average amount paid. During the Reporting Period, the Trust paid 1,302 claims for a total amount of $1,228,564; with adjustments, total paid settlements amounted

UNR Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 14114 · Page 6 of 40
Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/6

to $1,228,565. (Summary of 2011 Payments, attached as Exhibit 1.[1]) Since its inception, the Trust has paid 309,021 actual claims for a total amount of $264,614,473. (Claims Status Report, as of December 31, 2011, attached as Exhibit 2.) Since its inception, the Trust has paid, or otherwise disposed of, 444,108 claims.

A. Option 1

The Claims Resolution Procedures provide claimants with three alternatives when filing claims with the Trust. Option 1 allows claimants to opt to receive a fixed and discounted payment, made expeditiously, rather than a delayed but potentially higher payment after an individualized review of their claim. Moreover, Option 1 permits claimants with non-malignant conditions to reserve the right to file a new claim with the Trust should they develop a future asbestos-related malignancy. The Trust implemented a claims processing moratorium in 2001 that continued through the first half of 2002 (as reported in the 2002 annual report); thereafter, Option 1 was and remains suspended (also, as reported in the 2002 annual report). As a result, no Option 1 claims were filed, processed or paid during the Reporting Period. Since its inception, however, the Trust has disposed of 239,145 Option 1 claims; of those, 188,407 claims were paid, for a total amount of $84,184,850.

B. Option 2

The Claims Resolution Procedures also offer claimants the option of requesting an individualized review, called Option 2. These claims are processed based on a more detailed examination of exposure, loss, and injury. Payments made under Option 2 are for a percentage

[1] This report also includes second payments on those claims that chose the two-payment plan and therefore, the total number of claims will differ from the actual number of new claims paid during the Reporting Period.

UNR Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 14114 · Page 7 of 40
Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/7

of the total value of the claim (calculated based on the Payment Percentage[2] set by the Trustees), and are received either in two installments or a single, discounted payment, at the claimant's option. Claimants settling under this option must release all past, present, and future claims.

During the Reporting Period, the Trust paid 1,302 Option 2 claims (including second payments), for a total amount of $1,228,564; with adjustments, total paid settlements amounted to $1,228,564. (Summary of 2011 Payments, attached as Exhibit 1). Since its inception, the Trust has disposed of 186,749 Option 2 claims. Of those, 120,614 claims were paid for a total amount of $180,429,623. (Claims Status Report, attached as Exhibit 2). As of December 31, 2011, the inventory of unprocessed Option 2 claims was 73.

C. Option 3

Under the Claims Resolution Procedures claimants may also elect to defer consideration of their claim. This option tolls the statute of limitations and provides the claimant more time to select the discounted cash payment (if available) or the individualized review option. Only 39 Option 3 claims remained in inventory as of December 31, 2011.

IV. FINANCIAL INFORMATION

A. Financial Statements

Pursuant to Article 3.02(d)(i) of the Trust Agreement, the Trustees are required to submit audited financial statements that include a statement of operations for the fiscal year. Attached as Exhibit 4, are the Special Purpose Audited Financial Statements and Other Financial

[2] Under the express terms of the Trust's Claims Resolution Procedures, adopted as part of the plan of reorganization, the Trustees must attempt to pay all claimants, both present and future, equally. To the extent this can be accomplished, the Trustees do so by adjusting the percentage **(the "Payment Percentage")** the Trust pays of the value of a claim. These adjustments to the Payment Percentage reflect the Trust's updated projections of available cash flow from Trust assets and updated projections of total claim liabilities and administrative expenses. The rise in claim filings and the resulting rise in projected claim liabilities, coupled with changes in value of Trust assets, have resulted in the Trust's reduction of the Payment Percentage in the following increments in recent years: reduced from 18.6% to 12.9% (November 1998); reduced from 12.9% to 7.5% (November 2000); reduced from 7.5% to 0.9% (July 2002); increased from 0.9% to 1.1% on July 1, 2008; increased from 1.1% to 1.24% on March 15, 2010; decreased from 1.24% to 0.82% on March 17, 2011.

UNR Asbestos Trust Annual Reports, 2011 annual report Published by AsbestosClaims.Law
ACL Doc 14114 · Page 8 of 40 asbestosclaims.law/library/14114/8

Information for the Year ended December 31, 2011 prepared by Sikich, the Trust's independent auditors, on February 24, 2012.

B. Investment Income

Pursuant to Article 3.02(d)(ii)(c) of the Trust Agreement, the Trustees are required to report on the amount of investment income earned by the Trust. As set forth in the audited financial statements, attached hereto in Exhibit 4, the Trust earned $310,383 in net investment income in 2011. These funds are invested in fixed income securities. A summary of these investments is contained in the Portfolio Summary prepared by Neuberger Berman, attached hereto in Exhibit 3.

C. Expenses

Pursuant to Article 3.02(d)(ii)(d) of the Trust Agreement, the Trustees are required to report on the amount of expenses incurred by the Trust. During the Reporting Period the Trust's operating expenses totaled $445,583. The breakdown of these expenses is detailed in the supplemental schedule to the financial statements, attached hereto in Exhibit 4.

V. EVENTS DURING THE REPORTING PERIOD

A. Consideration of the Payment Percentage

During the Reporting Period, the Trustees, with the consent of the TAC members, tasked the Trust's claims processing advisor, ARPC, with updating the current cash flow forecast. On March 17, 2011, based on that update and resulting recommendation of ARPC and Trust counsel, the Trustees determined to decrease the Option 2 Payment Percentage from 1.24% to 0.82%.

UNR Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 14114 · Page 9 of 40
Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/9

B. Amendment to Trust Agreement Re: Investment Guidelines

Also during the Reporting Period, the Trustees upon the recommendation of the Trust's investment advisor, contemplated revising the Trust's investment guidelines due to today's challenging investment environment. Although Section 7.03 of the Trust Agreement grants the Trustees the authority to amend most provisions of the Trust Agreement upon consultation with the Trust Advisory Committee, amendments to Section 4.02 are specifically excluded from that grant of authority and require Court approval.

On February 6, 2012, the Trustees filed a motion with the Court for approval of an amendment to Section 4.02 of the Trust Agreement. This motion and accompanying notice of hearing was served on those parties receiving service of this annual report as well as any law firm that has filed a claim with the Trust on behalf of a claimant within the past three years. By order dated February 14, 2012, the Court approved the Amendment to Section 4.02 of the Trust Agreement. The amendment allows for relaxed limitations on the Trust's investment in (i) long term debt securities (reducing the minimum rating from AA to BBB), (ii) commercial paper (reducing the minimum rating from A-1 to A-2), and (iii) preferred stock (reducing the minimum rating from AA to BBB) and should result in a positive return on short duration, fixed income investments.

Members of the Trust Advisory Committee unanimously approved and adopted the Third Amended and Restated UNR Asbestos-Disease Claims Trust Agreement, effective February 14, 2012.

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/10

DATED: 3/19/12

Michael E. Levine

4270120.1

UNR Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 14114 · Page 11 of 40
Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/11

EXHIBIT 1

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/12

UNR ASBESTOS-DISEASE CLAIMS TRUST
SUMMARY OF PAYMENTS MADE ON SETTLEMENTS IN 2011

EX 1

	Number of Claims Paid	Amount Paid
Checks issued net of returns:		
Option 1		$ -
Option 2	1,302	1,228,564.00
Total	1,302	$ 1,228,564.00
LESS:		
2011 voided checks		0.00
2011 credits not posted		0.00
ADD:		
Adjustment		1.00
Net payments made on settlements in 2011		$ 1,228,565.00

PymntSum11 (2).xlsx

EXHIBIT 2

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/14

UnrClaimsStatus20111231.xls

EXHIBIT 2

UNR ASBESTOS-DISEASE CLAIMS TRUST

CLAIMS STATUS AS OF

12/31/2011

	Option 1			Option 2			Option 3	Total		
	Number	Amount	Avg/Claim	Number	Amount	Avg./Claim	Number	Number	Amount	Avg./Claim
Total Claims Filed	239,145			186,822			18,253	444,220		
Claims Disallowed/Withdrawn	44,865			59,993			18,214	123,072		
Claims Awaiting Disposition	0			261				261		
Claims With Offers Made	188,407	$84,184,850	$447	121,131	$205,063,437	$1,693		309,538	$289,248,287	$934
Offers Abandoned	5,873	$2,596,100	$442	5,364	$1,224,548	$228		11,237	$3,820,648	$340
Total Claims Processed	239,145			186,749			18,214	444,108		
Offers Made and Outstanding	0	$0	$0	466	$519,355	$1,114		466	$519,355	$1,114
Offers Made and Accepted	188,407	$84,184,850	$447	120,665	$180,753,517	$1,498		309,072	$264,938,367	$857
Value of Discount on 70% Offers Accepted					$23,790,565	$197			$23,790,565	$77
Claims Paid	188,407	$84,184,850	$447	120,614	$180,429,623	$1,498		309,021	$264,614,473	$857
Value of Outstanding Op. 2 ,2nd Payments					$237,842				237,842	
Claims Pending	0			73			39	112		

EXHIBIT 3

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/16

EX 3

Client Statement

NEUBERGER | BERMAN

For the period 12/01/2011 to 12/30/2011

UNR ASBESTOS-DISEASE CLAIMS
TR - MICHAEL LEVINE, CHAIRMAN
ALISON OVERSETH, TRUSTEE

JPMCC Account: 541-18988 E99
Base Currency: USD
NB Account Number: 550-00929

Account Summary

	Opening Balance[5][14]	Closing Balance[5]	Cost Basis[1][4][9]	Estimated Annual Income[6] Amount	% Yield[10]
CASH EQUIVALENT	1,189,665.79	120,200.00	120,200.00	0.00	0.00
CORPORATE BONDS	1,535,716.50	1,524,885.35	1,587,108.90	57,197.32	3.29
MUNICIPAL BONDS	11,203,477.05	11,996,614.30	11,920,670.16	540,615.00	0.64
ACCRUED INTEREST	142,784.64	154,613.47	154,613.47	0.00	0.00
TOTAL VALUE	**14,071,643.98**	**13,796,313.12**	**13,782,592.53**	**597,812.32**	**4.33**

Account Composition

	% of Portfolio
CASH EQUIVALENT	0.88
CORPORATE BONDS	11.18
MUNICIPAL BONDS	87.94

Y-T-D Market Value Change Summary[13]

PREVIOUS YEAR ENDING VALUE	15,145,465.00
NET DEPOSITS AND WITHDRAWALS	(1,499,000.00)
INCOME AND EXPENSE ITEMS (NET)	610,756.31
NET CHANGE IN ASSET VALUE	(460,908.19)
CURRENT PERIOD ENDING VALUE	13,796,313.12

Income Summary[7]

	This Month	Year-To-Date
MONEY MKT. FUND DIVIDENDS	0.00	71.37
TAXABLE BOND INT.	6,180.21	35,746.41
NON TAXABLE MUNI INT	44,020.00	621,991.04
ACCRUED INT PURCH.	(12,800.00)	(54,946.67)

Y-T-D Net Realized Gains/Losses[2][3][4]

TOTAL LONG TERM	(39,998.45)
TOTAL SHORT TERM	(5.76)

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/17

EXHIBIT 4

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/18

UNR ASBESTOS-DISEASE CLAIMS TRUST

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT

For the Years Ended
December 31, 2011 and 2010

Sikich
Certified Public Accountants & Advisors

CONTENTS

	Page(s)
INDEPENDENT AUDITOR'S REPORT	3-4
FINANCIAL STATEMENTS	
Special-Purpose Statements of Net Claimants' Equity	5
Special-Purpose Statements of Changes in Net Claimants' Equity	6
Special-Purpose Statements of Cash Flows	7
Notes to Special-Purpose Financial Statements	8-15
SUPPLEMENTARY INFORMATION	
INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION	16
Special-Purpose Schedules of Operating Expenses	17

UNR Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 14114 · Page 20 of 40
Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/20

Certified Public Accountants & Advisors

Sikich®

1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

Members of American Institute of
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Trustees
UNR Asbestos-Disease Claims Trust
Naperville, Illinois

We have audited the accompanying special-purpose statements of net claimants' equity of UNR Asbestos-Disease Claims Trust (the Trust) as of December 31, 2011 and 2010, and the related special-purpose statements of changes in net claimants' equity and cash flows for the years then ended. These financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Trust's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

As described in Note 2, the accompanying special-purpose financial statements have been prepared for the purpose of complying with, and on the basis of accounting practices specified in, Section 3.02(d) of the Trust Agreement dated February 23, 1990, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the accompanying special-purpose financial statements referred to above present fairly, in all material respects, the net claimants' equity of the Trust at December 31, 2011 and 2010, and its changes in net claimants' equity and cash flows for the years then ended, on the basis of accounting described in Note 2.

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/21

This report is intended solely for the use of management of the Trust, the Trustees, the beneficiaries of the Trust, and the United States Bankruptcy Court for the Northern District of Illinois, and should not be used for any other purpose.

Naperville, Illinois
February 24, 2012

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/22

FINANCIAL STATEMENTS

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/23

UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE STATEMENTS OF NET CLAIMANTS' EQUITY

December 31, 2011 and 2010

	2011	2010
ASSETS		
Cash and cash equivalents	$ 164,490	$ 888,945
Investments	13,521,500	14,147,502
Interest and other receivables	154,614	166,032
TOTAL ASSETS	$ 13,840,604	$ 15,202,479
LIABILITIES AND NET CLAIMANTS' EQUITY		
LIABILITIES		
Settled but unpaid claims	$ 323,894	$ 528,985
Accrued expenses	35,152	32,078
Total liabilities	359,046	561,063
NET CLAIMANTS' EQUITY	13,481,558	14,641,416
TOTAL LIABILITIES AND NET CLAIMANTS' EQUITY	$ 13,840,604	$ 15,202,479

See accompanying notes to financial statements.

UNR Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 14114 · Page 24 of 40
Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/24

UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE STATEMENTS OF
CHANGES IN NET CLAIMANTS' EQUITY

For the Years Ended December 31, 2011 and 2010

	2011	2010
ADDITIONS IN NET ASSETS ATTRIBUTED TO		
Net investment income	$ 310,383	$ 476,933
Realized loss on investments	(147,771)	(672,543)
Unrealized gain on investments	33,651	311,978
Filing fee revenue	117,400	141,811
Recovery on ROHN stock	106,886	-
Total additions	420,549	258,179
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Claims settled	1,023,474	1,475,082
Operating expenses	445,583	269,452
Claims-processing expense	111,350	117,058
Total deductions	1,580,407	1,861,592
NET DECREASE	(1,159,858)	(1,603,413)
NET CLAIMANTS' EQUITY, BEGINNING OF YEAR	14,641,416	16,244,829
NET CLAIMANTS' EQUITY, END OF YEAR	$ 13,481,558	$ 14,641,416

See accompanying notes to financial statements.

UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2011 and 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Investment income	$ 602,900	$ 668,075
Filing fee received	117,400	141,811
Operating expenses	(434,009)	(274,707)
Claims paid	(1,228,565)	(1,136,916)
Claims-processing expense	(119,850)	(107,958)
Net cash from operating activities	(1,062,124)	(709,695)
CASH FLOWS FROM INVESTING ACTIVITIES		
ROHN stock recovery	106,886	-
Investment maturities and sales	5,309,150	15,070,548
Investment purchases	(5,078,367)	(14,241,860)
Net cash from investing activities	337,669	828,688
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(724,455)	118,993
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	888,945	769,952
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 164,490	$ 888,945

See accompanying notes to financial statements.

UNR ASBESTOS-DISEASE CLAIMS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

December 31, 2011 and 2010

1. DESCRIPTION OF THE TRUST

The UNR Asbestos-Disease Claims Trust (the Trust) was established on February 23, 1990, pursuant to the Consolidated Plan of Reorganization (the Plan) for UNR Industries, Inc. (UNR). The Trust assumed UNR's liabilities resulting from Asbestos-Disease Claims involving (i) individuals exposed to asbestos who have manifested asbestos-related diseases or conditions, (ii) individuals exposed to asbestos who have not yet manifested asbestos-related diseases or conditions, and (iii) certain third-party asbestos-related claims against UNR for indemnification or contribution. When formed, the Trust received 29,437,004 shares of UNR common stock, representing 64% of the then-outstanding shares of such stock. On December 17, 1997, the shareholders of UNR approved the change in the name of UNR to ROHN Industries, Inc. (ROHN).

The purpose of the Trust is to use the assets of the Trust, not otherwise reserved, to pay bona fide Asbestos-Disease Claims, in accordance with the provisions set forth in the Asbestos-Disease Claims Resolutions Procedures.

The Trustees of the Trust are responsible for supervising and administering the Asbestos-Disease Claims resolution process. The Trust funds its operations and the settlement of Asbestos-Disease Claims in accordance with the Plan. On April 16, 1998, the Trust and Eagle-Picher Industries Personal Injury Settlement Trust (EP) formed Claims Processing Facility, Inc. (CPF), a corporation operating on a cooperative basis (within the meaning of Section 1381(a)(2) of the Internal Revenue Code of 1986, as amended). In 1998, the Trust sold an undivided 80% interest in the Trust's claim-processing facility and related assets (the Facility) to EP for $2,000,000. Concurrently, both the Trust and EP contributed their respective ownership in the Facility to CPF in exchange for one-half of CPF's authorized capital stock (150 shares of common stock each). In addition, the Trust entered into a contract with CPF (the Agreement) to receive at-cost claim-processing services. On March 20, 2006, the Trust gave CPF formal notice of its decision to terminate the Agreement so that the Trust could pursue fixed cost contract processing. Pursuant to the terms of the Agreement, the termination originally scheduled for September 20, 2006, six months following the date of the notice, was later amended to September 30, 2006, for accounting reasons. The shares of CPF common stock held by the Trust were canceled on March 28, 2007. The Trust then entered into a claim processing and trust services agreement (the Contract) with CPF whereby CPF would continue to process UNR claims and provide administrative services to the Trust, effective October 1, 2006, for a term ending on December 31, 2008. The Contract was subsequently renewed for a term ending on December 31, 2012.

UNR Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 14114 · Page 27 of 40
Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/27

2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trustees to comply with, and on the basis of accounting practices specified in, Section 3.02(d) of the Trust Agreement. These methods differ from accounting principles generally accepted in the United States of America (GAAP). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the amount of equity available for beneficiaries. Since the accompanying financial statements and transactions are not based upon GAAP, accounting treatment by other parties to these same transactions may differ as to timing and amount. These special-purpose accounting methods include the following:

a. Net claimants' equity represents funds available to pay Asbestos-Disease Claims that have been submitted but not processed or not yet submitted. Trust expenses are also paid from net claimants' equity. Under GAAP, net claimants' equity would be reduced for estimates of amounts to be paid for claims that have been submitted but not processed or not yet submitted.

b. Investments in securities are stated at fair values as determined from quoted market prices.

c. Income tax expense or benefit is recorded as incurred in the period in which certain income and expenses affect current federal income taxes payable. Under GAAP, the provision for income tax expense is based upon income reported for financial statement purposes and includes deferred taxes.

d. Operating expenses include contract fees paid to CPF under the Contract.

e. Claims settled represent the accrual for signed releases returned for payment and approved during the year. Claims settled are also impacted by the effect of any change in the option 2 claim payment percentage on the liability for settled but unpaid claims. On April 1, 2010, the claim payment percentage was increased from 1.1% to 1.24%. Effective March 17, 2011, the payment percentage decreased from 1.24% to 0.82% and remained at 0.82% through December 31, 2011.

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/28

2. BASIS OF ACCOUNTING AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid instruments with original maturities of three months or less when purchased.

Investments

Investment income is recognized when earned and gains and losses on sales are determined by specific identification.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible changes in the value of investment securities will occur in the near term and such change could be material in amount.

Fair Value Measurements

The Trust follows the authoritative guidance issued by the Financial Accounting Standards Board (FASB) which defines fair value, establishes a framework for measuring fair value by providing a hierarchy used to classify the source of the information measuring fair value, and expands disclosures about fair value measurements. Assets and liabilities carried at fair value are classified and disclosed in one of the following categories:

Level 1: Quoted market prices in active markets for identical assets or liabilities.
Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
Level 3: Unobservable inputs that are not corroborated by market data.

The fair value of investment in U.S. Government, state, and municipal obligations is estimated by reference to fair values for similar securities or by discounting cash flows at an appropriate risk rate taking into consideration the varying degrees of risk specific to each financial asset.

UNR Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 14114 · Page 29 of 40
Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/29

3. INVESTMENTS

All investments are fixed income securities generally rated in the top two tiers by Standard & Poor's Corporation or Moody's Investor Services. The average maturity of this portfolio is less than two years. Investments at December 31 consist of:

	2011		2010	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
U.S. Government, state, and municipal obligations	$ 11,920,670	$ 11,996,614	$ 14,492,372	$ 14,147,502
Corporate bonds	1,587,109	1,524,886	-	-
TOTAL INVESTMENTS	$ 13,507,779	$ 13,521,500	$ 14,492,372	$ 14,147,502

For 2011 and 2010, amortization of bond discount totaled $281,100 and $225,921, respectively.

Fair value measurements recorded on a recurring basis at December 31, 2011 were as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
U.S. Government, state, and municipal obligations				
AAA	$ -	$ 2,360,018	$ -	$ 2,360,018
AA+	-	3,616,058	-	3,616,058
AA	-	2,572,826	-	2,572,826
AA-	-	1,420,736	-	1,420,736
A+	-	881,514	-	881,514
A	-	537,545	-	537,545
N/R	-	607,917	-	607,917
Total U.S. Government, state, and municipal obligations	-	11,996,614	-	11,996,614

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/30

3. INVESTMENTS (Continued)

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Corporate bonds				
AAA	$ -	$ 236,734	$ -	$ 236,734
AA+	-	625,517	-	625,517
AA	-	225,705	-	225,705
AA-	-	436,929	-	436,929
Total corporate bonds -	-	1,524,885	-	1,524,885
TOTAL INVESTMENTS	$ -	$ 13,521,499	$ -	$ 13,521,499

Fair value measurements recorded on a recurring basis at December 31, 2010 were as follows:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
U.S. Government, state, and municipal obligations				
AAA	$ -	$ 5,309,998	$ -	$ 5,309,998
AA+	-	3,079,154	-	3,079,154
AA	-	4,586,633	-	4,586,633
AA-	-	1,171,717	-	1,171,717
TOTAL INVESTMENTS	$ -	$ 14,147,502	$ -	$ 14,147,502

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/31

4. INVESTMENT IN ROHN STOCK

As of January 1, 2009, the Trust owned 22,556,558 shares of ROHN common stock. In prior years, the investment in ROHN has been accounted for at fair value since the objective of the accompanying financial statements is to disclose the equity available over the life of the Trust for current and future claimants.

On September 16, 2003, ROHN and certain direct and indirect subsidiaries filed voluntary petitions for relief under Chapter 11 of Title 11 of the United States Code in the United States Bankruptcy Court for the Southern District of Indiana (the Bankruptcy Court). With the approval of the Bankruptcy Court, on December 8, 2003, the debtor sold substantially all the assets of the estate to Radian Communications Service Corporation. The sale included the rights to the name "ROHN Industries, Inc." and thus the debtor in bankruptcy is now known as Frankfort Tower Industries, Inc. On November 23, 2004, the Bankruptcy Court confirmed a plan of liquidation (the Liquidation Plan) of the Frankfort Tower Industries, Inc. bankruptcy estate.

The value of the share, therefore, depended on the future value of residual assets, including the value, if any, of any assets owned by any ROHN entities that are not party to the bankruptcy filing, the amount of unsecured claims allowed, and the costs incurred (including administrative claims) between then and when the bankruptcy concluded. The Liquidation Plan provided equity holders with the right to receive distributions under the Liquidation Plan should all prior classes be paid in full. On December 13, 2007, the Bankruptcy Court approved a settlement between the estate and other parties whereby the estate obtained a significant recovery. On December 30, 2008, the Bankruptcy Court ordered that any excess funds in the estate should be distributed to equity holders. In July of 2009, the Trust received a distribution from the estate of $685,102 on account of its equity interest and in December of 2009 a final payment of $218,237. Following these payments, the Bankruptcy Court issued a Final Decree declaring the estate fully administered and closing the bankruptcy. Pursuant to the Final Decree and prior orders of the Bankruptcy Court, the Trust's equity interest has been cancelled and any further interest the Trust might have in ROHN Industries, Inc. and/or Frankfort Tower Industries, Inc. has been terminated. Subsequent to these actions, an insurance issue that arose during the matter between the estate and certain parties, referenced above, has resulted in an additional payment of $278,000 to the estate. A motion was filed to pay this money to stockholders on a pro-rata basis. During the year ended December 31, 2011, a distribution of $106,886 representing the Trust's share of this amount was received. Consequently, at December 31, 2011 and 2010, the investment in ROHN stock continues to show no carrying value in the accompanying special-purpose financial statements.

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/32

5. INCOME TAXES

The Trust follows authoritative guidance issued by the FASB that clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements and prescribes a recognition threshold of more-likely-than-not to be sustained upon examination. Measurement of the tax uncertainty occurs if the recognition threshold has not been met. This guidance also addresses derecognition, classification, interest and penalties, disclosure, and transition.

The Trust has elected to be treated as a Qualified Settlement Fund under the Internal Revenue Code and Regulations. As a result, the Trust is subject to federal income taxes based on modified gross income. The Trust has applied for, but not yet received, a private tax determination letter ruling from the State of Illinois. In the opinion of management, the Trust is not subject to state income taxes and, therefore, the special-purpose financial statements do not include any provision or liability for state income taxes. In the normal course of business, the Trust is subject to examination by taxing authorities. The Trust's tax returns for years subsequent to fiscal 2007 are open, by statute, for review by authorities. However, at present, there are no ongoing income tax audits or unresolved disputes with the tax authorities that the Trust currently files or has filed with.

There was no income tax expense for the years ended December 31, 2011 and 2010. The effective income tax rate for the Trust differs from the statutory federal rate of 35% because no tax benefit is recorded for any amount that cannot be realized from taxes previously paid or the amount of any deferred tax assets, the realization of which is not reasonably certain.

6. NET CLAIMANTS' EQUITY

Since inception and through December 31, 2011, the Trust has received approximately 444,000 Asbestos-Disease Claims. The ultimate number of such claims to be filed and the liability for all such claims is not determinable at this time; thus, no corresponding liability has been recorded in the accompanying special-purpose financial statements other than for those claims settled but unpaid. The net claimant's equity balance represents current funding available for all current and future claimants for which no fixed liability has been established.

UNR Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 14114 · Page 33 of 40
Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/33

7. TRUSTEES' LIABILITY INSURANCE

Based on the Trust's accounting policy to expense any assets which will not be available to pay future Asbestos-Disease Claims, Trustees' liability insurance premiums are not capitalized. During the year ended December 31, 2011, the Trust paid $65,000 for director's and officer's insurance for the policy period expiring on March 31, 2013. Also, because of the withdrawal from the CPF as a member of the cooperative, it was necessary for the Trust to purchase run-off D&O coverage to protect against claims for prior acts while UNR Trustees were serving in the capacity of CPF Board members. Therefore, a policy with the then existing limits of liability, $7,500,000 (aggregate limit), has been purchased for a term of six years for a single premium of $24,209. The run-off insurance expires September 30, 2012.

8. TRUSTEES' ADVISORY COMMITTEE

As noted in the Trust Agreement, the Trustees' Advisory Committee (TAC) shall provide consultative services to the Trustees regarding critical issues affecting the Trust. In addition, certain trust administration issues require the consent of the TAC before the Trustees can implement any action on behalf of the Trust.

TAC fees were $0 in 2011 and 2010. The TAC does not receive fees for any consulting services.

9. SUBSEQUENT EVENTS

The Trust has evaluated subsequent events through February 24, 2012, which was the date that these financial statements were available for issuance, and determined that there were no significant nonrecognized subsequent events through that date.

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/34

SUPPLEMENTARY INFORMATION

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/35

Sikich®

Certified Public Accountants & Advisors

Members of American Institute of Certified Public Accountants

1415 W. Diehl Road, Suite 400 • Naperville, IL 60563

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

Board of Trustees
UNR Asbestos-Disease Claims Trust
Naperville, Illinois

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental special-purpose schedules of operating expenses, referred to as supplemental information, are presented for the purpose of additional analysis and are not a required part of the basic financial statements. This supplemental information is the responsibility of the Trust's management. The supplemental information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Sikich LLP

Aurora, Illinois
February 24, 2012

UNR Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 14114 · Page 36 of 40
Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/36

UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE SCHEDULES OF OPERATING EXPENSES

December 31, 2011 and 2010

	2011	2010
Legal fees	$ 58,304	$ 16,756
Trustee fees and expenses	110,332	106,319
Consulting fees and expenses	162,943	112,063
Investment management fees	46,394	30,713
General and administrative	822	1,522
Insurance	66,788	2,079
TOTAL OPERATING EXPENSES	$ 445,583	$ 269,452

(See independent auditor's report.)

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/37

EXHIBIT B

Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/38

UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DISTRICT

In Re:	)	In Proceedings for a Reorganization
	)	Under Chapter 11 of the Bankruptcy
UNR INDUSTRIES, INC., UNARCO INDUSTRIES,	)	
INC., UNR, INC., UNR-ROHN, INC. (Alabama),	)	Nos. 82 B 9841-9845
UNR-ROHN, INC. (Indiana), JOBAL TUBE CO.,	)	82 B 9847
INC., UNR PRODUCTS, INC., AND FOLDING	)	82 B 9849 and
CARRIER CORP.	)	82 B 9851
	)	
Debtors.	)	Judge Eugene R. Wedoff

ORDER APPROVING
ANNUAL REPORT, SUMMARY OF CLAIMS DISPOSED,
FINANCIAL STATEMENTS, AND ACCOUNT OF THE TRUSTEES
OF THE UNR ASBESTOS-DISEASE CLAIMS TRUST
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2011

Upon the Annual Report, Summary of Claims Disposed, Financial Statements, and Account of the Trustees of the UNR Asbestos-Disease Claims Trust for the Fiscal Year Ended December 31, 2011 and accompanying audited financial statements dated February 24, 2012 ("**Annual Accounting**") and in accordance with Article 7.14 of the Trust Agreement;

WHEREAS, Michael E. Levine and Alison Overseth, collectively, as Trustees of the UNR Asbestos-Disease Claims Trust, ("**the Trustees**") have provided proper notice of the Annual Accounting in accordance with the orders of this Court, and

WHEREAS, a hearing on the Annual Accounting was held by this Court on the 15th day of May, 2012, and

WHEREAS, no objections to the Annual Accounting have been filed with this Court;

AND, after due deliberation and sufficient cause appearing therefore,

IT IS HEREBY ORDERED, that the Annual Accounting is judicially settled, approved and allowed as filed; and it is further

ORDERED, that the Trustees be and each of them hereby is released and discharged from any and all future liability or responsibility to any person holding an Asbestos-Disease claim or any person as to all matters embraced in the Annual Accounting or this Order.

Dated: May 15, 2012

Honorable Eugene R. Wedoff
United States Bankruptcy Judge

4287387.1

UNR Asbestos Trust Annual Reports, 2011 annual report
ACL Doc 14114 · Page 40 of 40
Published by AsbestosClaims.Law
asbestosclaims.law/library/14114/40