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, 2014

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2 Claims Status Report as of December 31, 2014

3 Trust Asset and Management Statement as of December 31, 2014

4 Audited Financial Statements as of December 31, 2014

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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, 2014 ("**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, 2014 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

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.

B. ***Trustees' Advisory Committee***

Article 6 of the Trust Agreement provides for a Trustees' Advisory Committee (the "**TAC**"), 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 TAC. The TAC attends all regularly scheduled meetings of the Trustees. Effectively, this committee acts as a representative body for the beneficiaries of the Trust.

C. ***Claims Processing***

Shortly after the Trust's inception, the Trustees established a claims processing facility in 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-

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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-owner 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-owner 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 an owner 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 314 claims, for a total amount of $270,548; with adjustments, total paid settlements amounted to $270,527. (Summary of 2014 Payments, attached as Exhibit 1.[1]) Since its inception, the Trust has paid 310,645 actual claims for a total amount of $266,366,512. (Claims Status Report, as of

[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.

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December 31, 2014, attached as Exhibit 2.) Since its inception, the Trust has paid, or otherwise disposed of, 446,301 claims.

A. *Option 1*

The Claims Resolution Procedures provided claimants with three alternatives when filing claims with the Trust. Option 1 allowed 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 permitted 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 suspended (also, as reported in the 2002 annual report) until October 15, 2014, when the option was eliminated all together. 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; and of those, 188,407 claims were paid for a total amount of $84,182,950.

B. *Individualized Review [Formerly Option 2]*

The Claims Resolution Procedures were amended on October 2, 2014 (*See* Second Amended UNR Asbestos-Disease Claims Resolution Procedures at www.cpf-inc.com/unr-trust/) eliminating Options 1 and 3, announced by notice dated October 15, 2015. Accordingly, only Option 2, now referred to as Individualized Review ("IR"), remains as a means to process claims. IR claims are processed based on a more detailed examination of exposure, loss, and injury. Payments made are for a percentage of the total value of the claim (calculated based on

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the Payment Percentage[2] set by the Trustees). Claimants may opt to either receive payment in two installments or a single, discounted payment. Claimants settling IR claims must release all past, present, and future claims.

During the Reporting Period, the Trust paid 314 IR claims (including second payments), for a total amount of $270,548; with adjustments, total paid settlements amounted to $270,527. (Summary of 2014 Payments, attached as Exhibit 1). Since its inception, the Trust has disposed of 188,917 IR claims. Of those, 122,238 claims were paid for a total amount of $182,183,562. (Claims Status Report, attached as Exhibit 2). As of December 31, 2014, the inventory of unprocessed IR claims was 31.

C. *Option 3*

Under the Claims Resolution Procedures claimants were able to elect to defer consideration of their claim. This option tolled the statute of limitations to provide the claimant more time to select the discounted cash payment (if available) or the IR. As indicated above, Option 1 and Option 3 have been eliminated. As of December 31, 2014, 73 Option 3 claims remained in inventory Claimants were advised that these claims must be converted to IR by January 15, 2015 or they would be considered withdrawn. This process has since been completed, and as of the date of this report, no Option 3 claims remain.

[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, and increased to 1.38% on October 15, 2014.

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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 Information for the Year ended December 31, 2014 prepared by Sikich, the Trust's independent auditors dated February 23, 2015.

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 as Exhibit 4, the Trust earned $186,276 in net investment income in 2014. 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 as 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 $463,819. 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. *Future Duration of the Trust, Claims Moratorium and Motion for Instruction*

The Court recently approved a Motion for Instruction filed by the Trust. Pursuant to that instruction, the Trustees expect to terminate the Trust in or about 2019. This termination is not

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premature nor is the Trust unexpectedly facing insolvency. Termination is an expected part of the life cycle of the Trust; it was contemplated at formation and is provided for in the Trust Agreement. As explained below, the Trustees sought instruction to resolve a legal issue concerning the timing of termination and the distribution of the funds remaining in the Trust.

The Trust is one of the oldest asbestos trusts. UNR discontinued manufacture and distribution of substantially all of its asbestos-containing products in 1962. (A small remaining line was discontinued in 1970.) It filed for relief under Chapter 11 of the Bankruptcy Code in 1982, and the Trust was created in 1990.

The Trust is a liquidating trust, designed to distribute its assets to beneficiaries. Thus, by design, the Trust will become "insolvent" at some point and terminate. Moreover, the Trust is a limited fund; the asbestos claims against UNR well exceeded the Trust's assets at the start.

Since 1990, the Trust has paid more than $266,300,000 to more than 310,600 claimants, and in total has disposed of more than 446,000 claims. This represents the overwhelming majority of claims that could be asserted against UNR. UNR ceased manufacturing most asbestos products more than 50 years ago and the Trust has paid claims for almost 25 years. The Trust projects that no more than 14,000 successful claims could be filed in the future, meaning that more than 95% of all the potential, valid claims against UNR have already been resolved by the Trust.

The Trust Agreement requires the Trustees to treat all claimants—present and future—as equally as practicable. Until 2013, the Trustees (in consultation with experts) set a Payment Percentage and reserved funds in an attempt to pay all present and projected claimants substantially equivalent amounts and, ideally, to eventually pay the last dollar in the Trust to the last remaining claimant. However, these ideals were never realizable. Fixed processing and

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other costs, as well as a dwindling number of projected claims, meant that the Trust could not literally continue operating until the last claim against UNR was identified. Thus, the Trust Agreement requires the Trustees to terminate the Trust once they determine that remaining claims are *de minimis* and/or that continued operation of the Trust is uneconomic or inimical to the best interests of its beneficiaries.

In April 2013, with the vast majority of claims already paid, and with the Trust's assets (as forecasted) mostly depleted, the Trustees instituted a claims moratorium. The Trustees then obtained new actuarial forecasts, which projected that, if the Trust continued to reserve funds in an attempt to pay all projected future claimants, the costs of operating the Trust soon would have significantly exceeded the *de minimis* payments that would be made to the relatively few remaining claimants. In other words, if the Trust continued to follow past practices, it would use most of its remaining funds to operate the Trust and process claims, rather than to pay claimants. The Trustees determined that under these circumstances it was or would soon be uneconomic to continue to operate the Trust with the goal of paying something to the very last claimant identified.

While the Trust's assets were relatively low compared to the assets it had distributed over the years, the remaining corpus was $11.5 million, a substantial sum. The Motion for Instruction concerned the most equitable way of disposing of that corpus. The literal terms of the Trust Agreement appeared to require the Trustees to either attempt to distribute it to all future claimants (which would result in most of the assets being consumed in processing and administrative costs) *or* to terminate the Trust within 90 days (which would require the Trustees to donate the entire remaining corpus to charity, thus depriving <u>any</u> future UNR claimant compensation).

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The Trustees sought to avoid this Hobson's choice the Trust Agreement presented by seeking an instruction from the Court that would permit them to terminate the Trust in or about 2019 and to distribute almost all remaining funds to beneficiaries in the interim. The Trustees projected that by terminating on a date in or about 2019, and increasing the Payment Percentage accordingly, the Trust would be able to pay approximately 5,000 of the approximately 14,000 remaining claims (meaning that, in total, the Trust will have paid more than 97% of all past and projected valid claims that could ever be filed).

The Trustees filed the Motion for Instruction on April 28, 2014. Before filing, in order to assure that as many potential beneficiaries as possible received notice, the Trustees sent a preliminary notice to each law firm that had filed ten or more claims with the Trust during the past three years and posted the same notice on the Trust's website. The Trust received no objections or other feedback. The Trust then served a copy of the filed Motion on those parties upon whom the Trust is required to serve the Trust's annual report. No objections were received and no parties appeared at the hearing to oppose the Motion.

On June 10, 2014, the Court preliminarily indicated that the Trust had provided sufficient notice of the Motion and that it would instruct the Trustees that they could amend the Claims Resolution Procedures to address the concerns raised in the Motion. The Trust then provided notice of that preliminary ruling by circulating a Proposed Order to those parties who are required to receive the Trust's annual report and to each law firm that had filed ten or more claims with the Trust during the past three years and by posting a copy of both documents on its webpage. Once again, no objections were received.

On June 25, 2014, at the second hearing on the Motion, the Court ruled that adequate notice had been provided and granted the Motion.

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B. *Amendment to Claims Resolution Procedures and Adjustment to Payment Percentage*

On October 15, 2014, pursuant to the Court's instruction, the Trustees adopted the Second Amended Claims Resolution Procedures (with the consent of the TAC). As explained in the introduction to the procedures, the amended procedures address the concerns raised in the Motion for Instruction by permitting the Trust to pay claims and reserve money under the assumption that the last claim will be paid on a termination date on or about 2019. Any small, remaining corpus thereafter will be donated to charity. As explained above in the Summary of Claims Disposed, the amended procedures also eliminated Options 1 and 3, and renamed Option 2 as Individualized Review. Medical and exposure criteria were also revised.

In addition, effective October 15, 2014, the Payment Percentage was increased from 0.82% to 1.38% for new claim filings and for those claims filed and approved during the moratorium but for which offers had not been extended. This redetermination was based on several factors, including the revised claims forecast using a new projected termination date.

C. *Lifting of Claims Moratorium*

Following adoption of the Second Amended Claims Resolution Procedures and the adjustment to the Payment Percentage, the Trustees lifted the moratorium on claims processing and began receiving claims again. A Notice dated October 15, 2104 and posted on the Trust's website details the events leading up to the lifting of the moratorium including the future plans for the Trust, the amendments to the Claims Resolution Procedures, the Payment Percentage increase, and other minor changes to claims criteria.

DATED: March 30, 2015

/s/ Michael E. Levine
Michael E. Levine

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EXHIBIT 1

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UNR ASBESTOS-DISEASE CLAIMS TRUST
SUMMARY OF PAYMENTS MADE ON SETTLEMENTS IN 2013

EXHIBIT 1

	Number of Claims Paid		Amount Paid
Checks issued net of returns:			
Option 1		$	-
Option 2	314		270,548.00
Total	314	$	270,548.00
LESS:			
2013 voided checks			0.00
2013 credits not posted			0.00
ADD:			
Adjustment Attorney Refund			(21.00)
Net payments made on settlements in 2014		$	270,527.00

PymntSum14.xls

EXHIBIT 2

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Court123114.xls

EXHIBIT 2

UNR ASBESTOS-DISEASE CLAIMS TRUST

CLAIMS STATUS AS OF

12/31/2014

	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			188,948			18,312	446,405		
Claims Disallowed/Withdrawn	44,865			60,408			18,239	123,512		
Claims Awaiting Disposition	0			63				63		
Claims With Offers Made	188,407	$84,182,950	$447	122,856	$207,892,250	$1,692		311,263	$292,075,200	$938
Offers Abandoned	5,873	$2,593,800	$442	5,590	$1,508,338	$270		11,463	$4,102,138	$358
Total Claims Processed	239,145			188,917			18,239	446,301		
Offers Made and Outstanding	0	$0	$0	433	$903,774	$2,087		433	$903,774	$2,087
Offers Made and Accepted	188,407	$84,182,950	$447	122,423	$182,655,061	$1,492		310,830	$266,838,011	$858
Value of Discount on 70% Offers Accepted					$24,333,415	$199			$24,333,415	$78
Claims Paid	188,407	$84,182,950	$447	122,238	$182,183,562	$1,492		310,645	$266,366,512	$858
Value of Outstanding Op. 2 ,2nd Payments					$171,484				171,484	
Claims UnPaid Amount					***$471,499***				***$471,499***	
Claims Pending	0			31			73	104		

EXHIBIT 3

3

Client Statement

NEUBERGER | BERMAN

For the period 11/29/2014 to 12/31/2014

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	1,088,310.56	727,865.72	727,865.72	0.00	0.00
CORPORATE BONDS	865,509.71	653,702.25	660,142.00	23,517.17	1.01
MUNICIPAL BONDS	9,022,307.65	9,516,943.35	9,527,332.06	381,162.50	0.70
ACCRUED INTEREST	120,497.25	117,340.98	117,340.98	0.00	0.00
TOTAL VALUE	**11,096,625.17**	**11,015,852.30**	**11,032,680.76**	**404,679.67**	**3.67**

Account Composition

	% of Portfolio
CASH EQUIVALENT	6.68
CORPORATE BONDS	6.00
MUNICIPAL BONDS	87.32

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

PREVIOUS YEAR ENDING VALUE	11,803,650.36
NET DEPOSITS AND WITHDRAWALS	(838,300.00)
INCOME AND EXPENSE ITEMS (NET)	442,024.26
NET CHANGE IN ASSET VALUE	(391,522.32)
CURRENT PERIOD ENDING VALUE	11,015,852.30

Income Summary[7]

	This Month	Year-To-Date
TAXABLE BOND INT	4,563.88	63,736.03
NON TAXABLE MUNI INT	50,491.67	417,740.84
ACCRUED INT PURCH	(15,920.14)	(50,318.41)

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

TOTAL LONG TERM	(20,471.70)
TOTAL SHORT TERM	N/A

023841 NBDT0110 004948 NEUB

NBS01R1(2W) (05-09)

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EXHIBIT 4

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UNR ASBESTOS-DISEASE CLAIMS TRUST

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Years Ended
December 31, 2014 and 2013

Sikich.

UNR ASBESTOS-DISEASE CLAIMS TRUST
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of UNR Asbestos-Disease Claims Trust (the Trust), which comprise the special-purpose statements of net claimants' equity as of December 31, 2014 and 2013, and the related special-purpose statements of changes in net claimants' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions of Section 3.02(d) of the Trust Agreement dated February 23, 1990, as described in Note 2. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the special-purpose financial statements referred to above present fairly, in all material respects, the net claimants' equity of UNR Asbestos-Disease Claims Trust as of December 31, 2014 and 2013, and the changes in net claimants' equity and cash flows for the years then ended, on the basis of accounting described in Note 2.

Basis of Accounting

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the basis of the financial reporting provisions specified in Section 3.02(d) of the Trust Agreement dated February 23, 1990, as discussed in Note 2, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the financial reporting provisions of the Trust Agreement. Our opinion is not modified with respect to that matter.

Restriction on Use

This report is intended solely for the information and 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 is not intended to, and should not be used by anyone other than these specified parties.

Sikich LLP

Naperville, Illinois
February 23, 2015

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SPECIAL-PURPOSE FINANCIAL STATEMENTS

UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE STATEMENTS OF NET CLAIMANTS' EQUITY

December 31, 2014 and 2013

	2014	2013
ASSETS		
Cash and cash equivalents	$ 818,485	$ 233,253
Interest and other receivables	117,350	136,026
Investments	10,170,646	11,488,001
TOTAL ASSETS	$ 11,106,481	$ 11,857,280
LIABILITIES AND NET CLAIMANTS' EQUITY		
LIABILITIES		
Accrued expenses	$ 19,759	$ 78,677
Settled but unpaid claims	471,499	202,026
Total liabilities	491,258	280,703
NET CLAIMANTS' EQUITY	10,615,223	11,576,577
TOTAL LIABILITIES AND NET CLAIMANTS' EQUITY	$ 11,106,481	$ 11,857,280

See accompanying notes to financial statements.

UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE STATEMENTS OF
CHANGES IN NET CLAIMANTS' EQUITY

For the Years Ended December 31, 2014 and 2013

	2014	2013
ADDITIONS IN NET ASSETS ATTRIBUTED TO		
Investment income	$ 186,276	$ 225,077
Realized loss on investments	(64,924)	(86,497)
Unrealized loss on investments	(31,381)	(46,014)
Filing fee revenue	55,950	54,700
Total additions	145,921	147,266
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Claims settled	540,000	389,313
Operating expenses	463,819	531,891
Investment fees	39,452	42,197
Claims processing expense	64,004	64,004
Total deductions	1,107,275	1,027,405
NET DECREASE	(961,354)	(880,139)
NET CLAIMANTS' EQUITY, BEGINNING OF YEAR	11,576,577	12,456,716
NET CLAIMANTS' EQUITY, END OF YEAR	$ 10,615,223	$ 11,576,577

See accompanying notes to financial statements.

UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2014 and 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Investment income	$ 204,952	$ 237,363
Filing fee received	55,950	54,700
Investment fees	(39,452)	(42,197)
Operating expenses	(522,737)	(487,909)
Claims paid	(270,527)	(518,556)
Claims processing expense	(64,004)	(64,004)
Net cash from operating activities	(635,818)	(820,603)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment maturities and sales	7,097,865	3,890,350
Investment purchases	(5,876,815)	(4,117,452)
Net cash from investing activities	1,221,050	(227,102)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	585,232	(1,047,705)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	233,253	1,280,958
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 818,485	$ 233,253

See accompanying notes to financial statements.

UNR ASBESTOS-DISEASE CLAIMS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

December 31, 2014 and 2013

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. As described in Note 8, 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.

As of April 9, 2013, the UNR Trust implemented a moratorium on claims processing to permit the UNR Trustees and the UNR Trustee's Advisory Committee (TAC) to examine the Trust's recent, material increase in malignancy claim filings and to review Trust payment procedures. The moratorium ended on October 15, 2014.

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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. Effective March 17, 2011, the payment percentage decreased from 1.24% to 0.82% and remained at 0.82% until October 15, 2014 when the moratorium ended. The payment percentage then increased to 1.38% on October 15, 2014 and remained at 1.38% through December 31, 2014.

Cash and Cash Equivalents

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

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

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 the United States 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.

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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:

	2014		2013	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
U.S. Government, state, and municipal obligations	$ 9,527,332	$ 9,516,944	$ 9,684,972	$ 9,701,263
Corporate bonds	660,142	653,702	1,782,976	1,786,738
TOTAL INVESTMENTS	$ 10,187,474	$ 10,170,646	$ 11,467,948	$ 11,488,001

For 2014 and 2013, amortization of bond discount totaled $226,219 and $237,483, respectively.

Fair value measurements recorded on a recurring basis at December 31, 2014 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/AAA	$ -	$ 809,095	$ -	$ 809,095
Aa/AA	-	4,900,535	-	4,900,535
A/A	-	2,167,122	-	2,167,122
NR	-	1,640,192	-	1,640,192
Total U.S. Government, state, and municipal obligations	-	9,516,944	-	9,516,944
Corporate bonds				
A/A	-	520,669	-	520,669
Baa/BBB	-	133,033	-	133,033
Total corporate bonds	-	653,702	-	653,702
TOTAL INVESTMENTS	$ -	$ 10,170,646	$ -	$ 10,170,646

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3. INVESTMENTS (Continued)

Fair value measurements recorded on a recurring basis at December 31, 2013 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/AAA	$ -	$ 2,344,735	$ -	$ 2,344,735
Aa/AA	-	5,049,034	-	5,049,034
A/A	-	1,476,406	-	1,476,406
NR	-	831,088	-	831,088
Total U.S. Government, state, and municipal obligations	-	9,701,263	-	9,701,263
Corporate bonds				
A/A	-	1,355,485	-	1,355,485
Baa/BBB	-	225,753	-	225,753
Ba/BB	-	205,500	-	205,500
Total corporate bonds	-	1,786,738	-	1,786,738
TOTAL INVESTMENTS	$ -	$ 11,488,001	$ -	$ 11,488,001

4. INCOME TAXES

The Trust follows authoritative guidance issued by 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.

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4. INCOME TAXES (Continued)

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 2010 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, 2014 and 2013. 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.

5. NET CLAIMANTS' EQUITY

Since inception and through December 31, 2014, the Trust has received approximately 446,400 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 claimants' equity balance represents current funding available for all current and future claimants for which no fixed liability has been established.

6. 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, 2014, the Trust paid-in-full $29,250 for director's and officer's insurance excess coverage policy period expiring on March 31, 2015. During the year ended December 31, 2013, the Trust paid in full $93,875 for director's and officer's insurance for the primary coverage policy period expiring on March 31, 2015 and the excess coverage policy period expiring on March 31, 2014.

7. TRUSTEES' ADVISORY COMMITTEE

As noted in the Trust Agreement, the 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.

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7. TRUSTEES' ADVISORY COMMITTEE (Continued)

TAC fees were $0 in 2014 and 2013. The TAC does not receive fees for any consulting services.

8. CLAIMS PROCESSING AGREEMENT

Effective October 1, 2006, for a term ending on December 31, 2008, the Trust entered into a Contract with CPF. The Contract has been renewed through December 31, 2018. Future payments under the noncancelable agreement are as follows:

2015	$ 116,000
2016	114,000
2017	112,000
2018	109,000
TOTAL	$ 451,000

9. SUBSEQUENT EVENTS

The Trust has evaluated subsequent events through February 23, 2015, 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.

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SUPPLEMENTARY INFORMATION

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INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION

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

We have audited the special-purpose financial statements of UNR Asbestos-Disease Claims Trust (the Trust) as of, and for the years ended December 31, 2014 and 2013, and our report thereon dated February 23, 2015 appears on pages 3-4. Our audits were conducted for the purpose of forming an opinion on the special-purpose financial statements as a whole. The special-purpose schedules of operating expenses are presented for the purposes of additional analysis and are not a required part of the special-purpose financial statements. Such information is the responsibility of the Trust's management and was derived from and relates directly to the underlying accounting and other records used to prepare the special-purpose financial statements. The information has been subjected to the auditing procedures applied in the audits of the special-purpose financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the special-purpose financial statements or to the special-purpose financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the special-purpose financial statements as a whole.

Sikich LLP

Naperville, Illinois
February 23, 2015

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UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE SCHEDULES OF OPERATING EXPENSES

December 31, 2014 and 2013

	2014	2013
Legal fees	$ 115,434	$ 108,999
Trustee fees and expenses	120,724	123,953
Consulting fees and expenses	145,264	150,475
Occupancy	26,000	26,000
General and administrative	26,000	26,000
Insurance	30,397	96,181
Office supplies	-	283
TOTAL OPERATING EXPENSES	$ 463,819	$ 531,891

(See independent auditor's report.)

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