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 Deborah L. Thorne

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, 2015

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Exhibits

1 Summary of Payments Made on Settlements in 2015

2 Claims Status Report as of December 31, 2015

3 Trust Asset and Management Statement as of December 31, 2015

4 Audited Financial Statements as of December 31, 2015

5 Claims Payment Moratorium Notice – December 1, 2015

6 Lifting the Claims Payment Moratorium – February 15, 2016

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, 2015 ("**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, 2015 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.

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 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

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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. The current contract with CPF was renewed beginning January 1, 2015 and runs through December 31, 2018.

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 1,214 claims, for a total amount of $1,741,543; with adjustments, total paid settlements amounted to $1,735,708. (Summary of 2015 Payments, attached as Exhibit 1.[1]) Since its inception, the Trust has paid 311,859 actual claims for a total amount of $268,102,220.

[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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(Claims Status Report, as of December 31, 2015 attached as Exhibit 2.) Since its inception, the Trust has paid, or otherwise disposed of, 447,321 claims.

A. *Option 1*

The Claims Resolution Procedures provide 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. (*See* Notice dated December 1, 2015, attached hereto as Exhibit 5.) 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 $84,182,950.

B. *Individualized Review*

As reported in the Report for the year ended December 31, 2014, the Claims Resolution Procedures were amended on October 2, 2014 eliminating Options 1 and 3, leaving only Option 2, now referred to as Individualized Review ("**IR**"), as a means to process claims. IR claims are processed based on a more detailed examination of exposure, loss, and injury. Payments made

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are for a percentage 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 IR claims must release all past, present, and future claims.

During the Reporting Period, the Trust paid 1,214 IR claims (including second payments), for a total amount of $1,741,543; with adjustments, total paid settlements amounted to $1,735,708. (Summary of 2015 Payments, attached as Exhibit 1). Since its inception, the Trust has disposed of 189,875 IR claims. Of those, 123,452 claims were paid for a total amount of $183,919,270. (Claims Status Report, attached as Exhibit 2). As of December 31, 2015, the inventory of unprocessed IR claims was 6.

C. *Option 3*

As indicated above, Option 3 has 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 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, increased to 1.38% on October 15, 2014, and increased to 2.12% on February 15, 2016.

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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, 2015 prepared by Sikich, the Trust's independent auditors, on February 24, 2016.

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 $137,192 in net investment income in 2015. 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 $393,229. 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*

As previously reported, the Trustees filed a Motion for Instruction seeking instruction from the Bankruptcy Court concerning the most equitable way of disposing of the Trust's corpus

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once they determined that continued operation of the Trust was uneconomic or inimical to the best interests of its beneficiaries. (D.I. 615.) The Court approved the motion on June 25, 2014 (D.I. 623), and consistent with that Order the Trustees amended the Claims Resolution Procedures and expect to terminate the Trust in or about 2019.

B. ***Claims Payment Moratorium***

During the first eleven months of 2015, the Trust paid claims consistent with the Amended Claims Resolution Procedures. As of December 1, 2015, the Trust began a short moratorium on claim payments to allow the Trust to transition to measures consistent with terminating the Trust on or about the end of 2019 in a manner advantageous to beneficiaries. (*See* Exhibit 5). During the moratorium, the Trustees, in consultation with the TAC, directed the Trust's actuarial expert to determine if an adjustment to the Payment Percentage was warranted based on a significant decrease in claims filings. The result of that analysis was to increase the Payment Percentage from 1.38% to 2.12% effective February 16, 2016 in an effort to ensure that remaining claim payments are at a level sufficient to exhaust the Trust's funds.

C. ***Lifting the Moratorium and Adjustment to Payment Percentage***

On February 15, 2016, the Trust lifted the payment moratorium (*see* Notice dated February 15, 2016 attached hereto as Exhibit 6), and began paying claims in single payments only based on the adjusted Payment Percentage of 2.12%, which is equal to the Gross Settlement Value of the claim multiplied by the Payment Percentage in effect at the time of payment (the "**Liquidated Value**"). Payments are made within 30 days of receipt of a signed release. The former payment plans, a two-payment plan over two years or a single payment up front equal to 70% of the Liquidated Value, are no longer offered.

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DATED: March 23, 2016

/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 2015

EXHIBIT 1

	Number of Claims Paid	Amount Paid
Checks issued net of returns:		
Option 1		$ -
Option 2	1,214	1,741,543.00
Total	1,214	$ 1,741,543.00
LESS:		
2015 voided checks		5,835.00
2015 credits not posted		0.00
ADD:		
Adjustment		
Net payments made on settlements in 2015		$ 1,735,708.00

PymntSum15.xls

EXHIBIT 2

Court123115

EXHIBIT 2

UNR ASBESTOS-DISEASE CLAIMS TRUST

CLAIMS STATUS AS OF

12/31/2015

	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			189,881			18,301	447,327		
Claims Disallowed/Withdrawn	44,865			60,551			18,301	123,717		
Claims Awaiting Disposition	0			73	$207,429	$2,841		73	$207,429	$2,841
Claims With Offers Made	188,407	$84,182,950	$447	123,648	$209,496,387	$1,694		312,055	$293,679,337	$941
Offers Abandoned	5,873	$2,593,800	$442	5,603	$1,537,133	$274		11,476	$4,130,933	$360
Total Claims Processed	239,145			189,875			18,301	447,321		
Offers Made and Outstanding	0	$0	$0	132	$316,394	$2,397		132	$316,394	$2,397
Offers Made and Accepted	188,407	$84,182,950	$447	123,516	$184,350,065	$1,493		311,923	$268,533,015	$861
Value of Discount on 70% Offers Accepted					$24,829,928	$201			$24,829,928	$80
Claims Paid	188,407	$84,182,950	$447	123,452	$183,919,270	$1,492		311,859	$268,102,220	$861
Value of Outstanding Op. 2 ,2nd Payments					$293,270				293,270	
Claims UnPaid Amount					$430,795				$430,795	
Claims Pending	0			6			0	6		

EXHIBIT 3

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Client Statement

NEUBERGER | BERMAN

For the period 12/01/2015 to 12/31/2015

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	237,965.76	279,090.77	279,090.77	0.00	0.00
CORPORATE BONDS	385,798.61	384,435.81	385,580.78	13,014.19	1.65
MUNICIPAL BONDS	8,261,177.85	8,230,811.65	8,233,379.08	350,562.50	0.83
ACCRUED INTEREST	111,028.13	101,205.04	101,205.04	0.00	0.00
TOTAL VALUE	**8,995,970.35**	**8,995,543.27**	**8,999,255.67**	**363,576.69**	**4.04**

Account Composition

	% of Portfolio
CASH EQUIVALENT	3.14
CORPORATE BONDS	4.32
MUNICIPAL BONDS	92.54

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

PREVIOUS YEAR ENDING VALUE	11,015,852.30
NET DEPOSITS AND WITHDRAWALS	(2,053,400.00)
INCOME AND EXPENSE ITEMS (NET)	354,779.74
NET CHANGE IN ASSET VALUE	(321,688.77)
CURRENT PERIOD ENDING VALUE	8,995,543.27

Income Summary[7]

	This Month	Year-To-Date
MONEY MKT. FUND DIVIDENDS	0.01	0.01
TAXABLE BOND INT.	0.00	20,411.04
NON TAXABLE MUNI INT	41,125.00	378,771.52

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

TOTAL LONG TERM	(561.57)
TOTAL SHORT TERM	(74.99)

Ex 3

EXHIBIT 4

UNR ASBESTOS-DISEASE CLAIMS TRUST

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Years Ended
December 31, 2015 and 2014



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, 2015 and 2014, 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, 2015 and 2014, 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 24, 2016

SPECIAL-PURPOSE FINANCIAL STATEMENTS

UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE STATEMENTS OF NET CLAIMANTS' EQUITY

December 31, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	$ 371,749	$ 818,485
Interest receivable	101,364	117,350
Investments	8,615,247	10,170,646
TOTAL ASSETS	$ 9,088,360	$ 11,106,481
LIABILITIES AND NET CLAIMANTS' EQUITY		
LIABILITIES		
Accrued expenses	$ 27,715	$ 19,759
Settled but unpaid claims	430,795	471,499
Total liabilities	458,510	491,258
NET CLAIMANTS' EQUITY	8,629,850	10,615,223
TOTAL LIABILITIES AND NET CLAIMANTS' EQUITY	$ 9,088,360	$ 11,106,481

See accompanying notes to financial stateements.

UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE STATEMENTS OF
CHANGES IN NET CLAIMANTS' EQUITY

For the Years Ended December 31, 2015 and 2014

	2015	2014
ADDITIONS IN NET ASSETS ATTRIBUTED TO		
Investment income	$ 137,192	$ 186,276
Realized loss on investments	(7,785)	(64,924)
Unrealized loss on investments	(61,283)	(31,381)
Filing fee revenue	131,750	55,950
Total additions	199,874	145,921
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Claims settled	1,695,004	540,000
Operating expenses	393,229	463,819
Investment fees	35,014	39,452
Claims processing expense	62,000	64,004
Total deductions	2,185,247	1,107,275
NET DECREASE	(1,985,373)	(961,354)
NET CLAIMANTS' EQUITY, BEGINNING OF YEAR	10,615,223	11,576,577
NET CLAIMANTS' EQUITY, END OF YEAR	$ 8,629,850	$ 10,615,223

See accompanying notes to financial statements.

UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2015 and 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Investment income	$ 153,178	$ 204,952
Filing fee received	131,750	55,950
Investment fees	(35,014)	(39,452)
Operating expenses	(385,273)	(522,737)
Claims paid	(1,735,708)	(270,527)
Claims processing expense	(62,000)	(64,004)
Net cash from operating activities	(1,933,067)	(635,818)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment maturities and sales	1,935,691	7,097,865
Investment purchases	(449,360)	(5,876,815)
Net cash from investing activities	1,486,331	1,221,050
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(446,736)	585,232
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	818,485	233,253
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 371,749	$ 818,485

See accompanying notes to financial statements.

UNR ASBESTOS-DISEASE CLAIMS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

December 31, 2015 and 2014

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.

As of April 9, 2013, the Trust implemented a moratorium on claims processing to permit the Trustees and the 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. A second moratorium was implemented on December 1, 2015 and is scheduled to last 90 days.

Unless future circumstances dictate otherwise, the Trust will cease operating in or about 2019 and will accept no further claim filings after December 31, 2018.

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:

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

Basis of Accounting (Continued)

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. Any assets which will not be available to pay future Asbestos-Disease Claims are expensed as incurred. Under GAAP, prepaid expenses are recorded as an asset and expensed over the period of time to which they relate. Under GAAP, property and equipment is capitalized and depreciated over the useful lives of the assets.

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. 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, 2015.

   In addition, the information reconciling the change in claimants' equity to the net cash from operating activities has not been presented in the statement of cash flows as would be required for financial statements presented in accordance with GAAP.

Cash and Cash Equivalents

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

Investments

Investments in securities are stated at fair value. Investment income is recognized when earned and gains and losses on sales are determined by specific identification.

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

Investments (Continued)

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.

The corporate bonds held by the Trust generally do not trade in active markets at the measurement date. Therefore, corporate bonds are valued using inputs including yields currently available on comparable securities of issuers with similar credit ratings, recent market price quotations (where observable), bond spreads, and fundamental data relating to the issuer.

Use of Estimates

The preparation of special-purpose financial statements in conformity with the 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 special-purpose financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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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:

	2015		2014	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
U.S. Government, state, and municipal obligations	$ 8,233,379	$ 8,230,811	$ 9,527,332	$ 9,516,944
Corporate bonds	385,581	384,436	660,142	653,702
TOTAL INVESTMENTS	$ 8,618,960	$ 8,615,247	$ 10,187,474	$ 10,170,646

For 2015 and 2014, amortization of bond discount totaled $245,875 and $226,219, respectively.

Fair value measurements recorded on a recurring basis at December 31, 2015 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	$ -	$ 531,085	$ -	$ 531,085
Aa/AA	-	5,391,445	-	5,391,445
A/A	-	939,440	-	939,440
A/A	-	256,845	-	256,845
NR	-	1,111,996	-	1,111,996
Total U.S. Government, state, and municipal obligations	-	8,230,811	-	8,230,811
Corporate bonds				
Baa/BBB	-	384,436	-	384,436
Total corporate bonds	-	384,436	-	384,436
TOTAL INVESTMENTS	$ -	$ 8,615,247	$ -	$ 8,615,247

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3. INVESTMENTS (Continued)

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
Ba/BB	-		-	
		653,702		653,702
Total corporate bonds	-		-	
TOTAL INVESTMENTS	$ -	$ 10,170,646	$ -	$ 10,170,646

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.

There was no income tax expense for the years ended December 31, 2015 and 2014. 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, 2015, the Trust has received approximately 447,000 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 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, 2015, the Trust paid in full $94,250 for director's and officer's insurance for the primary coverage policy period expiring on March 31, 2017 and the excess coverage policy period expiring on March 31, 2016.

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 2015 and 2014, respectively. The TAC does not receive fees for any consulting services.

8. CLAIMS PROCESSING AGREEMENT

The Trust entered into a claim processing and trust services agreement (the Contract) with Claims Processing Facility, Inc. (CPF), whereby CPF processes UNR claims and provides administrative services to the Trust. The Contract was effective October 1, 2006, for a term ending on December 31, 2008, and has been renewed through December 31, 2018.

Future payments under the noncancelable agreement are as follows:

2016	$ 114,000
2017	112,000
2018	109,000
TOTAL	$ 335,000

Operating expenses reported in the special-purpose statements of changes in net claimants' equity include contract fees paid to CPF under the Contract.

9. SUBSEQUENT EVENTS

Effective February 15, 2016, the claims moratorium was lifted. By notice to all claimant counsel, dated February 15, 2016, the payment percentage was raised to 2.12% (up from 1.38%) for: (a) new valid claim filings; (b) valid claims previously filed that had not had offers extended; and (c) valid claims previously filed for which (i) offers have been extended but not yet expired by their terms or (ii) offers have been accepted but not fully paid.

The Trust has evaluated subsequent events through February 24, 2016, 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

Sikich®

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Naperville, Illinois 60563

630.566.8400 // www.sikich.com

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

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, 2015 and 2014, and our report thereon dated February 24, 2016 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 24, 2016

UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE SCHEDULES OF OPERATING EXPENSES

December 31, 2015 and 2014

	2015	2014
Legal fees	$ 26,902	$ 115,434
Trustee fees and expenses	118,644	120,724
Consulting fees and expenses	96,613	145,264
Occupancy	27,000	26,000
General and administrative	27,000	26,000
Insurance	95,487	30,397
Office supplies	1,583	-
TOTAL OPERATING EXPENSES	$ 393,229	$ 463,819

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EXHIBIT 5

Ex 5

UNR ASBESTOS-DISEASE CLAIMS TRUST

EAST-WEST TECH CENTER
1771 WEST DIEHL ROAD, SUITE 220
NAPERVILLE, IL 60563

DAVID E. MAXAM
Executive Director

PHONE: (630) 281-6548
FACSIMILE: (630) 281-6748
Email: dem@cpf-inc.com

December 1, 2015

Dear Claimant Counsel:

As of December 1, 2015, the UNR Trust will begin a 90 day moratorium on claim payments to allow us to transition to measures consistent with terminating the Trust on or about the end of 2019 in a manner advantageous to beneficiaries.

During the moratorium the Trustees and TAC will examine the Trust's recent significant decrease in claim filings to confer with the Trust's actuarial expert on the impact this decrease has had on the payment percentage and to recalculate that Payment Percentage as necessary to ensure that the remaining claim payments are at a level sufficient to exhaust the Trust's funds.

Please consider the following:

1. Claims should continue to be filed and will be fully processed during the moratorium along with claims filed prior to the moratorium, including the perfection of disallowed claims; disallowed claims must continue to be perfected timely in accordance with the schedules outlined in the disallowance notices.

2. Future payments, when the moratorium is lifted, will be single payments, no options, no deferrals, and will be equal to the Gross Settlement Value of the claim multiplied by the payment percentage in effect at the time of payment, as outlined in the release.

3. Do not return any further releases until the moratorium is lifted, at which time releases will be re-issued for all unexpired outstanding offers. The time during the period of the moratorium will not be considered with regard to measuring timely acceptance of outstanding offers.

4. All previous types of releases returned timely to date, regardless of whether a One or Two-Payment plan, for claims that have not been paid, will be paid as outlined in 2. above when the moratorium is lifted. Such payments will be accompanied by an explanatory notice.

5. All outstanding second payments for those claimants previously electing the Two Payment plan will be paid within 30 days of the lifting of the moratorium. Those second payments will be adjusted to equal a total payment equal to the Gross Settlement Value of the claim multiplied by the new payment percentage in effect at the time of payment, which will be announced when the moratorium is lifted.

If you have any questions, please call or right me directly

Yours very truly,

EXHIBIT 6

Ex 6

UNR ASBESTOS-DISEASE CLAIMS TRUST

EAST-WEST TECH CENTER
1771 WEST DIEHL ROAD, SUITE 220
NAPERVILLE, IL 60563

DAVID E. MAXAM
Executive Director

PHONE: (630) 281-6548
FACSIMILE: (630) 281-6748
Email: dem@cpf-inc.com

February 15, 2016

Dear Claimant's Counsel

Since December 1, 2015, the Trust has been in a claim payment moratorium. During the moratorium, the Trustees and TAC, in consultation with the Trust's actuarial expert, have examined the impact on the Payment Percentage of the Trust's recent significant decrease in claim filings. The outcome of that analysis has been to recalculate the Payment Percentage to ensure that remaining claim payments are at a level sufficient to exhaust the Trust's funds. Therefore, effective February 15, 2016, the Trust's Payment Percentage will be raised to 2.12% (up from 1.38%)

Effective February 15, 2016, the moratorium is lifted and claim payments will resume. As previously announced, unless circumstances change, the Trust will cease operating in or about 2019 and will accept no further claim filings after December 31, 2018. The following sets forth how future claim processing and payments will be handled until the Trust closes.

1. A paper filing is still required for UNR Trust claims. The current Proof of Claim (POC) form along with a checklist for its completion can be viewed and copied at www.cpf-inc.com.

2. The non-refundable filing fee of $150 remains in effect. As in the past, any claim filed without the required fee is NOT considered filed, and the statute of limitations will continue to run until the fee is received. A claim filed timely in the tort system is not considered timely filed with the Trust until the claim is actually filed with the Trust.

3. As stated above, the Payment Percentage will be raised to 2.12% (up from 1.38%) for: (a) new valid claim filings; (b) valid claims previously filed that have not yet had offers extended; and (c) valid claims previously filed for which (i) offers have been extended but not yet expired by their terms or (ii) offers have been accepted but not paid. New releases will be issued for all unexpired outstanding offers. All previous types of releases returned timely as of the date of this notice, regardless of whether a One or Two-Payment plan was elected, for claims that have not been paid, will be accepted and the claims paid as described herein.

4. Payments going forward will be single payments only, and will be equal to the Gross Settlement Value of the claim multiplied by the Payment Percentage in effect at the time of payment, as outlined in the release, and will be paid within 30 days of receipt of a signed release. The current two-payment and the one-payment (70%) plans are discontinued.

5. All outstanding second payments owed to claimants who previously elected the Two Payment plan will be paid within 30 days. Those second payments will be adjusted to equal a total payment equal to the Gross Settlement Value of the claim multiplied by the new Payment Percentage of 2.12%.

6. The Payment Percentage will continue to be reviewed periodically until the Trust ceases operations.

7. There are NO changes in procedure or criteria other than what is specified in this notice. All other procedures and criteria remain in effect as previously advised and are available for review, along with a copy of this notice, at www.cpf-inc.com.

If you have any questions, please call or write me directly.

Yours very truly,



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