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, 2016

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Exhibits

1 Summary of Payments Made on Settlements in 2016

2 Claims Status Report as of December 31, 2016

3 Notice Lifting the Claims Payment Moratorium – February 15, 2016

4 Audited Financial Statements as of December 31, 2016

5 Trust Asset and Management Statement as of December 31, 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, 2016 ("**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, 2016 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. Michael E. Levine and Alison Overseth served as Trustees throughout the Reporting Period. In February 2017, Trustee Levine gave written notice of his resignation to Trustee Overseth and the Trust Advisory Committee ("**TAC**").[1] On February 9, 2017, the sole remaining trustee, Alison Overseth, with the consent of the TAC, approved an amendment to the Trust Agreement reducing the number of Trustees from two (2) to one (1). The decision not to fill the vacancy created by Trustee Levine's resignation was based on the small remaining corpus of the Trust and the expectation that the Trust will likely be terminated in the next few years in accordance with the Trust Agreement.

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

Article 6 of the Trust Agreement provides for a Trustees' Advisory Committee, which consists of three members who are all well experienced asbestos plaintiffs' lawyers: Gene Locks of Philadelphia, Pennsylvania; Robert Steinberg of Los Angeles, California; and Stanley Levy of New York, New York. The Trust Agreement requires the Trustees to consult with, and on

[1] Trustee Levine resigned due to health reasons. It is with great sadness that we report that he passed away shortly after his resignation and recognize his many years of service to the Trust. A final account for Trustee Levine will be included in the Trust's 2017 annual report.

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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 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. 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.

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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 692 claims, for a total amount of $2,292,770; with adjustments, total paid settlements amounted to $2,292,413. (Summary of 2016 Payments, attached as Exhibit 1.[2]) Since its inception, the Trust has paid 312,290 actual claims for a total amount of $270,394,633. (Claims Status Report, as of December 31, 2016 attached as Exhibit 2.) Since its inception, the Trust has paid, or otherwise disposed of, 447,721 claims.

The Claims Resolution Procedures previously 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. Option 2 offered claimants the option of requesting individualized review. Option 3 permitted claimants to defer consideration of their claim. As reported in the Annual Report for the year ended December 31, 2014, the Claims Resolution Procedures were amended on October 2, 2014, eliminating Options 1 and 3, and leaving only Option 2, now referred to as Individualized Review ("**IR**"), as a means to process claims. As a result, no Options 1 or 3 claims were filed, processed or paid during the Reporting Period. (The Options 1 and 3 claims paid historically by the Trust are set forth on Exhibit 2.)

IR claims are processed based on a detailed examination of exposure, loss, and injury. Payments made are for a percentage of the total value of the claim (calculated based on the

[2] 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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Payment Percentage set by the Trustees). Claimants settling IR claims must release all past, present, and future claims.

As previously reported, on 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. 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.[3] (*See* notice dated February 15, 2016 attached hereto as Exhibit 3.) At the same time, a single payment option was instituted based on the adjusted Payment Percentage and equal to the Gross Settlement Value multiplied by the Payment Percentage in effect at the time of payment (the "**Liquidated Value**"). Payments are made within 30 days of a signed release. The former payment plans, including two installments over two years and a single payment up front equal to 70% of the Liquidated Value, are no longer offered.

[3] 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 again increased to 2.12% on February 15, 2016.

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During the Reporting Period, the Trust paid 692 IR claims (including second payments), for a total amount of $2,292,770; with adjustments, total paid settlements amounted to $2,292,413. (Summary of 2016 Payments, attached as Exhibit 1). Since its inception, the Trust has disposed of 190,275 IR claims. Of those, 123,883 claims have been paid for a total amount of $186,211,683. (Claims Status Report, attached as Exhibit 2). As of December 31, 2016, the inventory of unprocessed IR claims was 2.

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, 2016 prepared by Sikich, the Trust's independent auditors, dated on March 7, 2017.

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 $107,003 in net investment income in 2016. Funds are now invested in short-term mutual funds. A summary of these investments is contained in the Portfolio Summary prepared by Vanguard, attached hereto as Exhibit 5.

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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 $357,281. The breakdown of these expenses is detailed in the supplemental schedule to the financial statements attached hereto in Exhibit 4.

DATED: March 30, 2017

/s/ Alison Overseth
Alison Overseth

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Exhibit 1

UNR ASBESTOS-DISEASE CLAIMS TRUST
SUMMARY OF PAYMENTS MADE ON SETTLEMENTS IN 2016

EXHIBIT 1

	Number of Claims Paid	Amount Paid
Checks issued net of returns:		
Option 1		$ -
Option 2	692	2,292,770.00
Total	692	$ 2,292,770.00
LESS:		
2016 voided checks		357.00
2016 credits not posted		0.00
ADD:		
Adjustment		
Net payments made on settlements in 2016		$ 2,292,413.00

Exhibit 1

Exhibit 2

Court123116

EXHIBIT 2

UNR ASBESTOS-DISEASE CLAIMS TRUST

CLAIMS STATUS AS OF

12/31/2016

	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			190,277			18,301	447,723		
Claims Disallowed/Withdrawn	44,865			60,637			18,301	123,803		
Claims Awaiting Disposition	0			38	**$156,981**	**$4,131**		38	**$156,981**	**$4,131**
Claims With Offers Made	188,407	$84,182,950	$447	123,985	$211,464,696	$1,706		312,392	$295,647,646	$946
Offers Abandoned	5,873	$2,593,800	$442	5,615	$1,592,801	$284		11,488	$4,186,601	$364
Total Claims Processed	239,145			190,275			18,301	447,721		
Offers Made and Outstanding	0	$0	$0	85	$359,780	$4,233		85	$359,780	$4,233
Offers Made and Accepted	188,407	$84,182,950	$447	123,900	$186,274,992	$1,503		312,307	$270,457,942	$866
Value of Discount on 70% Offers Accepted					$24,829,924	$200			$24,829,924	$80
Claims Paid	188,407	$84,182,950	$447	123,883	$186,211,683	$1,503		312,290	$270,394,633	$866
Value of Outstanding Op. 2 ,2nd Payments					$0				0	
Claims UnPaid Amount					***$63,309***				***$63,309***	
Claims Pending	0			2			0	2		

Exhibit 3

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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Exhibit 4

UNR ASBESTOS-DISEASE CLAIMS TRUST

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Years Ended
December 31, 2016 and 2015



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, 2016 and 2015, 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, 2016 and 2015, 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
March 7, 2017

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SPECIAL-PURPOSE FINANCIAL STATEMENTS

UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE STATEMENTS OF NET CLAIMANTS' EQUITY

December 31, 2016 and 2015

	2016	2015
ASSETS		
Cash and cash equivalents	$ 472,923	$ 371,749
Interest receivable	185	101,364
Investments	5,980,958	8,615,247
TOTAL ASSETS	$ 6,454,066	$ 9,088,360
LIABILITIES AND NET CLAIMANTS' EQUITY		
LIABILITIES		
Accrued expenses	$ 49,132	$ 27,715
Settled but unpaid claims	63,309	430,795
Total liabilities	112,441	458,510
NET CLAIMANTS' EQUITY	6,341,625	8,629,850
TOTAL LIABILITIES AND NET CLAIMANTS' EQUITY	$ 6,454,066	$ 9,088,360

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, 2016 and 2015

	2016	2015
ADDITIONS IN NET ASSETS ATTRIBUTED TO		
Investment income	$ 107,003	$ 137,192
Realized loss on investments	(117,766)	(7,785)
Unrealized gain (loss) on investments	29,771	(61,283)
Filing fee revenue	59,400	131,750
Total additions	78,408	199,874
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO		
Claims settled	1,924,927	1,695,004
Operating expenses	357,281	393,229
Investment fees	23,585	35,014
Claims processing expense	60,840	62,000
Total deductions	2,366,633	2,185,247
NET DECREASE	(2,288,225)	(1,985,373)
NET CLAIMANTS' EQUITY, BEGINNING OF YEAR	8,629,850	10,615,223
NET CLAIMANTS' EQUITY, END OF YEAR	$ 6,341,625	$ 8,629,850

See accompanying notes to financial statements.

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UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Investment income	$ 208,182	$ 153,178
Filing fee received	59,400	131,750
Investment fees	(23,585)	(35,014)
Operating expenses	(335,864)	(385,273)
Claims paid	(2,292,413)	(1,735,708)
Claims processing expense	(60,840)	(62,000)
Net cash from operating activities	(2,445,120)	(1,933,067)
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment maturities and sales	9,417,582	1,935,691
Investment purchases	(6,871,288)	(449,360)
Net cash from investing activities	2,546,294	1,486,331
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	101,174	(446,736)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	371,749	818,485
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 472,923	$ 371,749

See accompanying notes to financial statements.

UNR ASBESTOS-DISEASE CLAIMS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

December 31, 2016 and 2015

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 December 1, 2015, 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 the Trusts payment procedures. The moratorium ended on February 15, 2016.

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. Effective February 15, 2016, the payment percentage increased from 1.38% to 2.12%. Additionally, as of February 15, 2016, the two payment plan option was eliminated and there is now only a one payment plan option which now pays 100% of the calculated liquid value instead of 70% as the former single payment plan paid.

e. 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 debt and equity securities are stated at fair value. 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.

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

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

Investments at December 31 consisted of:

	2016	2015
U.S. Government, state, and municipal obligations	$ -	$ 8,230,811
Mutual Funds	5,980,958	-
Corporate bonds	-	384,436
TOTAL INVESTMENTS	$ 5,980,958	$ 8,615,247

For 2016 and 2015, amortization of bond discount totaled $146,017 and $245,875, respectively.

Fair value measurements recorded on a recurring basis at December 31, 2016 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
Mutual Funds	$ 5,980,958	$ -	$ -	$ 5,980,958
TOTAL INVESTMENTS	$ 5,980,958	$ -	$ -	$ 5,980,958

At December 31, 2016 the Trust's investments were concentrated in one mutual fund.

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3. INVESTMENTS (Continued)

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
Baa/BBB	-	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

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.

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.

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4. INCOME TAXES (Continued)

There was no income tax expense for the years ended December 31, 2016 and 2015. 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, 2016, the Trust has received approximately 447,700 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, 2016, the Trust paid-in-full $29,250 for director's and officer's insurance excess coverage policy period expiring on March 31, 2017. 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.

TAC fees were $800 in 2016 and $0 in 2015. 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.

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8. CLAIMS PROCESSING AGREEMENT (Continued)

Future payments under the noncancelable agreement are as follows:

2017	$ 112,000
2018	109,000
TOTAL	$ 221,000

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

The Trust has evaluated subsequent events through March 7, 2017, 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, 2016 and 2015, and our report thereon dated March 7, 2017 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
March 7, 2017

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UNR ASBESTOS-DISEASE CLAIMS TRUST

SPECIAL-PURPOSE SCHEDULES OF OPERATING EXPENSES

December 31, 2016 and 2015

	2016	2015
Legal fees	$ 16,868	$ 26,902
Trustee fees and expenses	120,645	118,644
Consulting fees and expenses	135,045	96,613
Occupancy	27,000	27,000
General and administrative	27,000	27,000
Insurance	30,493	95,487
Office supplies	230	1,583
TOTAL OPERATING EXPENSES	$ 357,281	$ 393,229

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Exhibit 5

Vanguard

Trust account

MICHAEL E LEVINE TTEE UNR ASBESTOS-DISEASE CLAIMS TRUST

Intermediary Services: 800-669-0498

Account overview

$5,980,958.48

Total account value as of December 31, 2016

Year-to-date income

Taxable income	$25,127.12
Nontaxable income	0.00
Total	**$25,127.12**

Balances and holdings for Vanguard funds

Beginning on January 1, 2012, new tax rules on taxable (nonretirement) mutual fund accounts (excluding money market funds) require Vanguard to track cost basis information for shares acquired and subsequently sold, on or after that date. Unless you select another method, sales of Vanguard mutual funds, but not ETFs, will default to the average cost method. For more information, visit vanguard.com/costbasis.

Symbol	Name	Fund and account	Average price per share	Total cost	Balance on 12/31/2015	Balance on 12/31/2016
VSGDX	Short-Term Federal Adm	0549-88154196293	$10.79	$6,036,894.66	$0.00	$5,980,958.48
					$0.00	**$5,980,958.48**

Account activity for Vanguard funds

Short-Term Federal Adm 0549-88154196293

Purchases	Withdrawals	Dividends	Short-term capital gains	Long-term capital gains
$6,062,000.00	-$50,000.00	$10,074.09	$15,053.03	$0.00

30-day SEC yield as of 12/30/2016*	1.34%

*Based on holdings' yield to maturity for last 30 days; distribution may differ. For updated information, visit vanguard.com.

20161231 221121 RSBJMF16 100A 000000075912762 L

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