

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

In re:) Case No. 02 B 09952
) Case No. 02 B 09957
PLIBRICO COMPANY)
PLIBRICO SALES & SERVICE, INC.) Chapter 11
)
Debtors.) Honorable John H. Squires
)

FILED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS
APR 30 2014
JEFFREY P. ALLSTEADT, CLERK

**NOTICE OF FILING OF ANNUAL REPORT
FOR THE YEAR ENDING DECEMBER 31, 2013**

Pursuant to Articles 6.5 and 6.6 of Debtors' Third Amended Joint Plan of Reorganization dated January 30, 2006, and Section 3.2 of the Plibrico 524(g) Asbestos Trust Agreement and the Plibrico Silica Trust Agreement (collectively, the "**Trust Agreements**"), the Trustee of the Plibrico 524(g) Asbestos Trust and the Plibrico Silica Trust, Marc E. Wolin (the "**Trustee**"), hereby gives notice of the filing of the Annual Report for the year ending December 31, 2013 (the "**Annual Report**"), a copy of which is attached hereto as Exhibit 1.

Consistent with Sections 3.2(c), 5.5(c), and 6.5(a) of the Trust Agreements, the Annual Report includes a copy of the following: the financial statements as of December 31, 2013; the opinion and report from the independent auditors; a summary of the number and type of claims disposed of during the year ending December 31, 2013; and a reporting of the total fees paid to the Trustee, the Trust Advisory Committee, and the Futures Representative for the year ending December 31, 2013. In addition, as required by Section 3.2(c)(i) of the Trust Agreements, a copy of the Annual Report has been provided to the Trust Advisory Committee and the Futures Representative. Further, pursuant to Section 3.2(c)(iii) of the Trust Agreements, this report is available for inspection by the public through the records of the Bankruptcy Court.

Dated: April 30, 2014

Respectfully submitted,

KEATING MUETHING & KLEKAMP PLL


By: Kevin E. Irwin (Ohio Bar # 0021811,
admitted to this District)
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Counsel for Plibrico 524(g) Asbestos Trust and
Plibrico Silica Trust

CERTIFICATE OF SERVICE

I hereby certify that on April 30, 2014, as required by the Trust Agreements, (i) a copy of the foregoing **Notice of Filing of Annual Report for the Year Ending December 31, 2013** was served via e-mail, regular mail, and/or facsimile on the members of the Trust Advisory Committee and their counsel, and the Futures Representative and his counsel, and (ii) a copy has otherwise been made available for inspection by the public by filing it with the Bankruptcy Court.


Kevin E. Irwin

FILED
UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF ILLINOIS

APR 30 2014

Plibrico 524(g) Asbestos Trust

Plibrico Silica Trust

JEFFREY P. ALLSTEADT, CLERK
TEAM - CA

ANNUAL REPORT FOR THE YEAR ENDING DECEMBER 31, 2013

Pursuant to Articles 6.5 and 6.6 of Debtors' Third Amended Joint Plan of Reorganization Dated January 30, 2006 (the "**Plan**"), and Section 3.2 of the Plibrico 524(g) Asbestos Trust Agreement (the "**Asbestos Trust Agreement**") and the Plibrico Silica Trust Agreement (the "**Silica Trust Agreement**") (collectively, the Asbestos Trust Agreement and the Silica Trust Agreement are referred to herein as the "**Trust Agreements**"), the Trustee of the Plibrico Silica Trust (the "**Silica Trust**") and the Plibrico 524(g) Asbestos Trust (the "**Asbestos Trust**"), Marc E. Wolin (the "**Trustee**"), makes the following Annual Report for the year ending December 31, 2013 (the "**Annual Report**").

Although the Asbestos Trust and the Silica Trust are two distinct trusts, both were established by this Court as a result of the confirmation of the Plan. Moreover, this Court appointed the Trustee to serve for both the Asbestos Trust and the Silica Trust (hereinafter referred to collectively as the "**Trusts**"), and appointed the same Futures Representative and Trust Advisory Committee ("**TAC**") for the Trusts. Under the terms of the Asbestos Trust Agreement approved by this Court, the Asbestos Trust pays all the operating expenses of the Silica Trust. Thus, although the Trusts are distinct, the Trustee offers this joint report to satisfy the reporting requirements of their respective Trust Agreements.

A. Financial Statements

Section 3.2(c)(i) of the Trust Agreements requires the Annual Report to include the following:

[F]inancial statements of the . . . Trust (including, without limitation, a balance sheet of the . . . Trust as of the end of such fiscal year and a statement of operations for such fiscal year) audited by a firm of independent certified public accountants selected by the Trustee and accompanied by an opinion of such firm that such financial statements present fairly in all material respects the financial portion of the . . . Trust as of such year end and the results of its operations as of the year then ended in conformity conform with accounting principles generally accepted in the United States.

Attached as Exhibit 1.A is a copy of the financial statements with Independent Auditor's Report for the Asbestos Trust for the year ending December 31, 2013 (the "**Audited Financial Statements**"). As required, the auditor for the Trusts, Bederson & Company LLP, has provided an opinion as to the fairness of the financial statements' presentation and of their conformity with generally accepted accounting principles. The auditor's opinion expressly provides that it is intended for the use of this Court.

Attached as Exhibit 1.B is a copy of the financial statements for the Silica Trust for the period of January 1, 2013 to June 20, 2013, the date of termination of the Silica Trust (the "**Silica Financial Statements**"). No claims were filed with the Silica Trust in 2013, or in any prior year. Given this, as well as the fact that the Asbestos Trust pays the expenses of the Silica Trust, the Trustee did not incur the expense of preparing audited financial statements for the Silica Trust.

B. Asbestos Trust Claims Summary

Section 3.2(c)(ii) of the Asbestos Trust Agreement requires the Annual Report to include "a summary regarding the number and type of Asbestos Personal Injury Claims, and the amount paid in respect of each such Asbestos Personal Injury Claim disposed of during the period covered by the financial statements." Verus Claims Services, LLC ("**Verus**") acts as the Asbestos Trust's claims processing agent. Attached as Exhibit 1.C is a summary of claims processed and paid by the Asbestos Trust in 2013.

Section 2.4 of the Asbestos Trust Distribution Procedures (“**Asbestos TDP**”) provides for the determination of the Maximum Annual Payment (“**MAP**”). The MAP is one of the mechanisms employed by the Asbestos Trust to ensure that funds will be available to pay present and future claimants as similarly as possible. The Asbestos TDP directs the Asbestos Trust to pay each year all the income earned by the Asbestos Trust during that year, together with a portion of the principal, calculated so that distribution of the Asbestos Trust’s funds over the years will correspond to the anticipated flow of claims. The distribution of those funds to claimants in any given year may not exceed the MAP for that year.

Section 2.5 of the Asbestos TDP sets the Claims Payment Ratio at 65% percent for Category A claims and 35% for Category B claims, as those terms are defined in the Asbestos TDP. Accordingly, 65% of the MAP for each year is available to pay Category A claimants, while 35% is available to pay Category B claimants. If the MAP is reached for either Category of claims in a given year, the remaining claims for which there are insufficient funds are carried over to the next year and placed at the head of the Asbestos Trust’s claims processing queue. During the Reporting Period, there were rollovers in both categories of claims.

C. Trustee Fees

Section 5.5(c) of the Trust Agreements states that the Annual Report shall include a description of the amount paid to the Trustee in 2013. The Audited Financial Statements attached as Exhibit 1.A set forth the amount paid to the Trustee during the Reporting Period.¹

D. Trust Advisory Committee Fees

Section 5.5(c) of the Trust Agreements states that the Annual Report will include a description of the amounts paid to the TAC in 2013. The current members of the TAC are John D. Cooney, Steven Kazan, Bruce E. Mattock, Armand J. Volta, Jr., and James L. Ferraro.

¹ See Audited Financial Statements at 4.

Mr. Ferraro was appointed by the remaining TAC members to fill the unexpired term of Thomas Wilson upon his resignation effective August 21, 2013. The Audited Financial Statements attached as Exhibit 1.A set forth the amounts paid to the TAC during the Reporting Period.²

E. Futures Representative Fees

Section 6.5(a) of the Trust Agreements provides that the Annual Report will include a description of the amounts paid to the Futures Representative in 2013. Dean Trafelet is the Futures Representative for both the Asbestos Trust and Silica Trust. The Audited Financial Statements attached as Exhibit 1.A set forth the amounts paid to the Futures Representative during the Reporting Period.³

F. Trust Investments

The Trustee devoted significant efforts in 2013 to the investment of the Asbestos Trust's liquid assets. The Trustee conferred regularly with the Asbestos Trust's investment advisor, Brown Brothers Harriman & Co. ("**BBH**"). BBH advises the Asbestos Trust on asset allocation, liquidity management, and the selection and oversight of its investment managers. The investments of the Asbestos Trust are disclosed in detail in the Audited Financial Statements attached as Exhibit 1.A (*see* Note 3).

G. Reorganized Plibrico

As previously reported, the Reorganized Plibrico Company was dissolved in 2009.

H. Meetings

In fulfillment of the meeting requirements contained in the Trust Agreements, during the Reporting Period, the Trustee held meetings with the TAC, the Futures Representative, Trust counsel, and other Trust professionals on the following dates: February 26, 2013, May 21, 2013,

² See Audited Financial Statements at 4.

³ *Id.*

September 17, 2013, and November 12, 2013.

I. Significant Events During the Reporting Period

1. Payment Percentage Review

The Asbestos TDP provides for the Trustee to review the payment percentage no less frequently than once every three years, but also at shorter intervals if warranted by events affecting the Asbestos Trust's ability to pay present and future claimants in a substantially equivalent manner. Following a 2011 adjustment to the payment percentage, the Trustee decided that, going forward, the payment percentage would be reviewed and reconsidered on an annual basis, if not more frequently, to ensure that it is based on the most current and accurate data available.

Throughout the Reporting Period, Analysis Research Planning Corporation ("ARPC"), claims processing consultant to the Asbestos Trust, received monthly claims data from Verus and continued to advise the Trustee on a quarterly basis regarding the payment percentage calculation. ARPC closely monitored factors impacting the payment percentage, including, but not limited to, claim filings that exceeded the current claims forecast and the number of withdrawn claims following the Trust's enforcement of deadlines set forth in the TDP for responding to offers and deficiency notices. ARPC's recommendation was that no adjustment to the payment percentage was warranted during the Reporting Period.

2. Termination of the Silica Trust

Section 8.2(a)(i) of the Silica Trust Agreement provides for the termination of the Silica Trust at the discretion of the Trustee if

(A) he or she deems it unlikely that new Silica Personal Injury Claims will be filed against the Silica Trust, and (B) Silica Personal Injury Claims duly filed with the Silica Trust have been Allowed and paid to the extent provided in this Silica Trust

Agreement and the Silica TDP (and to the extent possible based upon the funds available through the Plan Documents), or disallowed by a final, non-appealable order, and twelve (12) consecutive months have elapsed during which no new Silica Personal Injury Claims have been filed with the Silica Trust.

As previously reported, no claims have ever been filed with the Silica Trust. On May 17, 2011, the Trustee, with the consent of the TAC and Futures Representative, decided to initiate the process of terminating the Silica Trust. The actual termination of the Silica Trust was postponed to allow for a final effort to solicit silica claims. Notice of the availability of claims filing materials and instructions was provided to all law firms who filed claims with the Asbestos Trust. The claims filing materials and instructions were also made available on the Silica Trust's website. The Silica Trust received no filings as a result of those efforts.

Accordingly, on March 22, 2013, the Trustee, with the consent of the TAC and Futures Representative, elected to terminate the Silica Trust and wind up its affairs as provided for in Section 8.2 of the Silica Trust Agreement. The termination of the Silica Trust was effective as of June 20, 2013. All remaining Silica Trust funds were transferred to the Asbestos Trust.

3. Amendments to the Asbestos TDP

On February 26, 2013, the Trustee, with the consent of the TAC and Futures Representative, approved and adopted amendments to Asbestos Sections 5.6(a)(1)(A), 5.6(a)(1)(B), and 5.6(b)(3) of the TDP. On September 17, 2013, the Trustee, TAC, and Futures Representative adopted the Second Amended and Restated Asbestos TDP. This amended and restated Asbestos TDP in form incorporated all previous amendments to the Asbestos TDP, and specifically amended Section 5.1(a)(2). A complete copy of the amended and restated Asbestos TDP is available at <http://www.verusllc.com/plibrico/documents>.

J. Additional Information

For additional information regarding the financials or operations of the Asbestos Trust and Silica Trust, please contact the Trusts' General Counsel: Keating Muething & Klekamp PLL, One East Fourth Street, Suite 1400, Cincinnati, Ohio 45202, Attention: Jennifer J. Morales. Additional information is available on the Asbestos Trust's website: <http://www.plibricotrust.com>.

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Exhibit 1.A
Audited Asbestos Financial Statements

PLIBRICO 524(g) ASBESTOS TRUST
SPECIAL-PURPOSE FINANCIAL STATEMENTS
DECEMBER 31, 2013



SETTLEMENT TRUST

DECEMBER 31, 2013

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BEDERSON LLP

Accountants and Advisors since 1937

INDEPENDENT AUDITORS' REPORT

To the Trustee of
Plibrico 524(g) Asbestos Trust

We have audited the accompanying special-purpose financial statements of Plibrico 524(g) Asbestos Trust (the "Trust"), which comprise the special-purpose balance sheet as of December 31, 2013, and the related special-purpose statements of changes in net claimants' equity and cash flows for the year then ended, and the related notes to the special-purpose financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the special-purpose financial statements in accordance with basis of accounting described in Note 2; this includes determining that the special-purpose basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these special-purpose financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 auditors' 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 Trust'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 assets, liabilities, and net claimants' equity of the Trust as of December 31, 2013, and the revenues, expenses, changes in net claimants' equity, and cash flows for the year then ended, on the basis of accounting described in Note 2.

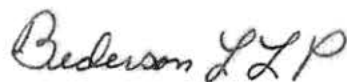
Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the special-purpose basis of accounting adopted by the Trustee, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Restriction on Use

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

BEDERSON LLP



Fairfield, New Jersey
April 15, 2014



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PLIBRICO 524(g) ASBESTOS TRUST

SPECIAL-PURPOSE BALANCE SHEET

DECEMBER 31, 2013

ASSETS

Cash and Cash Equivalents	\$ <u>592,098</u>
Investments:	
Investments	117,594,830
Income receivable	<u>837,184</u>
Total investments	<u>118,432,014</u>
Other Assets:	
Prepaid assets	16,849
Prepaid federal income taxes	<u>125,000</u>
Total other assets	<u>141,849</u>
TOTAL ASSETS	\$ <u>119,165,961</u>

LIABILITIES AND NET CLAIMANTS' EQUITY

LIABILITIES:	
Settled claims payable	\$ 702,725
Accounts payable	<u>44,316</u>
Total liabilities	747,041
NET CLAIMANTS' EQUITY	<u>118,418,920</u>
TOTAL LIABILITIES AND NET CLAIMANTS' EQUITY	\$ <u>119,165,961</u>

The accompanying notes are an integral part of these special purpose financial statements.



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PLIBRICO 524(g) ASBESTOS TRUST

SPECIAL-PURPOSE STATEMENT OF CHANGES IN NET CLAIMANTS' EQUITY
 YEAR ENDED DECEMBER 31, 2013

ADDITIONS:

Investment income, net:	
Interest and dividends income	\$ 3,738,674
Investment advisory fees	(212,144)
Realized gain on sale of securities, net	1,066,166
Unrealized gain on investments, net	<u>231,592</u>
Total investment income, net	<u>4,824,288</u>

DEDUCTIONS:

Claims settled	4,927,070
General and administrative:	
Claims consulting and forecasting fees	60,804
Claims processing fees	577,066
Insurance	45,636
Accounting	39,761
Other	6,667
Professional services:	
Trust general counsel	168,631
Legal - other	11,334
Legal representative fees and expenses	24,745
TAC attorney fees and expenses	32,078
Trustee	144,581
Federal income taxes	<u>417,500</u>
TOTAL DEDUCTIONS	<u>6,455,873</u>
NET DECREASE IN NET CLAIMANTS' EQUITY	(1,631,585)
NET CLAIMANTS' EQUITY - beginning	115,288,320
TRANSFER OF NET CLAIMANTS' EQUITY FROM PLIBRICO 524(g) SILICA TRUST	<u>4,762,185</u>
NET CLAIMANTS' EQUITY - ending	<u>\$ 118,418,920</u>

The accompanying notes are an integral part of these special purpose financial statements.



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PLIBRICO 524(g) ASBESTOS TRUST

SPECIAL-PURPOSE STATEMENT OF CASH FLOWS
 YEAR ENDED DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Net decrease in net claimants' equity	\$ (1,631,585)
Adjustments to reconcile net decrease in net claimants' equity from operating activities:	
Realized gain on sale of securities, net	(1,066,166)
Unrealized gain on investments, net	(231,592)
Amortization on bond premiums, net of accretion on bond discounts	(84,300)
Decrease (increase) in operating assets:	
Income receivable on investments	(56,153)
Prepaid assets	(4,365)
Due from Silica Trust	18,481
Prepaid federal income taxes	29,000
Decrease in operating liabilities:	
Settled claims payable	(2,324,391)
Accounts payable	(38,795)

NET CASH USED BY OPERATING ACTIVITIES

(5,389,866)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from sale of investments	54,705,623
Purchase of investments	(54,049,341)
Transfer of net claimants' equity from Plibrico 524(g) Silica trust	4,762,185

NET CASH PROVIDED BY INVESTING ACTIVITIES

5,418,467

NET INCREASE IN CASH AND CASH EQUIVALENTS

28,601

CASH AND CASH EQUIVALENTS - beginning

563,497

CASH AND CASH EQUIVALENTS - ending

\$ 592,098

The accompanying notes are an integral part of these special purpose financial statements.



PLIBRICO 524(g) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 1 - ORGANIZATION

The Plibrico 524(g) Asbestos Trust, organized pursuant to the laws of the State of Illinois, was established on March 1, 2006 and is a "qualified settlement fund" pursuant to the meaning of Section 1.468B-1 et seq. to the Treasury Regulations promulgated under section 468B of the Internal Revenue Code. The Trust was formed to assume all Asbestos Personal Injury Claims (whether now existing or arising at any time hereafter) and to use the Trust assets to pay holders of such Asbestos Personal Injury Claims in accordance with the Asbestos Trust Agreement and the Asbestos Trust Distribution Procedures ("TDP").

The Trust is also obligated to pay operating expenses on behalf of the Plibrico 524(g) Silica Trust ("Silica Trust"). The Silica Trust, organized pursuant to the laws of the State of Illinois, was established on March 1, 2006, and is a "qualified settlement fund" pursuant to the meaning of Section 1.468B-1 et seq. to the Treasury Regulations promulgated under section 468B of the Internal Revenue Code. The Silica Trust was formed to assume all Silica Asbestos Personal Injury Claims (whether now existing or arising at any time hereafter) and to use the Silica Trust assets to pay holders of such Asbestos Personal Injury Claims in accordance with the Asbestos Trust Agreement and the Asbestos Trust Distribution Procedures.

The Trust's funding is dedicated solely to the settlement of asbestos personal injury claims and the related costs thereto.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trustees which 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 net assets available for the payment of claims and related operating expenses of the Trust. Since the accompanying financial statements and transactions are not based upon GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amount.

The special-purpose accounting methods include the following:

Investment securities are recorded at fair market value. All interest and dividend income, net of investment expenses, are included in investment income in the accompanying special-purpose statements of changes in net claimants' equity. Net realized and unrealized gains and (losses) on investment securities are recorded as a net addition or (deduction) in the special-purpose statements of changes in net claimants' equity.



NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Basis of Accounting (Continued)**

Future fixed liabilities under contractual obligations and other agreements entered into by the Trust are recorded as deductions in the same period that such contractual obligations or agreements are signed. Under GAAP, liabilities and contractual obligations are recorded over the period that is benefited by the underlying contract or agreement.

Net claimants' equity represents funds available to pay asbestos and bankruptcy related 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.

Claims are expensed in the period in which the confirmed claims are settled. The Trust considers settled claims as claims that were approved through the Claim Review Process, regardless of the status of the Trust Waiver Statement. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust.

Payments for services to be received over an extended period in the future are expensed as paid since these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.

Income tax expense is estimated and recorded as incurred in the period in which certain income and expense items affect current federal income taxes payable. Income tax refunds are recorded when cash is received by the Trust. Under GAAP, the provision for income taxes is recorded based upon income reported for financial statement purposes, and federal and state income taxes both currently payable and changes in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities, such as unrealized gains and losses on investment securities.

Cash Equivalents

The Trust considers all short-term investments with original maturity of three (3) months or less to be cash equivalents.

The Trust maintains its cash and cash equivalents, which at times may exceed federally insured limits, with financial institutions. The Trust has not experienced any losses in such accounts, and management does not believe it is exposed to any significant credit risk on cash and cash equivalents.



PLIBRICO 524(g) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**Investment Securities**

All of the Trust's investments securities as of December 31, 2013, were classified as available for sale. The investment securities are considered to be available for sale securities, as they are used to satisfy claims, and are carried at fair value. Net realized and unrealized gains and losses relating to available for sale securities are recorded as a net addition or deduction in the Special-Purpose Statement of Changes in Net Claimants' Equity. Realized investment gains and losses on available for sale securities are determined using the specific identification method. Investment income is recognized when earned. Any unpaid interest and dividend income are recorded as accrued interest and dividends receivable.

Fair Value Hierarchy

Investments are classified as available for sale and stated at fair value. Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. In accordance with FASB ASC 820-10-50, *Fair Value Measurements* establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1: Inputs that are based upon quoted prices for identical instruments traded in active markets.

Level 2: Inputs that are based upon quoted prices for similar instruments in active markets, quoted prices for identical or similar investments in markets that are not active, or models based on valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the investment.

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



PLIBRICO 524(g) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Hierarchy (Continued)

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

Equities (i.e. Mutual Funds): Valued at the closing price reported on the active market on which the individual securities are traded.

Bonds and Fixed-income Securities: Valued using a metrics system provided by the pricing vendors.

Income Taxes

The Trust is classified 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. In the opinion of management, the Trust is not subject to state income taxes, and, therefore, the financial statements do not include any provision or liability for state income taxes. However, federal income tax expense for the year ended December 31, 2013, was \$417,500.

The Trust files income tax returns in the United States federal jurisdiction. U.S. federal income tax returns prior to the year 2010 are closed under statute of limitations.

Use of Estimates

The preparation of financial statements in conformity with the special-purpose accounting methods described above requires the Trust to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of additions and deductions to net claimants' equity during the reporting period. Actual results could differ from those estimates and such differences could have a material effect on net claimants' equity. As of December 31, 2013, the Trust has made no significant estimates and assumptions.

Subsequent Events

The Trust has evaluated subsequent events through April 15, 2014, which is the date the financial statements were available to be issued.



PLIBRICO 524(g) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS

Cash, cash equivalents and investment securities consist of the following at December 31, 2013:

	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Cash and Cash Equivalents	\$ 592,098	\$ -	\$ -	\$ 592,098
Municipal Bonds	65,708,754	1,879,579	731,879	66,856,454
U.S. Treasuries	6,505,129	-	189,134	6,315,995
Corporate Debentures	6,236,453	201,729	3,798	6,434,384
Mortgage-backed Securities	1,690,459	48,198	-	1,738,657
Asset-backed Securities	8,451,561	194,143	2,240	8,643,464
Mutual Funds	16,857,332	10,748,544	-	27,605,876
Total	<u>\$ 106,041,786</u>	<u>\$13,072,193</u>	<u>\$927,051</u>	<u>\$ 118,186,928</u>

The unrealized losses and fair values of investment securities in an unrealized loss position for less than twelve months and twelve months or longer as of December 31, 2013, are shown below:

	Less than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss	Fair Value	Unrealized Loss
Municipal Bonds	\$ -	\$ -	\$22,001,529	\$ 731,879	\$22,001,529	\$ 731,879
U.S. Treasuries	-	-	6,315,995	189,134	6,315,995	189,134
Corporate Debentures	-	-	983,143	3,798	983,143	3,798
Asset-backed Securities	-	-	999,135	2,240	999,135	2,240
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$30,299,802</u>	<u>\$ 927,051</u>	<u>\$30,299,802</u>	<u>\$ 927,051</u>

The Trust held forty-two (42) securities that were in an unrealized loss position as of December 31, 2013, all of which had been in an unrealized loss position for a period of twelve months or longer.

The Trust regularly reviews the carrying value of its investments for declines that could be considered other than temporary. The Trust does not consider these securities to be impaired on an other than temporary basis as of December 31, 2013.

Proceeds from sales of investment securities amounted to \$54,705,623 in 2013. Gross gains and losses of \$1,622,056 and \$555,890 were realized on those sales during 2013.



PLIBRICO 524(g) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 3 - CASH, CASH EQUIVALENTS AND INVESTMENTS (Continued)

The estimated fair value of fixed maturity investments as of December 31, 2013 by contractual maturity are shown below.

	Due One Year or Less	Due After One Year Through Five Years	Due After Five Years Through Ten Years	Due After Ten Years	Total Fixed Maturity Investments
Municipal Bonds	\$ 180,000	\$ 4,057,120	\$ 7,552,717	\$ 55,066,617	\$66,856,454
U.S. Treasuries	-	-	3,079,686	3,236,309	6,315,995
Corporate Debentures	124,027	4,754,539	1,283,347	272,471	6,434,384
Mortgage-backed Securities	-	-	-	1,738,657	1,738,657
Asset-backed Securities	37,538	7,240,742	968,291	396,893	8,643,464
Total	<u>\$ 341,565</u>	<u>\$ 16,052,401</u>	<u>\$ 12,884,041</u>	<u>\$ 60,710,947</u>	<u>\$89,988,954</u>

Investments measured at fair value on a recurring basis as of December 31, 2013 are summarized as follows:

	Assets Measured at Fair Value	Quoted Prices in Active Markets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Cash and Cash Equivalents	\$ 592,098	\$ 592,098	\$ -	\$ -
Municipal Bonds	66,856,454	-	66,856,454	-
U.S. Treasuries	6,315,995	-	6,315,995	-
Corporate Debentures	6,434,384	-	6,434,384	-
Mortgage-backed Securities	1,738,657	-	1,738,657	-
Asset-backed Securities	8,643,464	-	8,643,464	-
Mutual Funds	<u>27,605,876</u>	<u>27,605,876</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 118,186,928</u>	<u>\$ 28,197,974</u>	<u>\$ 89,988,954</u>	<u>\$ -</u>

At December 31, 2013, mutual funds consist of the following:

Domestic Large Blend	\$19,988,701
Diversified Emerging Markets	1,164,961
Foreign Large Blend	<u>6,452,213</u>
	<u>\$27,605,875</u>

Major categories of the Trust's net investment income for the year ended December 31, 2013, are summarized as follows:

Interest	\$3,077,636
Dividends	576,738
Accretion of bond discounts, net of amortization of bond premiums	<u>84,300</u>
	<u>\$3,738,674</u>



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FEDRICO 524(g) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 4 - CONTINGENT LIABILITIES

The Plan Documents (as defined in the Confirmed Plan) subject the Trust to certain reimbursement and indemnification obligations that may result in future claims against the Trust.

The probability of such claims cannot be reasonably determined. Accordingly, no associated liability has been recorded in the accompanying special-purpose financial statements. Such claims, if any, are not expected to be material.

NOTE 5 - LIABILITY FOR ASBESTOS CLAIMS

Asbestos Personal Injury Claims that were settled but unpaid as of December 31, 2013, have been accrued and deducted from net claimants' equity. These amounts have been included in distributions from net claimants' equity in the accompanying special-purpose statements of changes in net claimants' equity for the payment of claims for the year ended December 31, 2013.

The Trust considers settled claims as claims that were approved through the Claim Review Process, regardless of the status of the Trust Waiver Statement.

The ultimate number of Asbestos PI Trust Claims to be filed and the liability for all such claims are not determinable at this time. The net claimants' equity at December 31, 2013, represents funding available for all Asbestos PI Trust Claims for which no fixed liability has yet been established.

The Trust is designed to provide fair and equitable treatment for all Trust claims that may presently exist or may arise in the future. The TDP prescribes certain procedures for distributing the Trust's assets, including pro rata payments and initial determination of claim value based on scheduled diseases values, jurisdictions, and individual factual information concerning each claimant. Under the TDP, the Trust forecasts its anticipated annual sources and uses of cash until the last projected future claim has been paid. A pro rata payment percentage is calculated such that the Trust will have no remaining assets or liabilities after the last future claimant receives their pro rata share.

The TDP gives the Trustees, with the consent of the Trust Advisory Committee and the Futures Representative, the power to periodically update its estimate of the payment percentage based on updated assumptions regarding its future assets and liabilities and, if appropriate, propose additional changes to the payment percentage. As of December 31, 2013, the payment percentage was 1.0%.



FIBRO 924(g) ASBESTOS TRUST

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2013

NOTE 6 - RELATED PARTY TRANSACTIONS

On March 22, 2013, the Trustee of the Silica Trust resolved, with the consent of the Trust Advisory Committee and Future Representative of the Silica Trust, to terminate the Silica Trust. On June 20, 2013, the Silica Trust automatically terminated and transferred all of its trust assets to the Trust, totaling \$4,762,185.

NOTE 7 - CONCENTRATION OF RISK

The Trust utilizes risk controls to meet investment objectives authorized by its Trustee. Such risk controls include the use of outside investment advisors meeting predetermined criteria in accordance with the Trust Agreement. The Trust believes its risk control practices are appropriate to meet investment objectives.

Investment securities, in general, are exposed to various risks, such as interest rates, credit, and overall market volatility. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the Trust's investment account balances and the amounts reported in the special-purpose financial statement.



Exhibit 1.B
Silica Financial Statements

PLIBRICO 524(g) SILICA TRUST

SPECIAL-PURPOSE FINANCIAL STATEMENTS

FROM JANUARY 1, 2013 TO JUNE 20, 2013 (DATE OF TERMINATION)



FROM JANUARY 1, 2013 TO JUNE 20, 2013 (DATE OF TERMINATION)

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

To the Trustee of
Plibrico 524(g) Silica Trust

We have reviewed the accompanying the special-purpose statements of changes in net claimants' equity, and cash flows of Plibrico 524(g) Silica Trust from January 1, 2013 to June 20, 2013 (date of termination). A review includes primarily applying analytical procedures to management's financial data and making inquiries of Trust management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statement in accordance with special purpose basis of accounting as discussed in Note 2 and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statement.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modifications that should be made to the financial statement. We believe that the results of our procedures provide a reasonable basis for our report.

The accompanying special-purpose financial statement was prepared on a special-purpose basis of accounting in order to communicate the amount of net assets presently available for current and future claimants as discussed in Note 2 and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America.

Based on our review, we are not aware of any material modifications that should be made to the accompanying special-purpose financial statement in order for them to be in conformity with the basis of accounting described in Note 2.

This report is intended solely for the information and use of the 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 be and should not be used for any other than these specified parties.

BEDERSON LLP

A handwritten signature in cursive script that reads "Bederson LLP".

Fairfield, New Jersey
April 7, 2014

PLIBRICO 524(g) SERICA TRUST**SPECIAL-PURPOSE STATEMENT OF CHANGES IN NET CLAIMANTS' EQUITY
FROM JANUARY 1, 2013 TO JUNE 20, 2013 (DATE OF TERMINATION)****ADDITIONS:**

Interest and dividends	\$ 26,428
Investment advisory fees	(71)
Realized gain on sale of investments	8,019
Unrealized loss on investments	<u>(21,641)</u>
Total investment income, net	<u>12,735</u>
TOTAL ADDITIONS	12,735

DEDUCTIONS:

Federal income tax	<u>10,820</u>
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NET INCREASE IN NET CLAIMANTS' EQUITY

1,915

NET CLAIMANTS' EQUITY - beginning

4,760,270

TRANSFER OF NET CLAIMANTS' EQUITY(4,762,185)**NET CLAIMANTS' EQUITY - ending**\$ -

See Independent Accountants' review report and accompanying
notes to financial statements.



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PLIBRICO 524(g) SILICA TRUST

SPECIAL-PURPOSE STATEMENT OF CASH FLOWS
 FROM JANUARY 1, 2013 TO JUNE 20, 2013 (DATE OF TERMINATION)

CASH FLOWS FROM OPERATING ACTIVITIES:	
Net increase in net claimants' equity	\$ 1,915
Adjustments to reconcile net increase in net claimants' equity from operating activities:	
Realized gain on sale of investments	(8,019)
Unrealized loss on investments	21,641
Decrease in operating assets and increase in operating liabilities:	
Decrease in federal income tax payable	<u>(24,180)</u>
NET CASH USED BY OPERATING ACTIVITIES	<u>(8,643)</u>
CASH FLOWS USED BY FINANCING ACTIVITIES:	
Decrease in due to Asbestos Trust	<u>(18,481)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:	
Proceeds from sale of investments	4,708,626
Transfer of net claimants' equity	<u>(4,762,185)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(53,559)</u>
NET DECREASE IN CASH	(80,683)
CASH - beginning	<u>80,683</u>
CASH - ending	<u>\$ -</u>

See Independent Accountants' review report and accompanying
 notes to financial statements.



PLIBRICO 524(g) SILICA TRUST

**NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
FROM JANUARY 1, 2013 TO JUNE 20, 2013 (DATE OF TERMINATION)**

NOTE 1 - ORGANIZATION

The Silica Trust, organized pursuant to the laws of the State of Illinois, was established on March 1, 2006, and is a "qualified settlement fund" pursuant to the meaning of Section 1.468B-1 et seq. to the Treasury Regulations promulgated under section 468B of the Internal Revenue Code. The Silica Trust was formed to assume all Silica Personal Injury Claims (whether now existing or arising at any time hereafter) and to use the Silica Trust assets to pay holders of such Silica Personal Injury Claims in accordance with the Silica Trust Agreement and the Silica Trust Distribution Procedures ("TDP").

The Plibrico 524(g) Asbestos Trust ("Plibrico Trust") is obligated to pay operating expenses on behalf of this Trust. The Plibrico Trust, organized pursuant to the laws of the State of Illinois, was established on March 1, 2006 and is a "qualified settlement fund" pursuant to the meaning of Section 1.468B-1 et seq. to the Treasury Regulations promulgated under section 468B of the Internal Revenue Code. The Plibrico Trust was formed to assume all Asbestos Personal Injury Claims (whether now existing or arising at any time hereafter) and to use the Trust assets to pay holders of such Asbestos Personal Injury Claims in accordance with the Asbestos Trust Agreement and the TDP.

The Trustee of the Trust resolved, with the consent of the Trust Advisory Committee and Future Representative of the Trust, to terminate the Trust on June 20, 2013. On that day, all trust assets of the Trust were transferred to the Plibrico Trust.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Trust's financial statements are prepared using special-purpose accounting methods adopted by the Trustees which 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 net assets available for the payment of claims and related operating expenses of the Trust. Since the accompanying financial statements and transactions are not based upon GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amount.

The special-purpose accounting methods include the following:

Investment securities are recorded at fair market value. All interest and dividend income, net of investment expenses, are included in investment income in the accompanying special-purpose statements of changes in net claimants' equity. Net realized and unrealized gains and (losses) on investment securities are recorded as a net addition or (deduction) in the special-purpose statements of changes in net claimants' equity.

Future fixed liabilities under contractual obligations and other agreements entered into by the Trust are recorded as deductions in the same period that such contractual obligations or agreements are signed. Under GAAP, liabilities and contractual obligations are recorded over the period that is benefited by the underlying contract or agreement.



NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
FROM JANUARY 1, 2013 TO JUNE 20, 2013 (DATE OF TERMINATION)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting (Continued)

Net claimants' equity represents funds available to pay silica and bankruptcy related 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.

Claims are expensed in the period in which the confirmed claims are settled. The Trust considers settled claims as claims that were approved through the Claim Review Process, regardless of the status of the Trust Waiver Statement. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust.

Payments for services to be received over an extended period in the future are expensed as paid since these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.

Income tax expense is estimated and recorded as incurred in the period in which certain income and expense items affect current federal income taxes payable. Income tax refunds are recorded when cash is received by the Trust. Under GAAP, the provision for income taxes is recorded based upon income reported for financial statement purposes, and federal and state income taxes both currently payable and changes in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities, such as unrealized gains and losses on investment securities.

Investment Securities

All of the Trust's investments securities held during 2013 were classified as available for sale. The investment securities are considered to be available for sale securities, as they are used to satisfy claims, and are carried at fair value. Net realized and unrealized gains and losses relating to available for sale securities are recorded as a net addition or deduction in the Special-Purpose Statement of Changes in Net Claimants' Equity. Realized investment gains and losses on available for sale securities are determined using the specific identification method. Investment income is recognized when earned. Any unearned interest and dividend income are recorded as accrued interest and dividends receivable.



NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS
FROM JANUARY 1, 2013 TO JUNE 20, 2013 (DATE OF TERMINATION)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Trust is classified 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. In the opinion of management, the Trust is not subject to state income taxes, and, therefore, the financial statements do not include any provision or liability for state income taxes. However, federal income tax expense for the period ended June 20, 2013 was \$10,820.

The Trust files income tax returns in the United States federal jurisdiction. U.S. federal income tax returns prior to the year 2010 are closed under statute of limitations.

Use of Estimates

The preparation of financial statements in conformity with the special-purpose accounting methods described above requires the Trust to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of additions and deductions to net claimants' equity during the reporting period. Actual results could differ from those estimates and such differences could have a material effect on net claimants' equity. As of June 30, 2013, the Trust has made no significant estimates and assumptions.

Subsequent Events

The Trust has evaluated subsequent events through April 7, 2014, which is the date the financial statements were able to be issued.

NOTE 3 - CONTINGENT LIABILITIES

On March 22, 2013, the Trustee, Trust Advisory Committee, and Futures Representative resolved to terminate the Silica Trust. Pursuant to the Trust Agreement, as of June 20, 2013, the Silica Trust no longer exists to accept and process claims.



Exhibit 1.C

Claims Report

Plibrico Asbestos Trust
Report of Asbestos Personal Injury Claim Activity and Disposition
From January 1, 2013 through December 31, 2013

	Number of Claims Filed	Number of Claims Qualified for Payment	Number of Claims Rejected	Liquidated Value of Qualified Claims	Number of Approved Claims Paid	Amount Paid on Approved Claims
Category A						
Severe Asbestosis (Level III)	1,068	25	-	\$ 3,063,390	39	\$ 49,678
Other Cancer (Level IV)	1,748	537	-	\$ 35,563,261	641	\$ 425,921
Lung Cancer 2 (Level V)	947	300	-	\$ 15,031,315	323	\$ 162,035
Lung Cancer 1 (Level VI)	4,863	1,051	-	\$ 136,000,991	1,332	\$ 1,751,492
Mesothelioma (Level VII)	1,969	670	-	\$ 325,093,772	920	\$ 4,517,973
Category A Subtotal:	10,595	2,583	-	\$ 514,752,729	3,255	\$ 6,907,099
Category B						
Other Asbestos Disease (Level I)	7,963	2,205	-	\$ 3,307,500	2,143	\$ 32,146
Asbestosis/Pleural Disease (Level II)	4,912	1,579	-	\$ 23,683,500	2,349	\$ 352,351
Category B Subtotal:	12,875	3,784	-	\$ 26,991,000	4,492	\$ 384,496
Unknown Disease	1,975	-	-	\$ -	-	\$ -
Grand Total:	25,445	6,367	-	\$ 541,743,729	7,747	\$ 7,291,595