

API, Inc. Asbestos Settlement Trust

ANNUAL REPORT OF THE TRUSTEE, 2022

API, INC. ASBESTOS SETTLEMENT TRUST

May 19, 2023

TO: Legal Representative, API, Inc. Asbestos Settlement Trust
Judge Richard Spicer
874 South Highview Circle
Mendota Heights, MN 55118

Trust Advisor, API, Inc. Asbestos Settlement Trust
Michael R. Strom
SIEBEN POLK, PA
Eagan Woods Office Center
2600 Eagan Woods Drive, Suite 50
Eagan, Minnesota 55121-1170

Settlor, API, Inc. Asbestos Settlement Trust
API, INC, c/o API GROUP, INC.
c/o Chief Executive Officer
1100 Old Highway 8 NW
New Brighton, MN 55112

This Annual Report has been prepared by the undersigned as Trustee of the API, Inc. Asbestos Settlement Trust (the “Trust”), pursuant to Sections 2.2 (b), and (c) of the First Amended API, Inc. Asbestos Settlement Trust [Trust] Agreement (“Trust Agreement”). Those sections of the Trust Agreement require the Trustee to prepare and submit an Annual Report containing the Trust’s financial statements, auditor’s opinion, and summary of type and number of claims to the Trust during the prior year, all as more fully described in those sections of the Trust Agreement.

This Report is the Trustee’s Annual Report for 2022.

The Trust has retained the accounting firm of HG&K, Ltd. of Minneapolis, Minnesota, as the Trust’s auditors, to prepare the Financial Statements, and to issue a fairness opinion as to those Financial Statements for 2022. Pursuant to that engagement,

HG&K, Ltd. has completed both the Financial Statements, and has issued its Independent Auditor's Report regarding those Statements.

The 2022 Financial Statements are attached as Exhibit A.

The Trust has made payments on Claims during 2022. Payments on Claims made by the Trust in 2022 are:

1) Current Direct Asbestos Claims paid during 2022 as submitted and approved pursuant to Section V4.1 of the Trust's Trust Distribution Procedures ("TDPs")

The summary of payments made to new Current Direct Asbestos Claims in 2022 is attached as Exhibit B.

This Annual Report is submitted solely for the purposes required in the Trust Agreement, and is not intended, nor should it be construed, as legal advice from the Trustee, or the Trust, to Claimants, Claimants' counsel, or others.

This Annual Report has this day been mailed for filing with the Office of the United States Trustee for the District of Minnesota, as described by Section 2(d) of the Trust Agreement, and by Paragraph 43 of the Order Confirming Third Amended Plan of Reorganization of A.P.I., Inc. (November 21, 2005) As Modified at Confirmation, dated December 6, 2005, Case No. BKY 05-30073-GFK.

API, INC. ASBESTOS SETTLEMENT TRUST

A handwritten signature in black ink, appearing to read "Rob Brownson", written in a cursive style.

Robert D. Brownson
TRUSTEE
Minneapolis, Minnesota

API, INC. ASBESTOS SETTLEMENT TRUST

AUDITED FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2022 and 2021

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Accountable.

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Special Counsel
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INDEPENDENT AUDITOR'S REPORT

To the Trustee
API, Inc. Asbestos Settlement Trust
Minneapolis, Minnesota

Opinion

We have audited the accompanying special-purpose financial statements of API, Inc. Asbestos Settlement Trust which comprise the statements of net claimants' equity as of December 31, 2022 and 2021 and the related statements of changes in net claimants' equity and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, net claimants' equity of API, Inc. Asbestos Settlement Trust as of December 31, 2022 and 2021 and the related changes in net claimants' equity and cash flows for the years then ended, in accordance with the special-purpose method of accounting described in Note 2.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of API, Inc. Asbestos Settlement Trust and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements were prepared on a special-purpose basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. The special-purpose basis of accounting has been used in order to present the amount of equity available to current and future claimants. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the special-purpose basis of accounting utilized by the Trust, 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures that are responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Trust's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Restriction on Use

Our report is intended solely for the information and use of the Trustee, the Legal Representative, the Trust Advisor, the beneficiaries of the Trust and the United States Bankruptcy Court for the District of Minnesota and is not intended to be and should not be used by anyone other than these specified parties. This restriction is not intended to limit distribution of this report, which, upon filing with the United States Bankruptcy Court for the District of Minnesota, is a matter of public record.

Handwritten signature in black ink that reads "HG&K, LTD". The letters are cursive and somewhat stylized.

HG&K, LTD.
Certified Public Accountants
Minnetonka, Minnesota

May 11, 2023

API, INC. ASBESTOS SETTLEMENT TRUST
STATEMENTS OF NET CLAIMANTS' EQUITY
DECEMBER 31, 2022 AND 2021

	2022	2021
ASSETS:		
Current Assets:		
Cash and cash equivalents	\$ 175,351	\$ 264,535
Note receivable, current portion	1,300,000	1,300,000
Prepaid expenses	5,900	-
Investments	1,527,318	1,647,895
Total current assets	\$ 3,008,569	\$ 3,212,430
Other Assets:		
Note receivable, net of current portion	\$ 4,225,000	\$ 5,525,000
Total other assets	\$ 4,225,000	\$ 5,525,000
Total Assets	\$ 7,233,569	\$ 8,737,430
LIABILITIES:		
Current Liabilities:		
Accounts payable	\$ 14,146	\$ 22,533
Claims payable	548,949	32,467
Claims processing fees payable	38,600	32,300
Total current liabilities	\$ 601,695	\$ 87,300
NET CLAIMANTS' EQUITY	\$ 6,631,874	\$ 8,650,130

See Independent Auditor's Report and
Notes to Financial Statements.

API, INC. ASBESTOS SETTLEMENT TRUST
STATEMENTS OF CHANGES IN NET CLAIMANTS' EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
Additions:		
Interest income	\$ 123	\$ 19,916
Dividend income	37,675	58,846
Gain on investments	(147,458)	829,540
Claim processing fees and miscellaneous income	1,100	203
Total additions	<u>\$ (108,560)</u>	<u>\$ 908,505</u>
Deductions:		
Accounting fees	\$ 39,897	\$ 39,991
Bank charges	180	210
Contributions	-	500
Foreign tax paid	-	609
Insurance	5,691	4,797
Investment management fees	15,371	42,335
Legal fees	7,532	23,725
Office expenses	1,532	1,304
U.S. Bankruptcy Trustee fee	-	39,734
Trustee fees	160,500	155,978
Legal Representative fees	32,000	25,000
Total deductions	<u>\$ 262,703</u>	<u>\$ 334,183</u>
Change in net claimants' equity	\$ (371,263)	\$ 574,322
Net claimants' equity, beginning of period	8,650,130	14,471,717
Distributions from net claimants' equity	<u>(1,646,993)</u>	<u>(6,395,909)</u>
Net claimants' equity, end of period	<u>\$ 6,631,874</u>	<u>\$ 8,650,130</u>

See Independent Auditor's Report and
Notes to Financial Statements.

API, INC. ASBESTOS SETTLEMENT TRUST
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

	<u>2022</u>	<u>2021</u>
CASH INFLOWS:		
Investment income	\$ 37,798	\$ 108,132
Proceeds from note receivable	1,300,000	1,300,000
Proceeds from sale of investments	470,150	6,607,369
Receipt of claim search fees and miscellaneous income	1,100	203
Receipt of claim processing payments	10,500	7,500
	<u>\$ 1,819,548</u>	<u>\$ 8,023,204</u>
CASH OUTFLOWS:		
Distributions to claimants	\$ 1,130,510	\$ 6,390,931
Disbursements for trust operating expenses	276,990	323,124
Purchases of investments	497,032	1,669,055
Refund of claim processing payments	4,200	8,200
	<u>\$ 1,908,732</u>	<u>\$ 8,391,310</u>
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	\$ (89,184)	\$ (368,106)
CASH AND CASH EQUIVALENTS, beginning of period	<u>264,535</u>	<u>632,641</u>
CASH AND CASH EQUIVALENTS, end of period	<u>\$ 175,351</u>	<u>\$ 264,535</u>

See Independent Auditor's Report and
Notes to Financial Statements.

API, INC. ASBESTOS SETTLEMENT TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 1. DESCRIPTION OF THE TRUST

The API, Inc. Asbestos Settlement Trust (the Trust), organized pursuant to Section 524(g) of the United States Bankruptcy Code, was established according to the Third Amended Plan of Reorganization of API, Inc. as modified (the Plan). The Trust was formed to assume all asbestos claims against API, Inc., whether now existing or arising at any time hereafter, and to use the Trust's assets and income to pay holders of allowed asbestos claims in accordance with the Plan and Trust Agreement. The Trust's funding is dedicated solely to the settlement of asbestos health claims and the related costs, as defined in the Plan. The Trust was consummated on February 5, 2007.

The Trust was initially funded with cash, a promissory note from API, Inc., rights to proceeds from asbestos insurance policies and insurance settlement rights.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Trust's financial statements are prepared using special-purpose accounting methods that differ from accounting principles generally accepted in the United States of America. The special-purpose accounting methods were adopted in order to present the amount of equity available for payment of current and future claims and operating expenses of the Trust. Since the accompanying special-purpose financial statements are not based on accounting principles generally accepted in the United States of America, accounting treatment by other parties for these same transactions may differ as to timing and amounts. These special-purpose accounting methods are as follows:

- (1) The financial statements are prepared using the accrual basis of accounting.
- (2) The funding received from API, Inc., API Group, Inc. and the insurance companies are added directly to net claimants' equity. The distributions to claimants and litigation expenses incurred in relation to additions to net claimants' equity are deducted directly from net claimants' equity. These funds do not represent income or expenses of the Trust.
- (3) Non-interest bearing notes have not been discounted to present value.
- (4) Costs of non-income producing assets, which will be exhausted during the life of the Trust and are not available for satisfying claims, are expensed as they are incurred. These items include costs of computer hardware and software.

API, INC. ASBESTOS SETTLEMENT TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Basis of Presentation (continued)

- (5) Investments are recorded at fair value. All interest and dividend income is included in interest and dividend income on the statements of changes in net claimants' equity. Realized and unrealized gains and losses are reflected on the statements of changes in net claimants' equity.
- (6) The Trust does not record a deferred tax asset for net operating loss carryforwards or a deferred tax asset or liability arising from unrealized gains or losses on securities. For the years ended December 31, 2022 and 2021, the net operating loss carryforward available for use in future years was \$3,584,751 and \$3,372,056, respectively. The net operating loss carryforwards begin to expire in the year ending December 31, 2027.
- (7) Payments for services to be received over an extended period in the future are recorded as expenses when incurred as these amounts are no longer available for the payment of claims.

Cash and Cash Equivalents

The Trust considers unrestricted currency, demand deposits, and certificates of deposit with an initial maturity of three months or less to be cash and cash equivalents.

Fair Value of Investments

The Trust measures its investments at fair value. Fair value is defined as the price at which an asset could be exchanged in a current transaction between knowledgeable and willing parties.

Fixed Assets

The cost of non-income producing assets that will be exhausted during the life of the Trust and are not available for satisfying claims are expensed as incurred. Since inception of the Trust through December 31, 2022, the cost of fixed assets expensed includes website development costs of \$4,003.

Claims Payable

Claims payable on the statements of net claimants' equity reflect claims approved but unpaid as of December 31 of each year.

Estimates

The preparation of financial statements in conformity with the special-purpose accounting methods described above requires Trust management to make estimates and assumptions that affect the reported amounts of assets and liabilities

API, INC. ASBESTOS SETTLEMENT TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates (continued)

at the date of the financial statements and the reported amounts of additions and deductions to net claimants' equity during the reporting periods. Accordingly, actual results may differ from those estimates.

Date of Trustee Review

In preparing these financial statements, the Trust has evaluated events and transactions for potential recognition or disclosure through May 11, 2023, the date the special-purpose financial statements were available to be issued.

NOTE 3. NOTE RECEIVABLE

Note receivable as of December 31, 2022 and 2021 consisted of a promissory note from API, Inc. The original face value of the note was \$26,000,000. The note calls for eighty quarterly payments of \$325,000 and is due in full in March 2027. The note bears no interest.

The note is secured by 51 percent of the common shares of API, Inc., a perfected lien against API, Inc. and certain other assets of API, Inc. As part of a reorganization of API, Inc., API, Inc. desired to transfer some of its assets to its wholly-owned subsidiary, Tenet Corp. On January 12, 2022, the Trust entered into a pledge agreement with API, Inc. thereby securing the note receivable with all common shares of Tenet Corp and various other assets of Tenet Corp. Tenet Corp also guaranteed the performance obligations of API, Inc. under the original note. The payment terms and the maturity date of the note were not modified.

As of December 31, 2022 and 2021, the note was receivable as follows:

	<u>2022</u>	<u>2021</u>
Receivable within one year	\$ 1,300,000	\$ 1,300,000
Receivable in future years	<u>4,225,000</u>	<u>5,525,000</u>
	<u>\$ 5,525,000</u>	<u>\$ 6,825,000</u>

NOTE 4. FAIR VALUE MEASUREMENTS

Investments recorded at fair value are categorized using the defined hierarchical levels directly related to the amount of subjectivity associated with the inputs to value an asset. Level 1 inputs consist of quoted prices in active markets for identical assets and have the highest priority. Level 2 inputs consist of quoted prices for similar instruments in active markets or quoted prices for identical or

API, INC. ASBESTOS SETTLEMENT TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 4. FAIR VALUE MEASUREMENTS (continued)

similar investments in markets that are not active markets. Level 2 inputs also consist of valuation techniques for which significant assumptions are observable in the market or can be corroborated by observable market data. Level 3 inputs consist of unobservable inputs that cannot be corroborated by observable market data and typically reflect Trust management's estimate of fair value.

The Trust uses appropriate valuation techniques based on the available inputs to measure the fair value of investments. When available, the Trust measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs are used only when Level 1 or Level 2 inputs were not available. The Trust did not have any Level 2 or Level 3 investments for the years ended December 31, 2022 and 2021. Fair values of assets measured on a recurring basis at December 31, 2022 and 2021 are as follows:

	<u>Fair Value</u>	<u>Fair Value at December 31, 2022</u>	
		<u>Using Inputs Considered as:</u>	
		<u>Level 1</u>	<u>Level 2</u>
Common Stock:			
Consumer discretionary	\$ 123,617	\$ 123,617	
Consumer staples	125,749	125,749	
Energy	118,256	118,256	
Finance	211,355	211,355	
Health care	242,803	242,803	
Industrials/Materials	222,931	222,931	
Information technology	371,883	371,883	
Real estate	33,932	33,932	
Utilities	76,792	76,792	
Total Investments	<u>\$ 1,527,318</u>	<u>\$ 1,527,318</u>	<u>\$ --</u>

	<u>Fair Value</u>	<u>Fair Value at December 31, 2021</u>	
		<u>Using Inputs Considered as:</u>	
		<u>Level 1</u>	<u>Level 2</u>
Common Stock:			
Consumer discretionary	\$ 154,004	\$ 154,004	
Consumer staples	147,684	147,684	
Energy	67,775	67,775	
Finance	284,626	284,626	
Health care	215,137	215,137	
Industrials/Materials	249,690	249,690	
Information technology	402,688	402,688	
Telecommunications	52,192	52,192	
Utilities	74,099	74,099	
Total Investments	<u>\$ 1,647,895</u>	<u>\$ 1,647,895</u>	<u>\$ --</u>

API, INC. ASBESTOS SETTLEMENT TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 5. NET CLAIMANTS' EQUITY

The distributions from claimants' equity were comprised of distributions to claimants of \$1,646,993 and \$6,395,909 for the years ended December 31, 2022 and 2021, respectively.

The distributions to claimants represents a payment sum percentage of 44 percent of the allowed liquidated value per claimant for both of the years ended December 31, 2022 and 2021, per the Trust Distribution Procedures. The Trust Distribution Procedures allow this percentage to be evaluated at least once per year by the Trustee, the Legal Representative and the Trust Advisor (Advisory Committee). Distributions prior to October 1, 2010 also included enhanced payments for exigent health, extraordinary or extreme hardship claims, if applicable, as determined by the Trustee. As of October 1, 2010, claims could be filed and approved as exigent health, extraordinary or extreme hardship claims, but the enhanced payments are deferred until the Trust is financially capable of making enhanced payments.

NOTE 6. INVESTMENT INCOME

Investment income consists of:

	<u>2022</u>	<u>2021</u>
Realized gain on investments	\$ 11,641	\$ 1,614,360
Unrealized gain (loss) on investments	(159,099)	(784,820)
Gain on investments	<u>\$ (147,458)</u>	<u>\$ 829,540</u>
Total interest income	\$ 123	\$ 49,286
Less: bond premium amortization	-0-	(29,370)
Interest income	<u>\$ 123</u>	<u>\$ 19,916</u>
Dividend income	<u>\$ 37,675</u>	<u>\$ 58,846</u>
Total investment income	<u>\$ (109,660)</u>	<u>\$ 908,302</u>

NOTE 7. INCOME TAXES

For federal income tax purposes, API, Inc. has elected for the qualified assets of the Trust to be taxed as a Designated Settlement Fund (DSF). Income and expenses associated with the DSF are taxed in accordance with Section 468B of the Internal Revenue Code. As of 2020, the federal statutory income tax rate for the DSF is thirty seven percent.

API, INC. ASBESTOS SETTLEMENT TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 7. INCOME TAXES (continued)

The Advisory Committee believes the Trust is operating in a manner so as to continue to qualify as a Designated Settlement Fund. The Trust recognizes potential interest and penalties pertaining to income tax related issues, if any, as income tax expense. During the years ended December 31, 2022 and 2021, no such interest or penalties were recognized.

The Trust Advisory Committee evaluates all tax positions and makes a determination regarding their likelihood of being upheld under review. For the years ended December 31, 2022 and 2021, the Trust did not have uncertain tax positions for which they recorded a tax liability.

NOTE 8. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2022 and 2021, the Trust incurred legal fees of \$0 and \$2,181, respectively, from the firm in which the Trustee is a minority shareholder. These amounts are included in legal fees for the years ended December 31, 2022 and 2021 on the statements of changes in net claimants' equity.

During the years ended December 31, 2022 and 2021, the Trust incurred fees of \$192,500 and \$180,978, respectively, from members of the advisory committee in their roles as Trustee, Legal Representative and Trust Advisor. Of these amounts, \$13,540 and \$18,116 are included in accounts payable on the statements of net claimants' equity as of December 31, 2022 and 2021, respectively. The Trust Advisor is a principal member of the law firm representing numerous claimants.

NOTE 9. INSURANCE SETTLEMENTS

In January 2008, settlement agreements were approved by the courts with seven insurance companies. The insurance settlements were received during the year ended December 31, 2008.

Pursuant to the settlement agreement with one of the insurance companies, the immediate cash settlement of seven million dollars was paid to the Trust in 2008 and was nonrefundable. The remainder of the aggregate settlement amount is payable to the Trust upon certain criteria being met. Upon such time that the insurance company reimbursement obligation for all qualified asbestos claims related to the insurance carrier exceeds the original cash settlement amount of seven million dollars, the insurance carrier is obligated to make additional settlement payments to the Trust, up to a maximum of an additional eleven million dollars. As of

API, INC. ASBESTOS SETTLEMENT TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021

NOTE 9. INSURANCE SETTLEMENTS (continued)

December 31, 2022, the reimbursement obligation for the insurance carrier was approximately \$5,764,800, which is below the original cash settlement amount. The amount of the potential additional settlement funds is undeterminable at this time and has not been reflected in the financial statements.

NOTE 10. INSURANCE CASE SETTLEMENTS

In prior years, various claims had been presented to the Liquidator for Home Insurance Company. During the year ended December 31, 2012, the Trust reached a settlement agreement with the Liquidator for Home Insurance Company. The Trust's claim had been accepted as a Class II claim in the liquidated amount of \$21,500,000. During the years ended December 31, 2022 and 2021, the Trust did not receive payments on their settlement claim. As of December 31, 2022, the Trust has received \$6,450,000 of their approved claim (30 percent of the settlement amount). As Home Insurance Company is in liquidation, it is anticipated that the Trust will not receive the entire settlement amount. The amount of the potential additional receipts under the settlement is undeterminable at this time and has not been reflected in the financial statements.

NOTE 11. CONCENTRATIONS AND CREDIT RISK

The Trust maintains cash balances at various financial institutions. At times during the years ended December 31, 2022 and 2021, the Trust had significant concentrations of credit risk as a result of maintaining its bank accounts with aggregate balances in excess of the federal insurance coverage of \$250,000.

The Trust has a note receivable from API, Inc. This note is secured by 51 percent of the common stock of API, Inc. and certain other assets of API, Inc. As of January 12, 2022, the note receivable was also secured by all common stock of Tenet Corp as well as certain other assets of Tenet Corp, a wholly-owned subsidiary of API, Inc. The amount of loss the Trust would occur if API, Inc. should default is not determinable.

The Trust invests in professionally managed portfolios. Such investments are exposed to various risks such as interest rate, market and credit risks. 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 changes could materially affect the Trust's investment account balances and the amounts reported in the special-purpose statements of net claimants' equity and statements of changes in net claimants' equity.

New Claims Paid in 2022

Nc#	Claimant	Decedent	State	Disease	Payment	Date Paid
335	Carlson, Clifford P.		MN	V - Pleural	\$13,266.00	12/6/2022
736	Larson, Michael R. (Trustee)	Larson, Lawrence L.	MN	IV - Asbestosis	\$4,044.00	7/12/2022
787	Nelson, Mitchell (Ext)	Nelson, Robert Iver	MN	I - Malignant Mesothelioma	\$139,150.00	3/8/2022
788	Gritzmaker, James R. (Trustee)	Gritzmaker, Ronald R.	MN	I - Malignant Mesothelioma	\$139,150.00	7/12/2022
789	Backe, Carol J. (Trustee)	Backe, Gene Randolph	MN	I - Malignant Mesothelioma	\$139,150.00	3/8/2022
791	Ostlie, Patricia (Adm)	Ostlie, Wynn	MN	I - Malignant Mesothelioma	\$139,150.00	8/30/2022
792	Otto, Walter		MN	I - Malignant Mesothelioma	\$139,150.00	12/6/2022
794	Gloe, Thomas H.		MN	I - Malignant Mesothelioma	\$139,150.00	8/30/2022
799	Stumne, Gary F.		MN	I - Malignant Mesothelioma	\$139,150.00	8/30/2022
800	Hoppe, Thomas Vernon		MN	I - Malignant Mesothelioma	\$139,150.00	12/6/2022
TOTAL					\$1,130,510.00	