

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re: ) Case No. 93 B 46090 (DSJ)  
 ) Chapter 11  
KEENE CORPORATION, )  
 ) (Judge David S. Jones)  
Debtor. )

**APPLICATION FOR ORDER APPROVING ANNUAL REPORT AND  
FINANCIAL STATEMENTS AND ACCOUNT OF THE TRUSTEE OF  
THE KEENE CREDITORS TRUST FOR THE YEAR ENDED DECEMBER 31, 2020**

**TO: THE HONORABLE DAVID S. JONES  
UNITED STATES BANKRUPTCY JUDGE**

Richard A. Lippe, Managing Trustee of the Keene Creditors Trust (the “**Trust**”), by and through undersigned counsel, respectfully represents:

1. On December 3, 1993, Debtor Keene Corporation (“**Keene**”) filed a voluntary petition for reorganization under Chapter 11 of the Bankruptcy Code.
2. Following a hearing on June 12, 1996 before this Court and the United States District Court, sitting jointly, by order of the District Court, the Debtor’s Fourth Amended Plan of Reorganization, as Modified (the “**Plan**”) was confirmed.
3. Capitalized terms used in this Application and not otherwise defined herein have the meanings set forth in the Plan.
4. On July 31, 1996, the Plan was consummated by signature of the Creditors Trust Agreement and the transfer and assignment to the Trust of the Trust Assets in accordance with the Plan.
5. The Court has jurisdiction over this Application pursuant to Section 18.1(d) of the Plan.

6. Section 2.2(d) of the Keene Creditors Trust Agreement dated as of July 31, 1996, and thereafter as amended, (the “**Trust Agreement**”) requires that the Trustees cause to be prepared and filed with the Court within ninety (90) days following the end of each year an annual report containing audited financial statements of the Trust.

7. Section 2.2(f) of the Trust Agreement provides that the Court shall have exclusive jurisdiction over the settlement of accounts of the Trustees; that the Trustees shall render successive accounts on an annual basis; and that upon acceptance by the Court of any such account, after hearing duly noticed, the Trustees shall be discharged from any further liability or responsibility to any person holding an asbestos-related claim or demand, or to any other Person, as to all matters embraced in such account.

8. As provided for in the Trust Agreement the terms of two of the Initial Trustees, Archie R. Dykes and John J. Robbins, expired on June 5, 2009. Trustees Dykes and Robbins began their service to the Trust upon its effective date of July 31, 1996. Trustee Richard A. Lippe remains as managing and sole Trustee.

9. Pursuant to Sections 2.2(d) and 2.2(f) of the Trust Agreement, the managing and sole Trustee is filing concurrently herewith the Trust’s Annual Report and Financial Statements and Account of the Trustee (the “**Annual Report**”), which covers the period from January 1, 2020 through December 31, 2020.

10. To ensure proper notice consistent with that required by Section 2.2(f) and this Court’s order of April 9, 1997, the Trustee has served on each of the persons on the attached service list a copy of this Application, the Annual Report, and the proposed order accompanying this Application. In prior years, the Trustees provided broad service of a notice of hearing of the annual report. By order dated May 25, 2007, however, this Court ordered that such service could

be discontinued provided that the Annual Report would be available on the Court's website and counsel for the Trustees would provide a copy to any party requesting continuing service. The parties that continue to request service will be served pursuant to the "Request for Notices Service List" attached hereto.

11. The Trustee requests that, pursuant to Section 2.2(f) of the Trust Agreement, and in order to facilitate the operation of the Trust, the Court enter an order, in the form attached to this Application, judicially settling, approving, and allowing the Annual Report and discharging the Trustee.

12. No previous application for this relief has been made. A proposed order granting the requested relief is attached hereto as Exhibit A.

Dated: Cincinnati, Ohio  
March 31, 2021

Respectfully submitted,

/s/ Bethany P. Recht

Kevin E. Irwin (OH Bar #0021811, admitted *pro hac vice*)

Bethany P. Recht (OH Bar #0088478, admitted *pro hac vice*)

Philip A. Tracy (NY Bar #4806733; OH Bar #0091389)

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Attorneys for the Trustee of the Keene Creditors Trust

**CERTIFICATE OF SERVICE**

I hereby certify that on this 31st of March, 2021 I filed a copy of the foregoing Application for Order Approving Annual Report and Financial Statements and Account of the Trustee of the Keene Creditors Trust for the Year Ended December 31, 2020 using the Court's CM/ECF system, which will automatically provide notice and service to those registered with the system for this bankruptcy case. I will also serve a copy of the foregoing upon the attached service list by ordinary U.S. mail.

/s/ Bethany P. Recht

Bethany P. Recht

**CORE SERVICE LIST**

Office of United States Trustee  
U.S. Federal Office Building  
201 Varick Street, Room 1006  
New York, NY 10014

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Levy Konigsberg LLP  
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New York, NY 10022

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Weitz & Luxenberg  
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New York NY 10003

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Western Springs, IL 60558

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a division of The Jaques Admiralty Law Firm, P.C.  
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Vincent L. Green, Esq.  
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Mt. Pleasant, SC 29465

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Bryan Cave, LLP  
1290 Avenue of the Americas  
New York, NY 10104

Paul Matheny, Esq.  
Law Offices of Peter Angelos  
22<sup>nd</sup> Floor, One Charles Center  
100 North Charles Street  
Baltimore, MD 21201

**REQUEST FOR NOTICES SERVICE LIST**

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Caplin & Drysdale, Chartered  
One Thomas Circle NW, Suite 1100  
Washington, DC 20005-5802

Marilyn A. Kueper, Esq.  
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Assistant Attorneys General  
Asbestos Litigation Bureau  
Office of the Illinois Attorney General  
500 South Second Street  
Springfield, IL 62706

10701441.1

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re: ) Case No. 93 B 46090 (DSJ)  
 ) Chapter 11  
KEENE CORPORATION, )  
 ) (Judge David S. Jones)  
Debtor. )

**ORDER APPROVING ANNUAL REPORT  
AND FINANCIAL STATEMENTS AND ACCOUNT OF THE TRUSTEE OF  
THE KEENE CREDITORS TRUST FOR THE YEAR ENDED DECEMBER 31, 2020**

Upon the Application for Order Approving Annual Report and Financial Statements and Account of the Trustee of the Keene Creditors Trust for the Year Ended December 31, 2020 (the “**Application**”) and the Annual Report and Financial Statements and Account of the Trustee of the Keene Creditors Trust for the Year Ended December 31, 2020 (the “**Annual Report**”),

WHEREAS, the Trustee provided proper notice of the Application by filing the Application with the Court using the CM/ECF system, which this Court has ordered provides sufficient notice to beneficiaries, and

WHEREAS, a hearing on the Application and the Annual Report was held by this Court on June 10, 2021 at 10:00 a.m. EDT,

AND, after due deliberation and sufficient cause appearing therefore, it is

ORDERED that the Annual Report is judicially settled, approved, and allowed as filed; and it is further

ORDERED that the Trustee is hereby released and discharged from any and all further liability or responsibility as to all matters embraced in the Annual Report or in this Order.

Dated: June 10, 2021  
New York, New York

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United States Bankruptcy Judge David S. Jones

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re: ) Case No. 93 B 46090 (DSJ)  
 ) Chapter 11  
KEENE CORPORATION, )  
 ) (Judge David S. Jones)  
Debtor. )

**ANNUAL REPORT AND FINANCIAL STATEMENTS AND ACCOUNT  
OF THE TRUSTEE OF THE KEENE CREDITORS TRUST  
FOR THE YEAR ENDED DECEMBER 31, 2020**

Richard A. Lippe, Trustee of the Keene Creditors Trust (the “**Trust**”), submits this Annual Report and the attached Financial Statements and Account of the Trustee for the year ended December 31, 2020 (the “**Reporting Period**”).

The Annual Report and Financial Statements and Account of the Trustee are filed in compliance with the Keene Creditors Trust Agreement dated July 31, 1996, as amended (the “**Trust Agreement**”). Section 2.2(d) of the Trust Agreement states as follows:

**Annual Reports.** The Trustees shall cause to be prepared and filed with the Court, with copies to the members of the TAC, as soon as available but, in any event, within 90 days following the end of each Fiscal Year, an annual report containing financial statements of the Trust (including, without limitation, a balance sheet and a statement of operations for such Fiscal Year) audited by a firm of independent public accountants selected by the Trustees and certified by such firm as to fairness of presentation and consistency, a report on the number of Claims received and the number of Claims liquidated, if any, and the amount per Claim paid or payable and such other information as the Trust deems relevant.

Section 2.2(f) of the Trust Agreement states as follows:

**Settlement of Trustees’ Accounts.** Notwithstanding any state law to the contrary, the Court shall have exclusive jurisdiction over the settlement of the accounts of the Trustees, whether such account is rendered by the Trustees themselves or is sought by any person holding an Asbestos Related Claim or Demand or other person. The Trustees shall render successive accounts covering periods of one year. In addition, an account shall be rendered for the period ending on the date of the death, resignation, removal or retirement of any Trustee. Upon the acceptance of any such account by the Court after hearing on notice to New Keene, the TAC and such other parties as the Court shall designate, the

Trustees shall be discharged from any further liability or responsibility to any person holding an Asbestos Related Claim or Demand or other Person, as to all matters embraced in such account.

The purpose of the Annual Report and Financial Statements and Account is to report on, and to provide the basis for, the Court's discharge of the Trustee from any liability with respect to the actions taken on behalf of the Trust by its Trustee during the period from January 1, 2020 through December 31, 2020. Accordingly, the managing and sole Trustee reports the following:

## **I. Meetings**

During the Reporting Period, the Trustee held business meetings on January 30, April 23, August 26, and October 28. In addition to the Trustee, attendees included Stanley J. Levy, advisor to the Trust and Joseph J. Raygada, the Trust's Executive Administrator. Representatives of the Trustee Advisory Committee (the "TAC"), counsel to the Trust, and other Trust advisors attended the meetings telephonically. These meetings customarily include an overview of the status of claims processing and other claims-related issues in addition to a review of the Trust's financial statements prepared by Mr. Raygada. The Trustee and TAC members also devoted considerable time to Trust matters outside the formal meetings. The Trustee, often with the participation of the TAC, frequently met with Citi Private Bank ("Citi") in order to monitor the performance of the Trust's investment portfolio and to review the asset allocation within the portfolio. Citi also attended the formal meetings of the Trust for presentations on investment strategies.

## **II. Trust Administration**

The Trust Agreement calls for three initial trustees and, after a period of time, a single managing trustee. As previously reported, the terms of two of the initial trustees, Archie Dykes

and John Robbins, expired on June 5, 2009 reducing the complement of trustees serving the Trust from three to one. Richard Lippe remains as managing and sole trustee.

The Trust Agreement also provides for three members of the TAC to serve as the Initial TAC Members, whose number shall be reduced to two after the expiration of the initial TAC term. Following the reduction of the number of initial trustees from three to one, the TAC agreed to reduce their members to two. Charles Vihon and Lisa Busch are the remaining TAC members serving the Trust.

Under Section 2.1(c)(xvi) of the Trust Agreement, the Trustee has the power to allow transactions between the Trust and the Trustee or other affiliated entities under certain circumstances, including to:

enter into any contract or otherwise engage in any transaction with any Trustee or any Entity affiliated with any Trustee, provided, however, that such contract or such transaction is approved by the unanimous vote of the Trustees voting thereon, it being understood that to the extent permitted by law the usual rules prohibiting fiduciaries from dealing with themselves as individuals or from dealing with respect to any manner in which they have a personal interest shall not apply to the Trustees.

The Trust regularly discloses any amounts paid to the Trustee or any related person or entity. In 2020, the Trust paid the law firm of Meltzer, Lippe, Goldstein & Breitstone, LLP, of which Trustee Lippe is a former partner, \$0.00 in legal fees, \$3,780 in rent, and \$10,100 in administrative expenses.

As previously reported, over the past several years, Trustee Lippe has sought ways to reduce the operating costs of the Trust without compromising its overall operations. These efforts include alternative fee arrangements with certain trust professionals, renegotiation of Citi's investment advisory fees, and the renegotiation of a new agreement with the claims processing facility engaged by the Trust, Claims Processing Facility, Inc. ("CPF"). Because of

these efforts, the Trust will continue to benefit from significant savings in operating costs going forward.

### **III. Asset Management**

As noted above, Citi advised the Trustee on the Trust's investments and asset allocation throughout the Reporting Period. The Trust realized a 6.93% return on its investments in 2020. At the end of the Reporting Period, the asset allocation for the Trust's investment portfolio was 41.95% in fixed income; 15.86% in equities; 39.37% in principal protected variable annuities; and 2.82% in alternative investments. Throughout the Reporting Period, Trustee Lippe continued to monitor the Trust investment portfolio's performance and asset allocation, including with respect to its fixed income, principal protected variable annuity investments, and hedge fund investment.

### **IV. Personal Injury Claims Processing**

The Trust continues to use CPF in Illinois to handle the processing of personal injury claims filed with the Trust.

The Trust also continues to utilize the professional services of Mr. Andrew Oh and his firm, Ankura Consulting Group, LLC ("**Ankura**") of Washington, D.C., for matters relating to the estimation of claims liabilities, claims forecasting, claims payment, and over-sight of claims processing. Ankura has significant experience in these areas, having done this work for many asbestos settlement trusts. On behalf of the Trust, Ankura supervises CPF on all matters relating to the handling of personal injury claims.

During the Reporting Period, the Trust received 4,483 claim filings and paid 1,658 claims in the amount of \$1,060,995. Attached as Exhibit A is a summary of the Trust's personal injury

claims filings and payments made during the Reporting Period and the total number of filings and payments since the Trust first began receiving personal injury claims.

#### **V. The Payment Percentage**

The Asbestos Claims Procedures (“**Claims Procedures**”) require a periodic, no less than three-year, reconsideration of the payment percentage. Pursuant to this requirement, in late 2009 an analysis was begun by Ankura, based on a forecast of present and future personal injury claims and the projected cash flows from Trust assets available to pay personal injury claims. The result of this analysis was the recommendation by Ankura, as previously reported, that the payment percentage be adjusted downward from 1.1% to 0.8%. The change was made effective February 15, 2010.

In 2012, Ankura prepared an updated future claims payment estimate for the reconsideration of the payment percentage. Based on this estimate, Ankura’s recommendation to the Trustee was to maintain the current payment percentage of 0.8%. In early 2016, an analysis was completed to determine if an adjustment to the payment percentage was warranted. Ankura’s recommendation was not to change the current payment percentage, and Trustee Lippe accepted this recommendation.

In 2018, Ankura prepared an updated analysis of factors affecting the payment percentage in accordance with the Claims Procedures. Following a close review of claim filing trends, claims payment history and investment performance, and following discussions with the Trustee and the TAC, Ankura recommended that no adjustment to the payment percentage was necessary at that time. Trustee Lippe and the TAC approved this recommendation. During the Reporting Period, Ankura continued to closely monitor claim filings trends and found nothing to

suggest the need for an accelerated review of the payment percentage. The next scheduled three-year payment percentage review will occur later in 2021.

**VI. Financial Information**

The Keene Creditors Trust's Special-Purpose Financial Statements and Other Financial Information as of December 31, 2020 and 2019, prepared by the firm of Raphael Goldberg Nikpour Cohen & Sullivan CPAs, PLLC, are attached to this report as Exhibit B. Section 2.2(d) of the Trust Agreement, the text of which is set forth above, requires the Trustee to file with the annual report to the Court financial statements audited by a firm of independent accountants selected by the Trustee.

Dated: Mineola, New York  
March 31, 2021

Respectfully submitted,

/s/ Richard A. Lippe  
Richard A. Lippe, Managing Trustee

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## EXHIBIT A

### CUMULATIVE CLAIMS RECEIVED

As of 12/31/20

Disease	2006	2007	2008	2009	2010
Mesothelioma	3,247	4,727	7,256	17,105	18,892
Lung Cancer 2	2,956	3,811	4,902	17,156	18,620
Lung Cancer 1	2,206	2,414	2,658	5,394	5,844
Other Cancer	1,568	1,903	2,222	8,631	9,061
Severe Asbestosis	166	292	705	22,911	23,063
Non-Asbestos Related	2,520	3,177	4,112	13,642	14,256
Cumulative	12,663	16,324	21,855	84,839	89,736
Annual	12,663	3,661	5,531	62,984	4,897

Disease	2011	2012	2013	2014	2015
Mesothelioma	20,456	22,233	23,788	25,254	26,763
Lung Cancer 2	20,292	23,344	26,270	28,666	30,192
Lung Cancer 1	6,429	7,196	8,070	8,752	9,141
Other Cancer	9,591	10,275	10,658	10,965	11,250
Severe Asbestosis	23,492	23,962	24,250	24,403	24,537
Non-Asbestos Related	14,942	15,421	15,834	16,148	16,590
Cumulative	95,202	102,431	108,870	114,188	118,473
Annual	5,466	7,229	6,439	5,318	4,285

Disease	2016	2017	2018	2019	2020
Mesothelioma	28,479	30,235	31,826	33,431	35,061
Lung Cancer 2	32,306	33,846	35,625	37,363	39,191
Lung Cancer 1	9,411	9,844	10,100	10,350	10,565
Other Cancer	11,925	12,229	12,708	13,063	13,411
Severe Asbestosis	25,542	25,665	25,873	25,987	26,254
Non-Asbestos Related	16,837	17,115	17,829	18,098	18,293
Cumulative	124,500	128,934	133,961	138,292	142,775
Annual	6,027	4,434	5,027	4,331	4,483

**TABLE NOTES:**

- Disease designations can change over time as claims are evaluated.

CUMULATIVE REVIEW / PROCESSING STATUS

As of 12/31/20

Disease	Intake Deficient	Backlog	Withdrawn	Disputed	Pending Approval	Approved	Paid	Total
Mesothelioma	1,183	1,376	5,327	2,613	54	226	21,035	31,814
Lung Cancer 2	3,301	1,868	6,393	3,630	171	175	16,575	32,113
Lung Cancer 1	875	182	1,557	1,248	16	98	4,627	8,603
Other Cancer	1,804	325	2,130	1,326	63	77	6,700	12,425
Severe Asbestosis	2,037	152	1,616	366	2	25	2,007	6,205
Non-Asbestos Related	6,799	112	33,005	11,699	0	0	0	51,615
Total	15,999	4,015	50,028	20,882	306	601	50,944	142,775

TABLE NOTES:

- *Intake Deficient Claims: Claims that are missing information from the claim form necessary to process the claim. The claimants have been notified of the deficiencies.*
- *Backlog Claims: Deferred claims and claims that have no Intake Deficiencies but have not yet been reviewed.*
- *Withdrawn Claims: Claims withdrawn by the claimant.*
- *Disputed Claims: Claims that have been disallowed by the Trust due to insufficient proof of alleged injury and/or exposure to Keene asbestos-containing products, for which determination the claimant currently disputes. These claims may be allowed if additional documentation is provided in support of the claim.*
- *Pending Approval: Claims reviewed and awaiting final approval.*
- *Approved: Claims approved for payment but not yet paid.*
- *Claims Paid: Claims that have had a check issued.*

CUMULATIVE CLAIMS PAID

As of 12/31/20

Disease	2006	2007	2008	2009	2010
Mesothelioma	106	1,155	2,398	5,969	8,714
Lung Cancer 2	47	1,168	1,859	3,522	6,304
Lung Cancer 1	0	403	649	1,013	1,299
Other Cancer	24	554	841	1,540	2,997
Severe Asbestosis	0	16	86	390	1,051
Non-Asbestos Related	0	0	0	0	0
Cumulative	177	3,296	5,833	12,434	20,365
Annual	177	3,119	2,537	6,601	7,931

Disease	2011	2012	2013	2014	2015
Mesothelioma	10,550	12,134	13,539	14,734	16,079
Lung Cancer 2	7,749	9,314	11,145	12,298	13,223
Lung Cancer 1	1,760	2,399	3,001	3,546	3,823
Other Cancer	3,612	4,238	5,003	5,437	5,720
Severe Asbestosis	1,179	1,375	1,507	1,601	1,744
Non-Asbestos Related	0	0	0	0	0
Cumulative	24,850	29,460	34,195	37,616	40,589
Annual	4,485	4,610	4,735	3,421	2,973

Disease	2016	2017	2018	2019	2020
Mesothelioma	17,183	18,218	19,082	19,977	20,818
Lung Cancer 2	13,962	14,627	15,243	15,803	16,353
Lung Cancer 1	4,066	4,225	4,399	4,502	4,599
Other Cancer	5,989	6,164	6,345	6,492	6,637
Severe Asbestosis	1,810	1,888	1,940	1,973	1,998
Non-Asbestos Related	0	0	0	0	0
Cumulative	43,010	45,122	47,009	48,747	50,405
Annual	2,421	2,112	1,887	1,738	1,658

CUMULATIVE DOLLARS PAID  
As of 12/31/20

Disease	2006	2007	2008	2009	2010
Mesothelioma	\$145,750.00	\$1,588,125.00	\$3,297,250.00	\$8,207,375.00	\$11,282,000.00
Lung Cancer 2	\$21,291.00	\$529,104.00	\$842,127.00	\$1,595,466.00	\$2,665,868.00
Lung Cancer 1	-	\$61,981.00	\$99,995.00	\$146,379.00	\$174,686.00
Other Cancer	\$5,664.00	\$130,744.00	\$198,476.00	\$363,440.00	\$662,108.00
Severe Asbestosis	-	\$7,248.00	\$38,958.00	\$176,670.00	\$457,751.00
Non-Asbestos Related	-	-	-	-	-
Cumulative	\$172,705.00	\$2,317,202.00	\$4,476,806.00	\$10,489,330.00	\$15,242,413.00
Annual	\$172,705.00	\$2,144,497.00	\$2,159,604.00	\$6,012,524.00	\$4,753,083.00

Disease	2011	2012	2013	2014	2015
Mesothelioma	\$13,182,500.00	\$14,782,250.00	\$16,197,000.00	\$17,397,625.00	\$18,753,500.00
Lung Cancer 2	\$3,156,401.00	\$3,676,742.00	\$4,282,613.00	\$4,664,926.00	\$4,972,475.00
Lung Cancer 1	\$212,143.00	\$254,600.00	\$298,709.00	\$340,500.00	\$358,781.00
Other Cancer	\$771,728.00	\$880,744.00	\$1,013,156.00	\$1,088,380.00	\$1,137,632.00
Severe Asbestosis	\$501,351.00	\$566,455.00	\$610,379.00	\$641,553.00	\$689,716.00
Non-Asbestos Related	-	-	-	-	-
Cumulative	\$17,824,123.00	\$20,160,791.00	\$22,401,857.00	\$24,132,984.00	\$25,912,104.00
Annual	\$2,581,710.00	\$2,336,668.00	\$2,241,066.00	\$1,731,127.00	\$1,779,120.00

Disease	2016	2017	2018	2019	2020
Mesothelioma	\$19,879,625.00	\$20,915,000.00	\$21,779,000.00	\$22,674,375.00	\$23,515,375.00
Lung Cancer 2	\$5,219,450.00	\$5,438,483.00	\$5,641,395.00	\$5,825,635.00	\$6,006,585.00
Lung Cancer 1	\$376,491.00	\$385,547.00	\$397,586.00	\$404,539.00	\$410,419.00
Other Cancer	\$1,185,372.00	\$1,215,472.00	\$1,246,604.00	\$1,271,888.00	\$1,296,828.00
Severe Asbestosis	\$711,554.00	\$737,216.00	\$754,324.00	\$765,181.00	\$773,406.00
Non-Asbestos Related	-	-	-	-	-
Cumulative	\$27,372,492.00	\$28,691,718.00	\$29,818,909.00	\$30,941,618.00	\$32,002,613.00
Annual	\$1,460,388.00	\$1,319,226.00	\$1,127,191.00	\$1,122,709.00	\$1,060,995.00

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Keene Creditors Trust  
Special-Purpose Financial Statements  
And Other Financial Information  
December 31, 2020 and 2019

Keene Creditors Trust

Special-Purpose Financial Statements  
And Other Financial Information

December 31, 2020 and 2019

**Contents**

Independent Auditors' Report	1
Special-Purpose Financial Statements	
Special-Purpose Statements of Net Claimants' Equity	3
Special-Purpose Statements of Changes in Net Claimants' Equity and Comprehensive Income	4
Notes to Special-Purpose Financial Statements	5
Other Financial Information	
Independent Auditors' Report on Other Financial Information	13
Supplemental Schedules of General and Administrative, Legal and Claims Processing Expenses	14
Investment Income Summary	15



Mark C. Goldberg, CPA  
Mark Raphael, CPA  
Floria Samii-Nikpour, CPA  
Allan B. Cohen, CPA  
Michael R. Sullivan, CPA

Founding Partner:  
Melvin Goldberg, CPA

Anita C. Jacobsen, CPA

## Independent Auditors' Report

The Board of Trustees  
Keene Creditors Trust

We have audited the accompanying special-purpose financial statements of Keene Creditors Trust (the "Trust"), which comprise the special-purpose statements of net claimants' equity as of December 31, 2020 and 2019, and the related special-purpose statements of changes in net claimants' equity and comprehensive income for the years then ended, and the related notes to the financial statements.

### Trustee's Responsibility for the Financial Statements

The Trustee is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of Section 2.2 of the Trust Agreement dated March 11, 1996, as discussed in Note 2. The Trustee 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 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 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 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 Keene Creditors Trust as of December 31, 2020 and 2019, and its changes in net claimants' equity and comprehensive income for the years then ended, on the basis of accounting described in Note 2.

## **Basis of Accounting**

We draw attention to Note 2 of the special-purpose financial statements, which describes the basis of accounting. The special-purpose financial statements are prepared for the purpose of complying with Section 2.2 of the Trust Agreement dated March 11, 1996, 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 agreement referred to above. Our opinion is not modified with respect to this matter.

## **Restriction on Use**

This report is intended solely for the information and use of the Trustee of Keene Creditors Trust, beneficiaries of the Trust, and the United States Bankruptcy Court for the Southern District of New York and is not intended to be and should not be used by anyone other than these specified parties.

*Raphael Goldberg Nikpour Cohen & Sullivan CPAs PLLC*

Woodbury, New York  
March 17, 2021

KEENE CREDITORS TRUST  
SPECIAL-PURPOSE STATEMENTS OF NET CLAIMANTS' EQUITY  
DECEMBER 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<b>Assets</b>		
Cash and cash equivalents	\$ 18,334	\$ 358,261
Invested cash	505,299	269,617
Investment-securities	20,434,384	20,399,537
Prepaid insurance	<u>31,035</u>	<u>31,596</u>
Total Assets	<u>\$ 20,989,052</u>	<u>\$ 21,059,011</u>
<b>Liabilities and Net Claimants' Equity</b>		
Claimants' Equity	\$ 17,735,539	\$ 18,706,030
Accumulated Other Comprehensive Income	<u>3,253,513</u>	<u>2,352,981</u>
Total Net Claimants' Equity	<u>20,989,052</u>	<u>21,059,011</u>
Total Liabilities and Net Claimants' Equity	<u>\$ 20,989,052</u>	<u>\$ 21,059,011</u>

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

KEENE CREDITORS TRUST  
SPECIAL-PURPOSE STATEMENTS OF  
CHANGES IN NET CLAIMANTS' EQUITY AND COMPREHENSIVE INCOME  
YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
Additions:		
Interest and dividend income	\$ 329,671	\$ 386,479
Realized gain on sale of investments	405,021	1,426,872
Realized loss on sale of investments	(104,976)	(16,587)
Amortization of premium on bonds	17,902	(74,186)
Income from alternative investment	<u>454</u>	<u>0</u>
Total Additions	<u>648,072</u>	<u>1,722,578</u>
Deductions:		
General and administrative expenses	222,347	244,287
Legal expenses	80,582	58,888
Claims processing and related expenses	149,024	149,705
Investment advisory fees	67,036	63,038
Auditing and accounting fees and expenses	<u>39,750</u>	<u>39,750</u>
Total Deductions	<u>558,739</u>	<u>555,668</u>
Net Increase	89,333	1,166,910
Cash receipts from:		
EIDL grant	1,000	0
Insurance settlement	0	318,294
Class action distributions	<u>0</u>	<u>25,642</u>
Net increase in net claimants' equity	90,333	1,510,846
Other Comprehensive Income:		
Unrealized gain on investments	<u>900,532</u>	<u>693,802</u>
Comprehensive Income	990,865	2,204,648
Net claimants' equity at beginning of year	21,059,011	19,976,414
Claims payments (See Note 6)	<u>(1,060,824)</u>	<u>(1,122,051)</u>
Net claimants' equity at end of year	<u>\$ 20,989,052</u>	<u>\$ 21,059,011</u>

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

NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS  
DECEMBER 31, 2020 and 2019

**Note 1. Description of the Trust**

Keene Corporation DIP, as debtor and debtor in possession ("Keene" or the "Debtor") proposed a Plan of Reorganization dated March 11, 1996 (the "Plan") pursuant to the United States Bankruptcy Code, which resulted upon confirmation in the creation of the Keene Creditors Trust (the "Trust"). The Trust, which is irrevocable, has assumed within the meaning of the U.S. Bankruptcy Code, liabilities of Keene relating to personal injury, wrongful death, and property damage attributable to asbestos-containing products. Subject to the requirements of the Trust Agreement, the principal purpose of the Trust is to use the Trust assets and income to pay holders of valid asbestos-related claims in accordance with the Trust Agreement and the Keene Asbestos Related Personal Injury Claims Resolution and Distribution Procedures (the "Procedures") and Asbestos In Building Claims Resolution Procedures.

Pursuant to the Plan, the Debtor transferred the following assets to the Trust on July 31, 1996:

Cash and U.S. treasury bills	\$17,343,137
1,020,000 shares, of Reinhold Class B Common stock representing 51% of company's equity	5,150,000
All contested rights, title and interest in certain real property and patents	-
Transactions and tax refund lawsuits	
	<u>\$22,493,137</u>

**Note 2. Summary of Significant Accounting Policies**

This summary of significant accounting policies of the Trust is presented to assist in understanding the Trust's financial statements. The financial statements and notes are representations of the Trustee, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to the cash basis of accounting and have been consistently applied in the preparation of the financial statements.

**Basis of Accounting**

The accompanying financial statements have been prepared on a cash basis of accounting. Trust funding and income and the related assets are recognized when received rather than when due or earned. Expenses are recognized when paid rather than when obligations are incurred, other than premiums paid for indemnification insurance for the Trustee (see Note 9).

**Cash and Cash Equivalents**

All liquid investments with maturities of three months or less at the date of purchase are considered to be cash and cash equivalents.

**Comprehensive Income**

The Trust accounts for comprehensive income in accordance with FASB ASC 220, which establishes standards for reporting and display of comprehensive income and its components in a full set of financial statements. All items recognized under this statement of accounting standards as components of comprehensive income are required to be disclosed in the financial statements. Comprehensive income is the total of the net increase in net claimants' equity and other comprehensive income which, for the Trust, is comprised entirely of unrealized gains and losses on investment securities available for sale.

## NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2020 and 2019

**Note 2. Summary of Significant Accounting Policies (continued)****Accounting for Certain Investments in Debt and Equity Securities (ASC 320)**

Under ASC 320 (Investments—Debt and Equity Securities), investments of the Trust are classified as available-for-sale. Available-for-sale securities are carried at fair value, with unrealized gains and losses reported as a separate component of the accompanying statement of changes in claimants' equity. The amortized cost of debt securities in this category is adjusted for amortization of premiums and accretion of discounts to maturity.

The cost of securities sold is based on the specific identification method. Interest and dividends on securities classified as available-for-sale are included in investment income.

**Tax Status**

The Trust is subject to federal income tax under Internal Revenue Section 468B and files a U.S. Income Tax Return for Settlement Funds, Form 1120-SF. The Trust is exempt from any state tax.

**Fair Value Measurements**

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures (formerly FASB Statement 157, Fair Value Measurements) establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three broad levels explained below:

**Level 1** – Fair value measurements based on quoted prices in active markets for identical assets or liabilities that the Trust has access to and are not adjusted. Since measurements are based solely on quoted prices that are readily and regularly available in an active market, valuation of Level 1 instruments does not entail a significant degree of judgment by the Trust.

**Level 2** – Fair value measurements based on inputs that are observable, both directly and indirectly, for instruments in markets that are not active (including those that are “thinly traded”) or have restrictions on their resale. Level 2 inputs include quoted prices for similar assets and liabilities that are in active markets, “as if” conversions for constrained instruments, discounts for trading volume constraints and others such as interest rates and yield curves that are obtainable at common intervals.

**Level 3** – Fair value measurements based on valuation techniques that use significant inputs that are unobservable. Unobservable Level 3 inputs include commonly used pricing models, the Trust's internally developed data and assumptions for valuation methodology and other information used by the Trust to assist in exercising judgment for instruments that fall into this level.

## NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2020 and 2019

**Note 2. Summary of Significant Accounting Policies (continued)****Fair Value Measurements (continued)**

The availability of observable inputs can vary from instrument to instrument and is affected by a wide variety of factors. This includes the type of instrument, whether the instrument is new and not yet established in the marketplace, and other characteristics particular to the transaction. To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. Accordingly, the degree of judgment exercised by the Trust in determining fair value is greatest for instruments categorized in Level 3. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, the instrument is reported in the lowest level that has a significant input. Even when inputs are not observable, the Trust's own assumptions and methodologies are established to reflect those that market participants would use in pricing the asset or liability at the measurement date. In addition, during periods of market dislocation, the observability of inputs may be reduced for many instruments. This condition could cause an instrument to be reclassified to a lower level within the fair value hierarchy.

Valuation techniques – Equity securities: The Trust values equity securities owned that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market at their last sales price as of the last business day of the period.

Valuation techniques – Bonds: The Trust values bonds owned that are freely tradable and are listed on a national securities exchange or reported on the NASDAQ national market at their last sales price as of the last business day of the period.

Valuation techniques – Annuities: The Trust receives monthly statements from the insurance companies reflecting the fair market value of the annuities. The annuities are invested in various funds through the insurance companies' investment portfolio which abides by the Trust's investment policy guidelines.

Valuation techniques – Alternative investments: The Trust values alternative investments (hedge funds) based on the estimated net asset value as of the last business day of the period.

The Trust's net assets recorded at fair value are categorized below based upon a fair value hierarchy in accordance with ASC 820 at December 31, 2020.

Securities Owned	Level 1	Level 2	Level 3	Total
US Government Bonds	\$ -	\$ 2,309,655	\$ -	\$ 2,309,655
Municipal Bonds	-	2,927,091	-	2,927,091
Taxable Bonds	-	3,335,672	-	3,335,672
Equities	3,240,934	-	-	3,240,934
Alternative Investment	-	-	576,201	576,201
Annuities	-	8,044,831	-	8,044,831
Total	<u>\$ 3,240,934</u>	<u>\$ 16,617,249</u>	<u>\$ 576,201</u>	<u>\$ 20,434,384</u>
% of Total	15.9%	81.3%	2.8%	100%

## NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2020 and 2019

**Note 2. Summary of Significant Accounting Policies (continued)****Use of Estimates**

The preparation of the 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 assets and liabilities, the disclosure of contingent assets and liabilities at the date of the special-purpose financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are based on the Trustee's best knowledge of current events, historical experience, actions that the Trust may undertake in the future and on various other assumptions that are believed to be reasonable under the circumstances. As a result, actual results could differ from these estimates.

**Uncertain Tax Positions**

The Trust has adopted FASB ASC 740-10-25, *Accounting for Uncertainty in Income Taxes*. The Trust is required to recognize, measure, classify, and disclose in the financial statements uncertain tax positions taken or expected to be taken in the Trust's tax returns. Since tax matters are subject to some degree of uncertainty, there can be no assurance that the Trust's tax returns will not be challenged by the taxing authorities and that the Trust will not be subject to additional tax, penalties, and interest as a result of such challenge. Generally, the Trust's 2017 through 2019 federal returns remain open for tax examination. As of December 31, 2019, the Trust has a net operating loss carryforward of \$2,416,472 and no capital loss.

**Note 3. Concentration of Credit Risk**

The Trust maintains its cash in bank deposit accounts which at times may exceed federally insured limits. The Trust has not experienced any losses in such accounts. The federal government, through the Federal Deposit Insurance Corporation (FDIC), insures accounts to a maximum of \$250,000. The cash in investment accounts is insured by the Securities Investor Protection Corporation (SIPC) up to \$250,000. The Trustee believes the Trust is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2020 and 2019, the Trust had uninsured cash of \$190,106 and \$71,660, respectively.

**Note 4. Investments**

The Trustee has established the investment criteria with the advice of the Trustees' Advisory Committee (TAC) representatives to allow investment allocation per the investment advisor's recommendation. Beginning in 2010 and continuing through 2020, the Trust has invested in annuities with three different insurance companies. During 2019 one annuity was surrendered resulting in a realized gain of \$180,735 and during 2020 one annuity was purchased for \$1,000,000 resulting in five annuities held at December 31, 2020. These annuities are subject to certain withdrawal restrictions and early termination penalties as defined in their respective annuity contracts. Investments in securities at December 31, 2020, which except for Annuities, were held in custody by Citibank and JP Morgan Chase, were as follows:

## NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2020 and 2019

**Note 4. Investments (continued)**

	Carrying Value	Market Value
US Government Bonds	\$ 2,354,843	\$ 2,309,655
Municipal Bonds	2,863,430	2,927,091
Taxable Bonds	3,219,464	3,335,672
Equities	2,483,134	3,240,934
Alternative Investment	660,000	576,201
Annuities	5,600,000	8,044,831
	<u>\$ 17,180,871</u>	<u>\$ 20,434,384</u>

At December 31, 2020, the market values of all five annuities and at December 31, 2019, the market values of all four annuities were greater than any applicable guaranteed base and were used to calculate the change in unrealized gain at December 31, 2020 and 2019.

Invested cash at December 31, 2020 and 2019, represents money market balances in the various investment accounts.

On April 10, 2013, as agreed to by the Trustee and TAC, Section 3.3 (b) of the Creditor Trust Agreement was amended and restated in regards to the credit rating guidelines to be used in the investments of any long-term debt securities. The amendment sets the ratings restrictions to the lowest "investment grade" level of ratings established by the applicable credit ratings agencies: Baa3 or higher by Moody's Investment Service Inc. and BBB- or higher by Standard and Poor's Corporation.

Effective January 2016, the Trust established a new investment policy which covers all prior investment guidelines including the April 10, 2013 amendment and the alternative investments.

On April 26, 2017, as agreed to by the Trustee and TAC, Section 3.3 (e) of the Creditor Trust Agreement was amended and restated in regards to the Trust acquiring or holding preferred stock. The amendment would allow the Trust to acquire or hold either directly or through a fund any preferred stock as long as such preferred stock is issued by a bank or similar institution based in the United States or unless (1) such preferred stock is preferred stock of an asbestos claim processing facility or (2) such preferred stock has been conveyed to the Trust in full or partial consideration for settlement of a lawsuit in which the Trust is a plaintiff. The preferred stock acquired needs to meet the credit rating guidelines per the Creditor Trust Agreement.

On August 8, 2019, as agreed to by the Trustee and TAC, Section 3.3 (j) of the Creditor Trust Agreement was added whereby the Trust may prudently acquire or hold a diversified group of long/short and multi-strategy funds ("Hedge Funds") in order to provide an additional source of investment return that is differentiated from, or less correlated with, the Trust's investments in cash, fixed income and long-only equities. The investments made by any Hedge Fund need not comply with the investment guidelines set forth in Sections 3.3 above and shall not be deemed acquired or held by the Trust for purposes of this Section 3.3. The Trust shall not hold an interest in a particular Hedge Fund to the extent that the aggregate market value of the Trust's interest in such Hedge Fund, subject to the fund's redemption notice and liquidity terms, would exceed 7% of the aggregate market value of the Trust Assets. The Trust shall not hold an interest in Hedge Funds to the extent that the aggregate market value of the Trust's interest in all Hedge Funds, subject to redemption notice and liquidity terms, would exceed 10% of the aggregate market value of the Trust Assets.

## NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2020 and 2019

**Note 4. Investments (continued)**

On September 24, 2020, as agreed to by the Trustee and TAC, Section 3.3 (e) of the Creditor Trust Agreement was amended and restated in regards to the Trust acquiring or holding preferred stock. The amendment would allow the Trust to acquire or hold either directly or through a fund any preferred stock as long as (i) at least seventy-eight (78%) of such stock or securities acquired and held by the Trust at any given time is issued by a bank or similar financial institution based in the United States, (ii) at least ninety-five percent (95%) of all such stock or securities acquired and held by the Trust at any given time is issued by an entity based in the United states, and (iii) such investment also complies with subsection (d) of this section or unless (1) such preferred stock is preferred stock of an asbestos claims processing facility or (2) such preferred stock has been conveyed to the Trust in full or partial consideration for settlement of a lawsuit in which the Trust is a plaintiff.

The investments for the year 2020 have met all the investment criteria.

**Note 5. Accumulated Other Comprehensive Income**

The following schedule presents the changes in accumulated other comprehensive income for the years ended December 31, 2020 and 2019:

	2020	2019
Beginning Balance at January 1,	\$ 2,352,981	\$ 1,659,179
Unrealized gain on investments	900,532	693,802
Ending Balance at December 31,	<u>\$ 3,253,513</u>	<u>\$ 2,352,981</u>

**Note 6. Liability for Personal Injury Claims**

On December 9, 2005, the Trust engaged Claims Processing Facility, Inc. ("CPF") to process personal injury related claims filed against the Trust. The Trust began processing these claims in 2006. During 2020 and 2019, \$1,060,824 and \$1,122,051 in claims were paid, respectively. The Trust renewed its agreement with CPF effective January 1, 2017 for five years. This agreement requires a minimum of \$120,000 per year to be paid in monthly installments of \$10,000 each. At the end of each calendar year, there will be a reconciliation to determine if the Trust will owe any money to CPF above the floor based on the claims processed during that calendar year. In 2020 and 2019, the Trust paid \$132,302 and \$128,856, to process claims, respectively.

The ultimate number of asbestos personal injury claims to be filed and the aggregate value for all such claims is not determinable at this time. Thus, no liability has been recorded in the accompanying special-purpose financial statements. Although the aggregate value of present and future claims is not determinable, the Trustee in accordance with the Trust Agreement periodically retains experts for the purpose of calculating a payment percentage. The payment percentage was 0.8% for 2017, was evaluated during 2018 and remained the same, and was unchanged for 2019. The payment percentage will be reviewed in 2021.

On November 7, 2013 the Trustee and TAC agreed to amend and restate Section 5.1(e) of the Trust's Asbestos Personal Injury Claims Resolution and Distribution Procedures to allow the statute of limitations of the Claimant's Jurisdiction in effect at the time of filing claims to determine the deadline for filing of such claims.

On October 23, 2014, the Trustee and TAC agreed to adopt a policy that deferred claims are withdrawn after three years, but may be re-filed.

## NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2020 and 2019

**Note 7. Net Claimants' Equity**

According to Section 3.1 of the Trust Agreement, as amended September 24, 2002, after payment of expenses of the Trust and establishing a reserve for the reasonable future expenses of the Trust, the remainder shall be allocated into two funds: 7.5% for property damage claims and 92.5% for personal injury claims. The claims to the property damage fund were paid in full in 2010. The personal injury fund will increase or decrease by a proportionate share of the Trust's income and losses, which includes unrealized gains and losses on investments, and will decrease by specific costs related to the processing of the fund's claims.

At December 31, 2020 and 2019, the Net Claimants' Equity is allocated as follows:

	2020	2019
Personal Injury Fund	<u>\$ 20,989,052</u>	<u>\$ 21,059,011</u>

**Note 8. Trust Termination**

The Trust shall terminate on the date (the "Termination Date") that is 90 days after the first occurrence of any of the following:

- i. The Trustees in their sole discretion decide to terminate the Trust because (a) they deem it unlikely that new asbestos-related claims or demands will be filed against the Trust and (b) all asbestos-related claims duly filed with the Trust have been liquidated and satisfied and twelve consecutive months have elapsed during which no new asbestos-related claim has been filed with the Trust;
- ii. The date on which the Bankruptcy Court order becomes final which has approved the arrangement the Trustees have made to establish claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expected remaining obligations and expenses of the Trust in a manner consistent with the trust agreement and procedures;
- iii. If in the judgment of the Trustees, the continued administration of the Trust is uneconomic or inimical and the Trustees have obtained an order of the court that the termination of the trust will not expose or subject Reinhold or any successor in interest to any increased or undue risk, or
- iv. 21 years less 91 days after the death of the last survivor of all the descendants of Joseph P. Kennedy, Sr. of Massachusetts living on July 31, 1996.

**Note 9. Liability Insurance for Trustee**

The Trust renewed and fully paid for an indemnification policy for the benefit of the Trustee and TAC members for the period July 31, 2020 through July 31, 2021, and July 31, 2019 through July 31, 2020 for \$50,740 and \$52,805, respectively, which is amortized using the straight-line method over the life of the policy.

**Note 10. Related Party Transaction**

The Trustee is a former partner in a law firm which received rental income from the Trust of \$3,780 in 2020 and \$5,040 in 2019. In 2020, the Trust also remitted to the law firm fees for secretarial services in the amount of \$10,100. In 2019, the Trust remitted \$260 for legal fees and \$11,183 for secretarial services.

## NOTES TO SPECIAL-PURPOSE FINANCIAL STATEMENTS

DECEMBER 31, 2020 and 2019

**Note 11. Trustee and Trustees' Advisory Committee**

The Trust Agreement permits the Trustee to be compensated for providing administrative and certain professional services for the Trust. In addition, the Trust Agreement requires the Trustee to consult with a Trustees' Advisory Committee (TAC) on certain administrative matters before the Trustee can implement actions on behalf of the Trust. The TAC members are compensated for providing these consultative services. As such, the Trust has incurred the following expenses for the years ended December 31, 2020 and 2019:

	2020	2019
Trustee and TAC Fees	\$ 115,482	\$ 127,190
Trustee and TAC Members Expenses	53	1,599
	<u>\$ 115,535</u>	<u>\$ 128,789</u>

As of June 30, 2009, the Trust has one Trustee and two TAC members for the duration of the Trust.

**Note 12. Risks and Uncertainties**

The outbreak of the novel coronavirus in March 2020 has adversely impacted domestic activity in the USA and around the world. Financial markets, employment markets, and the real economy is seeing a high level of volatility. The outbreak could have an adverse impact on the economy and on the Trust. The extent of the impact of COVID-19 on the Trust's financial performance will depend on certain developments, including the duration and spread of the outbreak. At this point, the extent to which COVID-19 may impact the Trust's financial condition is uncertain.

**Note 13. Subsequent Events**

The Trustee has evaluated subsequent events through March 17, 2021, the date on which the financial statements were available to be issued and concluded that no subsequent events have occurred that would require recognition in the special-purpose financial statements or disclosure in the notes to the special-purpose financial statements as of December 31, 2020.

**Other Financial Information**



Mark C. Goldberg, CPA  
Mark Raphael, CPA  
Floria Samii-Nikpour, CPA  
Allan B. Cohen, CPA  
Michael R. Sullivan, CPA

Founding Partner:  
Melvin Goldberg, CPA

Anita C. Jacobsen, CPA

Independent Auditors' Report  
On Other Financial Information

The Board of Trustees  
Keene Creditors Trust

We have audited the special-purpose financial statements of Keene Creditors Trust as of and for the years ended December 31, 2020 and 2019, and our report thereon dated March 17, 2021, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of general and administrative, legal and claims processing expenses and investment income summary are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of the Trustee and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the 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 financial statements as a whole.

*Raphael Goldberg Nikpour Cohen & Sullivan CPAs PLLC*

Woodbury, New York  
March 17, 2021

KEENE CREDITORS TRUST  
SCHEDULES OF GENERAL AND ADMINISTRATIVE, LEGAL AND CLAIMS PROCESSING EXPENSES  
YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b><u>General and Administrative Expenses</u></b>		
<u>Trustees Fees</u>		
Richard A. Lippe	\$ 82,727	\$ 95,001
<u>Trustee Expenses</u>		
Richard A. Lippe	53	1,599
<u>Trust Advisory Committee Fees</u>		
Charles Vihon	32,755	32,189
<u>Fees Paid for Consulting Services</u>		
Levy, Phillips & Konigsberg	6,856	13,407
<u>Other</u>		
Directors and Officers liability coverage	51,818	53,458
Administrative expenses		
Fees paid to Executive Director	28,610	28,332
Expenses paid to Executive Director	0	724
Reimbursement of Secretarial Services	10,100	11,183
Rent	3,780	5,040
Office supplies and other expenses	<u>5,648</u>	<u>3,354</u>
Total	<u>48,138</u>	<u>48,633</u>
Total General And Administrative Expenses	<u>\$ 222,347</u>	<u>\$ 244,287</u>
<b><u>Legal Expenses</u></b>		
Keating, Muething & Klekamp, LLP	\$ 41,307	\$ 38,207
Caplin & Drysdale	14,581	20,421
John Preefer	24,694	0
Meltzer, Lippe, Goldstein & Breitstone LLP	<u>0</u>	<u>260</u>
Total Legal Expenses	<u>\$ 80,582</u>	<u>\$ 58,888</u>
<b><u>Claims Processing and Related Expenses</u></b>		
Claims Processing - Claims Processing Facility	\$ 132,302	\$ 128,856
Claims Consulting - Analysis Research		
Ankura Consulting	<u>16,722</u>	<u>20,849</u>
Total Claims Processing and Related Expenses	<u>\$ 149,024</u>	<u>\$ 149,705</u>

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

KEENE CREDITORS TRUST  
INVESTMENT INCOME SUMMARY  
INCEPTION TO DECEMBER 31, 2020

	Interest and Dividends	Realized Gain	Realized Loss	Income from Alt. Investment	Total Incl. Income from Alt. Investment
7/31-12/31/06	\$ 641,754	\$ 40,505	\$ (5,507)	\$	\$ 676,752
1997	1,869,353	93,256	(32,611)		1,929,998
1998	2,323,035	276,721	(14)		2,599,742
1999	2,809,443	766,191	(135,009)		3,440,625
2000	3,433,489	14,352	(106,578)		3,341,263
2001	3,539,867	1,526,277	(157,714)		4,908,430
2002	3,027,918	1,209,991	(343,576)		3,894,333
2003	2,495,193	682,440	(28,133)		3,149,500
2004	2,274,400	227,271	(500,417)		2,001,254
2005	1,829,972	284,014	(166,626)		1,947,360
2006	2,510,804	1,218,308	(229,665)	7,134	3,506,581
2007	2,130,263	3,939,404	(476,563)	151,983	5,745,087
2008	1,503,957	995,633	(25,111,540)	(255,037)	(22,866,987)
2009	717,540	0	(647,787)	(364,429)	(294,676)
2010	795,254	616,795	(174,571)	(259,176)	978,302
2011	573,712	500,971	(387,452)	5,903	693,134
2012	866,028	46,189	(320,584)	(2,739)	588,894
2013	706,502	1,152,696	(345,924)	5,655	1,518,929
2014	528,604	444,947	(184,629)	16,067	804,989
2015	581,094	109,297	(146,486)	923	544,828
2016	618,563	269,448	(382,438)	(13,056)	492,517
2017	522,489	1,104,948	(2,765)	0	1,624,672
2018	384,675	268,798	(117,018)	0	536,455
2019	386,479	1,426,872	(16,587)	0	1,796,764
2020	329,671	405,021	(104,976)	454	630,170
Totals	\$ 37,400,059	\$ 17,620,345	\$ (30,125,170)	\$ (706,318)	\$ 24,188,916

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

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

In re:	)	Case No. 93 B 46090 (DSJ)
	)	Chapter 11
KEENE CORPORATION,	)	
	)	(Judge David S. Jones)
Debtor.	)	

**NOTICE OF HEARING**

PLEASE TAKE NOTICE that upon the Application for Order Approving Annual Report and Financial Statements and Account of the Trustee of the Keene Creditors Trust for the Year Ended December 31, 2020 (the “**Application**”), the Trustee of the Keene Creditors Trust, by his undersigned counsel, will appear via teleconference before this Court, Honorable David S. Jones, United States Bankruptcy Judge, in Room 501 of the United States Bankruptcy Court, Southern District of New York, The Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004-1408 (the “**Court**”) on **June 10, 2021 at 10:00 a.m. EDT**, or as soon thereafter as counsel may be heard, for the purpose of obtaining an order granting the relief requested in the Application.

PLEASE TAKE FURTHER NOTICE that the Application will be on file with the Clerk of Court and may be examined and inspected by interested parties during regular business hours or at the Court’s website, <http://ecf.nysb.uscourts.gov>. You may also obtain a copy of the Application by contacting undersigned counsel.

PLEASE TAKE FURTHER NOTICE that objections to the Application, if any, must be in writing, served upon the undersigned, and filed with the Court no later than close of business on **May 20, 2021**.

Dated: Cincinnati, Ohio  
March 31, 2021

Respectfully submitted,

/s/ Bethany P. Recht

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Bethany P. Recht (OH Bar #0088478, admitted *pro hac vice*)

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Attorneys for the Trustee of the Keene Creditors Trust

### **CERTIFICATE OF SERVICE**

I hereby certify that on the 31<sup>st</sup> day of March, 2021, I filed a copy of the foregoing Notice of Hearing using the Court's CM/ECF system, which will automatically provide notice and service to those parties registered with the system for this bankruptcy case. I will also serve a copy of the forgoing on the following service list by regular U.S. Mail.

/s/ Bethany P. Recht

Bethany P. Recht

**SERVICE LIST**

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