

**ANNUAL REPORT OF DAVID GORDON, NOT INDIVIDUALLY, BUT AS
LIQUIDATING TRUSTEE OF THE FRASER’S BOILER LIQUIDATING TRUST**

David Gordon, not individually, but as Liquidating Trustee (the “Trustee”) of the Fraser’s Boiler Liquidating Trust (the “Trust”), for his annual report pursuant to section 2.2(c) of the Liquidating Trust Agreement (the “Trust Agreement”), states as follows:

I. Plan Effectuation and Formation of the Trust

1. On December 2, 2020, this Court entered its Order Confirming Debtor’s Fifth Amended Plan of Reorganization [Docket No. 954] (the “Confirmation Order”) confirming the chapter 11 plan (as amended, the “Plan”) filed by Fraser’s Boiler Service, Inc. (the “Debtor”).¹

2. On December 17, 2020 (the “Effective Date”), the Debtor effectuated its Plan, establishing the Liquidating Trust pursuant to the terms of the Plan and the Trust Agreement. Under the Plan, the Debtor’s asbestos liabilities were channeled to the Trust and the Trustee assumed the role of Plan Agent.

3. To assist the Trustee in performing his obligations under the Trust Agreement, the Trustee engaged counsel, a financial advisor, and investment managers. In addition, the Trustee retained a claim processor to assist him in evaluating unliquidated asbestos-related personal injury and wrongful death claims submitted to the Trust (“Trust Claims”).

4. Under the terms of the Plan, following the Effective Date, the Trustee also served as the Plan Agent and paid claims under the Plan that were unrelated to Debtor’s asbestos liabilities. In this capacity, during 2021, the Trustee paid \$4,616,613 on account of Administrative Expense Claims, Priority Tax Claims and Other Priority Claims under the Plan.

¹ Capitalized terms not otherwise defined herein, shall have the definitions ascribed to those terms in the Plan.

II. Principal Activities of the Trust

5. The Plan provides for roughly \$16 million to be paid or transferred to the Trust, either upon Plan effectuation or at other times pursuant to settlement agreements negotiated between the Debtor and certain of its insurance carriers (collectively, the “Settlement Agreements”). Under the Plan and the Trust Agreement, these funds are to be used primarily to pay, pro rata, those asbestos personal injury and wrongful death claims resolved through mediation or arbitration prior to effectuation of the Plan (“Liquidated Asbestos Claims”) and qualifying Trust Claims subsequently asserted against the Trust over the first four years (or more) following the Effective Date, subject to certain restrictions intended to maintain adequate funds to pay those claims that are asserted at different times throughout that four-year period.

6. Following the Effective Date, the Trustee has worked with the Trust’s professionals to maintain and invest the funds transferred to the Trust by (i) establishing bank and investment accounts for the Trust, and (ii) developing and implementing an investment strategy for the Trust consistent with the requirements of the Trust Agreement.

7. Following the Trust’s formation, the Trustee undertook a comprehensive review of the Claims Valuation Process (the “CVP”), which governs the Trust’s evaluation and payment of Trust Claims. In the course of that review, the Trustee identified a number of internal inconsistencies and drafted an amended version of the CVP to address those inconsistencies and to provide greater clarity to holders of Trust Claims. In addition, the Trustee developed a claim form and additional materials to facilitate filing of Trust Claims with the Trust.

8. The assets transferred to the Trust included the Debtor’s rights to payment under the Settlement Agreements. During 2021, the Trustee oversaw the collection of \$15,593,872.41

coming due under those agreements. Other than these recoveries, the Trust did not receive or recover any additional assets during 2021.

III. Initial Payments to Holders of Liquidated Asbestos Claims

9. The Plan, Trust Agreement and CVP contemplate that the Trust will make initial pro-rata distributions to holders of Liquidated Asbestos Claims and oversee compliance with Medicare reporting obligations. During 2021, the Trustee made payments totaling \$8,007,639 on account of Liquidated Asbestos Claims. These Liquidated Asbestos Claims had an aggregate liquidated value of \$16,355,592.67 and holders received a 48.87% pro rata distribution on their claims. The Trustee complied with his Medicare reporting obligations with respect to Liquidated Asbestos Claims paid by the Trust for which reporting was required.

10. During 2021, no additional Trust Claims were received or paid by the Trust.

IV. Additional Expenses Paid by the Trust

11. In addition to those payments described above, the Trust paid the following expenses in 2021 in connection with the Trust’s operations:

Expense	Amount²
Trustee Fees	\$20,250.00
Trustee Expenses	\$2,144.00
Legal Fees	\$72,973.00
Accounting Fees	\$30,875.00
Claims Processing Fees	\$71,978.00
Insurance Costs	\$28,876.00
Investment and Bank Fees	5,665.00
Other Operating Costs	\$3,708.00
Total	\$236,469.00

Dated: January 31, 2022

² Amounts reported are rounded to the nearest dollar.