

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

**In re:** ) **Chapter 11**  
 )  
**ABB LUMMUS GLOBAL, INC.,** ) **Case No. 06-10401 (MFW)**  
 )  
**Debtor.** )

**ANNUAL REPORT, FINANCIAL STATEMENTS AND RESULTS OF  
OPERATIONS OF THE ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI  
TRUST FOR FISCAL YEAR ENDED DECEMBER 31, 2018**

The Honorable Dean M. Trafelet, Ret., Trustee of the ABB Lummus Global Inc. 524(g) Asbestos PI Trust (the “Trust”), created pursuant to ABB Lummus Global Inc.’s Plan of Reorganization, as Modified Through June 8, 2006 (the “Plan”), submits this Annual Report, Financial Statements and Results of Operations of the ABB Lummus Global Inc. 524(g) Asbestos PI Trust for Fiscal Year Ended December 31, 2018.

**I. General**

ABB Lummus Global Inc. filed a voluntary petition for relief under Chapter 11, Title 11 of the United States Code (the “Bankruptcy Code”) on April 21, 2006. The hearing on confirmation of the Plan was held before the United States Bankruptcy Court for the District of Delaware (the “Court”) on June 21, 2006. The Court entered the Order (A) Approving Disclosure Statement and Solicitation Procedures, (B) Confirming and Recommending Affirmance by the U.S. District Court of Debtor’s Plan of Reorganization as Modified Through June 8, 2006 and (C) Setting Bar Dates to File Certain Claims in Paragraphs 51, 52, 53 and 74 on June 29, 2006. On July 19, 2006, the United States District Court for the District of Delaware entered its Order Affirming Confirmation Order and Issuing Injunctions.

The Effective Date of the Plan occurred on August 31, 2006.

Pursuant to the Plan, Steven Kazan, Russell W. Budd, and Perry Weitz are the members of the Trust Advisory Committee (“TAC”) and Richard B. Schiro is the Future Claimants’ Representative (“FCR”).

The Final Decree was entered and the bankruptcy case was closed on January 18, 2007. The Order of Final Decree provides that the Court retains jurisdiction with respect to all issues related to the Trust and directs that the Clerk of the Court shall not refuse to accept for filing any pleading or report submitted by the Trust on the grounds that the case has been closed.

The ABB Lummus Global Inc. 524(g) Asbestos PI Trust Agreement (“Trust Agreement”) and the ABB Lummus Global Inc. 524(g) Trust Bylaws (the “Bylaws”) require the Trustee to meet with the TAC and the FCR at least two times each calendar year, at regular or special meetings. The Trust held regular meetings during 2018 on February 7, 2018, May 23, 2018, September 26, 2018, and November 14, 2018. At many of these meetings, several persons attended by telephone, as authorized by the Bylaws and encouraged by the Trustee.

Pursuant to the Bylaws, the principal office of the Trust is located at 1105 North Market Street, Suite 1300, P.O. Box 8985, Wilmington, Delaware 19899.

In 2018, the Trust entered and/or continued services agreements with Stutzman, Bromberg, Esserman & Plifka, a Professional Corporation (general counsel); Ankura Consulting Group LLC (accountant and administrator); Verus Claims Services LLC (claims processing facility and claims administrator); Cray, Kaiser Ltd. (auditor);

Northern Trust Company (financial consultant and money manager); and AON Risk Services Central, Inc. (insurance agent). The Trust retained local counsel as needed.

The Trust maintained liability insurance coverage for the Trustee, the members of the TAC and the FCR.

## **II. Asbestos PI Claims**

The ABB Lummus Global Inc. 524(g) Asbestos PI Trust Distribution Procedures (as amended, the “TDP”), the Revised and Restated Procedures for Reviewing and Liquidating Lummus Asbestos PI Trust Claims, Lummus Claim Forms, an electronic filing agreement, the Lummus Release and other claims-related forms and instructions are available at [www.ABBLummusTrust.org](http://www.ABBLummusTrust.org).

### **A. Payment Percentage, Maximum Annual Payment and Claims Payment Ratio**

The Payment Percentage for 2018 was 14.7%.

The Maximum Annual Payment for 2018 was \$1,230,660, plus the rollover from 2017 of \$231,475 for a total of \$1,462,135.

Pursuant to Section 2.5 of the TDP, as amended by the Fourth Amendment to the TDP (the “Fourth Amendment”), commencing in calendar year 2017 and continuing through calendar year 2018, the Trust did not apply the Claims Payment Ratio provisions in the TDP subject to the ability of the Trustee, any member of the TAC or the FCR to reinstate the provisions in the manner provided in the Fourth Amendment. Pursuant to Section 2.5 of the TDP, during the time when the Trust is not applying the Claims Payment Ratio, the Trust continues to internally track and maintain records regarding the funds allocated to Category A and to Category B and the payment and approval of claims

with respect thereto.<sup>1</sup> As required under Section 2.5 of the TDP, the Trust provided the TAC and the FCR a report showing (a) the amount of the Maximum Annual Payment allocated to Category A and to Category B for year 2018, (b) the amounts paid with respect to claims during year 2018 that would have been subject to the Claims Payment Ratio in each Category, and (c) the amounts approved for payment (but not yet paid) as of December 31, 2018, with respect to claims that would have been subject to the Claims Payment Ratio in each Category.

In 2018, the Trust made payments as follows:

Maximum Annual Payment =	\$ 1,230,660
Carryover from 2017 =	\$ 231,475
Total for 2018 =	\$ 1,462,135
Paid in 2018 (net of refunds) =	\$ 1,444,353
Carryover into 2019 =	\$ 17,782

A total of 96 liquidated Category A Claims and 497 liquidated Category B Claims remained in the FIFO Payment Queue as of December 31, 2018.

#### **B. Claims Statistics for the Fiscal Year Ending December 31, 2018**

The Trust received 6,250 claims in 2018 (530 Lummus Feedwater Heater Claims and 5,720 Lummus Design and Construction Claims, as those terms are defined in the TDP). The Trust liquidated and paid 2,061 claims in 2018, totaling \$1,444,353 after application of the Payment Percentage. Below is further detail with respect to the claims received and paid by the Trust in 2018.

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<sup>1</sup> Category A Claims refer to claims involving severe asbestosis and malignancies (Disease Levels IV – VIII) as well as allocated Disease Level I claims. Category B Claims refer to claims involving non-malignant Asbestosis or Pleural Disease (Disease Levels II and III) as well as allocated Disease Level I claims. A claim for Other Asbestos Disease (Disease Level I – Cash Discount Payment) is allocated to either Category A or B based on the highest disease level established by the medical evidence submitted for the claim.

**Total claims received in 2018:**

Total Category A Claims received in 2018 =		2,056
Category A Claims submitted for Expedited Review	1,475	
Category A Claims submitted for Individual Review	581	
Total Category B Claims received in 2018 =		4,194
Category B Claims submitted for Expedited Review	4,002	
Category B Claims submitted for Individual Review	192	
<u>Total claims received in 2018 =</u>		6,250

**Total claims paid in 2018:**

Total Category A Claims paid in 2018 =		473
Category A Claims paid pursuant to Expedited Review	290	
Category A Claims paid pursuant to Individual Review	183	
Total Category B Claims paid in 2018 =		1,588
Category B Claims paid pursuant to Expedited Review	1,587	
Category B Claims paid pursuant to Individual Review	1	
<u>Total claims paid in 2018 =</u>		2,061

Since inception of the Trust, the Trust has not approved 67,718 claims, including rejected claims, claims with uncured deficiencies, and withdrawn and deferred claims.

The number of claims in the FIFO Processing Queue (as that term is defined in the TDP) on December 31, 2018, totaled 21, of which 4 are Category A Claims and 17 are Category B Claims.

### **III. Compensation and Expenses of Trustee**

Under Section 5.5(c) of the Trust Agreement, the Trust reports to the Court the amount of compensation and expenses paid to the Trustee. During the fiscal year ending December 31, 2018, the Trustee was paid a total of \$105,278 for compensation and expenses incurred.

The Delaware Trustee received compensation in the amount of \$2,500 during the fiscal year ending December 31, 2018. The Delaware Trustee had no reimbursable out-of-pocket costs and expenses during the fiscal year ending December 31, 2018.

### **IV. Financial Statements**

A copy of the Trust's audited financial statements for the fiscal year ending December 31, 2018 is attached as Exhibit "A." The attached financial statements include a supplemental schedule (Schedule A-1) detailing the Trust's operating and claims processing expenses for the years ended December 31, 2018 and 2017.

**V. Certification**

The Trustee has performed pursuant to and in compliance with the Plan, the Trust Agreement, the Bylaws, the TDP, the Lummus Confirmation Order and the other Plan Documents and Court orders pertaining to the operation of the ABB Lummus Global Inc. 524(g) Asbestos PI Trust during the Fiscal Year ended December 31, 2018.

**TRUSTEE:**

/s/ Dean M. Trafelet  
DEAN M. TRAFELET

Dated: April 30, 2019

**HOGAN♦McDANIEL**

By: /s/ Daniel K. Hogan  
Daniel K. Hogan (DE Bar No. 2814)

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-and-

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**ATTORNEYS FOR THE ABB  
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