

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

In re:)	
)	Chapter 11
)	
ABB LUMMUS GLOBAL, INC.,)	Case No. 06-10401 (MFW)
)	
Reorganized 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, 2019**

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, 2019.

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 2019 on February 13, 2019, May 22, 2019, October 1, 2019, and December 13, 2019.

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 2019, 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.

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

In January 2019, the Trust set the 2019 Maximum Annual Payment (“MAP”) at \$1,024,994 plus the rollover of excess funds from 2018.

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 2019, 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.¹ As required under Section 2.5 of the TDP, the Trust provided the

¹ 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

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 2019, (b) the amounts paid with respect to claims during year 2019 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, 2019, with respect to claims that would have been subject to the Claims Payment Ratio in each Category.

Effective November 1, 2019, pursuant to Sections 2.3 and 4.2 of the TDP, the Trustee, with the consent of the TAC and the FCR, decreased the Payment Percentage from 14.7% to 11.7%.

On October 30, 2019, the Trust reset the 2019 MAP for November 1 through December 31 to \$666,146.

In 2019, the Trust paid claims in the total amount of \$1,700,768.²

The Trust carried \$7,818 of the MAP into 2020.

A total of 93 liquidated Category A Claims and 298 liquidated Category B Claims remained in the FIFO Payment Queue as of December 31, 2019.

B. Claims Statistics for the Fiscal Year Ending December 31, 2019

The Trust received 6,638 claims in 2019 (257 Lummus Feedwater Heater Claims and 6,381 Lummus Design and Construction Claims, as those terms are defined in the TDP). The Trust liquidated and paid 3,136 claims in 2019, totaling \$1,700,768 after application of the Payment Percentage. Below is further detail with respect to the claims received and paid by the Trust in 2019.

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.

² During 2019, \$2,303 was refunded to the Trust from supplemental payments issued in a prior year.

Total claims received in 2019:

Total Category A Claims received in 2019 =	2,867
Category A Claims submitted for Expedited Review	1,958
Category A Claims submitted for Individual Review	909
Total Category B Claims received in 2019 =	3,771
Category B Claims submitted for Expedited Review	3,397
Category B Claims submitted for Individual Review	374
<u>Total claims received in 2019 =</u>	6,638

Total claims paid in 2019:

Total Category A Claims paid in 2019 =	534
Category A Claims paid pursuant to Expedited Review	307
Category A Claims paid pursuant to Individual Review	227
Total Category B Claims paid in 2019 =	2,602
Category B Claims paid pursuant to Expedited Review	2,592
Category B Claims paid pursuant to Individual Review	10
<u>Total claims paid in 2019 =</u>	3,136

Since inception of the Trust, the Trust has not approved 72,200 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, 2019, totaled 62, of which 6 are Category A Claims and 56 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. The Trustee refers the Court to the Supplementary Information to the audited special-purpose financial statements, attached hereto. The Trust pays the Delaware Trustee a fee of \$2,500, which is included in the Supplementary Information.

IV. Financial Statements

A copy of the Trust's audited financial statements for the fiscal year ending December 31, 2019 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, 2019 and 2018.

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, 2019.

TRUSTEE:

/s/ Steven A. Felsenthal
Steven A. Felsenthal, general counsel,
on behalf of Dean M. Trafelet

Dated: April 29, 2020

HOGAN♦McDANIEL

By: /s/Daniel K. Hogan
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