

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

In re:	)	Chapter 11
	)	
LESLIE CONTROLS, INC., <sup>1</sup>	)	Case No. 10-12199 (CSS)
	)	
Reorganized Debtor.	)	
	)	

**NOTICE OF FILING**

PLEASE TAKE NOTICE that, on April 29, 2025, the **Leslie Controls, Inc. Asbestos Personal Injury Trust Special-Purpose Financial Statements with Report of Independent Auditors for the Years Ended December 31, 2024, and 2023 and Related Information** were filed electronically by Stutzman, Bromberg, Esserman & Plifka, a Professional Corporation with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware.

Dated: April 29, 2025

**STUTZMAN, BROMBERG, ESSERMAN &  
PLIFKA, a Professional Corporation**

By:     /s/ Sander L. Esserman    

Sander L. Esserman (Texas Bar No. 06671500)  
Andrea L. Ducayet (Texas Bar No. 24032790)  
2323 Bryan Street, Suite 2200  
Dallas, Texas 75201  
Telephone: (214) 969-4900  
Facsimile: (214) 969-4999  
[esserman@sbep-law.com](mailto:esserman@sbep-law.com)  
[ducayet@sbep-law.com](mailto:ducayet@sbep-law.com)

**COUNSEL FOR THE  
LESLIE CONTROLS, INC.  
ASBESTOS PERSONAL INJURY TRUST**

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<sup>1</sup> The last four digits of the Debtor's federal tax identification number are 3780.

**CERTIFICATE OF SERVICE**

I, Andrea L. Ducayet, an attorney, hereby certify that, on April 29, 2025, a true and correct copy of the attached **Leslie Controls, Inc. Asbestos Personal Injury Trust Special-Purpose Financial Statements with Report of Independent Auditors for the Years Ended December 31, 2024, and 2023 and Related Information** was served this day upon the parties listed on the attached Service List via email and electronically through the Court's CM/ECF System.

/s/ Andrea L. Ducayet

**SERVICE LIST**

**LESLIE CONTROLS, INC. ASBESTOS PERSONAL INJURY TRUST**

Steven Kazan  
Kazan, McClain, Satterley & Greenwood  
55 Harrison Street, Suite 400  
Oakland, California 94607  
[skazan@kazanlaw.com](mailto:skazan@kazanlaw.com)

Peter A. Kraus  
Waters Kraus & Paul LLP  
3141 Hood Street, Suite 700  
Dallas, Texas 75219  
[kraus@waterskraus.com](mailto:kraus@waterskraus.com)

Robert J. Cooney, Jr.  
Cooney & Conway  
120 N. LaSalle Street  
Suite 3000  
Chicago, Illinois 60602  
[bcooney@cooneyconway.com](mailto:bcooney@cooneyconway.com)

Alan R. Brayton  
Brayton Purcell LLP  
222 Rush Landing Road  
Novato, California 94945  
[abrayton@braytonlaw.com](mailto:abrayton@braytonlaw.com)

John A. Baden IV  
Motley Rice LLC  
28 Bridgeside Boulevard  
Mt. Pleasant, South Carolina 29464  
[jbaden@motleyrice.com](mailto:jbaden@motleyrice.com)

James L. Patton, Jr.  
Young Conaway Stargatt & Taylor, LLP  
Rodney Square  
1000 North King Street  
Wilmington, Delaware 19801  
[jpatton@ycst.com](mailto:jpatton@ycst.com)

Natalie D. Ramsey  
Robinson & Cole LLP  
1201 N. Market Street, Suite 1406  
Wilmington, Delaware 19801  
[qramsey@rc.com](mailto:qramsey@rc.com)

Edwin J. Harron  
Young Conaway Stargatt & Taylor, LLP  
Rodney Square  
1000 North King Street  
Wilmington, Delaware 19801  
[eharron@ycst.com](mailto:eharron@ycst.com)

Laurie A. Krepto  
Robinson & Cole LLP  
1650 Market Street, Suite 3030  
Philadelphia, PA 19103  
[lkrepto@rc.com](mailto:lkrepto@rc.com)

**Leslie Controls, Inc.  
Asbestos Personal Injury Trust**

**Special-Purpose Financial Statements  
(With Supplementary Information)  
and Independent Auditor's Report**

**December 31, 2024 and 2023**

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**Leslie Controls, Inc.  
Asbestos Personal Injury Trust**

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Independent Auditor's Report

To the Trustee of  
Leslie Controls, Inc. Asbestos Personal Injury Trust

We have audited the accompanying special-purpose financial statements of the Leslie Controls, Inc. Asbestos Personal Injury Trust (the "Trust"), which comprise the special-purpose statements of net claimants' equity as of December 31, 2024 and 2023, and the related special-purpose statements of changes in net claimants' equity and cash flows for the years then ended, and the related notes to the special-purpose financial statements (collectively, the "Financial Statements").

In our opinion, the accompanying Financial Statements referred to above present fairly, in all material respects, the net claimants' equity of the Trust as of December 31, 2024 and 2023, and the changes in net claimants' equity and cash flows for the years then ended in conformity with the basis of accounting described in Note 2 to the Financial Statements.

*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 the 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 are 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 adopted by the Trustee to communicate the amount of net claimants' equity presently available to fund current and future claimants. As a result, the Financial Statements may not be suitable for another purpose. 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 these Financial Statements in accordance with the special-purpose basis of accounting; this includes determining that the special-purpose basis of accounting is an acceptable basis for the preparation of the Financial Statements in these circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the 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, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment 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 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 audits.

*Restriction on Use*

This report is intended solely for the information and use of the management of the Trust, the Trustee, the beneficiaries of the Trust and the United States Bankruptcy Court for the District of Delaware ("Bankruptcy Court") and is not intended to be and should not be used by anyone other than these specified parties. Upon filing with the Bankruptcy Court, the report is a matter of public record, which public filing does not expand the list of specified users.



Dallas, Texas  
April 24, 2025

**Leslie Controls, Inc.  
Asbestos Personal Injury Trust**

**Special-Purpose Statements of Net Claimants' Equity  
December 31, 2024 and 2023**

	<u>Assets</u>	
	<u>2024</u>	<u>2023</u>
Current assets		
Cash and cash equivalents	\$ 1,167,225	\$ 2,650,158
Investments at fair value	62,662,149	58,787,842
Investment income receivable	364,800	345,465
Prepaid expenses	18,260	15,736
	<u>                    </u>	<u>                    </u>
Total assets	<u>\$ 64,212,434</u>	<u>\$ 61,799,201</u>
	<u>Liabilities and Net Claimant's Equity</u>	
Accounts payable and accrued expenses	\$ 70,494	\$ 70,879
Claims payable (Note 5)	172,612	246,565
	<u>                    </u>	<u>                    </u>
Total liabilities	<u>243,106</u>	<u>317,444</u>
Net claimants' equity	<u>\$ 63,969,328</u>	<u>\$ 61,481,757</u>

See Accompanying Notes to Special-Purpose Financial Statements.



**Leslie Controls, Inc.**  
**Asbestos Personal Injury Trust**

**Special-Purpose Statements of Changes in Net Claimants' Equity**  
**Years Ended December 31, 2024 and 2023**

	2024	2023
Additions		
Insurance settlements	\$ 969,949	\$ 1,924,906
Interest and dividends	1,841,864	1,697,380
Realized gain on investments, net	764,879	508,046
Unrealized gain on investments, net	877,994	2,650,549
	<hr/>	<hr/>
Total additions	4,454,686	6,780,881
Deductions		
Claims expense (Note 5)	783,764	623,337
Investment advisory fees	199,706	192,523
Claim processing fees and consulting	159,105	122,810
Operating expenses	824,540	871,993
	<hr/>	<hr/>
Total deductions	1,967,115	1,810,663
	<hr/>	<hr/>
Net increase in net claimants' equity	2,487,571	4,970,218
Net claimants' equity		
Beginning of year	61,481,757	56,511,539
	<hr/>	<hr/>
End of year	<u>\$ 63,969,328</u>	<u>\$ 61,481,757</u>

See Accompanying Notes to Special-Purpose Financial Statements.

**Leslie Controls, Inc.**  
**Asbestos Personal Injury Trust**

**Special-Purpose Statements of Cash Flows**  
**Years Ended December 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Net increase in net claimants' equity	\$ 2,487,571	\$ 4,970,218
Adjustments to reconcile net increase in net claimants' equity to net cash provided by operating activities		
Net unrealized gain on investments	(877,994)	(2,650,549)
Net realized gain on investments	(764,879)	(508,046)
Amortization of bond premiums	2,130	(22,433)
Changes in assets and liabilities		
Investment income receivable	(19,335)	(24,859)
Prepaid expenses	(2,524)	6,817
Accounts payable and accrued expenses	(385)	2,378
Claims payable	<u>(73,953)</u>	<u>(1,587,103)</u>
Net cash provided by operating activities	<u>750,631</u>	<u>186,423</u>
Cash flows from investing activities		
Proceeds from sale of investments	13,228,007	18,520,835
Purchase of investments	<u>(15,461,571)</u>	<u>(18,324,363)</u>
Net cash provided by (used in) investing activities	<u>(2,233,564)</u>	<u>196,472</u>
Net increase (decrease) in cash and cash equivalents	(1,482,933)	382,895
Cash and cash equivalents, beginning of year	<u>2,650,158</u>	<u>2,267,263</u>
Cash and cash equivalents, end of year	<u><u>\$ 1,167,225</u></u>	<u><u>\$ 2,650,158</u></u>

See Accompanying Notes to Special-Purpose Financial Statements.

**Leslie Controls, Inc.  
Asbestos Personal Injury Trust**

**Notes to Special-Purpose Financial Statements  
December 31, 2024 and 2023**

**Note 1 - Description of the Trust**

**General**

The Leslie Controls, Inc. Asbestos Personal Injury Trust (the "Trust") was established on April 28, 2011 ("Effective Date") and is a Qualified Settlement Fund ("QSF") pursuant to Section 1.468B-1 et seq. of the Treasury Regulations promulgated under section 468B of the Internal Revenue Code ("IRC"). The purpose of the Trust is to (a) assume all liabilities and responsibility for Asbestos Personal Injury ("PI") Claims (whether existing as of the Effective Date or arising at any time thereafter), (b) direct the processing, liquidation and payment of all Asbestos PI Claims in accordance with the Asbestos PI Trust Distribution Procedures, (c) preserve, hold, manage and maximize the Asbestos PI Trust Assets for use in paying and otherwise satisfying Asbestos PI Claims and paying Asbestos PI Trust Expenses, and (d) otherwise comply in all respects with the requirements of a trust set forth in section 524(g)(2)(B) of the Bankruptcy Code, all in accordance with the Plan.

The Trust is governed by a Trust Agreement and Trust Distribution Procedures ("TDP") that establish the framework and criteria for allowance and payment of asbestos-related claims by the Trust. There are seven disease levels specified in the TDP. With respect to six of the disease levels, each claimant who meets the medical and exposure requirements of the TDP for a particular disease level may apply for expedited review and a specified payment amount. Claimants in the more serious disease levels also have an alternative, under the TDP, to submit additional documentation and request a more expansive review of their claim (TDP - 5.2b Individual Review Process), in which case claims may be paid within a range of amounts. Claims involving Disease Level V (Lung Cancer 2) must be liquidated under the Trust's individual review process.

The Trust's assets consist primarily of cash and cash equivalents and investments, which, with the earnings (or losses) on such investments, are intended to be totally consumed by the allowance and payment of claims and operation of the Trust. The percentage of the amount of each allowed claim that will actually be paid will be determined by projections of total allowed Asbestos Claims and operational expenses of the Trust, on the one hand, and total assets and net earnings (or losses), on the other. Pursuant to the TDP, the initial payment percentage was established at 40%. Effective May 20, 2014, pursuant to the Amended and Restated Asbestos Trust Distribution Procedures, the Trustee adjusted the payment percentage from 40% to 5%.

**Funding**

On the Effective Date, the Trust was funded with a total of \$76,625,000. These funds consisted of \$74,000,000 from CIRCOR International, Inc. ("CIRCOR"), the parent corporation of Leslie Controls, Inc. ("Leslie"), and \$2,625,000 of proceeds on the settlement between Leslie and Continental Casualty Company. Since the Effective Date through December 31, 2017, the Trust has received additional proceeds from CIRCOR, Leslie, and solvent and insolvent insurers of approximately \$32.2 million. During 2024 and 2023, the Trust received proceeds from additional insurers of approximately \$970,000 and \$1.9 million, respectively. The Trust expects to receive additional payments over several years from insurers. However, the amount and timing of additional payments is unknown.

**Leslie Controls, Inc.  
Asbestos Personal Injury Trust**

**Notes to Special-Purpose Financial Statements  
December 31, 2024 and 2023**

**Termination**

Section 8.2 of the Trust Agreement provides that the Trust shall automatically terminate on the date (the "Dissolution Date") ninety (90) days after the first to occur of the following events:

- The Trustee decides to dissolve the Trust because (A) the Trustee deems it unlikely that any new Asbestos Claims will be filed against the Trust, (B) all Asbestos PI Claims filed with the Trust have been liquidated and, to the extent possible based upon the funds available to the Trust through the Plan, paid to the extent provided in the Trust Agreement and the Asbestos PI Trust Distribution Procedures or disallowed by a final, nonappealable order, and (C) twelve (12) consecutive months have elapsed during which no new Asbestos PI Claim has been filed with the Trust; or
- If the Trustee has procured and has in place irrevocable insurance policies and has established claims handling agreements and other necessary arrangements with suitable third parties adequate to discharge all expecting remaining obligations and expenses of the Trust in a manner consistent with the Trust Agreement and the Asbestos PI Trust Distribution Procedures, the date on which the Bankruptcy Court enters an order approving such insurance and other arrangements and such order becomes a final order; or
- To the extent that any rule against perpetuities shall be deemed applicable to the Trust, that date which is twenty-one (21) years less ninety-one (91) days after the death of the last survivor of all of the descendants of the late Joseph P. Kennedy, Sr., father of the late President John F. Kennedy, living on the date hereof.

On the Dissolution Date or as soon as reasonably practicable, after the wind-up of the Trust's affairs by the Trustee and payment of all the Trust's liabilities, any remaining assets of the Trust shall be applied to such charitable purposes as the Trustee in the Trustee's reasonable discretion shall determine, which charitable purposes, if practicable, shall be related to the treatment of, research on or the relief of suffering of individuals suffering from asbestos-related lung diseases or disorders.

**Note 2 - Summary of significant accounting policies**

**Basis of accounting**

The Trust's special-purpose financial statements ("Financial Statements") are prepared using special-purpose accounting methods adopted by the Trustee which differ from accounting principles generally accepted in the United States of America ("GAAP"). The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the net assets available for the payment of claims and related operating expenses of the Trust. Since the accompanying Financial Statements and transactions are not based upon GAAP, accounting treatment by other parties for these same transactions may differ as to timing and amount. These special-purpose accounting methods and the differences from GAAP are summarized as follows:

- Net claimants' equity represents funds available to pay asbestos and bankruptcy related claims that have not yet been submitted, or that have been submitted but not processed. Trust expenses are also paid from net claimants' equity. Under GAAP, net claimants' equity would be reduced for estimates of amounts to be paid for claims that have not yet been submitted, or that have been submitted but not processed.

**Leslie Controls, Inc.  
Asbestos Personal Injury Trust**

**Notes to Special-Purpose Financial Statements  
December 31, 2024 and 2023**

- Claims expense are treated as a reduction to net claimants' equity in the period in which claims are settled. A settled claim is a claim that has been allowed by the Trust and accepted by the claimant with an executed release submitted to and approved by the Trust. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for the claims that have been incurred but not yet reported, and for those claims that have been submitted but not yet approved for payment by the Trust.
- Payments for services to be received over an extended period in the future are expensed as paid since these amounts are no longer available for the payment of claims. Under GAAP, an asset would be recorded and amortized over the period in which the related benefits are received.
- Income tax expense (benefit) is estimated and recorded as incurred in the period in which certain income and expense items affect current federal income taxes. Under GAAP, the provision for income taxes is recorded based upon income (loss) reported for financial statement purposes, which includes federal income taxes both currently payable and changes in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities. Additionally, GAAP requires all tax positions to be reviewed using a more likely than not threshold for financial statement recognition of tax assets, and a liability to be recorded for an uncertain tax position taken or expected to be taken beyond this threshold.
- Asbestos insurance recoveries are not recorded until the funds are received or collection is assured from the insurance carriers. Under GAAP, asbestos insurance recoveries are recorded upon settlement.
- The Trust's investments in marketable debt securities are considered as available for sale. The unrealized holdings gains (losses) on these investments are included in additions (deductions) on the accompanying statement of changes in net claimants' equity. Under GAAP, the unrealized holding gains (losses) on available for sale investments would be included as a component of net claimants' equity reported as accumulated other comprehensive income (loss).

**Use of estimates**

The preparation of the Financial Statements requires the Trustee and management of the Trust to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the Financial Statements, and the reported amounts of additions and deductions to the net claimants' equity during the reporting periods. The significant items subject to such estimates and assumptions include the fair value of investments. Actual results could differ from these estimates.

**Financial instruments**

The Trust's primary financial instruments are cash and cash equivalents, investments, and investment income receivable. The carrying amount of cash and cash equivalents and investment income receivable approximate their fair values based on their short-term nature. The carrying amount of investments is based on fair value.

**Cash and cash equivalents**

The Trust considers all money market funds and short-term investments with a maturity of three (3) months or less to be cash equivalents.

**Leslie Controls, Inc.  
Asbestos Personal Injury Trust**

**Notes to Special-Purpose Financial Statements  
December 31, 2024 and 2023**

**Concentrations of credit risk**

Financial instruments, which potentially subject the Trust to concentrations of credit risk, consist primarily of cash, cash equivalents, and investments. The Trust maintains its cash and cash equivalents, which at times may exceed federally insured limits, with financial institutions. The Trust has not experienced any losses in such accounts, and management does not believe it is exposed to any significant credit risk on cash and cash equivalents.

The Trust's investment securities 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 at least reasonably possible that changes in the value of investment securities will occur in the near term and such changes could materially affect the value of the Trust's portfolio.

**Investments and related income (loss)**

Investments are reported at fair value in the statements of net claimants' equity, and changes in the fair value of investments, as well as unrealized and realized gains and losses and foreign currency translation, are included in investment income, net reported in the statements of changes in net claimants' equity. Purchases and sales of marketable securities are recorded on the trade date.

Realized gains and losses on disposals of investments are determined by the specific identification method. Interest and dividend income are recognized on the accrual basis.

Investments considered to be permanently impaired in value are written down to their estimated net realizable value and the write down is recorded as a realized loss on investments. Unrealized losses that are other-than-temporary based upon management's estimates using quantitative and qualitative criteria are recognized as realized investment losses. Actual results could differ from those estimates.

**Claims payable**

Claims payable consists of certain injury claims that have been allowed by the Trust and accepted by the claimant with an executed release submitted to and approved by the Trust but unpaid at year end.

**Claims processing and consulting**

Claims processing and consulting expenses are recorded as incurred.

**Net claimants' equity**

The Trust, under the adopted special-purpose accounting convention, does not record the liability for future claims expected to be filed over the life of the Trust. The net claimants' equity is available for (i) the payments of allowed asbestos-related claims and (ii) operational expenses of the Trust.

**Federal income tax expense**

The Trust is subject to federal income taxes based on modified gross income, as defined by the IRC. In the opinion of management, the Trust is not subject to state income taxes, and therefore, the Financial Statements do not include any provision or liability for state income taxes. The Financial Statements also do not include any provision for federal deferred taxes as defined in the special-purpose basis methods adopted by the Trust. The funding received at the inception of the Trust as well as any subsequent funding received from insurers does not represent taxable income to the Trust. In addition, payments to claimants do not represent tax deductions of the Trust.

**Leslie Controls, Inc.  
Asbestos Personal Injury Trust**

**Notes to Special-Purpose Financial Statements  
December 31, 2024 and 2023**

**Subsequent events**

The Trust has evaluated events and transactions subsequent to the date of the Financial Statements for matters requiring recognition or disclosure in the special-purpose final statements. The accompanying Financial Statements consider events through April 24, 2025, the date when the Financial Statements were available to be issued.

**Note 3 - Investments**

The Trust measures its investments, at fair value, according to a hierarchy of valuation techniques. The following are the levels of the hierarchy and a brief description of the type of valuation information ("inputs") that qualifies an investment for each level:

Level 1 - Quoted prices are available in active markets for identical investments as of the reporting date. The type of investments in Level 1 includes short-term investments and securities that are traded in an active exchange.

Level 2 - Pricing inputs are other than quoted market prices included in Level 1, but are observable indirectly for the investment. The Trust includes its corporate and municipal bonds, asset backed securities and other fixed income in Level 2, because these pricing inputs are indirectly evident through interest rates for commonly quoted credit risks.

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant management judgment or estimation. The Trust does not carry any Level 3 investments.

Fair value estimates are made at a specific point in time, based on available market information and judgments about the financial asset, including estimates of timing, amount of expected future cash flows and the credit standing of the issuer. In some cases, the fair value estimates cannot be substantiated by comparison to independent markets. In addition, the disclosed fair value may not be realized in the immediate settlement of the financial asset. Furthermore, the disclosed fair values do not reflect any premium or discount that could result from offering for sale at one time an entire holding of a particular financial asset. Potential taxes and other expenses that would be incurred in an actual sale or settlement are not reflected in amounts disclosed.

The following is a description of the valuation methodologies used for financial assets measured at fair value, including the general classification of such assets pursuant to the valuation hierarchy.

**Debt securities**

The Trust's investments in debt securities do not have quoted market prices. These fair values are estimated by using pricing models, quoted prices of securities with similar characteristics, or discounted cash flow, and are classified within Level 2 of the valuation hierarchy. These Level 2 securities would include U.S. agency securities, mortgage-backed agency securities, obligations of states and political subdivisions and certain corporate, asset-backed, and other securities. In certain cases where there is limited activity or less transparency around inputs to the valuation, these securities could be classified within Level 3 of the valuation hierarchy. Currently, all of the Trust's debt securities are considered to be Level 2 securities.

**Leslie Controls, Inc.  
Asbestos Personal Injury Trust**

**Notes to Special-Purpose Financial Statements  
December 31, 2024 and 2023**

**Mutual funds**

The Trust's investments in mutual funds are classified as Level 1 because net asset values are calculated and published daily. These funds can also be sold daily in an active market.

The valuations of the Trust's investments by the above fair value hierarchy levels and the corresponding cost of the investments are as follows:

	December 31, 2024		
	Fair value	Cost	Unrealized gains (losses), net
Mutual funds	\$ 14,138,223	\$ 9,222,243	\$ 4,915,980
Corporate bonds	\$ 18,637,557	\$ 18,341,527	296,030
U.S. Government and treasury bonds	29,886,369	29,971,592	(85,223)
Total	<u>\$ 62,662,149</u>	<u>\$ 57,535,362</u>	<u>\$ 5,126,787</u>

  

	December 31, 2023		
	Fair value	Cost	Unrealized gains, net
Mutual funds	\$ 12,182,129	\$ 8,646,209	\$ 3,535,920
Corporate bonds	\$ 18,083,774	\$ 17,708,349	375,425
U.S. Government and treasury bonds	28,521,939	28,184,491	337,448
Total	<u>\$ 58,787,842</u>	<u>\$ 54,539,049</u>	<u>\$ 4,248,793</u>

Future maturities of the Trust's debt securities on December 31, 2024 are as follows:

	Fair value	Cost	Unrealized gains (losses), net
Due in one year or less	\$ 1,714,491	\$ 1,668,915	\$ 45,576
Due after one year through five years	35,617,176	35,251,005	366,171
Due after five years through ten years	11,192,259	11,393,199	(200,940)
Total	<u>\$ 48,523,926</u>	<u>\$ 48,313,119</u>	<u>\$ 210,807</u>



**Leslie Controls, Inc.  
Asbestos Personal Injury Trust**

**Notes to Special-Purpose Financial Statements  
December 31, 2024 and 2023**

**Note 4 - Taxation**

The Trust reports its income to the Internal Revenue Service as a designated settlement fund which is taxed at the highest rate applicable to trusts under Section I(e) of the IRC, which was 37% as of December 31, 2024, and 2023.

The Trust's calculation of income taxes is as follows:

	2024	2023
Modified taxable income	\$ 1,432,812	\$ 988,254
Tax rate	37%	37%
Federal income tax expense	530,140	365,654
Utilization of NOLs	(247,135)	(177,677)
Utilization of capital loss carryforward	(283,005)	(187,977)
Valuation allowance	-	-
Federal income tax expense (benefit)	\$ -	\$ -

As of December 31, 2024, the Trust had approximately \$4,949,000 of net operating loss carryforwards, with \$1,726,000 starting to expire in 2033 and \$3,224,000 having no expiration date. As of December 31, 2024, the Trust has approximately \$55,000 of capital loss carryforwards that will expire in 2027. There was no cash paid for taxes for the years ended December 31, 2024 and 2023. The amount of income taxes the Trust pays is subject to ongoing audits by federal authorities.

**Note 5 - Claims payable**

During the year December 31, 2024, the Trust changed the basis for estimating claims payable liabilities to only accrue claims allowed by the Trust and accepted by the claimant with an executed release submitted to and approved by the Trust. Claims payable at December 31, 2024 and 2023 consists of the following:

	2024	2023
Balance, beginning of the year	\$ 246,565	\$ 1,833,668
Cash paid to claimants	(857,717)	(2,210,440)
Net change in claim payable	783,764	623,337
Balance, end of the year	\$ 172,612	\$ 246,565

**Leslie Controls, Inc.  
Asbestos Personal Injury Trust**

**Notes to Special-Purpose Financial Statements  
December 31, 2024 and 2023**

**Note 6 - Trust advisory committee and future claimants' representative**

The Trust Agreement sets forth the role and responsibility of the Trust Advisory Committee ("TAC") and Future Claimants' Representative ("FCR"). The members of the TAC serve in a fiduciary capacity representing all holders of present Asbestos Claims ("Current Claimants").

The Trustee is required to consult with or obtain the consent of the TAC on certain matters identified in the Trust Agreement and the TDP. The TAC is comprised of five attorneys who are engaged by Current Claimants.

The FCR serves in a fiduciary capacity, representing the interests of the individuals who may file an Asbestos Claim in the future, but who at this time are unknown to the Trust ("Future Asbestos Claimants"). This role, in part, is to protect rights of the Future Asbestos Claimants. The Trustee is required to consult with or obtain the consent of FCR on certain matters identified in the Trust Agreement and the TDP.

**Supplementary Information**

## Independent Auditor's Report on Supplementary Information

To the Trustee  
Leslie Controls, Inc. Asbestos Personal Injury Trust

We have audited the special-purpose Financial Statements ("Financial Statements") of the Leslie Controls, Inc. Asbestos Personal Injury Trust (the "Trust") as of and for the years ended December 31, 2024 and 2023. Our report thereon dated April 24, 2025, which expressed an unmodified opinion on those Financial Statements, appears on pages two and three. Our audits were conducted for the purpose of forming an opinion on the Financial Statements as a whole. The supplemental schedules of operating expenses is presented for the purposes of additional analysis and is not a required part of the basic Financial Statements. Such information is the responsibility of management 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.

This report is intended solely for the information and use of the management of the Trust, the Trustee, the beneficiaries of the Trust and the United States Bankruptcy Court for the District of Delaware ("Bankruptcy Court") and is not intended to be and should not be used by anyone other than these specified parties. Upon filing with the Bankruptcy Court, the report is a matter of public record, which public filing does not expand the list of specified users.



Dallas, Texas  
April 24, 2025

**Leslie Controls, Inc.**  
**Asbestos Personal Injury Trust**

**Supplemental Schedules of Operating Expenses**  
**Years Ended December 31, 2024 and 2023**

	2024	2023
Trust general counsel	\$ 446,935	\$ 523,403
Accounting, audit, and tax fees and expenses	170,212	165,416
Insurance costs	33,605	39,973
Claim consultant expense	67,415	7,430
Trustee fees and expenses	64,087	91,687
Trust advisory committee attorney fees	18,312	23,637
Future claimants representative fees and expenses	19,935	16,367
Other	4,039	4,080
	<hr/>	<hr/>
Total operating expenses	<u>\$ 824,540</u>	<u>\$ 871,993</u>

See Independent Auditor's Report on Supplementary Information.



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## Leslie Controls, Inc. Asbestos Personal Injury Trust

### Report of Asbestos PI Claim Activity and Disposition during the Period from January 1, 2024 through December 31, 2024

#### Asbestos PI Claims

<b>Type of Claim</b>	<b>Number of Claims Filed</b>	<b>Number of Claims Approved for Payment and in Payment Queue as of 12-31-2024</b>	<b>Number of Claims Withdrawn or Not Approved</b>	<b>Liquidated Value of Approved Claims in Payment Queue as of 12-31-2024</b>	<b>Number of Approved Claims Paid</b>	<b>Amount Paid on Approved Claims after Application of Payment Percentage</b>
Category A Claims (Disease Levels III-VII)	3322	182	1580	\$5,757,500.00	472	\$824,040.00
Category B Claims (Disease Levels I-II)	667	140	196	\$359,500.00	197	\$33,900.00
Disease Level Not Specified	2	0	0	\$0	0	\$0

**LESLIE CONTROLS, INC. ASBESTOS  
PERSONAL INJURY TRUST**

**Report of Compensation and Expense Reimbursement  
(January 1 through December 31, 2024)**

	Total	Compensation	Expense Reimbursement
Ellen S. Pryor [Trustee]	\$60,076.80	\$60,076.80	\$0.00
Wilmington Trust [Delaware Trustee]	\$4,010.00	\$4,010.00	\$0.00
James L. Patton, Young Conaway Stargatt & Taylor LLP [Future Claimants' Representative]	\$6,218.15	\$6,110.00	\$108.15
Trust Advisory Committee	\$0.00	\$0.00	\$0.00