

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

<b>In re:</b>	)	<b>Chapter 11</b>
	)	
<b>ABB LUMMUS GLOBAL, INC.,</b>	)	<b>Case No. 06-10401 (JKF)</b>
	)	
<b>Debtor.</b>	)	

**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, 2007**

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, 2007.

## **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 Recommendation 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 that the Trust have at least four regular meetings with the TAC and the FCR during 2006. The Trust held regular meetings during 2007 on January 10, 2007, in Dallas, Texas; on February 15, 2007, in New York, New York; on March 20, 2007, in San Francisco, California; on April 17, 2007, in Wilmington, Delaware; on May 16, 2007, in Chicago, Illinois; on June 20, 2007, in Atlanta, Georgia; on July 18, 2007, in Washington, D.C.; on August 9, 2007, by telephone; on September 25, 2007, in New York, New York; on November 14, 2007, in Washington, D.C.; and on December 12, 2007, in Miami, Florida. In addition, the Trust held a special telephonic meeting on November 2, 2007. For each 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 Market Street, Suite 1300, P.O. Box 8985, Wilmington, Delaware 19899.

On January 27, 2007, the Trustee, with the consent of the TAC and FCR, amended the Trust Agreement, on the recommendation of the Trust's investment advisor, to clarify trust investment guidelines pertaining to mutual funds and exchange traded funds.

On October 1, 2007, Connecticut Valley Claim Service Company, Inc. ("CVCSC"), the Trust's administrator of Lummus Asbestos PI Trust Claims, as defined in the ABB Lummus Global Inc. 524(g) Asbestos PI Trust Distribution Procedures ("TDP"), notified the Trust that it would cease operations and close its business on December 31, 2007. With the consent of the TAC and FCR, and by duly adopted resolution, the Trust entered a claims service agreement on November 5, 2007, with Verus Claims Services, LLC ("Verus").

With the consent of the TAC and the FCR, and by duly adopted resolutions of the Trust, the Trust entered service agreements in 2007 with ARPC for Trust administration, and with Gilbert Randolph LLC as Trust insurance counsel. In addition, the Trust entered interim consulting agreements with former employees of CVCSC.

The Trust purchased management liability insurance.

## **II. Asbestos PI Claims**

The TDP directs that the Trustee, with the consent of the TAC and the FCR, "adopt procedures for reviewing and liquidating all unliquidated Lummus Asbestos PI Trust Claims, which shall include deadlines for

processing such claims.” TDP, Section 5.2. On January 10, 2007, the Trustee, with the consent of the TAC and FCR, adopted Procedures for Reviewing and Liquidating Lummus Asbestos PI Trust Claims (the “Procedures”).

The Trust began accepting claims on February 15, 2007. CVCS processed the claims until December 17, 2007. On December 17, 2007, the Trust transferred Lummus Asbestos PI Trust Claims processing to Verus. Without interruption, the Trust accepted Lummus Asbestos PI Trust Claims for filing with the Trust. The Trust temporarily suspended the processing of the Lummus Asbestos PI Trust Claims to implement the transition to Verus.

The Trust extends its appreciation to John Dickhoff, president of CVCS, and his staff, for their services and dedication to the Trust.

The Court may access and review the TDP, the Trust’s Procedures for Reviewing and Liquidating Lummus Asbestos PI Trust Claims, Claim Processing Dates, Lummus Claim Forms, an electronic filing agreement, the Lummus Release and other claims-related forms and instructions at [www.ABBLummusTrust.org](http://www.ABBLummusTrust.org). On June 8, 2007, the Trustee, with the consent of the TAC and FCR, amended the TDP to add a provision addressing the confidentiality of claimants’ submissions.

With the consent of the TAC and the FCR, the Trustee adopted an Initial Payment Percentage of 100%.

Claims statistics for the fiscal year ending December 31, 2007, are as follows:

The Trust received 12,304 claims in 2007. Of these, 11,431 were submitted for Expedited Review under the TDP and 873 were submitted for Individual Review under the TDP. The Trust liquidated and paid 127 claims for a total of \$345,600; 124 following Expedited Review for \$328,100 and 3 following Individual Review for \$17,500. The Trust did not allow 1,013 claims including claims with un-cured deficiencies, and withdrawn and deferred claims. The Trust had 51 outstanding settlement offers on December 31, 2007. Claims pending review on December 31, 2007, totaled 11,113.

The Trust received 973 Feedwater Heater Claims as defined in the TDP and 11,331 non-Feedwater Heater Claims or Design and Construction Claims as defined in the TDP. The Trust did not liquidate or pay any Feedwater Heater Claims. The Trust liquidated and paid 127 non-Feedwater Heater Claims for a total of \$345,600.

The Maximum Annual Payment for 2007 was \$5,000,000.

Under the TDP, Claims Payment Ratios are 80% for Category A Claims (malignancy claims) and 20% for Category B Claims (non-malignancy claims).

Category A Claims (malignancy) 80% =	\$4,000,000
Paid in 2007 =	112,500
Carryover into 2008 =	3,887,500
Category B Claims (non-malignancy) 20% =	1,000,000
Paid in 2007 =	233,100
Carryover into 2008 =	766,900

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

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 has received compensation in the amount of \$115,200 and reimbursement of \$6,041.41 for out-of-pocket costs and expenses during the fiscal year ending December 31, 2007.

The Delaware Trustee has received compensation in the amount of \$5,000, of which \$2,500 was an initial fee and \$2,500 is the annual administration fee. The Delaware Trustee had no reimbursable out-of-pocket costs and expenses during the fiscal year ending December 31, 2007.

### **IV. Financial Statements**

A copy of the Trust's audited financial statements for the fiscal year ending December 31, 2007, is attached here as Exhibit "A."

**V. Certification**

Each of the undersigned hereby certifies that in his role as a Trustee or the FCR, he has performed pursuant to and in compliance with the Plan, the Trust Agreement, the Bylaws, the Lummus Asbestos PI Trust Distribution Procedures, the Lummus Confirmation Order and such 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, 2007.

This Certification may be signed in any number of counterparts, each of which shall constitute an original, but such counterparts shall together constitute one and the same Certification.

**TRUSTEE:**

/s/ Dean M. Trafelet  
DEAN M TRAFELET

**FUTURE CLAIMANTS' REPRESENTATIVE:**

/s/ Richard B. Schiro  
RICHARD B. SCHIRO

Dated: April 29, 2008

**THE HOGAN FIRM**

By: /s/ Daniel K. Hogan

Daniel K. Hogan (DE Bar No. 2814)

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-and-

**STUTZMAN, BROMBERG,  
ESSERMAN & PLIFKA**

**A Professional Corporation**

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**ATTORNEYS FOR THE ABB  
LUMMUS GLOBAL, INC. 524(g)  
ASBESTOS PI TRUST**

# EXHIBIT A

**ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST**

**SPECIAL-PURPOSE FINANCIAL STATEMENTS**

**DECEMBER 31, 2007**

# ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST

## CONTENTS

Independent Auditor's Report

- Exhibit A - Special-Purpose Statements of Assets, Liabilities and Net Assets Available for the Payment of Claims
- Exhibit B - Special-Purpose Statements of Changes in Net Assets Available for the Payment of Claims
- Exhibit C - Special-Purpose Statements of Cash Flows Available for Payment of Claims

Notes to the Special-Purpose Financial Statements

Supplementary Information

Independent Auditor's Report on Supplemental Schedules

- Schedule A-1 - Supplemental Schedule of Operating and Claims Processing Expenses

# CRAY, KAISER LTD.

## Independent Auditor's Report

To the Board of Trustees of the  
ABB Lummus Global Inc. 524(g) Asbestos PI Trust

We have audited the accompanying special-purpose statements of assets, liabilities and net assets available for the payment of claims of the ABB Lummus Global Inc. 524(g) Asbestos PI Trust (the "Trust"), a Trust created under the laws the state of Delaware, as of December 31, 2007 and the related special-purpose statements of changes in net assets available for the payments of claims and special-purpose statements of cash flows available for the payment of claims for the year then ended December 31, 2007. These special-purpose financial statements are the responsibility of the Trust's management. Our responsibility is to express an opinion on these statements based on our audit.

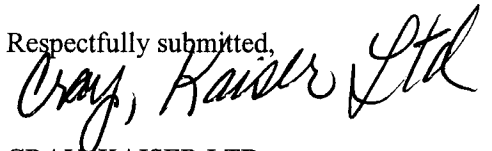
We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the special-purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the special-purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 2, the accompanying special-purpose financial statements have been prepared for the purpose of complying with the Trust Agreement dated August 30, 2006, and are not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. The special-purpose basis of accounting has been used in order to communicate the amount of net assets presently available for current and future claims.

In our opinion, the accompanying special-purpose financial statements of the Trust as of December 31, 2007 and for the period then ended, present fairly, in all material respects, the information set forth therein on the special-purpose basis of accounting described in Note 2.

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

Respectfully submitted,



CRAY, KAISER LTD.

Certified Public Accountants

Oakbrook Terrace, Illinois

March 7, 2008

**ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST  
SPECIAL-PURPOSE STATEMENTS OF ASSETS, LIABILITIES AND  
NETS ASSETS AVAILABLE FOR THE PAYMENT OF CLAIMS  
DECEMBER 31, 2007**

**ASSETS:**

Cash and cash equivalents	\$ 7,206,048
Investment Securities:	
Equity securities	\$ 4,960,749
Fixed income securities	27,653,870
Total Investment Securities	\$ 32,614,619
Accrued interest receivable	\$ 266,122
Prepaid income tax	32,400
Total Assets	\$ 40,119,189

**LIABILITIES:**

Accounts payable	\$ 97,538
Accrued operating expense	17,000
Due to trustee	1,000
Total Liabilities	\$ 115,538
Net Assets Available For The Payment of Claims	\$ 40,003,651

**ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST  
SPECIAL-PURPOSE STATEMENTS OF CHANGES IN NET ASSETS  
AVAILABLE FOR THE PAYMENT OF CLAIMS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

**ADDITIONS:**

Transfer of funds - Current year funding	\$ 28,711,562
Interest and dividend income, net of amortization	1,306,721
Realized gains on investment securities	236,820
Unrealized gains on investment securities	<u>1,003,106</u>

Total Additions \$ 31,258,209

**DEDUCTIONS:**

Operating and claims processing expenses \$ 1,319,043

NET INCREASE \$ 29,939,166

## NET ASSETS AVAILABLE FOR THE PAYMENT OF CLAIMS:

Beginning of year 10,064,485

End of year \$ 40,003,651

**ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST  
SPECIAL-PURPOSE STATEMENTS OF CASH FLOWS  
AVAILABLE FOR THE PAYMENT OF CLAIMS  
FOR THE YEAR ENDED DECEMBER 31, 2007**

**CASH FLOWS PROVIDED BY OPERATING ACTIVITIES:**

Increase in net assets available for the payment of claims	\$ 29,939,166
Changes in operating assets and liabilities:	
Realized gains on investment securities	(236,820)
Unrealized gains on investment securities	(1,003,106)
Increase in accrued interest receivable	(194,717)
Increase in prepaid income tax	(32,400)
Decrease in accounts payable	(101,192)
Increase in accrued operating expense	17,000
Increase in due to trustee	1,000
	<hr/>
Net Cash Provided In Operating Activities	<u>\$ 28,388,931</u>

**CASH FLOWS USED IN INVESTING ACTIVITIES:**

Purchases of equity securities	\$ (6,527,287)
Purchase of fixed income securities	(23,075,251)
Proceeds received on the sale of equity securities	2,974,263
Proceeds received on the sale of fixed income securities	1,675,683
	<hr/>
Net Cash Used In Investing Activities	<u>\$ (24,952,592)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS	\$ 3,436,339
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	<hr/> 3,769,709
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u><u>\$ 7,206,048</u></u>

**ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST**  
**NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 1 - DESCRIPTION OF THE TRUST**

The ABB Lummus Global Inc. 524(g) Asbestos PI Trust ("Trust") is a Delaware statutory trust created to assume all Lummus Asbestos PI Trust Claims (whether now existing or arising at any time hereafter) and to use the Lummus Asbestos PI Trust Assets to pay holders of such Lummus Asbestos PI Trust Claims in accordance with the Lummus Trust Agreement Trust Distribution Procedures ("TDP"), and in such a way that all holders of Lummus Asbestos PI Trust Claims that involve similar claims are treated in substantially the same manner and to otherwise comply in all respects with the requirements of a trust set forth in Section 524(g)(2)(B)(i) of the Bankruptcy. The Confirmed Plan became effective on August 31, 2006 (the Effective Date or the Effective Date of the Plan of Reorganization).

At inception, the Trust was funded with \$5,000,000 in an insurance settlement guaranty payment and \$5,400,000 in cash proceeds from a promissory note dated August 31, 2006, in the principal sum of \$33,000,000. On May 2, 2007, the Trust received payment of \$28,711,562 from ABB Lummus Global, Inc. as final payment on the promissory note. The cash contributed on May 2, 2007 included \$27,600,000 in full principal payment and \$1,111,562 of interest. As of May 2, 2007, the promissory note of \$33,000,000 has been paid in full.

The Trustee is responsible for supervising and administering the Lummus Asbestos PI Trust Claims resolution process. The Trust will use its funding for Trust operations and for settlement of the Lummus Asbestos PI Trust Claims as defined in the Confirmed Plan.

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The Trust's financial statements are prepared using special-purpose accounting methods that differ from accounting principles generally accepted in the United States of America. The special-purpose accounting methods were adopted in order to communicate to the beneficiaries of the Trust the amount of equity available for payment of current and future claims. These special-purpose accounting methods are as follows:

The financial statements are prepared using the accrual basis of accounting.

Funding received from ABB Lummus Global, Inc. has been recorded directly to net claimants' equity. These funds do not represent income of the Trust. Settlement offers for asbestos health claims are reported as deductions in net claimants' equity and do not represent expenses of the Trust.

Costs of non-income producing assets, which will be exhausted during the life of the Trust and are not available for satisfying claims, are expensed as they are incurred. These costs include acquisition costs of computer hardware, software, software development, office furniture and leasehold improvements.

Future fixed liabilities and contractual obligations entered into by the Trust are recorded directly against net claimants' equity. Accordingly, the future minimum rental commitments outstanding at period end for non-cancelable operating leases, net of any sublease agreements, have been recorded as deductions to net claimants' equity.

**ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST**  
**NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 2 - SIGNIFICANT ACCOUNTING POLICIES** (Continued)

The liability for unpaid claims reflected in the statements of net claimants' equity represents settled but unpaid claims and outstanding settlement offers. Lummus Asbestos PI Trust Claims' liability is recorded once a settlement offer is made to the claimant at the amount equal to the expected pro rata payment. Net claimants' equity represents funding available to pay present and future claims on which no fixed liability has been recorded.

Use of Estimates

The preparation of financial statements in conformity with the special-purpose accounting methods described above requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of additions and deductions to net claimants' equity during the reporting period. Actual results could differ from those estimates. The most significant estimates with regard to these financial statements relate to unpaid claims.

Cash and Cash Equivalents

Cash and cash equivalents include all highly liquid instruments with original maturities of one month or less. At December 31, 2007, the Trust maintained a bank account which held funds in excess of FDIC-insured limits.

Investment Securities

Investments securities stated at market value are based on quoted market prices at the date of the financial statements with the changes in unrealized gain and losses recorded in the current period. Investment income is recognized when earned. Gains and losses on sales are determined by specific identification.

The Trust classifies its marketable equity securities into available-for-sale category in accordance with the provisions of SFAS No. 115, "Accounting for Certain Investments in Debt and Equity Securities." The investment securities are considered to be available-for-sale securities, as they are used to satisfy claims, and are recorded at market. All interest and dividend income, as well as net realized gains/losses, are included in investment income on the statement of net assets available for the payment of claims. Realized gains and unrealized gains and losses are recorded as separate components on the statement of net assets available for the payment of claims.

Realized gains/losses are recorded based on the security's original cost. At the time a security is sold, all previously recorded unrealized holding gains/losses are reversed and recorded net, as a component of other unrealized gains/losses in the accompanying statement of changes in net assets available for the payment of claims.

Accrued Expenses and Accounts Payable

Accrued expenses and accounts payable consist of legal accruals, as well as outstanding bills associated with managing the Trust.

Operating and Administrative Expenses

Operating and administrative expenses of the Trust are paid from net assets available for the payment of claims.

**ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST**  
**NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 3 - CONCENTRATION OF CREDIT RISK**

The Trust's financial instruments that are exposed to concentration of credit risk consists primarily of cash and cash equivalents, as defined by Statement of Financial Accounting Standards N. 105, Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk. The Trust places its cash with high credit quality institutions. At times, such cash may be in excess of the FDIC insurance limit. The Trust routinely assesses the financial strength of its banking institutions and, as a consequence, believes that its cash credit risk exposure is limited.

**NOTE 4 - INVESTMENT SECURITIES**

Available-for-sale investment securities at December 31, 2007 consist of:

	<u>Amortized Cost</u>	<u>Unrealized Gains</u>	<u>Unrealized Losses</u>	<u>Market Value</u>
Equity Securities	\$ 4,960,748	\$ -0-	\$ 191,680	\$ 4,960,748
Fixed Income Securities	<u>28,848,655</u>	<u>1,194,785</u>	<u>-0-</u>	<u>27,653,870</u>
	<u>\$ 33,809,403</u>	<u>\$ 1,194,785</u>	<u>\$ 191,680</u>	<u>\$ 32,614,618</u>

Accrued interest receivable at December 31, 2007 was \$266,122.

Scheduled maturities of investment securities classified as available-for-sale at December 31, 2007 were as follows:

Due in:	
2008	\$ 1,723,018
2009	4,825,077
2010	5,929,572
2011	738,301
2012	1,154,703
Thereafter	<u>13,283,199</u>
	<u>\$ 27,653,870</u>

**ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST**  
**NOTES TO THE SPECIAL-PURPOSE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

**NOTE 5 - INCOME TAXES**

According to the Internal Revenue Code, the Trust is classified as a Qualified Settlement Fund and is therefore subject to federal income taxes based on modified gross income, as defined by the code. 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 Trust's federal income tax expense is calculated as follows for December 31, 2007:

Net Federal taxable income	\$ 296,000
Federal tax rate	<u>35%</u>
Federal income tax payable	<u><u>\$ 103,600</u></u>

**NOTE 6 - CONTINGENT LIABILITIES**

The Trust estimates the amount of potential exposure it may have with respect to claims, assessments and litigation in accordance with SFAS No. 5. All asbestos related claims as defined in the Confirmed Plan have been assumed by the Trust. If any other legal proceedings occur, it is not always possible to predict the outcome, as it is subject to many uncertainties. Additionally, it is not always possible for management to make a meaningful estimate of the potential loss or range of loss associated with such litigation.

**NOTE 7 - LIABILITY FOR ASBESTOS CLAIMS**

The Trust paid claims of \$345,600 during the period ended December 31, 2007.

**NOTE 8 - TRUSTEES' LIABILITY INSURANCE**

Directors and officers' insurance was purchased from AON Risk Services, Inc. of Illinois for \$77,850 during the period ended December 31, 2007. The policy term is from December 7, 2007 through December 6, 2008.

**NOTE 9 - TRUSTEE EXPENSES**

Fees and expenses of the Trustee for the year ended December 31, 2007 were as follows:

Trustee Annual Retainer - Hon. Dean Trafelet, Ret.	\$ 18,000
Trustee Expenses- Hon. Dean Trafelet, Ret.	6,041
Trustee Meetings & Fees - Hon. Dean Trafelet, Ret.	<u>97,200</u>
Total - Hon. Dean Trafelet, Ret.	<u><u>\$ 121,241</u></u>

**SUPPLEMENTARY INFORMATION**

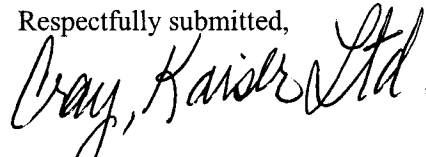
# CRAY, KAISER LTD.

## **Independent Auditor's Report on Supplementary Information**

To the Board of Trustees of the  
ABB Lummus Global Inc. 524(g) Asbestos PI Trust

The report on our audit of the special-purpose financial statements of the ABB Lummus Global Inc. 524(g) Asbestos PI Trust as of December 31, 2007 appears on the Independent Auditor's Report. This audit was conducted for the purpose of forming an opinion on the special-purpose financial statements taken as a whole in accordance with the basis of accounting described in Note 2 to such statements. The supplementary schedule is presented for purposes of additional analysis and are not a required part of the special-purpose financial statements. Such information has been subjected to the auditing procedures applied in our audit of the special-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the special-purpose financial statements taken as a whole.

Respectfully submitted,



CRAY, KAISER LTD.

Certified Public Accountants

Oakbrook Terrace, IL  
March 7, 2008

**ABB LUMMUS GLOBAL INC. 524(g) ASBESTOS PI TRUST  
 SUPPLEMENTAL SCHEDULE OF OPERATING AND  
 CLAIMS PROCESSING EXPENSES  
 FOR THE YEAR ENDED DECEMBER 31, 2007**

**SCHEDULE A-1**

**TRUST FEES AND EXPENSES:**

Office supplies	\$ 167
Audit fees	11,757
Insurance expense	77,850
Investment advisory fees	97,519
Income tax expense	103,600
Interim administrator - ARPC, Inc.	176,608
Facility claims settlements	345,600
Legal fees:	
Greenberg Traurig, LLP	1,147
Gilbert Randolph LLP	4,368
The Hogan Law Firm	7,787
Stutzman, Bromberg, Esserman & Plifka	166,693
Total Legal Fees	<u>\$ 179,995</u>
 Total Trust Fees and Expenses	 <u>\$ 993,096</u>

**TRUSTEE FEES AND EXPENSES:**

Hon. Dean Trafelet, Ret.	\$ 121,241
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**TRUST ADVISORY COMMITTEE ("TAC") FEES:**

Kazan, McClain, Abrams, Lyons, Greenwood & Harley	\$ 6,670
Frank/Gecker LLP	23,190
Total Trust Advisory Committee ("TAC") Fees	<u>\$ 29,860</u>

**FUTURE CLAIMANTS' REPRESENTATIVE ("FCR") FEES:**

Hamilton, Rabinovitz, & Associates, Inc.	\$ 15,730
Law Offices of Richard B. Schiro	15,961
Porter & Hedges LLP	32,619
Total Future Claimants' Representative ("FCR") Fees	<u>\$ 64,310</u>

**CLAIMS PROCESSING EXPENSES:**

Verus Claims Services, LLC	\$ 18,619
Connecticut Valley Claim Service Company, Inc.	91,917
Total Claims Processing Expenses	<u>\$ 110,536</u>

<b>TOTAL OPERATING AND CLAIMS PROCESSING EXPENSES</b>	<b>\$ 1,319,043</b>
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See independent auditor's supplementary information report.