

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:

TEHUM CARE SERVICES, INC.,¹

Debtor.

Chapter 11

Case No. 23-90086 (CML)

**NOTICE OF FILING ANNUAL REPORT OF TEHUM PERSONAL INJURY
SETTLEMENT TRUST AND CLAIM REPORT OF TEHUM PERSONAL INJURY
SETTLEMENT TRUST PURSUANT TO TEHUM PERSONAL INJURY SETTLEMENT
TRUST AGREEMENT**

Michael Zimmerman (the “PI/WD Trustee”), the trustee for the Tehum Personal Injury Settlement Trust (the “PI/WD Trust”),² by and through his undersigned counsel, hereby files this Notice of Filing Annual Report of Tehum Personal Injury Settlement Trust and Claim Report of Tehum Personal Injury Settlement Trust Pursuant to Tehum Personal Injury Settlement Trust Agreement.

TO BENEFICIARIES OF THE TEHUM PERSONAL INJURY SETTLEMENT TRUST

PLEASE TAKE NOTICE that in accordance with the Tehum Personal Injury Settlement Trust Agreement dated as of March 26, 2025 (the “PI/WD Trust Agreement”),³ the PI/WD Trustee hereby files the Annual Report for the PI/WD Trust audited by the accounting firm of Tanner LLP. A copy of the Annual Report is attached hereto as **Exhibit 1**. As further required by Section 2.5

¹ The last four digits of the Debtor’s federal tax identification number is 8853. The Debtor’s service address is: 205 Powell Place, Suite 104, Brentwood, Tennessee 37027.

² The PI/WD Trust and the Tehum Care Services, Inc. Trust Distribution Procedures for Personal Injury Claims (the “TDPs”) are located at ECF No. 1855.

³ Capitalized terms used but not otherwise defined herein shall have the meaning given to them in the PI/WD Trust, the TDPs, or the confirmed the *First Modified Joint Chapter 11 Plan of Reorganization of the Tort Claimants’ Committee, Official Committee of Unsecured Creditors, and Debtor* (the “Plan”) [ECF No. 2014, Ex. B].

of the Trust Agreement, a copy of the Annual Report will be posted on the PI/WD Trust website at www.tehumcareservicessettlement.com.

PLEASE TAKE FURTHER NOTICE that in accordance with Section 2.6 of the Trust Agreement, the PI/WD Trustee caused to be prepared a report containing a summary regarding the number and type of claims disposed of during the period covered by the Annual Report (the "Claims Report"). A copy of the Claims Report is attached hereto as **Exhibit 2**. As further required by Section 2.6 of the Trust Agreement, a copy of the Claims Report will be posted on the PI/WD Trust website at www.tehumcareservicessettlement.com.

Dated: May 1, 2026
Phoenix, AZ

Respectfully submitted,

NACH, RODGERS, HILKERT & SANTILLI

/s/ Paul M. Hilkert

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COUNSEL FOR THE TEHUM PERSONAL
INJURY SETTLEMENT TRUST

EXHIBIT 1
ANNUAL REPORT



TANNER

Accountants & Advisors

Tehum Personal Injury Settlement Trust

**Special-Purpose Financial Statements
As of December 31, 2025, and For the Period From
March 26, 2025 (date of inception) through December 31, 2025**

Together with Independent Auditors' Report



TANNER

Independent Auditors' Report

To the Trustees of Tehum Personal Injury Settlement Trust

Opinion

We have audited the special-purpose financial statements of Tehum Personal Injury Settlement Trust (the Trust), which comprise the special-purpose statement of assets, liabilities, and net claimants' equity as of December 31, 2025, and the related special-purpose statements of changes in net claimants' equity and cash flows for the period from March 26, 2025 (date of inception) through December 31, 2025, and the related notes to the special-purpose financial statements.

In our opinion, the accompanying special-purpose financial statements present fairly, in all material respects, the net assets of the Trust as of December 31, 2025, and the changes in net claimants' equity and its cash flows for the period from March 26, 2025 (date of inception) through December 31, 2025, in accordance with the basis of accounting described in Note 2 to the special-purpose financial statements.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Special-Purpose 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 audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 2 of the special-purpose financial statements which describes the basis of accounting. As described in Note 2, the accompanying special-purpose financial statements were prepared in order to account for the amount of net assets presently available to fund current and future claims, which is a basis of accounting other than accounting principles generally accepted in the United States of America. As a result, the special-purpose financial statements may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Special-Purpose Financial Statements

Management is responsible for the preparation and fair presentation of the special-purpose financial statements in accordance with the basis of accounting as described in Note 2 to the special-purpose financial statements. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of special-purpose financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Special-Purpose Financial Statements

Our objectives are to obtain reasonable assurance about whether the special-purpose financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS 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 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 special-purpose financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the special-purpose 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 special-purpose 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 special-purpose 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 audit.

Other Matter - Restriction of Use

This report is intended for the information and use of the Trustees, management of the Trust, and for filing with the United States Bankruptcy Court for the Southern District of Texas and is not intended to be and should be used by anyone other than these specified parties. Upon filing with the United States Bankruptcy Court for the Southern District of Texas, the report is a matter of public record, which public filing does not expand the listed specified users.

Other Matter – Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information comprises the annual report and account of the Trust for the period from March 26, 2025 (date of inception), through December 31, 2025, but does not include the special-purpose financial statements and our auditors' report thereon. Our opinion on the special-purpose financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the special-purpose financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the special-purpose financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Tanner LLP

April 30, 2026

Special-Purpose Statement of Assets, Liabilities, and Net Claimants' Equity

As of December 31, 2025

Assets

Cash and cash equivalents	\$ 5,386,857
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Liabilities and Net Claimants' Equity

Accrued expenses	\$ 107,731
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Net claimants' equity	5,279,126
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Total liabilities and net claimants' equity	\$ 5,386,857
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Special-Purpose Statement of Changes in Net Claimants' Equity*For the Period from March 26, 2025 (date of inception), through December 31, 2025*

Additions

Contributions	\$ 6,953,750
Interest and dividend income	112,696
Total additions	7,066,446

Deductions

Claims settled	77,000
General and administrative expenses:	
Claims administrator	900,000
Trustee	413,247
Insurance expense	37,725
Accounting	20,000
Bank fees	11,045
Professional services:	
Trust general counsel	283,288
Trust insurance counsel	35,044
Special and local counsel fees and expenses	6,221
Insurance settlement expert expense	3,750
Total deductions	1,787,320
Increase in net claimants' equity	5,279,126
Net claimants' equity at the beginning of the period	-
Net claimants' equity at the end of the period	\$ 5,279,126

Special-Purpose Statement of Cash Flows

*For the Period from March 26, 2025 (date of inception), through December 31, 2025***Cash flows from operating activities:**

Net increase in net claimants' equity	\$ 5,279,126
Adjustments to reconcile net increase in net claimants' equity to net cash provided by operating activities:	
Changes in operating assets and liabilities:	
Accrued expenses	<u>107,731</u>
Net cash provided by operating activities	<u>5,386,857</u>
Net change in cash and cash equivalents	5,386,857
Cash and cash equivalents at beginning of period	<u>-</u>
Cash and cash equivalents at end of period	<u>\$ 5,386,857</u>

Notes to Special-Purpose Financial Statements

1. Description of Trust

The Tehum Personal Injury Settlement Trust (the Trust) was organized pursuant to the Order Confirming the First Modified Joint Chapter 11 Plan of Reorganization of the Tort Claimants' Committee (the Order), Official Committee of Unsecured Creditors, and Debtor [Dkt. No. 2014] that was entered on March 3, 2025, in the United States Bankruptcy Court for the Southern District of Texas (Bankruptcy Court) in the case In re: Tehum Care Services, Inc. (the Debtor). The Trust was established on March 26, 2025, and is a "qualified settlement fund" pursuant to the meaning of Section 1.468B-1 et seq. to the Treasury Regulations promulgated under Section 468B of the Internal Revenue Code. The Trust is an irrevocable Delaware statutory trust formed under 12 Del. C. § 3801 et seq. The Trust was formed solely to administer, liquidate, and distribute assets transferred from the debtor to pay channeled personal injury and wrongful death claims formerly asserted against the Debtor as defined in the Trust Agreement. The Trust's principal office is in Scottsdale, Arizona, and is effective March 26, 2025. Capitalized terms not otherwise defined herein shall have the meaning provided in the Trust Agreement.

2. Significant Accounting Policies***Basis of presentation***

The Trust's 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 claimants' equity and related operating expenses of the Trust. Since the accompanying special-purpose 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. The special-purpose accounting methods include the following:

- Trust assets are generally recorded when they are received by the Trust and are available for the payment of claims and the operating expenses of the Trust.
- The Trustee maintains cash balances related to the Order that are not the Trust's assets and have not been reflected within the special-purpose financial statements.
- Insurance recoveries are recorded when the related policies are settled and collectability is assured from the insurance carriers. These recoveries come from various insurance settlements, which were obtained by entities which assigned the rights to such policies to the Trust or were negotiated by the Trust.
- Future fixed liabilities under contractual obligations and other agreements entered into by the Trust are recorded as deductions in the same period that such contractual obligations or agreements are signed. Under GAAP, liabilities and contractual obligations are recorded over the period that is benefited by the underlying contract or agreement.
- The full amounts of claims are generally treated as deductions from net claimants' equity in the period in which the settled claims are approved for payment. A settled claim is a claim that has been accepted by the claimant, with an executed release submitted to the Trust, and approved by the Trustee. Under GAAP, a liability would be recorded for an estimate of the amount to be paid for 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.
- Income tax expense is estimated and recorded as incurred in the period in which certain income and expense items affect current federal income taxes payable. Under GAAP, the provision for income taxes is recorded based upon income reported for special-purpose financial statement purposes, and federal income taxes both currently payable and changes in deferred taxes due to differences between financial reporting and tax bases of assets and liabilities. Under GAAP, deferred taxes include a provision for taxes attributable to changes in unrealized gains and losses on investments.

Use of estimates

The preparation of special-purpose financial statements in conformity with the special-purpose accounting methods described above requires the Trust to make estimates and assumptions that affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the special-purpose financial statements, as well as the reported amounts of additions and deductions to net claimants' equity during the reporting period. Actual results could differ from those estimates and such differences could have a material effect on net claimants' equity.

Cash equivalents

The Trust considers all highly liquid investments with original maturities of three months or less to be cash equivalents. Cash equivalents consists of money market accounts.

Settled claims payable and accrued expenses

Settled claims payable consist of certain claims that are settled but unpaid at December 31, 2025. A settled claim is a claim that has been accepted by the claimant, with an executed release submitted to the Trust, and approved by the Trustee. An unpaid claim is a claim that has been approved for payment by the Trustee but cannot be paid due to annual cap limitations or has been authorized by the Trustee and not paid. Unpaid claims that are a result of annual cap limitations are recorded when settled. As of December 31, 2025, there were no settled claims payable.

Accrued expenses consist of outstanding invoices associated with managing the Trust.

Operating expenses

Operating expenses of the Trust are recorded as deductions on the special-purpose statements of changes in net claimants' equity in the period in which the invoices are received and approved.

Income taxes

The Trust is classified as a Qualified Settlement Fund pursuant to the Internal Revenue Code and Regulations thereunder (the Code). As a result, the Trust is subject to federal income taxes based on modified gross income, as defined by the Code. In the opinion of the Trustee and advisors, the Trust is not subject to state income taxes and, therefore, the special-purpose financial statements do not include any provision or liability for state income taxes.

Income tax expense is estimated and includes amounts payable or receivable under current federal income taxes.

The Trust records income tax expense (or benefit) associated with amounts payable (or receivable) under current federal income taxes and does not record a provision for (or benefit from) deferred taxes. Accordingly, there is no provision for deferred taxes associated with changes in cumulative unrealized gains and losses on investments. The income taxes associated with gains on investments will be recorded in the Trust's special-purpose financial statements when the net gains are realized (i.e., the securities are sold) and the taxes become currently payable. In addition, there is no provision for deferred taxes associated with any future benefit from the potential use of net operating loss carryforwards to reduce taxable income in future years.

For the period from March 26, 2025, through December 31, 2025, the Trust paid no federal income taxes and had no provision for deferred taxes.

Risk and uncertainties

Certain of the Trust's assets are exposed to credit risk. Cash and cash equivalents are maintained at a financial institution and, at times, balances may exceed federally insured limits. The Trust has never experienced any losses related to these balances. There is approximately \$5.15 million in excess of federally insured limits as of December 31, 2025.

3. Trust Funding

All Trust funding is pursuant to the terms of the Order. The Trust is funded by the Debtor or Settlement Parties (as defined in the Order). During the period from March 26, 2025 (date of inception) through December 31, 2025, the Trust received cash contributions of \$6,953,750.

4. Related Parties

Pursuant to the Bankruptcy Court approved agreements, the Trustee performs their duties under the Trust Agreement and the Order. For the period from March 26, 2025 (date of inception) through December 31, 2025, the Trustee incurred \$413,247 for services performed by the Trustee and is included in the general and administrative expenses in the special-purpose statement of changes in net claimants' equity, with \$42,180 included in accrued expenses in the special-purpose statement of assets, liabilities, and net claimants' equity.

5. Claims Settled

For the period from March 26, 2025 (date of inception) through December 31, 2025, the Trust settled and paid 15 claims totaling \$77,000.

6. Contingent Liabilities

The Order subjects the Trust to certain reimbursement and indemnification obligations that may result in future claims against the Trust. The probability of such claims cannot be reasonably determined. Accordingly, no associated liability has been recorded in the accompanying special-purpose financial statements. Such claims, if any, are not expected to be material.

7. Subsequent Events

The Trust has evaluated its December 31, 2025, special-purpose financial statements for subsequent events through April 30, 2026, the date the special-purpose financial statements were available to be issued.

On March 25, 2026, in accordance with the Trust Agreement, the Trust Advisory Committee (TAC) of the Trust designated a certain portion of cash and cash equivalents as a reserve to be used for covering Trust administration expenses. The reserve amount designated was approximately \$3,100,000.

EXHIBIT 2
CLAIMS REPORT

TEHUM PERSONAL INJURY SETTLEMENT TRUST CLAIMS REPORT

As of December 31, 2025

Pursuant to Section 2.6 of the PI/WD Trust Agreement, and in connection with the filing of the Annual Report, as set forth in Section 2.4 of the PI/WD Trust Agreement, the PI/WD Trustee has caused to be prepared the following Claims Report summarizing the number and type of claims disposed of during the period commencing March 31, 2025 and ending on December 31, 2025.

A. PI/WD Claim Summary/Classification

The Plan, the PI/WD Trust Agreement, and the TDPs, establish the following general categories for PI/WD Claims:

- Opt-Out PI/WD Claim: PI/WD Claimants in this category elected to opt out of the Consensual Claimant Release and irrevocably elected to pursue their PI/WD Claim in the Civil Justice System with no right to return to or recover from the PI/WD Trust. Opt-Out PI/WD Claims were not channeled to the PI/WD Trust – therefore Opt-Out PI/WD Claims are not Channeled PI/WD Claims, and forever waived their claim to receive a distribution from the PI/WD Trust.
- Opt-Out Insured PI/WD Claim: PI/WD Claimants in this category elected to preserve their right pursue their PI/WD Claim in the Civil Justice System for the purpose of liquidating their PI/WD Claim in order to pursue recovery from one or more of the PI/WD Insurance Companies. Opt-Out Insured PI/WD Claimants agreed to the Consensual Claimant Release, but are not entitled to receive recovery from the PI/WD Trust or the Debtor on account of such PI/WD Claim. Instead, Opt-Out Insured PI/WD Claimants are entitled to pursue recovery exclusively

from PI/WD Insurance Companies. Opt-Out Insured PI/WD Claims were not initially channeled to the PI/WD Trust; however, they have/had the right to elect to have their claim channeled to the PI/WD Trust to the extent that they were unable to obtain a satisfactory recovery from PI/WD Insurance Companies.

- Channeled PI/WD Claim (with coverage from a PI/WD Insurance Policy): PI/WD Claimants in this category elected to have their PI/WD Claim channeled to the PI/WD Trust. The PI/WD Trustee then has the right to pursue recovery from a PI/WD Insurance Policy.¹ If the PI/WD Trustee successfully recovers funds for a Channeled PI/WD Claim from a PI/WD Insurance Policy, the recovery will first be utilized to pay administrative costs associated with the insurance recovery, with the remaining amount (up to the Allowed Claim Amount) to be paid to the Holder of the Channeled PI/WD Claim giving rise to the insurance recovery.
- Channeled PI/WD Claim (with election to receive an Expedited PI/WD Claim Distribution): PI/WD Claimants in this category (“Channeled Expedited PI/WD Claimants”) elected on their Ballot to have their PI/WD Claim channeled to the PI/WD Trust and to receive an expedited distribution from the PI/WD Trust in the amount of \$5,000.00 in satisfaction of their PI/WD Claim. PI/WD Claimants in this category are/were required to meet the Threshold Eligibility criteria, but are/were not required to submit additional documentation to support their claim.
- Channeled PI/WD Claim: Channeled PI/WD Claimants in this category elected to have their PI/WD Claim channeled to the PI/WD Trust, but were not entitled to

¹ The ability of the PI/WD Trust to recover from insurance depends entirely upon whether the Debtor provided the insurer timely prepetition notice of claims. If the Debtor failed to provide timely notice of a claim, then the Debtor and the PI/WD Trust, is not entitled to insurance coverage for the claim. Therefore, recovery from an insurer depends entirely on the Debtor’s prepetition notice, not claims asserted by a PI/WD Claimant.

recovery from a PI/WD Insurance Policy and did not elect to receive an expedited distribution from the PI/WD Trust. Channeled PI/WD Claimants in this category are/were required to meet the Threshold Eligibility criteria and are/were required to submit their Channeled PI/WD Claim for settlement, valuation, and allowance by the PI/WD Trustee. The TDPs contain a PI/WD Claim Matrix identifying five separate categories of injuries with accompanying allowed ranges for valuing each Channeled PI/WD Claim. The PI/WD Trustee is responsible for assigning a value to each Channeled PI/WD Claim by placing the Channeled PI/WD Claim into one of the five Claim Matrix injury categories.²

B. Registration/Submission of Claims

The TDPs provide a two-step process for Channeled PI/WD Claimants to establish their eligibility to receive a distribution from the Trust. First, all PI/WD Claimants must meet certain Threshold Eligibility criteria. Channeled Expedited PI/WD Claimants that meet the Threshold Eligibility requirements are entitled to receive an Expedited Distribution. And second, PI/WD Claimants that are not Channeled Expedited PI/WD Claimants must submit their PI/WD Trust Claim for settlement, valuation, and allowance by the PI/WD Trustee.³

The PI/WD Trust established a website that allows PI/WD Claimants to electrically submit information in support of their PI/WD Trust Claim and to provide information to facilitate payment to eligible Channeled PI/WD Claimants. Channeled PI/WD Claimants were provided with a unique claim identifier required to gain secured access to the portal. On June 9, 2025, the PI/WD

² The Claim Matrix included a value range for Tier 1 – Tier 4 Claims. The range of the Allowed Claim Amount for a Channeled PI/WD Claim could be increased from the Base Matrix value based upon the nature and circumstances of the personal injury, the impact of the personal injury, and the amount of medical expenses incurred.

³ PI/WD Claimants that elected to receive an Expedited Distribution must have met the Threshold Eligibility criteria, but were not required to submit his or her PI/WD Claim for settlement, valuation, and allowance by the PI/WD Trustee.

Trust began accepting PI/WD Trust Claim Submissions. The deadline to present a Trust Claim Submission expired on August 8, 2025. The PI/WD Trustee extended the Trust Claim Submission deadline upon request if the requesting PI/WD Claimant met the Threshold Eligibility requirements. By December 31, 2025, 323 Channeled PI/WD Claimants submitted claims through the claim portal, consisting of 83 Expedited PI/WD Claimants and 240 standard (non-expedited) PI/WD Claimants.

C. Disposition of Claims

The PI/WD Trustee's work during the period commencing March 31, 2025 and ending December 31, 2025 was characterized by activities necessary to support the submission of PI/WD Claims by PI/WD Claimants and their counsel. The PI/WD Trustee employed NextClaim Solutions ("NextClaim" or the "Claims Administrator") as the claims administrator to facilitate the collection and processing of Channeled PI/WD Claims. NextClaim created the website <https://www.tehumcareservicesettlement.com/contact-us/> as required by the Plan. The website allowed PI/WD Claimants to electronically and securely submit documents and other information necessary to support their PI/WD Trust Claim and to facilitate the payment of Allowed Claims. The PI/WD Trustee and the Claims Administrator worked diligently to obtain documentation from Channeled PI/WD Trust Claimants and to complete a review of the Threshold Eligibility criteria for timely submitted Channeled PI/WD Trust Claims. As of December 31, 2025, timely submitted Channeled PI/WD Trust Claims were placed into the following Threshold Eligibility categories:

- Threshold Approved: The Channeled PI/WD Claimant met all of the Threshold Eligibility criteria;
- Threshold Deficient: The Channeled PI/WD Claimant failed to meet all of the Threshold Eligibility criteria, but the deficiency could be cured; or

- Threshold Disallowed: The Channeled PI/WD Claimant failed to meet all of the Threshold Eligibility criteria, and the deficiency could not be cured

Following is a table summarizing the results of the Threshold Claim review as of December 31, 2025:

Claim Type	Threshold Approved	Threshold Deficient	Threshold Disallowed
Expedited	69	5	9
Non-Expedited	112	76	52
Totals	181	81	61

The PI/WD Trustee continued requesting and reviewing information from Threshold Deficient Channeled PI/WD Claimants after the applicable reporting period ended (*i.e.*, after December 31, 2025). Also, the PI/WD Trustee continued reviewing Trust Claim Submissions from non-Expedited Channeled PI/WD Claimants after the applicable reporting period ended (*i.e.*, after December 31, 2025). As of December 31, 2025, the PI/WD Trust had issued payment to Channeled PI/WD Claimants in the total amount of \$77,000.00.⁴

Also, in December 2025, the PI/WD Trust mediated 20 PI/WD Claims with a PI/WD Insurance Company. Mediation commenced on December 12, 2025 and concluded on December 17, 2025. The mediation included Holders of Opt-Out Insured PI/WD Claims and Channeled PI/WD Claims (with coverage from a PI/WD Insurance Policy). As of December 31, 2025, 14 PI/WD Claims were settled with the PI/WD Insurance Company, subject to final documentation that was largely completed during the first quarter of 2026, with the remaining 6 PI/WD Claims requiring additional mediation or approvals. As of December 31, 2025, the PI/WD Trustee projected that settlements with the PI/WD Insurance Company would satisfy claims against the

⁴ As of the date of this report, and including payments made to Opt-Out Insured PI/WD Claims, the PI/WD Trust has issued payments totaling \$1,541,737.55 to 73 claimants.

PI/WD Trust in the approximate range of \$8,970,000.00 to \$15,772,100.00.⁵

The PI/WD Trustee and the Claims Administrator continue to process and evaluate Channeled PI/WD Claims.⁶

D. Estate Party Settlement Payment Status

As of December 31, 2025, the Settling Parties were delinquent on their Installment Settlement Payments.⁷ Pursuant to the Plan, as of December 31, 2025, the Settling Parties were to have remitted payments to the PI/WD Trust in the total amount of \$10,378,750.00. *See* ECF No. 2602, Ex. A. However, as of December 31, 2025, the PI/WD Trust had only received total payments of \$6,903,750.00. *Id.*

⁵ This estimated range is based upon the projected Allowed Claim Amount that each settling party would have received pursuant to the PI/WD Claim Matrix. *See* ECF No. 1740-3.

⁶ As of the date of filing this Annual Report, the PI/WD Trustee recommended, and the PI/WD Trust Advisory Committee approved, the payment of initial distribution to Allowed Channeled PI/WD Trust Claimants in the total amount of \$2,500,000.00. Details regarding this initial distribution will be included in the 2026 Annual Report.

⁷ After December 31, 2025, the Settling Parties entered into a Cure Agreement on or about February 3, 2026. *See* ECF No. 2602. However, after receipt of an initial payment from the Settling Parties under the Cure Agreement, the Settling Parties defaulted and failed to cure the default in March of 2026. *See* ECF Nos. 2612 and 2617. The Cure Agreement and the default by the Settling Parties will be addressed in the 2026 Annual Report.