

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re	:	Chapter 11
	:	
ALDRICH PUMP LLC, <i>et al.</i> , ¹	:	Case No. 20-____ (___)
	:	
Debtors.	:	(Joint Administration Requested)

ALDRICH PUMP LLC and MURRAY BOILER LLC,	:	
	:	
Plaintiffs,	:	
	:	
v.	:	Adv. Pro. No. 20-____ (___)
	:	
THOSE PARTIES TO ACTIONS LISTED ON APPENDIX A TO COMPLAINT and	:	
JOHN AND JANE DOES 1-1000,	:	
	:	
Defendants.	:	

**MOTION OF THE DEBTORS FOR AN ORDER (I) PRELIMINARILY ENJOINING
CERTAIN ACTIONS AGAINST NON-DEBTORS, OR (II) DECLARING THAT
THE AUTOMATIC STAY APPLIES TO SUCH ACTIONS, AND (III) GRANTING
A TEMPORARY RESTRAINING ORDER PENDING A FINAL HEARING**

¹ The Debtors are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Aldrich Pump LLC (2290) and Murray Boiler LLC (0679). The Debtors' address is 800-E Beaty Street, Davidson, North Carolina 28036.



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NATURE OF PROCEEDING

Pursuant to Rules 7001(7), 7001(9), and 7065 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), plaintiffs Aldrich Pump LLC ("Aldrich"), a North Carolina limited liability company, and Murray Boiler LLC ("Murray"), a North Carolina limited liability company, debtors and debtors in possession in these chapter 11 cases (together, the "Debtors"), request a preliminary injunction under section 105(a) of title 11 of the United States Code (the "Bankruptcy Code"). The injunction would enjoin the prosecution of actions outside of these chapter 11 cases on account of the same asbestos claims that exist against the Debtors in these chapter 11 cases.

The defendants in this adversary proceeding (collectively, the "Defendants") sought to be enjoined are all named plaintiffs in the asbestos-related lawsuits against one or both of the Debtors (or for which either Debtor is responsible) listed on Appendix A to the Complaint, as well as John and Jane Does 1-1000.¹ The Defendants would be enjoined from prosecuting actions outside of these chapter 11 cases seeking to hold the following entities liable for the asbestos claims against the Debtors in these chapter 11 cases: (1) affiliates of the Debtors, (2) certain former transaction parties with the Debtors, and (3) various insurers of the Debtors, in each case as a result of the Debtors' indemnification of such entities for asbestos claims against the Debtors, and for the several other reasons set forth in this Motion. More specifically, the entities that the Defendants would be enjoined from pursuing (the "Protected Parties") are:²

¹ Appendix A identifies the civil action number (where available) for each lawsuit and the law firms representing each of the Defendants on account of their asbestos claims. The Debtors reserve the right to supplement, amend or otherwise modify Appendix A by such procedures as shall be set forth in any order granting the relief requested in this motion. For the avoidance of doubt, the inclusion of an asbestos-related claim on Appendix A is not an admission that such Defendant holds a currently pending claim against either the Debtors or the Protected Parties.

² The Protected Parties, with the exception of Old IRNJ and Old Trane, are listed on Appendix B to the Complaint. The Debtors reserve the right to seek to supplement, amend, or otherwise modify the list of

- a) former Trane Technologies Company LLC, successor by merger to Ingersoll-Rand Company (a former New Jersey corporation) (collectively, "Old IRNJ"), an entity that no longer exists and whose asbestos-related liability was allocated to Debtor Aldrich;
- b) former Trane U.S. Inc. ("Old Trane"), an entity that no longer exists and whose asbestos-related liability was allocated to Debtor Murray;
- c) the Debtors' non-debtor affiliates set forth on Appendix B to the Complaint (the "Non-Debtor Affiliates"), including, without limitation, Trane Technologies Company LLC ("New Trane Technologies") and Trane U.S. Inc. ("New Trane");
- d) entities that are not affiliates of the Debtors set forth on Appendix B to the Complaint, whom Aldrich or Murray has indemnified contractually, or with respect to which Aldrich or Murray otherwise has agreed to be responsible, for its asbestos-related liabilities (the "Indemnified Parties"); and
- e) insurance entities set forth on Appendix B to the Complaint, who have or have had insurance related agreements, or rights thereunder, with Aldrich or Murray for asbestos-related liabilities (the "Insurers").

The Defendants would be enjoined from prosecuting any action seeking to hold a Protected Party liable on account of any "Aldrich/Murray Asbestos Claim." "Aldrich/Murray Asbestos Claims" means any asbestos-related claim against either Debtor, including all claims relating in any way to asbestos or asbestos-containing materials asserted against, or that could have been asserted against, Old IRNJ ("IRNJ Asbestos Claims") or Old Trane ("Trane Asbestos Claims").³

In addition, the Debtors seek a declaration that section 362(a) of the Bankruptcy Code prohibits the commencement or continuation of such actions against the Protected Parties while the Debtors' chapter 11 cases (the "Chapter 11 Cases") remain pending. The Debtors also seek a

Protected Parties by such procedures as shall be set forth in any order granting the relief requested in this motion.

³ For the avoidance of doubt, Aldrich/Murray Asbestos Claims include all asbestos personal injury claims and other asbestos-related claims allocated to, respectively, Aldrich from Old IRNJ or Murray from Old Trane in the documents implementing the 2020 Corporate Restructuring (as defined below). The Aldrich/Murray Asbestos Claims do not include asbestos-related claims for which the exclusive remedy is provided under workers' compensation statutes and similar laws.

temporary restraining order, entered on limited notice, to immediately effectuate the requested injunctive or declaratory relief pending a final hearing on this Motion.

Along with this Motion, the Debtors have filed the Debtors' *Complaint for Injunctive and Declaratory Relief (I) Preliminarily Enjoining Certain Actions Against Non-Debtors, or (II) Declaring That the Automatic Stay Applies to Such Actions, and (III) Granting a Temporary Restraining Order Pending a Final Hearing* (the "Complaint") that initiated this adversary proceeding. In support of this Motion, the Debtors incorporate: (a) the *Declaration of Allan Tananbaum in Support of Debtors' Complaint for Injunctive and Declaratory Relief, Related Motions, and the Chapter 11 Cases* (the "Tananbaum Declaration"), filed herewith; and (b) the *Declaration of Ray Pittard in Support of First Day Pleadings* (the "First Day Declaration"), filed in the Debtors' Chapter 11 Cases, and further state as follows:

JURISDICTION AND VENUE

This Court has subject matter jurisdiction over this adversary proceeding and this Motion under 28 U.S.C. §§ 157 and 1334. This matter is a core proceeding under 28 U.S.C. § 157(b)(2). Pursuant to Bankruptcy Rule 7008, the Debtors consent to the entry of final orders or a final judgment by this Court in this adversary proceeding. Venue is proper in this District pursuant to 28 U.S.C. § 1409.

SUMMARY OF ARGUMENT

The Debtors commenced the Chapter 11 Cases to finally and fairly resolve all asbestos-related claims against them through consummation of a plan of reorganization that includes the establishment of a section 524(g) trust. The relief sought by this adversary proceeding is critical to the Debtors' ability to achieve that purpose. Without the requested injunction, claimants would be permitted to litigate, in other forums, the exact same asbestos claims that are being asserted against the Debtors in the Chapter 11 Cases.

None of the Protected Parties (other than Old Trane and Old IRNJ) manufactured or sold the asbestos-containing products that give rise to the Aldrich/Murray Asbestos Claims. The Debtors became solely responsible for all liability arising from the Aldrich/Murray Asbestos Claims as a result of internal corporate restructurings that were completed on May 1, 2020 (together, the "2020 Corporate Restructuring"). Despite the Debtors having communicated these facts to certain asbestos plaintiffs' counsel, following the 2020 Corporate Restructuring, claimants soon began (a) naming New Trane Technologies and New Trane as defendants in newly-filed Aldrich/Murray Asbestos Claims or (b) adding or seeking to add New Trane Technologies or New Trane as a defendant in previously-filed Aldrich/Murray Asbestos Claims. Over roughly the last month, New Trane Technologies or New Trane has been named in or added (or sought to be added) as a defendant in approximately 65 such cases. Tananbaum Decl. ¶ 34.

Aldrich/Murray Asbestos Claims asserted against the Protected Parties would arise from the sale of asbestos-containing products by Old IRNJ or Old Trane. Tananbaum Decl. ¶¶ 10-15. Following the 2020 Corporate Restructuring, the respective Debtors are now solely responsible for these potential asbestos-related liabilities. Id. ¶ 24. As explained below, Aldrich/Murray Asbestos Claims against the Protected Parties—under whatever theory—are the exact same claims as, and are identical and co-extensive in every respect to, those claims that have been asserted or may be asserted against the respective Debtors. The claims involve the same plaintiffs, the same products, the same time periods, and the same liability and damage allegations. Id. ¶ 26. Accordingly, Aldrich/Murray Asbestos Claims brought against the Protected Parties are tantamount to claims against the Debtors.

Permitting the Defendants to continue or commence Aldrich/Murray Asbestos Claims against the Protected Parties while the Debtors simultaneously work to resolve the same claims in their Chapter 11 Cases would (a) defeat the purpose of the Debtors' bankruptcy cases, (b) result in irreparable harm to the Debtors' estates, (c) undermine and circumvent the purposes of the automatic stay, and (d) divert the Debtors from their reorganization efforts. Tananbaum Decl. ¶ 33. Such claims should therefore be enjoined.

The Court Has Authority to Enjoin the Aldrich/Murray Asbestos Claims Under Section 105(a)

Courts consistently have exercised their injunctive powers under section 105(a) of the Bankruptcy Code to enjoin asbestos claimants from continuing or commencing actions against non-debtor affiliates and other third parties in mass-tort bankruptcies. Indeed, to the Debtors' knowledge, no court has declined to enter such an injunction. This includes bankruptcy courts in this District, most recently in the Bestwall proceeding. See In re Bestwall LLC, 606 B.R. 243 (Bankr. W.D.N.C. 2019) (LTB).

Courts considering the propriety of an injunction under section 105(a) often apply the traditional four-pronged test for injunctions, as tailored to the unique circumstances of bankruptcy. In bankruptcy, these four elements are: (a) the debtor's reasonable likelihood of a successful reorganization, (b) the imminent risk of irreparable harm to the debtor's estate in the absence of an injunction, (c) the balance of harms between the debtor and its creditors, and (d) whether the public interest weighs in favor of an injunction. Each element is satisfied here.

The Debtors' Successful Reorganization Is Likely

The Debtors' prospects for a successful reorganization are strong. The Debtors filed bankruptcy in good faith to pursue an equitable resolution of tens of thousands of asbestos claims—the precise circumstances for which Congress enacted section 524(g). The Debtors have sufficient resources to fund the costs of the Chapter 11 Cases and fund a substantial section

524(g) asbestos trust with sufficient resources to fairly and finally resolve their asbestos liabilities. Enjoining the Aldrich/Murray Asbestos Claims against the Protected Parties is fully consistent with, and necessary for the Debtors to pursue, the ultimate objective of these cases.

The Debtors Will Be Irreparably Harmed Absent Injunctive Relief

Without the requested injunction, the Debtors' reorganizational efforts would be irreparably harmed and the Debtors would be deprived of the "breathing spell" afforded by the automatic stay.⁴ Due to the indemnities the Debtors have provided to the Protected Parties, as well as the Debtors' insurance coverage for Aldrich/Murray Asbestos Claims, litigating the Aldrich/Murray Asbestos Claims against the Protected Parties could, outside of the Chapter 11 Cases, fix asbestos-related claims against the Debtors and bind the Debtors under the doctrines of collateral estoppel and *res judicata*.⁵ Such litigation would also allow asbestos claimants to use evidence generated in those proceedings to try to establish the Debtors' liability for the exact same asbestos-related claims, compelling the Debtors to actively participate in the litigation and diverting the attention of key personnel who would otherwise be assisting the Debtors in achieving their restructuring goals from the reorganization process.

The Balance of Harms Weighs in Favor of a Preliminary Injunction

The balance of the harms also weighs heavily in favor of an injunction. As explained, continued prosecution of the Aldrich/Murray Asbestos Claims against the Protected Parties

⁴ See H.R. Rep. No. 95-595, 95th Cong. 1st Sess. 340-342 (1977); S. Rep. No. 989, 95th Cong., 2d Sess. 54-55 (1978), reprinted in 1978 U.S.C.A.N. 5787, 5840-41 ("The automatic stay is one of the fundamental debtor protections provided by the bankruptcy laws. It gives the debtor a breathing spell from his creditors . . . [and] permits the debtor to attempt a repayment or reorganization plan . . ."); see also Bestwall LLC, 606 B.R. at 256 ("[T]he litigation of Bestwall Asbestos Claims could force the Debtor to defend its interest in such litigation, thereby defeating the 'breathing spell' intended by the automatic stay.").

⁵ Further, as explained herein, prosecution of Aldrich/Murray Asbestos Claims against the Insurers would seek to obtain property of the Debtors' estates in violation of the automatic stay pursuant to section 362(a)(3) of the Bankruptcy Code.

would cause irreparable harm to the Debtors and their estates by, among other means, undermining the very goal of the Chapter 11 Cases and requiring the Debtors to actively participate in litigation pending throughout the country while simultaneously seeking to resolve the same claims before this Court. The Debtors are not the only parties that would be harmed. Continued prosecution of claims against the Protected Parties would thwart the Debtors' ability to resolve their asbestos liabilities, eliminating any possibility of a more efficient means of recovery to current and future asbestos claimants. See In re Federal-Mogul Global, Inc., 684 F.3d 355, 362 (3d Cir. 2012) (noting the bankruptcy "trusts appear to have fulfilled Congress's expectation that they would serve the interests of both current and future asbestos claimants and corporations saddled with asbestos liability").

Any harm that issuing an injunction might cause the Defendants is substantially less. As noted, only the Debtors were allocated responsibility for Aldrich/Murray Asbestos Claims in the 2020 Corporate Restructuring, and none of New Trane Technologies, New Trane or the other Non-Debtor Affiliates ever sold asbestos containing products giving rise to Aldrich/Murray Asbestos Claims. In addition, nearly every claimant has already received compensation from other sources or could receive compensation during the pendency of these cases. Asbestos claimants sue multiple parties in the tort system and routinely file claims with dozens of bankruptcy trusts. They can and will continue to prosecute and collect on their claims against those other parties and sources notwithstanding the entry of the injunction. See Bestwall, 606 B.R. at 257 (in addressing the balance of harms, observing that "nothing about maintaining the injunction in this case prohibits the plaintiffs from continuing to proceed against any remaining defendants in state court"). Further, as noted, a section 524(g) trust that ultimately is established

by a confirmed plan of reorganization in the Chapter 11 Cases would allow for more efficient recoveries for Defendants than generally are possible in the tort system.

Nor can the Defendants demonstrate any harm based on the speculation that an injunction will create risk for the ultimate payment of their claims. In total, the Debtors' value is approximately \$70-\$75 million, not including additional cash amounts above minimum thresholds, which additional cash amounts as of the Petition Date were approximately \$3-\$5 million, and not taking into account insurance rights, as well as the funding agreements the Debtors have with New Trane Technologies and New Trane (discussed below). First Day Decl. ¶ 17. There is no risk that the Debtors will be unable to pay asbestos-related claims.

Public Interest Supports a Preliminary Injunction

There is a strong public interest in a successful chapter 11 reorganization, and injunctive relief is critical to the Debtors' reorganization efforts. It also is in the public interest to promote justice in the court system. In the Debtors' cases, this can only be achieved by resolving all Aldrich/Murray Asbestos Claims in a fair and equitable manner in one forum. This result is not possible if piecemeal litigation of the Aldrich/Murray Asbestos Claims in the tort system is allowed to circumvent the bankruptcy process. For that reason, a successful reorganization under chapter 11—and an injunction that makes such reorganization possible—serves the public interest by allowing for the resolution of thousands of claims in a uniform and equitable manner.

Section 362(a) Automatically Stays Prosecution of the Aldrich/Murray Asbestos Claims

The case for an injunction is further bolstered by the fact that the Aldrich/Murray Asbestos Claims, whether brought against the Debtors or Protected Parties, are automatically stayed by section 362 of the Bankruptcy Code. As to the Debtors, Aldrich became responsible for all of Old IRNJ's asbestos-related liability while Murray became responsible for all of Old Trane's asbestos-related liability as a result of the 2020 Corporate Restructuring. Thus, any

claims against Old IRNJ or Old Trane (each of which no longer exist) are efforts to recover on account of claims against the Debtors that are stayed under section 362(a)(1).

Aldrich/Murray Asbestos Claims against the other Protected Parties also are automatically stayed under section 362 of the Bankruptcy Code. First, any claims that assert theories seeking to recover assets from third parties, or hold third parties liable, on account of Aldrich/Murray Asbestos Claims—such as fraudulent transfer, alter ego, and successor liability—are property of the Debtors' estates and subject to the automatic stay under section 362(a)(3), as are claims that seek to recover against the Insurers, who have provided insurance to the Debtors on account of Aldrich/Murray Asbestos Claims. Second, section 362(a)(1) may enjoin actions against parties who share such an identity of interests with the debtor that the debtor is, in effect, the real-party defendant. Here, because prosecution of the Aldrich/Murray Asbestos Claims against the Protected Parties would allow plaintiffs to fix claims against the Debtors—particularly through indemnity obligations, but also through collateral estoppel, *res judicata*, and evidentiary prejudice—such an identity of interests exists and the claims are stayed.

A Temporary Restraining Order Is Necessary to Effectuate Immediate Relief

To avoid the immediate and irreversible harm that would occur absent the requested injunction, the Debtors request that the Court issue a temporary restraining order on limited notice pending a final hearing on the merits. Approximately 65 Aldrich/Murray Asbestos Claims have been asserted against New Trane Technologies, New Trane, and/or other Protected Parties in roughly the last month. Tananbaum Decl. ¶ 34. These cases currently threaten to harm the Debtors' interests by fixing claims against their estates or otherwise binding the Debtors with respect to asbestos claims against them. The Debtors anticipate many more Aldrich/Murray Asbestos Claims will be asserted against the Protected Parties after Defendants receive notice of

the Chapter 11 Cases, increasing the likely harm to the Debtors. Without immediate injunctive relief, the Debtors will be compelled to pull key estate resources away from their reorganization efforts to focus on that ongoing litigation, hampering the Debtors' reorganization from the outset.

FACTUAL BACKGROUND

On the date hereof (the "Petition Date"), the Debtors commenced the Chapter 11 Cases by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code. The Debtors are continuing in possession of their property and are managing their businesses, as debtors in possession, pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

The 2020 Corporate Restructuring

Old IRNJ and Old Trane completed the 2020 Corporate Restructuring on May 1, 2020. The 2020 Corporate Restructuring provided the Debtors with additional flexibility to address Old IRNJ's and Old Trane's asbestos-related claims. First Day Decl. ¶ 13. This flexibility included the commencement of a chapter 11 reorganization proceeding to globally resolve these claims without unnecessarily subjecting the entire Old IRNJ and Old Trane enterprises—and their many employees, suppliers, vendors, and creditors—to a chapter 11 proceeding. Id.

As a result of the 2020 Corporate Restructuring, which is described in greater detail in the First Day Declaration:

Aldrich Restructuring

- a. Old IRNJ ceased to exist;
- b. Debtor Aldrich, as well as New Trane Technologies, were formed;
- c. Aldrich was allocated certain of Old IRNJ's assets, as set forth below, and became solely responsible for certain of its liabilities, including the Aldrich/Murray Asbestos Claims against Old IRNJ and the defense of those claims;
- d. New Trane Technologies was allocated all other assets of Old IRNJ and became solely responsible for all other liabilities of Old IRNJ;

- e. A funding agreement (the "Trane Technologies Funding Agreement") was established between New Trane Technologies and Aldrich that ensures that Aldrich has the same ability to pay the Aldrich/Murray Asbestos Claims against it as Old IRNJ had before the 2020 Corporate Restructuring;
- f. Aldrich agreed to indemnify New Trane Technologies (and each of its affiliates) for any losses it might suffer related to any claims allocated to Aldrich in the 2020 Corporate Restructuring, including the Aldrich/Murray Asbestos Claims;⁶

Murray Restructuring

- a. Old Trane ceased to exist;
- b. Debtor Murray, as well as New Trane, were formed;
- c. Murray was allocated certain of Old Trane's assets, as set forth below, and became solely responsible for certain of its liabilities, including the Aldrich/Murray Asbestos Claims against Old Trane and the defense of those claims;
- d. New Trane was allocated all other assets of Old Trane and became solely responsible for all other liabilities of Old Trane;
- e. A funding agreement (the "Trane Funding Agreement" and together with the Trane Technologies Funding Agreement, the "Funding Agreements"⁷) was established between New Trane and Murray that ensures that Murray has the same ability to pay the Aldrich/Murray Asbestos Claims against it as Old Trane had before the 2020 Corporate Restructuring; and

⁶ Likewise, New Trane Technologies agreed to indemnify Aldrich for any losses it might suffer related to any claims allocated to New Trane Technologies in the 2020 Corporate Restructuring.

⁷ Without any corresponding repayment obligation, the Funding Agreements require New Trane Technologies and New Trane, respectively, to fund any amounts (a) to satisfy the asbestos-related liabilities of Aldrich and Murray, respectively, at any time when there is no bankruptcy case and (b) in the event of a chapter 11 filing, to provide the funding for a section 524(g) asbestos trust, in both situations to the extent that any cash distributions received by the Debtors from their subsidiaries are insufficient to pay such costs and expenses and further, in the case of the trust funding, the Debtors' other assets are insufficient to provide that funding. First Day Decl. ¶ 18. Copies of the Funding Agreements are attached as Annex 2 to the First Day Declaration. The summary of the Funding Agreements herein is provided for the convenience of the Court and parties in interest and is qualified in its entirety by the terms of the Funding Agreements. In the event of any inconsistency between the description herein and the Funding Agreements, the Funding Agreements shall govern in all respects.

- f. Murray agreed to indemnify New Trane (and each of its affiliates) for any losses it might suffer related to any claims allocated to Murray in the 2020 Corporate Restructuring, including the Aldrich/Murray Asbestos Claims.⁸

First Day Decl. ¶ 14.

At the time of the 2020 Corporate Restructuring, Aldrich was allocated:

- a. \$26.2 million in cash;
- b. a 100 percent equity interest in 200 Park, Inc., which manufactures chillers for commercial HVAC and process cooling applications, a business that is projected to generate approximately \$2.9 million in EBITDA per year and had an estimated fair market value of approximately \$30-\$32 million, not including cash on hand, as of the Petition Date;
- c. various confidential insurance coverage-in-place agreements and related insurance rights, which place under agreement approximately \$750 million in unexhausted coverage for IRNJ Asbestos Claims for which Aldrich is responsible; and
- d. rights and benefits under the Trane Technologies Funding Agreement.

Likewise, Murray was allocated:

- a. \$16.1 million in cash;
- b. a 100 percent equity interest in ClimateLabs LLC, which provides various laboratory testing, analysis, and reporting services, a business that is projected to generate approximately \$1.4 million in EBITDA per year and had an estimated fair market value of approximately \$20-\$25 million, not including cash on hand, as of the Petition Date;
- c. various confidential insurance coverage-in-place agreements and related rights, which place under agreement approximately \$1.0 billion in unexhausted coverage for Trane Asbestos Claims for which Murray is responsible, as well as additional unsettled excess layer insurance policies for Trane Asbestos Claims with approximately \$790 million in unexhausted limits; and
- d. rights and benefits under the Trane Funding Agreement.

First Day Decl. ¶ 16.

⁸ Likewise, New Trane agreed to indemnify Murray for any losses it might suffer related to any claims allocated to New Trane in the 2020 Corporate Restructuring.

The Aldrich/Murray Asbestos Claims

Aldrich's operations date back to 1905.⁹ Tananbaum Decl. ¶ 11. Aldrich never mined asbestos, nor did it use asbestos to manufacture a product. Id. ¶ 10. Instead, Aldrich created or acquired certain entities that manufactured, sold, or distributed products—primarily pumps and compressors—that in some cases incorporated asbestos-containing sealing products (*i.e.*, gaskets and, to a lesser degree, packing) manufactured and designed by third-parties and used to prevent leaks from metal-to-metal connections. See id. ¶¶ 11-12. In substantially all cases, any asbestos used in such sealing products incorporated into Aldrich equipment was the much less harmful chrysotile asbestos and was encapsulated such that the asbestos fibers would not be released into the air under normal conditions. See id. ¶ 12. Moreover, these components spend their entire useful life fixed between metal surfaces and are generally inaccessible outside of removal and replacement. See id. As a result, the only potential for exposure to the asbestos was on the rare occasions when the equipment needed repair. Aldrich's operations generally eliminated the use of asbestos-containing products by the mid-1980s. Id.

Murray's operations date back to 1913. Tananbaum Decl. ¶ 14. Like Aldrich, Murray never mined asbestos, nor did it use asbestos to manufacture a product. Id. ¶ 10. The principal business of historic Murray was the design and manufacture of what today is known as climate control (HVAC) equipment. Id. ¶ 14. Some of this HVAC and related equipment, at times, included asbestos-containing internal component parts—again, primarily gaskets—which were manufactured and designed by third parties and which were used by Murray in its equipment for the same reasons as Aldrich. See id. ¶¶ 12, 14. Gaskets incorporated into this

⁹ When discussing historical matters preceding the 2020 Corporate Restructuring, the terms "Aldrich," "Murray," and "the Debtors" refer to the Debtors herein and their historical predecessors.

HVAC equipment were contained within the unit. Id. ¶ 14. And, like Aldrich, any asbestos contained in the sealing product components typically was chrysotile asbestos and was encapsulated. See id. ¶¶ 12, 14. Many historic Murray operations that once incorporated asbestos-containing products were either shut down or sold, or largely eliminated the use of asbestos-containing sealing products, during the 1970s and 1980s. Id. ¶ 14.

In 1984, Murray merged with American Standard, Inc. ("American Standard"), which traced its roots back to the 1890s. Tananbaum Decl. ¶ 15. For most of its history, American Standard's primary business included the manufacture and sale of hydronics equipment, such as boilers and ancillary products. Id. American Standard boilers, at times, may have incorporated certain asbestos-containing sealing products (*e.g.*, gaskets) as internal components. Id. Prior to the mid-1950s, some of these boilers also may have been insulated externally with standard asbestos-containing insulation of that time period. Id. American Standard did not participate in the design or manufacture of any of these asbestos-containing products. Id. Moreover, the internal components were contained within the equipment unit and generally inaccessible during day-to-day use. Id. And, as with Aldrich products, where internal components contained asbestos, the asbestos typically was chrysotile and encapsulated. See id. ¶¶ 12, 15. American Standard no longer made boilers as of the mid-1970s, and, as noted above, American Standard boilers have not incorporated external asbestos insulation for almost 70 years. Id. ¶ 15.

The Indemnified Parties

The Indemnified Parties are various entities that Aldrich or Murray have indemnified contractually for any liability on account of the Aldrich/Murray Asbestos Claims, or with respect to which Aldrich or Murray otherwise has agreed to be responsible for any such liability. Aldrich and Murray were allocated their respective indemnification and related obligations in the

2020 Corporate Restructuring and are therefore liable on account of any Aldrich/Murray Asbestos Claims brought against the Indemnified Parties. Tananbaum Decl. ¶ 27.

The majority of the litigation against the Indemnified Parties on account of Aldrich/Murray Asbestos Claims results from transactions involving two joint ventures Ingersoll-Dresser Pump Company ("IDP") and Dresser-Rand Company ("Dresser-Rand"). Tananbaum Decl. ¶ 28. These joint ventures were formed in 1992 and 1986, respectively, and were sold by Aldrich in 2000 and 2004, respectively. Id. IDP was a partnership formed between Aldrich and Dresser Industries Inc. ("Dresser") on October 1, 1992. Each partner retained its respective pre-formation products liabilities for the pump businesses and product lines each contributed to IDP. In December 1999, Aldrich acquired 100% ownership of IDP and, in February 2000, Aldrich sold IDP to third parties Flowserve Corporation and Flowserve Red Corporation (together, "Flowserve"). Id. As part of that transaction (the "Flowserve Transaction"), Aldrich indemnified Flowserve, its affiliates (including IDP), and various related parties, for any liability on account of Aldrich/Murray Asbestos Claims arising from product lines or businesses of IDP before the closing of the Flowserve Transaction. Id.

Dresser-Rand was a partnership formed between Aldrich and Dresser on December 31, 1986. Tananbaum Decl. ¶ 29. Both partners contributed operating assets comprised of their reciprocating compressor and turbo-machinery businesses to Dresser-Rand; however, pre-Dresser-Rand formation products liabilities were retained by the entities that had such liabilities. In December 1999, Aldrich or affiliates acquired 100% ownership of Dresser-Rand, and in August 2004, Aldrich and its then-parent company sold their interests in Dresser-Rand to third party FRC Acquisitions LLC ("FRC"). Id. As part of that transaction (the "FRC Transaction"), Aldrich indemnified FRC, its affiliates (including Dresser-Rand), and various related parties, for

any liability on account of Aldrich/Murray Asbestos Claims arising from product lines or businesses of Dresser-Rand before the closing of the FRC Transaction. Id.

Aldrich and Murray were allocated in the 2020 Corporate Restructuring various other contractual indemnities and obligations to additional transaction counterparties, together with affiliated parties, for liability arising from Aldrich/Murray Asbestos Claims as a result of transactions in addition to those described above. Tananbaum Decl. ¶ 30. Such counterparties and related parties are listed as Protected Parties on Appendix B to the Complaint. Id. The number of Aldrich/Murray Asbestos Claims historically tendered by such parties, however, is substantially less than the Aldrich/Murray Asbestos Claims tendered as a result of indemnities provided in connection with the Flowserve Transaction and FRC Transaction. Id.

The Insurers

The Insurers provide, or have provided, insurance to either of the Debtors covering Aldrich/Murray Asbestos Claims.

Aldrich's general and products liability insurance coverage program relevant to the Aldrich/Murray Asbestos Claims consists of policies covering the period from August 5, 1954 to December 31, 1984 and related agreements. The company filed an initial coverage action against its primary and certain lower level umbrella or excess Insurers in 1989, resulting in various agreements addressing, inter alia, how the parties would share in the funding of asbestos claims. By the late 1990s, however, the company's primary Insurers had exhausted their coverage limits. As a result, various lower-layer umbrella and certain excess Insurers entered into agreements with the company similar to those executed by the company's primary Insurers. The company also entered into various insurance buy-out agreements with other Insurers. By 2012, all coverage for periods prior to February 1972 (except for the top layer for 1969-1972) had been exhausted and more than 50% of the costs of all asbestos claims were being funded by

Aldrich. Absent a clarification of the obligations of then unresolved coverage, Aldrich faced an increasing share in the future and the inability to access many of its higher level policies in the later years of its coverage program. Aldrich therefore commenced new coverage litigation—involving 44 Insurers and 200 policies—seeking to establish the coverage obligations of its remaining then-unsettled solvent Insurers in the later years of its coverage program. Over time, all solvent Insurer defendants entered into one or more confidential "coverage-in-place" or buyout agreements with Aldrich settling the litigation.

As of the Petition Date, these insurance agreements place under agreement approximately \$750 million in unexhausted limits for coverage of IRNJ Asbestos Claims. However, such agreements generally do not provide Aldrich with "dollar-for-dollar" coverage. As a result, for any covered IRNJ Asbestos Claim, the applicable Insurer is obligated to reimburse Aldrich only for a portion of the amount of the claim paid. The insurance agreements, as well as historical buy-out agreements, typically obligate Aldrich to indemnify an Insurer and various related parties under a variety of circumstances.

Murray's general and products liability insurance coverage program responsive to Trane Asbestos Claims arises from policies issued under three separate insurance programs—those relating to predecessors American Standard ("ASI"), Westinghouse Air Brake Company ("WABCO"), and The Trane Company. ASI's coverage program consists of policies and related insurance agreements covering the period from July 1, 1953 to April 1, 1986. WABCO's coverage program consists of policies and related insurance agreements covering the period from December 31, 1954 to December 31, 1969 at the primary level and April 1, 1970 at the excess level, after which WABCO was covered under the ASI program. The Trane Company's

coverage program consists of policies and related insurance agreements covering the period from June 1, 1956 to July 1, 1984, after which coverage was provided by the ASI program.

The company filed a coverage action in New Jersey with respect to most, but not all, of the Insurers under the ASI program and all Insurers under the WABCO program. The company also filed a separate coverage action in Wisconsin with respect to two, but not all of, the Insurers under The Trane Company program. Over time, all of the solvent Insurer defendants in the coverage actions entered into confidential "coverage-in-place" or buyout agreements with Murray settling the coverage litigation. As of the Petition Date, the remaining insurance agreements place under agreement approximately \$1.0 billion in unexhausted limits for coverage of Trane Asbestos Claims of Murray. As with Aldrich, however, such agreements generally do not provide Murray with "dollar for dollar" coverage. The agreements, as well as historical buyout agreements, typically obligate Murray to indemnify an Insurer and various related parties under a variety of circumstances as set forth in such agreements.

As noted, the New Jersey coverage litigation did not address all policies in the ASI coverage program, and the Wisconsin coverage litigation did not address all policies in The Trane Company coverage program. Unsettled, high-level excess policies provide Murray with approximately an additional \$790 million in unexhausted coverage limits.

The Debtors' Decision to File for Chapter 11 Reorganization

The Debtors, Old IRNJ, and Old Trane faced hundreds of thousands of asbestos-related claims since the early 1980s. As of the Petition Date, the Debtors were defendants in roughly 100,000 asbestos-related lawsuits on court dockets in jurisdictions throughout the United States. See Tananbaum Decl. ¶ 20. Absent their bankruptcy filings, the Debtors expect thousands of additional claims would be filed against them for decades to come.

The extraordinary historical costs and anticipated ongoing costs of this asbestos litigation have been a significant and continuing burden. In total, Aldrich and Murray have paid almost \$2 billion in asbestos-related indemnity and defense costs (over \$1.3 billion in indemnity and nearly \$600 million in defense costs), prior to insurance recoveries, since the inception of litigation against them. Tananbaum Decl. ¶ 21. And there appears to be no end in sight to the extraordinary and unrelenting costs of litigating, defending, and resolving such asbestos claims.

The respective Debtors are solely responsible for liability arising from the Aldrich/Murray Asbestos Claims pursuant to the documents implementing the 2020 Corporate Restructuring, and the Debtors communicated this fact to various Defendants' counsel. Nonetheless, in the wake of the 2020 Corporate Restructuring, Defendants soon began naming New Trane Technologies, New Trane, and other Protected Parties as defendants in newly-filed Aldrich/Murray Asbestos Claims or adding (or seeking to add) New Trane Technologies or New Trane as a defendant to previously-filed Aldrich/Murray Asbestos Claims. Over roughly one month, New Trane Technologies or New Trane have been named in, or added (or sought to be added) as a defendant to, approximately 65 such cases. Tananbaum Decl. ¶ 34. In certain of these cases, Defendants have sought to recover on Aldrich/Murray Asbestos Claims against New Trane Technologies or New Trane by attacking the 2020 Corporate Restructuring as a fraudulent conveyance. Id. They have done so even though the restructuring ensures that each of the Debtors has the same ability to fund the costs of defending and resolving present and future asbestos claims, both in state and federal courts and in connection with any chapter 11 filing, as Old IRNJ and Old Trane had before the 2020 Corporate Restructuring. First Day Decl. ¶ 17. At least two actions to recover on Aldrich/Murray Asbestos Claims have been asserted against a Protected Party alleging alter ego claims. Tananbaum Decl. ¶ 34. On a daily basis, answers are

coming due, depositions and court appearances are scheduled, and other activities are taking place in cases asserting Aldrich/Murray Asbestos Claims that, in the absence of the requested injunctive relief, the Debtors will have to manage and defend.

Given the unrelenting burden of litigating their alleged asbestos liabilities, and after careful review of the available alternatives, the Debtors concluded that the commencement of a chapter 11 reorganization utilizing section 524(g) of the Bankruptcy Code was appropriate and necessary, as it offered the best alternative under the circumstances to permanently, globally, and fairly resolve the Aldrich/Murray Asbestos Claims. First Day Decl. ¶¶ 21-22.

ARGUMENT

I. THE COURT HAS SUBJECT MATTER JURISDICTION.

Section 1334(b) of title 28 of the United States Code identifies three types of proceedings over which this Court has jurisdiction—(1) those "arising under title 11," (2) those "arising in" a case under title 11, and (3) those "related to" a case under title 11. 11 U.S.C. § 1334. "Arising under" jurisdiction "describe[s] those proceedings that involve a cause of action created or determined by a statutory provision of title 11." Wood v. Wood (In re Wood), 825 F.2d 90, 96 (5th Cir. 1987). "Arising in" jurisdiction is "not based on any right expressly created by title 11, but nevertheless, would have no existence outside of the bankruptcy." Id. at 97; Grausz v. Englander, 321 F.3d 467, 471 (4th Cir. 2003).

This Court has "arising under" jurisdiction to determine that section 362(a) of the Bankruptcy Code prohibits the commencement or continuation of Aldrich/Murray Asbestos Claims against the Protected Parties while the Chapter 11 Cases remain pending. A bankruptcy court has jurisdiction for matters "arising under" provisions of the Bankruptcy Code like section 362. See e.g., A.H. Robins Co. v. Piccinin, 788 F.2d 994, 999-1000 (4th Cir. 1986); In re Brier Creek Corp. Ctr. Assocs. Ltd., 486 B.R. 681, 685 (Bankr. E.D.N.C. 2013).

The request for a preliminary injunction "arises in" the Chapter 11 Cases because it "would have no existence outside of the bankruptcy." Bergstrom v. Dalkon Shield Claimants Tr. (In re A.H. Robins Co.), 86 F.3d 364, 372 (4th Cir. 1996). Section 105(a) of the Bankruptcy Code empowers a bankruptcy court to "enjoin parties other than the bankrupt from commencing or continuing litigation" during the bankruptcy case where such litigation will undermine the debtor's reorganization. Robins, 788 F.2d at 1002 (internal quotations omitted). An injunction to protect the very integrity of the bankruptcy case obviously would not exist but for the bankruptcy case itself. As such, "the debtors would not be entitled to a § 105 injunction *but for the existence of their bankruptcy cases*." Brier Creek, 486 B.R. at 685 (emphases added); see also In re Lyondell Chem. Co., 402 B.R. 571, 586 (Bankr. S.D.N.Y. 2009) (same; also finding "arising under" jurisdiction). And "common sense indicates that, if the Court has subject matter jurisdiction over a proceeding to determine the applicability of the automatic stay, then it has jurisdiction over a related motion for preliminary injunctive relief." Brier Creek, 486 B.R. at 685 (quoting FPSDA II, LLC v. Larin, No. 10-75439, 2012 WL 6681794, at *5 (Bankr. E.D.N.Y. Dec. 21, 2012)).

II. THE COURT SHOULD EXERCISE ITS AUTHORITY UNDER SECTION 105(a) TO ENJOIN THE CONTINUATION OR COMMENCEMENT OF THE ALDRICH/MURRAY ASBESTOS CLAIMS AGAINST THE PROTECTED PARTIES.

A. The Court Has Authority to Enjoin the Pursuit of Aldrich/Murray Asbestos Claims Against the Protected Parties.

Under section 105(a), the Court "may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]." 11 U.S.C. § 105(a). This includes "ample power to enjoin actions excepted from the automatic stay which might interfere in the rehabilitative process" of a bankruptcy case. In re Johns-Manville Corp., 26 B.R. 420, 425, 436 (Bankr. S.D.N.Y. 1983) (citing 2 COLLIER ON BANKRUPTCY § 362.05

(15th Ed.)), aff'd, 40 B.R. 219 (S.D.N.Y. 1984), and appeal allowed, decision vacated in part on other grounds, 41 B.R. 926 (S.D.N.Y. 1984). An injunction as to third-party litigation is appropriate where, among other things, the "failure to enjoin would [a]ffect the bankruptcy estate and would adversely or detrimentally influence and pressure the debtor through the third party." Robins, 788 F.2d at 1003 (internal citation omitted).¹⁰ In such cases, an injunction allows the debtor to receive the benefits of the automatic stay imposed by section 362 of the Bankruptcy Code, which aims to:

protect the debtor from an uncontrollable scramble for its assets in a number of uncoordinated proceedings in different courts, to preclude one creditor from pursuing a remedy to the disadvantage of other creditors, and to provide the debtor and its executives with a reasonable respite from protracted litigation, during which they may have an opportunity to formulate a plan of reorganization for the debtor.

Robins, 788 F.2d at 998.

Acting under the broad authority granted by section 105(a), courts have consistently stayed claims against non-debtor entities, including a debtor's affiliates, both in mass tort and non-mass tort bankruptcies, to maintain the integrity of the debtor's estate and fully effectuate the protections of the automatic stay.¹¹ In fact, to the Debtors' knowledge, every court that has addressed the issue in the context of asbestos claims of a debtor asserted against non-debtor

¹⁰ See also In re Calpine Corp., 365 B.R. 401, 409 (S.D.N.Y. 2007) (holding that court may issue a "preliminary injunction in the bankruptcy context where the action to be enjoined is one that threatens the reorganization process") (internal quotation omitted); In re Lazarus Burman Assocs., 161 B.R. 891, 897 (Bankr. E.D.N.Y. 1993) ("When an action by a creditor of a debtor against a non-debtor third party threatens a debtor's reorganization, the creditor's action may be enjoined pursuant to section 105(a).").

¹¹ As to non-asbestos mass tort bankruptcies, see Robins, 788 F.2d at 999-1000. As to non-mass tort bankruptcies, see In re Am. Film Techs., Inc., 175 B.R. 847, 855 (Bankr. D. Del. 1994) (staying claims against a debtor's directors); In re Family Health Servs., Inc., 105 B.R. 937, 942-43 (Bankr. C.D. Cal. 1989) (staying claims by certain health care providers against members and enrollees of a debtor HMO); In re Heron, Burchette, Ruckert & Rothwell, 148 B.R. 660, 690 (Bankr. D.D.C. 1992) (finding that injunction of suits against non-debtor partners should issue); In re Myerson & Kuhn, 121 B.R. 145, 160 (Bankr. S.D.N.Y. 1990) (enjoining suits against non-debtor partners).

affiliates or insurers—including bankruptcy courts in this District (most recently in Bestwall)—has recognized that such claims threaten the debtor's prospects for reorganization and has implemented a section 105(a) injunction. See Bestwall, 606 B.R. at 254 ("Injunctions of the type requested by the Debtor have previously and uniformly been issued in numerous [] asbestos-related cases"); In re Kaiser Gypsum Co., Inc., No. 16-31602 (JCW), Adv. No. 16-03313, at 3-4 (JCW) (Bankr. W.D.N.C. Oct. 7, 2016) (staying asbestos-related actions against third-party insurer and non-debtor affiliates); In re Garlock Sealing Techs. LLC, No. 10-31607 (JCW), Adv. No. 10-03145, at 2 3 (JCW) (Bankr. W.D.N.C. June 7, 2010) (staying asbestos-related actions against non-debtor affiliates).¹² Such relief is critical for a debtor to equitably resolve all current and future asbestos claims against it under section 524(g).

¹² See also In re Leslie Controls, Inc., No. 10-12199 (CSS), Adv. No. 10-51394, at 4-5 (CSS) (Bankr. D. Del. July 14, 2010) (staying asbestos-related actions against current and former affiliates); In re Specialty Prods. Holding Corp., No. 10-11780 (KJC), Adv. No. 10-51085, at 3-5 (KJC) (Bankr. D. Del. June 4, 2010) (staying asbestos-related actions against non-debtor parent company and other affiliates); In re W.R. Grace & Co., 386 B.R. 17, 34 (Bankr. D. Del. 2008) (enjoining actions against a third party railroad that transported the debtor's asbestos-containing products); In re Quigley Co., Inc., No. 04-15739 (PCB), Adv. No. 04-04262, at 4-5 (PCB) (Bankr. S.D.N.Y. Dec. 17, 2004) (enjoining the continuation of asbestos lawsuits against the parent corporation of the debtor); In re Mid Valley, Inc., Case No. 03-35592-JKF, Adv. No. 03-3296-JKF (Bankr. W.D. Pa. Dec. 17, 2003); In re Combustion Eng'g, Inc., No. 03-10495 (JKF), Adv. No. 03-50839 (JKF) (Bankr. D. Del. Mar. 7, 2003) (order enjoining asbestos litigation against certain non-debtor affiliates); In re ACandS, Inc., Case No. 02-12687-PJW, Adv. No. 02-5581-PJW (Bankr. D. Del. Sept. 27, 2002); In re G-I Holdings, Inc., Case No. 01-30135-RG, Adv. No. 01-3013-RG (Bankr. D.N.J. Feb. 22, 2002); In re Harbison-Walker Refractories Co., No. 02-21627 (JKF), Adv. No. 02-02080 (Bankr. W.D. Pa. Feb. 14, 2002) (enjoining asbestos lawsuits against the former owner of the debtor); In re N. Am. Refractories Co., Case No. 02-20198-JKF, Adv. No. 02-2004-JKF (Bankr. W.D. Pa. Jan. 4, 2002) (TRO); In re W.R. Grace & Co., No. 01-01139 (KJC), Adv. No. 01-00771, at 36 (KJC) (Bankr. D. Del. May 3, 2001) (order expanding preliminary injunction to enjoin asbestos suits against non-debtor subsidiaries); In re The Babcock & Wilcox Co., Case No. 00-10992-JAB, Adv. No. 00-1029-JAB (Bankr. E.D. La. Apr. 17, 2000); and In re Pittsburgh Corning Corp., Case No. 00-22876-JKF, Adv. No. 00-2161-JKF (Bankr. W.D. Pa. Apr. 16, 2000) (TRO).

B. The Preliminary Injunction Factors All Support Enjoining the Pursuit of Aldrich/Murray Asbestos Claims Against the Protected Parties.

Courts considering the propriety of an injunction under section 105(a) typically apply the traditional four-pronged test for injunctions. See, e.g., Robins, 788 F.2d at 1008. The four elements, as tailored to a bankruptcy case, are:

1. The debtor's reasonable likelihood of a successful reorganization;
2. The imminent risk of irreparable harm to the debtor's estate in the absence of an injunction;
3. The balance of harms between the debtor and its creditors; and
4. Whether the public interest weighs in favor of an injunction.

See Bestwall, 606 B.R. at 253.

While courts typically consider all four factors, "the Fourth Circuit has made very clear that the critical, *if not decisive*, issue [in whether a section 105(a) injunction is warranted] is whether and to what extent the non-debtor litigation interferes with the debtors' reorganization efforts." Brier Creek, 486 B.R. at 694 (emphasis added) (citing Robins, 788 F.2d at 1003-09; Kreisler v. Goldberg (In re Kreisler), 478 F.3d 209, 215 (4th Cir. 2007)). The Fourth Circuit has repeatedly upheld preliminary injunctions when non-debtor litigation could interfere with the debtor's reorganization efforts and, as such, has not held that application of the four factor test is necessary where such interference exists. See Brier Creek, 486 B.R. at 694-95 (discussing Fourth Circuit precedent).¹³ Here, the interference with the Debtors' reorganization is

¹³ In re Brier Creek also summarized authority from other jurisdictions indicating that courts need not necessarily apply the traditional four-pronged test for preliminary injunctions. See 486 B.R. at 694 n.11 ("Fisher v. Apostolou, 155 F.3d 876, 882 (7th Cir. 1998) (holding that the a bankruptcy court can enjoin proceedings in other courts when it is satisfied that such proceedings would defeat or impair its jurisdiction over the case before it' and 'the court does not need to demonstrate an inadequate remedy at law or irreparable harm'); Lentz v. Cahaba Disaster Relief, LLC (In re CDP Corp.), 462 B.R. 615, 629 [n.27] (Bankr. S.D. Miss. 2011) (stating that the injunction standard is adapted to the bankruptcy context and that 'some courts reformulate, relax or even eliminate some of the traditional elements') (quotations omitted); BUKE, LLC v. Eastburg (In re Eastburg), 440 B.R. 864, 871-72 (Bankr. D.N.M. 2010) (collecting cases where courts have modified the injunction standard for the bankruptcy context); LTV Steel Co. v. Bd. of

sufficiently decisive to grant the injunction without applying the four-factor test. In any case, as set forth below, the injunction is appropriate under the four factor test as well.

1. The Debtors' Successful Reorganization Is Likely.

In bankruptcy proceedings, "success on the merits is to be evaluated in terms of the likelihood of a successful reorganization." Bestwall, 606 B.R. at 254 (quoting Sudbury, Inc. v. Escott, 140 B.R. 461, 466 (Bankr. N.D. Ohio 1992)).¹⁴ This is not intended to be a particularly high standard where, as here, the attempted reorganization has just begun. See id. Indeed, "at the early stages" of bankruptcy proceedings, the court "must make at least a rebuttable presumption that the [debtors] have made a good faith filing and are making a good faith effort to reorganize." In re Gathering Rest., Inc., 79 B.R. 992, 1001 (Bankr. N.D. Ind. 1986); accord Bestwall, 606 B.R. at 254 (quoting Gathering, 79 B.R. at 1001).¹⁵

The Debtors' prospects for a successful reorganization are strong. The Debtors have entered bankruptcy in an effort to permanently, globally, and equitably resolve current and future Aldrich/Murray Asbestos Claims through the establishment of a section 524(g) trust. The Debtors have the ability to fully fund a section 524(g) trust and the administrative costs of their Chapter 11 Cases. The Debtors' aggregate value (not including insurance assets) is

Educ. (In re Chateaugay Corp. Reomar, Inc.), 93 B.R. 26, 29 (S.D.N.Y. 1988) ("The usual grounds for injunctive relief such as irreparable injury need not be shown in a proceeding for an injunction under section 105(a)."); 2 Alan N. Resnick & Henry J. Sommer, *Collier on Bankruptcy* ¶ 105.03[2] (16th ed. rev. 2012) ("Many courts reformulate the generic preliminary injunction standard to fit the particular needs of bankruptcy generally and the language of section 105 specifically. Sometimes, these opinions focus exclusively on the need for an injunction to achieve reorganization or some other bankruptcy goal[.]).").

¹⁴ See also In re Chicora Life Ctr., 553 B.R. 61, 66 (Bankr. D.S.C. 2016); In re Brier Creek Corp., 486 B.R. at 696.

¹⁵ See also In re Hillsborough Holdings Corp., 123 B.R. 1004, 1015 (Bankr. M.D. Fla. 1990) (finding that until it can be determined that debtors "are not viable business entities incapable of achieving a successful reorganization," it "would be premature to conclude . . . that this reorganization process is doomed and that there is no legal justification for granting the injunctive relief sought"); Dore & Assocs. Contracting, Inc. v. Am. Druggists' Ins. Co., 54 B.R. 353, 359 (Bankr. W.D. Wis. 1985) ("In the early stages of bankruptcy when it is uncertain if reorganization is feasible or not the bankruptcy court must have broader latitude in determining whether to grant injunctive relief.").

approximately \$70-\$75 million, not including additional cash amounts above minimum thresholds, which additional cash amounts as of the Petition Date were approximately \$3-\$5 million, and, to the extent their assets, including insurance, are insufficient, they have access to additional uncapped funds through the Funding Agreements. First Day Decl. ¶ 17. There can be no dispute that the Debtors have the wherewithal to reorganize.

The Debtors also have favorable prospects for resolving the Aldrich/Murray Asbestos Claims through a plan of reorganization that conforms with the requirements of section 524(g). Scores of companies have successfully used section 524(g) to resolve asbestos-related claims,¹⁶ and the Debtors are committed to fairly and equitably resolving the Aldrich/Murray Asbestos Claims. The Debtors will engage in good-faith negotiations with representatives for current and future claimants as soon as they are in a position to begin discussions. First Day Decl. ¶ 23. The Debtors are prepared to promptly provide relevant information to the official committee of asbestos claimants (the "Asbestos Committee") and the future claimants' representative appointed in these cases, subject to an agreed-upon protective order, to advance such negotiations.

The Debtors' prospects for successfully reorganizing strongly weigh in favor of the requested injunction.

¹⁶ As to recent reorganizations, see, e.g., In re Garlock Sealing Techs., LLC, No. 17-00275 (W.D.N.C. June 12, 2017) (adopting bankruptcy court's findings and confirming a plan providing for 524(g) relief); In re Yarway Corp., No. 15-00085 (D. Del. July 14, 2015) (same); In re Metex Mfg. Corp., No. 14-00213 (S.D.N.Y. Aug. 1, 2014) (same); In re Specialty Prods. Holding Corp., No. 14-00246 (D. Del. Dec. 10, 2014) (same); In re W.R. Grace Co., No. 11-199 (D. Del. June 11, 2012) (same); In re Leslie Controls, Inc., No. 11-00013 (D. Del. Feb. 7, 2011) (same).

2. Failure to Enjoin Litigation of Aldrich/Murray Asbestos Claims Would Irreparably Harm the Debtors.

The Debtors and their estates will be irreparably harmed in several ways if the requested injunction is not issued.

(a) The Debtors' Indemnification Obligations

The Debtors have various indemnification obligations to the Protected Parties. First, the respective Debtors have contractual obligations to indemnify the Non-Debtor Affiliates in the event those companies are held liable for any Aldrich/Murray Asbestos Claims.¹⁷ Second, the Debtors have contractual obligations to indemnify the Insurers in certain circumstances.¹⁸ And, third, the Debtors have contractual indemnification obligations with, or other obligations to, the Indemnified Parties relating to products formerly sold by or otherwise associated with the Debtors.

These indemnification obligations and insurance render the Debtors the real-party defendant in any suit against a Protected Party. Continued litigation of those suits, therefore, would effectively eliminate the protections of the automatic stay. See Robins, 788 F.2d at 999 (noting obligation to indemnify between the debtor and non-debtor is the typical situation that gives rise to "such identity between [them]" as to make an injunction appropriate), 1008 (finding "no difficulty in sustaining the grant of a preliminary injunction" that enjoined tort system plaintiffs from proceeding against the debtor's co-defendants, which included its insurer);

¹⁷ Although the Funding Agreements with New Trane Technologies and New Trane serve as a backstop to ensure that the Debtors' ability to pay the Aldrich/Murray Asbestos Claims has not been diminished as compared to that of Old IRNJ or Old Trane, the New Trane Technologies and New Trane indemnity claims nonetheless would affect the estates because the Debtors' assets must be used first to fund a trust to pay these claims under a plan of reorganization.

¹⁸ The Debtors are also the real party in interest with respect to any prosecution of Aldrich/Murray Asbestos Claims against the Insurers on account of insurance they have provided the Debtors, since the insurance is the Debtors' asset and recovery from that insurance would therefore reduce property of the Debtors' estates.

Bestwall, 606 B.R. at 255 ("[A]n injunction is warranted because contractual and common law indemnification obligations would make the Debtor the real party in interest in any suit against New GP or other Protected Parties and effectively eliminate the protections of the automatic stay."); Manville, 26 B.R. at 436 (enjoining "any proceeding against Manville's insurers based on the alleged liability of Manville [or] its affiliates.").¹⁹

Absent the requested injunction, Defendants could seek to liquidate the exact same asbestos claims that exist against the Debtors in these Chapter 11 Cases through piecemeal litigation against the Protected Parties outside of the Chapter 11 Cases in the tort system. Moreover, permitting claimants to seek to indirectly establish claims against the Debtors through actions against third parties with indemnity rights would prevent the Debtors from establishing a section 524(g) trust to consolidate and collectively resolve all asbestos claims against them—current and future—through the Chapter 11 Cases. This non-bankruptcy litigation, if not stayed, would undermine the parties' and the Court's ability to achieve confirmation of a section 524(g) plan that treats all asbestos claimants fairly and equitably.

(b) Collateral Estoppel, *Res Judicata*, and Evidentiary Prejudice

Courts consistently have concluded that the risks of collateral estoppel and *res judicata* warrant a stay of third-party litigation that would thwart the purposes of the automatic stay.²⁰

¹⁹ See also In re W.R. Grace & Co., No. 01-01139, 2004 WL 954772, at *4 (Bankr. D. Del. Apr. 29, 2004) (granting section 105 injunction due to indemnification obligations); Family Health Servs., 105 B.R. at 942-43 (same); In re Lomas Fin. Corp., 117 B.R. 64, 68 (S.D.N.Y. 1990) (affirming grant of preliminary injunction due to indemnification obligations).

²⁰ *Res judicata* bars claims where the following elements are met: (1) the previous suit resulted in a final judgment on the merits; (2) the same cause of action is involved; and (3) both the party asserting *res judicata* and the party against whom *res judicata* is asserted were either parties or stand in privity with parties. Williams v. Peabody, 719 S.E.2d 88, 92 (N.C. Ct. App. 2011) (citing State ex rel. Tucker v. Frinzi, 474 S.E.2d 127, 128 (N.C. 1996)). Similarly, collateral estoppel bars the re-litigation of issues where (1) the earlier suit resulted in a final judgment on the merits; (2) the issue in question was identical to an issue actually litigated and necessary to the judgment; and (3) both the party asserting collateral estoppel and the party against whom collateral estoppel is asserted were either parties to the earlier suit or were in privity with parties. Id.

See Bestwall, 606 B.R. at 256; Sudbury, 140 B.R. at 463; Manville, 26 B.R. at 429; Am. Film Techs., Inc., 175 B.R. at 850-55. The same concerns warrant a stay in these cases.

If allowed to pursue the Aldrich/Murray Asbestos Claims against the Protected Parties, the Defendants would litigate the same key facts—involving the same products, the same time periods, and the same alleged injuries—related to the asbestos liabilities of Old IRNJ and Old Trane that are at issue with respect to the Debtors. Tananbaum Decl. ¶ 38. Any rulings or findings regarding the Aldrich/Murray Asbestos Claims asserted against the Protected Parties may bind the Debtors with respect to those same claims. Id. The Debtors could not stand idly by as liability is potentially established against them in collateral proceedings. Id. ¶¶ 38-39. Rather, the Debtors would be required to actively participate and defend the litigation, even as they attempt to resolve the very same claims in this proceeding. Id. ¶ 38.

Beyond the potential consequences of collateral estoppel and *res judicata*, litigation of the Aldrich/Murray Asbestos Claims against the Protected Parties would allow parties to use statements, testimony, and other evidence generated in those proceedings to try to establish Aldrich/Murray Asbestos Claims against the Debtors. Tananbaum Decl. ¶ 38. The burden of protecting against evidentiary prejudice was part of the justification for granting the injunctive relief both in Bestwall and Manville. See Bestwall, 606 B.R. at 256 ("Litigation of the Bestwall Asbestos Claims against the Protected Parties will create the additional risk that statements, testimony, and other evidence generated in proceedings against the Protected Parties will be used to try to establish Bestwall Asbestos Claims against the Debtor."). The Manville court further explained the danger as follows:

[O]nce a witness has testified to a fact, or what sounds like a fact, that witness may be confronted with his prior testimony under oath in a future proceeding directly involving Manville, whether or not Manville was a party to the record on which the initial testimony

was taken. Once an admission against interest is made, under oath or otherwise, by the agent of a party, that admission stands for all time. No matter what [Manville's co-defendant] may stipulate, the thousands of other claimants and cross-claimants who are after Manville's assets, would be entitled to use the product of such discovery.

40 B.R. at 225; see also W.R. Grace & Co., 386 B.R. at 34 (granting injunction based, among other things, on the possibility that "record taint" in actions against non-debtors would compel the debtors' participation and impair the reorganization effort).

(c) Diversion of Key Personnel

To protect against the harms described above, the Debtors would have no choice but to participate in the defense of Aldrich/Murray Asbestos Claims brought against the Protected Parties. Tananbaum Decl. ¶ 39. Participation would include formulating defense strategies, attending depositions, reviewing documents, preparing witnesses, and engaging in any number of other litigation-related tasks. Id. And because the Debtors are in possession or control of documents and other materials relating to the Aldrich/Murray Asbestos Claims, the Debtors would be called upon to produce such documents. Id.

The Debtors' personnel who will play key roles in the Debtors' reorganization would be required to spend substantial time managing and directing the activities involved in the day-to-day defense of these lawsuits. Tananbaum Decl. ¶ 40. These activities would consume the time of such personnel during the pendency of the Chapter 11 Cases if the litigation is not stayed as to all Protected Parties. Id. As in Bestwall, an injunction is warranted because of these potential diversions. See Bestwall, 606 B.R. at 256-57 ("Litigation of the Bestwall Asbestos Claims against the Protected Parties would divert key personnel from the important tasks required to establish a section 524(g) trust. . . . The Debtor would be compelled to participate in the defense of Bestwall Asbestos Claims, including formulating defense strategies, attending

depositions, reviewing and producing documents, preparing witnesses, and engaging in any number of other litigation-related tasks.").

For all of these reasons, the Debtors and their estates will be irreparably harmed absent the requested injunction.

3. The Irreparable Harm that the Debtors Would Suffer Outweighs Any Prejudice to the Defendants.

As described above, the Debtors would suffer substantial and irreversible harm if injunctive relief is not granted. The entire purpose of these cases would be thwarted. See Bestwall, 606 B.R. at 257 ("The very purpose of the Debtor's Chapter 11 case would be defeated if litigation of the Bestwall Asbestos Claims against the Protected Parties is permitted."). One of the overriding goals of section 524(g) is to ensure that all asbestos claims are evaluated and treated in a uniform manner. That goal would be compromised if claimants could seek to liquidate and collect Aldrich/Murray Asbestos Claims outside of the Chapter 11 Cases.

Asbestos claimants may also be prejudiced if the Court does not issue an injunction. Litigation, particularly mass tort asbestos litigation, generally requires extensive discovery, involves numerous parties, and presents complicated questions of causation. Such litigation is rarely efficient and often goes on for many years. For example, as of the Petition Date, nearly 80% of the Debtors' approximately 100,000 asbestos claims had been filed more than 10 years ago, resulting in claims remaining open in the tort system for years or even decades. Tananbaum Decl. ¶ 42. By contrast, a section 524(g) trust established by the Debtors in the Chapter 11 Cases would "provide all claimants—including future claimants who have yet to institute litigation—with an efficient means through which to equitably resolve their claims." Bestwall, 606 B.R. at

257.²¹ Continued prosecution of claims against the Protected Parties would thwart the Debtors' ability to resolve their asbestos liabilities through section 524(g), eliminating any possibility of a more efficient means of recovery to current and future asbestos claimants.

In contrast, the prejudice caused to the Defendants by an injunction would be substantially less, to the extent it would exist at all.²² As noted, only the Debtors were allocated responsibility for Aldrich/Murray Asbestos Claims in the 2020 Corporate Restructuring, and none of New Trane Technologies, New Trane, or the other Non-Debtor Affiliates ever sold asbestos containing products. In any case, Plaintiffs in asbestos-related tort suits typically name multiple defendants. Tananbaum Decl. ¶ 41. Such tort suits will continue against the remaining defendants, even if litigation of the Aldrich/Murray Asbestos Claims is enjoined or stayed as to the Debtors and the Protected Parties. Bestwall, 606 B.R. at 257 ("While certain of the claimants might argue that an injunction will delay their attempts to obtain compensation, that is not necessarily the case. The Debtor has noted that plaintiffs in asbestos-related suits typically name multiple defendants. . . . Nothing about maintaining the injunction in this case prohibits the plaintiffs from continuing to proceed against any remaining defendants in state court.").

The issuance of an injunction will not permanently deprive the Defendants of an opportunity to pursue the Aldrich/Murray Asbestos Claims. Instead, it will merely halt those

²¹ See Federal-Mogul, 684 F.3d at 362 ("Furthermore, the trusts appear to have fulfilled Congress's expectation that they would serve the interests of both current and future asbestos claimants and corporations saddled with asbestos liability. In particular, observers have noted the trusts' effectiveness in remedying some of the intractable pathologies of asbestos litigation, especially given the continued lack of a viable alternative providing a just and comprehensive resolution. Empirical research suggests the trusts considerably reduce transaction costs and attorneys' fees over comparable rates in the tort system.") (citing studies).

²² As explained below, litigation of the Aldrich/Murray Asbestos Claims is already stayed pursuant to sections 362(a)(1) and 362(a)(3) of the Bankruptcy Code. Because of this, the requested injunction does not affect, much less harm, the Defendants asserting such claims, except as contemplated by the Bankruptcy Code.

alleged claims, giving the Debtors time to reach consensus on a section 524(g) plan of reorganization. Thus, the requested injunction will do nothing more than place claimants that seek to litigate the Aldrich/Murray Asbestos Claims outside of this Court in their appropriate position: alongside all other claimants who, through court-appointed representatives, are working with the Debtors to establish a section 524(g) trust that equitably treats, and fairly pays, all current and future Aldrich/Murray Asbestos Claims.²³

Even if this Court assumes that an injunction might cause delay for some Defendants, "it is well established that mere delay is insufficient to prevent the issuance of an injunction." Bestwall, 606 B.R. at 257; see also In re United Health Care Org., 210 B.R. 228, 234 (S.D.N.Y. 1997) (finding that delay to the enjoined party from pursuing remedies was heavily outweighed by potential harm to reorganization efforts).²⁴ Otherwise, an injunction could never be issued, as an injunction by definition involves delay. Further, "the harm from any delay to some Defendants is far outweighed by the greater harm that failure to issue the injunction would cause the Debtor[s] reorganization efforts]. The entire purpose and goal of this proceeding would be defeated absent the requested injunction." Bestwall, 606 B.R. at 257.

Finally, the Defendants cannot establish harm based on speculation that an injunction could affect the ultimate payment of their claims. As set forth above, the Debtors' aggregate

²³ See Sudbury, 140 B.R. at 464-65; see also In re Combustion Eng'g, Inc., 391 F.3d 190, 234 (3d Cir. 2004) (The "unique funding mechanism [available under section 524(g)] makes it possible for future asbestos claimants to obtain substantially similar recoveries as current claimants in a manner consistent with due process.").

²⁴ See also W.R. Grace & Co., 386 B.R. at 35 (finding that delay of compensation for asbestos claimants and potential loss of witness testimony did not outweigh potential harm to reorganization efforts); In re Lazarus Burman Assocs., 161 B.R. at 901 (concluding that delay was not sufficient harm to justify denial of injunction because "[t]he preliminary injunction will not invalidate the rights of [the creditor]" but rather "will merely delay the enforcement of those rights"); In re Am. Film Techs., Inc., 175 B.R. at 849 (defendants are "not being asked to forego [their] prosecution against the individual defendants, only to delay it"); In re PTI Holding Corp., 346 B.R. 820, 831-32 (Bankr. D. Nev. 2006) (holding that delay of pursuit of guaranty did not constitute sufficient harm to justify denial of injunction).

value is approximately \$70-\$75 million (not including additional cash amounts above minimum thresholds), in addition to insurance rights and the Funding Agreements. Among other things, the Funding Agreements will ensure funding for a section 524(g) asbestos trust in the amount required by a confirmed plan of reorganization, to the extent the Debtors' other assets (including insurance) are insufficient to fund the trust. Thus, the balance of harms clearly weighs in the Debtors' favor.

4. Injunctive Relief Will Further the Public Interest by Ensuring the Debtors' Successful Reorganization and Equitable Treatment of Defendants.

Courts consistently have recognized the public interest in a successful reorganization. See, e.g., United States v. Whiting Pools, Inc., 462 U.S. 198, 204 (1983); Sudbury, 140 B.R. at 465. As one bankruptcy judge observed: "[P]romoting a successful reorganization is one of the most important public interests." In re Gander Partners LLC, 432 B.R. 781, 789 (Bankr. N.D. Ill. 2010) (quoting In re Integrated Health Servs., Inc., 281 B.R. 231, 239 (Bankr. D. Del. 2002)); see also Manville, 26 B.R. at 428 ("[T]he goal of removing all obstacles to plan formulation [is] eminently praiseworthy and [this court] supports every lawful effort to foster this goal while protecting the due process rights of all constituencies.").

A successful reorganization particularly serves the public interest in the asbestos context, where "completing the reorganization process . . . [will] resolv[e] thousands of claims in a uniform and equitable manner." W.R. Grace & Co., 386 B.R. at 36 (extending injunction to cover a non-debtor affiliate railroad that transported products of the debtor). It is in the public interest that "the bankruptcy process [is] utilized to the fullest extent" to resolve claims against the Debtors—a result made possible by a comprehensive injunction. Id. The Debtors respectfully submit that this outcome can only be achieved in this Court. See In re Congoleum

Corp., 362 B.R. 198, 201 (Bankr. D.N.J. 2007) ("Section 524 was created to provide a comprehensive resolution to asbestos liabilities both present and future.").

The Debtors are not seeking to "escape" any asbestos liabilities through the injunctive relief requested herein or through the Chapter 11 Cases. They fully understand that all liability arising out of the Aldrich/Murray Asbestos Claims will be "resolved and channeled only if [the Debtor] succeeds in confirming a plan of reorganization that contains a channeling injunction that extends to the Protected Parties." Bestwall, 606 B.R. at 258. The Court and parties in interest, however, will be unable to comprehensively and equitably resolve all Aldrich/Murray Asbestos Claims in the Chapter 11 Cases without the requested injunctive relief.

As described above, each of the four factors clearly weighs in favor of this Court issuing a preliminary injunction prohibiting the Defendants from commencing or prosecuting Aldrich/Murray Asbestos Claims against the Protected Parties.

III. THE AUTOMATIC STAY PROHIBITS PROSECUTION OF ALDRICH/MURRAY ASBESTOS CLAIMS AGAINST THE PROTECTED PARTIES.

Even absent such an injunction under section 105 of the Bankruptcy Code, Fourth Circuit precedent recognizes that the automatic stay of section 362(a) may apply of its own force to prohibit the prosecution of Aldrich/Murray Asbestos Claims against the Protected Parties.

A. Actions Seeking to Hold Protected Parties Liable for Aldrich/Murray Asbestos Claims Are Property of the Debtors' Estates and Automatically Stayed.

Section 362(a)(3) automatically stays "any act to obtain possession of property of the estate or of property from the estate or to exercise control over property of the estate." 11 U.S.C. § 362(a)(3). The section 362(a)(3) stay applies here in two ways.

First, section 362(a)(3) bars plaintiffs from bringing actions against the Debtors' Insurers on account of Aldrich/Murray Asbestos Claims because the insurance coverage is property of the

estate. Robins, 788 F.2d at 1001 (agreeing with "the weight of authority" that insurance contracts are property of the estate and that "[a]ccordingly actions 'related to' the bankruptcy proceedings against the insurer . . . are to be stayed under section 362(a)(3)"); In re Davis, 730 F.2d 176, 184 (5th Cir. 1984) (agreeing with New York district court that the debtor's insurance policies were property of the estate and that the "bankruptcy court therefore has authority to issue a stay order intended to shield the [debtor's] insurers"); Manville, 40 B.R. at 231 ("determin[ing] that Manville's insurance is property of the estate under the Code and that actions by third parties against the bankrupt's insurers are automatically stayed upon the filing of the petition").

Second, any assertion of Aldrich/Murray Asbestos Claims against other Protected Parties likely would be essentially a suit alleging alter ego, successor liability, or a similar theory. Such suits are property of the Debtors' estates and can only be brought an estate representative. In Steyr-Daimler-Puch of Am. Corp. v. Pappas, the Fourth Circuit cited cases in which courts found that an alter ego action seeking to hold a non-debtor generally responsible for claims against a debtor is an action that only an estate representative may bring either under 11 U.S.C. § 544, as the representative of all creditors in the case, or under 11 U.S.C. § 541, because the action was property of the debtor prior to the filing of the case. 852 F.2d 132, 135 (4th Cir. 1988); see also Holcomb v. Pilot Freight Carriers, Inc., 120 B.R. 35, 41-42 (M.D.N.C. 1990) (applying North Carolina state law and holding that alter ego claims were property of the estate); Morley v. Butler (In re Ontos, Inc.), 478 F.3d 427, 432-33 (1st Cir. 2007) (analyzing both alter ego and successor liability actions and determining both were property of the estate).²⁵ The same result applies here.

²⁵ See also M-Tek Kiosk, Inc. v. Clayton, No. 1:15CV886, 2016 WL 2997505, at *6 (M.D.N.C. May 23, 2016) (finding that an alter ego action belongs to the debtor under Delaware law); Alvarez v. Ward, No. 1:11CV03, 2011 WL 7025906, at *3 (W.D.N.C. Oct. 17, 2011) (noting "[c]onsistent with the Fourth Circuit's holding in Pappas . . . an alter ego claim is the property of the estate for purposes of Section

Further, as noted, soon after the 2020 Corporate Restructuring, fraudulent conveyance claims were asserted against New Trane Technologies, New Trane, and/or other Protected Parties. See Tananbaum Decl. ¶ 34. Fraudulent transfer claims are also property of the estate. In re Midstate Mills, Inc., No. 13-50033, 2015 WL 5475295, at *7 (Bankr. W.D.N.C. Sept. 15, 2015) (holding that plaintiffs were barred from pursuing alter ego and fraudulent transfer claims because such claims belonged to the debtor's estate).²⁶ "[I]n the Fourth Circuit the rule is settled that [section] 362(a)(3) [of the Bankruptcy Code] stays automatically—without a restraining order—a creditor's claim against a third-party that the debtor can assert for the benefit of the estate." In re Litchfield Co. of S.C. Ltd. P'Ship, 135 B.R. 797, 803 n.4 (W.D.N.C. 1992).

Because any cause of action against these Protected Parties—based on a theory of alter ego, successor liability or fraudulent transfer—would constitute property of the Debtors' estates, section 362(a)(3) operates to stay the action.

B. Actions Seeking to Hold Protected Parties Liable for Aldrich/Murray Asbestos Claims Are Stayed Pursuant to Section 362(a)(1).

Section 362(a)(1) of the Bankruptcy Code prohibits the "commencement or continuation . . . of a judicial . . . proceeding against the debtor that was or could have been

541(a)(1)"); Keene Corp. v. Coleman (In re Keene Corp.), 164 B.R. 844, 853 (Bankr. S.D.N.Y. 1994) (finding that "[f]or the same reasons stated with respect to the piercing claims, claims based upon successor liability should be asserted by the trustee on behalf of all creditors"); S.I. Acquisition, Inc. v. Eastway Delivery Serv., Inc., 817 F.2d 1142, 1152-53 (5th Cir. 1987) (finding that an alter ego action belongs to the debtor under Texas law).

²⁶ Further, it is uncontroversial that the Debtors, not individual creditors, have standing to assert fraudulent conveyance claims. See 11 U.S.C. § 544(b) (providing that the "trustee" may avoid certain fraudulent transfers); 11 U.S.C. § 548 (same). Indeed, the Fourth Circuit has held that individual creditors lack standing to assert claims, such as successor liability claims, that share the same underlying focus as fraudulent conveyance claims that the Bankruptcy Code affords the debtor standing to assert for the benefit of all creditors. Nat'l Am. Ins. Co. v. Ruppert Landscaping Co., Inc., 187 F.3d 439, 441 (4th Cir. 1999) (holding that because parties' causes of action, including successor claims, were "so similar in object and purpose to [fraudulent conveyance] claims that the trustee could bring in bankruptcy court" parties "lack[ed] standing to pursue [the] claims in district court . . . [u]ntil the trustee has abandoned his potential fraudulent conveyance action"). "Reserving the [fraudulent conveyance] action for the [Debtor] maintains the integrity of the bankruptcy proceedings and ensures that individual creditors cannot hijack the bankruptcy process." Id. at 442.

commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under this title."

11 U.S.C. § 362(a)(1).

As explained above, Old IRNJ and Old Trane no longer exist, and the respective Debtors are solely responsible for Old IRNJ's and Old Trane's Aldrich/Murray Asbestos Claims. Thus, the commencement or continuation of Aldrich/Murray Asbestos Claims against Old IRNJ and Old Trane can have only one purpose: the liquidation and recovery of claims against the Debtors. And, because the Aldrich/Murray Asbestos Claims allege liabilities arising out of Old IRNJ's or Old Trane's actions years before the Petition Date, such claims are expressly enjoined by the automatic stay. See In re Heating Oil Partners, No. 3:08-CV-1976 CSH, 2009 WL 5110838, at *6-7 (D. Conn. Dec. 17, 2009) (holding that a default judgment entered as to a predecessor entity of the debtor was automatically stayed upon the successor entity's chapter 11 filing and void *ab initio*), aff'd sub nom. In re Heating Oil Partners, LP, 422 F. App'x 15 (2d Cir. 2011).

Additionally, Fourth Circuit precedent recognizes that section 362(a)(1) may extend of its own force to enjoin actions against parties who share such an identity of interests with the debtor that the debtor is, in effect, the real-party defendant. See Robins, 788 F.2d at 999; see also McCartney v. Integra Nat'l Bank N., 106 F.3d 506, 510-11 (3d Cir. 1997) (concluding that the automatic stay enjoined an action against non-debtor third party where the debtor "was, in essence, the real party in interest" in the pursuit of a deficiency judgment against the third party).

The Fourth Circuit in Robins described the type of situation that would cause such an identity of interests: "An illustration of such a situation would be a suit against a third-party who is entitled to absolute indemnity by the debtor on account of any judgment that might result

against them in the case." 788 F.2d at 999. Indeed, the court continued, "[t]o refuse application of the statutory stay in that case would defeat the very purpose and intent of the statute." Id. This logic applies equally to situations where third-party litigation raises collateral estoppel and *res judicata* issues for the debtor. See id. ("Clearly the debtor's protection must be extended to enjoin litigation against others if the result would be binding upon the debtor's estate, and this is so, whether the debtor is a party or not.") (internal quotation omitted).

Here, Protected Parties share such an identity of interests with the Debtors that the Debtors, in effect, would be the real-party defendant in Aldrich/Murray Asbestos Claims brought against the Protected Parties. As discussed above, litigating the Aldrich/Murray Asbestos Claims against the Protected Parties would effectively liquidate claims against the Debtors, including by triggering existing indemnification rights. Such litigation further creates risks of binding the Debtors through *res judicata* and collateral estoppel, and creating an evidentiary record that prejudices the Debtors. Moreover, all liability for the Aldrich/Murray Asbestos Claims was exclusively allocated to the Debtors through the 2020 Corporate Restructuring. Because the Debtors are the real-party defendant in any suit seeking to liquidate and recover on account of a Aldrich/Murray Asbestos Claim, section 362(a)(1) applies to stay such actions.

IV. THE COURT SHOULD GRANT A TEMPORARY RESTRAINING ORDER TO EFFECTUATE THE RELIEF SOUGHT BY THE DEBTORS PENDING A FINAL HEARING.

The Debtors request that this Court immediately, and with limited notice, enter a temporary restraining order to preserve the effectiveness of the automatic stay until this Court has the opportunity to hold a final hearing on the merits. The Court has authority to issue a temporary restraining order pursuant to Rule 65(b) of the Federal Rules of Civil Procedure (the "Civil Rules"), made applicable to this adversary proceeding by Bankruptcy Rule 7065. Civil Rule 65(b) provides:

The court may issue a temporary restraining order without written or oral notice to the adverse party or its attorney only if: (A) specific facts in an affidavit or a verified complaint clearly show that immediate and irreparable injury, loss, or damage will result to the movant before the adverse party can be heard in opposition; and (B) the movant's attorney certifies in writing any efforts made to give notice and the reasons why it should not be required.

Fed. R. Civ. P. 65(b).²⁷ A temporary restraining order is properly granted where it is necessary to prevent immediate and irreparable injury pending a hearing upon a motion for an injunction. 13 Moore's Federal Practice § 65.36 (2019).

The facts presented here satisfy the requirements for a temporary restraining order. Since New Trane Technologies' and New Trane's formation on May 1, 2020, Defendants have asserted approximately 65 Aldrich/Murray Asbestos Claims against New Trane Technologies or New Trane and, in some cases, other Protected Parties. Tananbaum Decl. ¶ 34. Without immediate injunctive relief, it is expected that: (a) many Defendants who already have asserted Aldrich/Murray Asbestos Claims against the Protected Parties will attempt to continue prosecuting such claims outside of the Chapter 11 Cases, (b) many Defendants who have sued only the Debtors will seek to amend their complaints to name one or more of the Protected Parties, (c) many Defendants will seek to amend their complaints to add new causes of action against the Protected Parties, and (d) Defendants John and Jane Does 1-1000 will file Aldrich/Murray Asbestos Claims against the Protected Parties but not the Debtors. Tananbaum Decl. ¶ 35. A denial of the Debtors' request for a temporary restraining order pending a final hearing on the Debtors' request for injunctive and/or declaratory relief would cause the very harm that the Debtors seek to prevent by the Motion and the Complaint.

²⁷ Although Civil Rule 65(c) requires the posting of a bond as a prerequisite to a preliminary injunction, Bankruptcy Rule 7065 exempts an application made by a debtor, trustee or debtor in possession from the bond requirement. Fed. R. Bankr. P. 7065.

It is appropriate for the Court to grant the relief requested by this Motion with limited notice to the Defendants. The Debtors cannot realistically provide effective notice to the many named plaintiffs who have sued or may sue the Protected Parties in the short period of time in which this Court's action is needed. Moreover, notice of the bankruptcy, this Motion, and the Complaint may itself precipitate the very rush-to-the-courthouse that a temporary restraining order is necessary to prevent. Tananbaum Decl. ¶ 44; In re Vuitton et fils S.A., 606 F.2d 1, 5 (2d Cir. 1979) (notice of temporary restraining order action not required when notice would defeat purposes of the action); see also Am. Can Co. v. Mansukhani, 742 F.2d 314, 322 (7th Cir. 1984) (citing with approval Vuitton, 606 F.2d at 5). Further, Defendants John and Jane Does 1-1000 are putative plaintiffs for future asbestos actions against the Protected Parties. Tananbaum Decl. ¶ 44.

Bankruptcy courts in similar asbestos chapter 11 cases—including bankruptcy courts in this District—have issued temporary restraining orders enjoining litigation as to third parties to avoid any immediate and irreparable harm to the debtor or its estate. See, e.g., In re DBMP LLC, No. 20-30080 (JCW), Adv. No. 20-03004 (JCW) (Bankr. W.D.N.C. Jan. 29, 2020); In re Bestwall LLC, No. 17-31795 (LTB), Adv. No. 17-03105 (LTB) (Bankr. W.D.N.C. Nov. 8, 2017); In re Kaiser Gypsum Co., No. 16-31602 (JCW), Adv. No. 16-03313 (JCW) (Bankr. W.D.N.C. Oct. 7, 2016); In re Garlock Sealing Techs., LLC, No. 10-31607 (JCW), Adv. No. 10-03145 (JCW) (Bankr. W.D.N.C. June 7, 2010). Under the circumstances here, as in these other cases, immediate injunctive relief is required to safeguard the Debtors' prospects for a successful reorganization.

Although temporary restraining orders generally are limited to 14 days, before that period expires and for good cause, this Court may extend its order for an additional 14 days. Fed. R.

Civ. P. 65(b)(2). The Debtors request that the Court (a) for good cause, enter a temporary restraining order extending for the maximum period allowed under Civil Rule 65—28 days; and (b) set a hearing on this Motion on or before that date. This will allow more parties in interest, including an appointed Asbestos Committee, to participate in the hearing on the requested relief. Granting such relief also will conserve time and resources for the Court and the Debtors' estates.

CONCLUSION

For the reasons discussed above, the Debtors respectfully request that the Court enter an order preliminarily enjoining the filing or continued prosecution of Aldrich/Murray Asbestos Claims (on any theory of liability) against any of the Protected Parties while the Debtors' Chapter 11 Cases remain pending.²⁸ The Debtors also request that the Court enter an order declaring that the filing or continued prosecution of the Aldrich/Murray Asbestos Claims against any of the Protected Parties while the Chapter 11 Cases remain pending violates the automatic stay. A proposed form of order granting the Debtors' request for injunctive or declaratory relief is attached hereto as Exhibit A.

Further, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto as Exhibit B, temporarily restraining the Defendants from filing or continuing to prosecute any Aldrich/Murray Asbestos Claims against any of the Protected Parties until the Court has had an opportunity to hold a final hearing on the merits.

²⁸ This injunction would include, without limitation: (a) the pursuit of discovery from the Protected Parties or their officers, directors, employees or agents; (b) the enforcement of any discovery order against the Protected Parties; (c) further motions practice related to the foregoing; and (d) any collection activity on account of an Aldrich/Murray Asbestos Claim against any Protected Party or its officers, directors, employees or agents or its respective assets.

Dated: June 18, 2020
Charlotte, North Carolina

Respectfully submitted,

/s/ John R. Miller, Jr.

C. Richard Rayburn, Jr. (NC 6357)
John R. Miller, Jr. (NC 28689)
RAYBURN COOPER & DURHAM, P.A.
227 West Trade Street, Suite 1200
Charlotte, North Carolina 28202
Telephone: (704) 334-0891
Facsimile: (704) 377-1897
E-mail: rrayburn@rcdlaw.net
jmillers@rcdlaw.net

-and-

Brad B. Erens (IL Bar No. 06206864)
Mark A. Cody (IL Bar No. 6236871)
Caitlin K. Cahow (IL Bar No. 6317676)
JONES DAY
77 West Wacker
Chicago, Illinois 60601
Telephone: (312) 782-3939
Facsimile: (312) 782-8585
E-mail: bberens@jonesday.com
macody@jonesday.com
ccahow@jonesday.com
(Admissions *pro hac vice* pending)

-and-

Gregory M. Gordon (TX Bar No. 08435300)
JONES DAY
2727 N. Harwood Street
Dallas, Texas 75201
Telephone: (214) 220-3939
Facsimile: (214) 969-5100
E-mail: gmgordon@jonesday.com
(Admission *pro hac vice* pending)

PROPOSED ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION

**CERTIFICATE OF MOVANTS' ATTORNEY PURSUANT
TO FEDERAL RULE OF CIVIL PROCEDURE 65(b)(1)(B)
AND FEDERAL RULE OF BANKRUPTCY PROCEDURE 7065**

Pursuant to Federal Rule of Civil Procedure 65(b)(1)(B) and Federal Rule of Bankruptcy Procedure 7065, I hereby certify as counsel for movants herein that, for the reasons stated in this Motion and the *Declaration of Allan Tananbaum in Support of Debtors' Complaint for Injunctive and Declaratory Relief, Related Motions, and the Chapter 11 Cases*, notice should not be required. However, the Debtors will cause copies of this Motion and other papers filed in this adversary proceeding concurrently herewith, except as otherwise set forth in an order entered by this Court, to be sent via e-mail, facsimile, hand delivery or overnight carrier as soon as practicable to known, existing counsel for the Defendants in their respective underlying asbestos lawsuits, as set forth on Appendix A to the Complaint.

/s/ John R. Miller, Jr.

John R. Miller, Jr.

Exhibit A

Proposed Preliminary Injunction Order

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

In re	:	
	:	Chapter 11
	:	
ALDRICH PUMP LLC, <i>et al.</i> , ¹	:	Case No. 20-____ (___)
	:	
Debtor.	:	(Jointly Administered)
	:	
	:	
ALDRICH PUMP LLC and MURRAY	:	
BOILER LLC,	:	
	:	
Plaintiffs,	:	
	:	
v.	:	Adv. Pro. No. 20-____ (___)
	:	
THOSE PARTIES TO ACTIONS LISTED	:	
ON APPENDIX A TO COMPLAINT and	:	
JOHN AND JANE DOES 1-1000,	:	
	:	
Defendants.	:	
	:	

¹ The Debtors are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Aldrich Pump LLC (2290) and Murray Boiler LLC (0679). The Debtors' address is 800-E Beaty Street, Davidson, North Carolina 28036.

**ORDER GRANTING THE DEBTORS'
REQUEST FOR PRELIMINARY INJUNCTIVE RELIEF**

This matter coming before the Court on the *Complaint for Injunctive and Declaratory Relief (I) Preliminarily Enjoining Certain Actions Against Non-Debtors, or (II) Declaring That the Automatic Stay Applies to Such Actions and (III) Granting a Temporary Restraining Order Pending a Final Hearing* (the "Complaint") and *Motion of the Debtors for an Order (I) Preliminarily Enjoining Certain Actions Against Non-Debtors, or (II) Declaring that the Automatic Stay Applies to Such Actions and (III) Granting a Temporary Restraining Order Pending a Final Hearing* (the "Motion"),² both filed by the above-captioned plaintiffs and debtors and debtors in possession (together, the "Debtors"); the Court having reviewed (a) the Complaint, (b) the Motion, (c) the *Declaration of Allan Tananbaum in Support of Debtors' Complaint for Injunctive and Declaratory Relief, Related Motions, and the Chapter 11 Cases* (the "Tananbaum Declaration") and (d) the *Declaration of Ray Pittard in Support of First Day Pleadings* (the "First Day Declaration") filed in the Debtors' main chapter 11 cases, together with any responses or answers to the Motion or the Complaint; and having heard the arguments of counsel and considered the evidence presented at a hearing on _____, 2020 (the "Hearing"), the Court finds and concludes as follows:

Background, Jurisdiction and Venue

A. For purposes of this Order, the term "Aldrich/Murray Asbestos Claims" shall mean any asbestos-related claim against either Debtor, including all claims asserted against, or that could have been asserted against, the former Trane Technologies Company LLC, successor by merger to Ingersoll-Rand Company (a former New Jersey corporation) ("Old

² Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

IRNJ") or the former Trane U.S. Inc. ("Old Trane"), relating in any way to asbestos or asbestos-containing materials. For the avoidance of doubt, Aldrich/Murray Asbestos Claims include, without limitation, all asbestos personal injury claims and other asbestos-related claims allocated to, respectively, Aldrich from Old IRNJ or Murray from Old Trane in the documents implementing the 2020 Corporate Restructuring. The Aldrich/Murray Asbestos Claims do not include asbestos-related claims for which the exclusive remedy is provided under workers' compensation statutes and similar laws.

B. The Plaintiffs in this adversary proceeding are Debtors Aldrich Pump LLC and Murray Boiler LLC. The Defendants in this adversary proceeding are all named plaintiffs in the asbestos-related lawsuits against one or both of the Debtors (or for which either Debtor is responsible) listed on Appendix A to the Complaint, as well as John and Jane Does 1-1000. The actions listed on Appendix A are lawsuits that were either allocated to either Debtor in the 2020 Corporate Restructuring or otherwise asserted against the Debtors prior to the Petition Date. The Protected Parties, with the exception of Old IRNJ and Old Trane, are listed in Appendix B to the Complaint, which is also attached to this Order. Defendants John and Jane Does 1-1000 are prospective plaintiffs who may at any time while the above-captioned chapter 11 cases are pending seek to hold the Protected Parties liable for the Aldrich/Murray Asbestos Claims.

C. The Debtors seek, pursuant to sections 105 and 362 of title 11 of the United States Code (the "Bankruptcy Code"), an order prohibiting the Defendants from continuing or commencing against any of the Protected Parties any action or claim asserting, on any theory of liability (whether direct, derivative, joint and several, successor liability, vicarious liability, fraudulent or voidable transfer or conveyance, alter ego or otherwise), any Aldrich/Murray Asbestos Claims.

D. The Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue for this matter is proper in this District pursuant to 28 U.S.C. § 1409.

Request for Preliminary Injunction

E. The Debtors have satisfied the standard for the issuance of a preliminary injunction applied in the Fourth Circuit.

F. *Likelihood of Success on the Merits.* There is a reasonable likelihood that the Debtors will succeed on the merits by successfully reorganizing in chapter 11, including by confirming a plan that will establish a trust pursuant to section 524(g) of the Bankruptcy Code to resolve the Aldrich/Murray Asbestos Claims. The Debtors have filed their chapter 11 cases (the "Chapter 11 Cases") in good faith, and they intend to engage in good-faith negotiations with representatives for current and future claimants regarding a section 524(g) plan of reorganization. The Debtors have sufficient resources to fund the costs of the Chapter 11 Cases and implement a plan of reorganization that includes a section 524(g) trust.

G. *Irreparable Injury.* Failure to enjoin prosecution of the Aldrich/Murray Asbestos Claims in the tort system would cause irreparable injury to the Debtors and defeat the purpose of the Chapter 11 Cases. Without the injunctive relief sought herein, the Debtors would suffer the following irreparable harm:

- i) Recoveries against the Protected Parties could trigger the respective Debtors' indemnification obligations, reduce available insurance, and have the effect of fixing asbestos-related claims against the respective Debtors outside of the Chapter 11 Cases;
- ii) Under the doctrines of collateral estoppel and *res judicata*, the resolution of issues in litigation of Aldrich/Murray Asbestos Claims against New Trane Technologies, New Trane or other Protected Parties could bind the Debtors;

- iii) Evidence generated in litigation of Aldrich/Murray Asbestos Claims against the Protected Parties could be used to try to establish the Debtors' own liability for the exact same asbestos-related claims; and
- iv) As a result of the foregoing, the Debtors would be compelled to actively monitor, participate in, and defend litigation of Aldrich/Murray Asbestos Claims against the Protected Parties, and key personnel would be diverted from assisting the Debtors in achieving their reorganization goals.

H. *Balance of the Harms.* The balance of harms supports granting the preliminary injunction on account of the following factors:

- i) The purpose of the Debtors' Chapter 11 Cases would be defeated if the litigation of Aldrich/Murray Asbestos Claims were allowed to proceed against the Protected Parties;
- ii) Failure to grant injunctive relief would cause irreparable harm to the Debtors and their estates, as described in paragraph G, above;
- iii) An injunction will not necessarily harm the Defendants or their efforts to obtain compensation for their claims.
 - a) First, nothing about the injunction in these cases would prohibit the Defendants from continuing to proceed against, and collecting from, any other alleged tortfeasors in state court (other than the Protected Parties); and
 - b) In addition, the injunction will ensure that the benefits of a global and fair resolution of asbestos-related claims against the Debtors flow to all claimants; and
- iv) Delay, in and of itself, is insufficient to overcome irreparable harm caused to the Debtors and their estates.

I. *Public Interest.* The public interest lies with the Debtors completing their reorganization process and resolving the Aldrich/Murray Asbestos Claims in a uniform and equitable manner.

Request for Declaratory Relief

J. The Court finds and concludes that Aldrich/Murray Asbestos Claims against Old IRNJ or Old Trane are actions that are "against the debtor" or that seek to "recover a claim against the debtor" within the meaning of section 362(a)(1) of the Bankruptcy Code.

K. The Court further finds and concludes that actions against Protected Parties asserting fraudulent transfer or voidable transfer or conveyance claims, or alter ego, successor liability, vicarious liability or other theories of recovery through which Defendants would seek to assert Aldrich/Murray Asbestos Claims against a Protected Party constitute property of the Debtors' estates, as would the assertion of actions against the Insurers on account of Aldrich/Murray Asbestos Claims. Section 362(a)(3) of the Bankruptcy Code applies to stay such actions while the Chapter 11 Cases remain pending.

L. The Court further finds and concludes that Aldrich/Murray Asbestos Claims against the Protected Parties are inherently intertwined with asbestos-related claims against the Debtors, such that the Debtors are the real party defendants to any such claims. Therefore, application or extension of the automatic stay of section 362 of the Bankruptcy Code to Aldrich/Murray Asbestos Claims against the Protected Parties while the Chapter 11 Cases remain pending is warranted because those actions or claims are "against the debtor" or seek "to recover a claim against the debtor" within the meaning of section 362(a)(1) of the Bankruptcy Code.

M. The legal and factual bases set forth in the Complaint, the Motion, the Tananbaum Declaration, the First Day Declaration, and at the Hearing establish just cause for the relief granted herein.

Based on these findings and conclusions, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. Defendants are prohibited and enjoined, pursuant to sections 105 and 362 of the Bankruptcy Code, from commencing or continuing to prosecute any Aldrich/Murray Asbestos Claim against any of the Protected Parties, on any theory of liability, whether direct, derivative, joint and several, successor liability, vicarious liability, fraudulent or voidable transfer or conveyance, alter ego or otherwise, for the period this Order is effective pursuant to paragraph 11, below. This injunction includes, without limitation: (a) the pursuit of discovery from the Protected Parties or their officers, directors, employees or agents; (b) the enforcement of any discovery order against the Protected Parties; (c) further motions practice related to the foregoing; and (d) any collection activity on account of a Aldrich/Murray Asbestos Claim against any Protected Party or its officers, directors, employees or agents or its respective assets.
3. In addition, and without limiting the foregoing, the Court finds and declares that the commencement or continued prosecution of any Aldrich/Murray Asbestos Claim against any of the Protected Parties while the Chapter 11 Cases remain pending, including the actions listed in the last sentence of paragraph 2, above, would violate the automatic stay imposed by sections 362(a)(1) and 362(a)(3) of the Bankruptcy Code and therefore are prohibited.
4. This Order is entered without prejudice to the Debtors' right to request that this Court extend this Order to include other entities or persons not previously identified in Appendix A or Appendix B to the Complaint. In the event that the Debtors seek to supplement either Appendix A or Appendix B, the Debtors shall file with the Court and serve a notice, together with a proposed order, setting forth any such modifications to Appendix A or

Appendix B. Parties shall have 14 days from the date of service of the notice to object to the modification(s) to Appendix A or Appendix B, and the Debtors shall have 7 days from the service of such objection to file and serve a response. Absent a timely objection, the Debtors' proposed modifications to Appendix A or Appendix B shall be approved by order of the Court without the necessity of a hearing. For the avoidance of doubt, the inclusion of an asbestos-related claim on Appendix A is not an admission that such Defendant holds a currently pending claim against either the Debtors or the Protected Parties.

5. Any party subject to this Order may seek relief from any of the provisions of this Order for cause shown. This Order is without prejudice to the Debtors' or others' rights to seek relief pursuant to section 362 of the Bankruptcy Code.

6. Notwithstanding anything to the contrary in this Order, any party asserting Aldrich/Murray Asbestos Claims, without leave of the Court, may take reasonable steps to perpetuate the testimony of any person subject to this Order who is not expected to survive the duration of this Order or who otherwise is expected to be unable to provide testimony if it is not perpetuated during the duration of this Order. Notice shall be provided to the Debtors by notifying counsel for the Debtors of the perpetuation of such testimony. The Debtors shall have the right to object to the notice on any grounds they would have had if they were a party to the underlying proceeding and not subject to the terms of this preliminary injunction, and the Debtors may raise any such objection with this Court. The use of such testimony in any appropriate jurisdiction shall be subject to the applicable procedural and evidentiary rules of such jurisdiction. All parties reserve and do not waive any and all objections with respect to such testimony. Defendants or other individuals asserting Aldrich/Murray Asbestos Claims may not seek to perpetuate the testimony of representatives, including directors, officers, employees and

agents, of the Debtors or the Protected Parties without the consent of the Debtors or an order of the Court.

7. Pursuant to Bankruptcy Rule 7065, the Debtors are relieved from posting any security pursuant to Civil Rule 65(c).

8. This Order shall be immediately effective and enforceable upon its entry.

9. This Order shall toll any applicable non-bankruptcy law, any order entered in a non-bankruptcy proceeding, or any agreement that fixes a period under which an enjoined Defendant is required to commence or continue a civil action in a court other than this Court on any Aldrich/Murray Asbestos Claim asserted against the Debtors or any of the Protected Parties until the later of: (a) the end of such period, including any suspension of such period occurring on or after the commencement of the case; or (b) 30 days after notice of the termination or expiration of the preliminary injunction issued by this Order.

10. The Debtors shall cause a copy of this Order to be served via e-mail, facsimile, hand delivery or overnight carrier on counsel for the known Defendants and the Bankruptcy Administrator within three business days of its entry on the Court's docket.

11. This Order shall be promptly filed in the Clerk of Court's office and entered into the record, and it shall remain effective for the period through and including 30 days after the effective date of a confirmed plan of reorganization in the Chapter 11 Cases that is no longer subject to appeal or discretionary review.

12. This Court retains exclusive jurisdiction over this Order and any and all matters arising from or relating to the implementation, interpretation or enforcement of this Order.

This Order has been signed electronically.
The Judge's signature and court's seal appear
at the top of the Order.

United States Bankruptcy Court

Appendix B

Exhibit B

Proposed Temporary Restraining Order

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

In re	:	
	:	Chapter 11
	:	
ALDRICH PUMP LLC, <i>et al.</i> , ¹	:	Case No. 20-____ (___)
	:	
Debtor.	:	(Jointly Administered)
	:	
	:	
ALDRICH PUMP LLC and MURRAY	:	
BOILER LLC,	:	
	:	
Plaintiffs,	:	
	:	
v.	:	Adv. Pro. No. 20-____ (___)
	:	
THOSE PARTIES TO ACTIONS LISTED	:	
ON APPENDIX A TO COMPLAINT and	:	
JOHN AND JANE DOES 1-1000,	:	
	:	
Defendants.	:	
	:	

¹ The Debtors are the following entities (the last four digits of their respective taxpayer identification numbers follow in parentheses): Aldrich Pump LLC (2290) and Murray Boiler LLC (0679). The Debtors' address is 800-E Beaty Street, Davidson, North Carolina 28036.

TEMPORARY RESTRAINING ORDER

This matter coming before the Court on the *Complaint for Injunctive and Declaratory Relief (I) Preliminarily Enjoining Certain Actions Against Non-Debtors, or (II) Declaring That the Automatic Stay Applies to Such Actions and (III) Granting a Temporary Restraining Order Pending a Final Hearing* (the "Complaint") and *Motion of the Debtors for an Order (I) Preliminarily Enjoining Certain Actions Against Non-Debtors, or (II) Declaring that the Automatic Stay Applies to Such Actions and (III) Granting a Temporary Restraining Order Pending a Final Hearing* (the "Motion"),² both filed by the above-captioned plaintiffs and debtors and debtors in possession (together, the "Debtors"); the Court having reviewed (a) the Complaint, (b) the Motion, (c) the *Declaration of Allan Tananbaum in Support of Debtors' Complaint for Injunctive and Declaratory Relief, Related Motions, and the Chapter 11 Cases* (the "Tananbaum Declaration") and (d) the *Declaration of Ray Pittard in Support of First Day Pleadings* (the "First Day Declaration") filed in the Debtors' main chapter 11 cases, together with any responses or answers to the Motion or the Complaint; and having heard the arguments of counsel and considered the evidence presented at a hearing on _____, 2020 (the "Hearing"), the Court finds and concludes as follows:

Background, Jurisdiction and Venue

A. For purposes of this Order, the term "Aldrich/Murray Asbestos Claims" shall mean any asbestos-related claim against either Debtor, including all claims asserted against, or that could have been asserted against, the former Trane Technologies Company LLC, successor by merger to Ingersoll-Rand Company (a former New Jersey corporation) ("Old IRNJ") or the former Trane U.S. Inc. ("Old Trane"), relating in any way to asbestos or

² Capitalized terms not otherwise defined herein have the meanings given to them in the Motion.

asbestos-containing materials. For the avoidance of doubt, Aldrich/Murray Asbestos Claims include, without limitation, all asbestos personal injury claims and other asbestos-related claims allocated to, respectively, Aldrich from Old IRNJ or Murray from Old Trane in the documents implementing the 2020 Corporate Restructuring. The Aldrich/Murray Asbestos Claims do not include asbestos-related claims for which the exclusive remedy is provided under workers' compensation statutes and similar laws.

B. The Plaintiffs in this adversary proceeding are Debtors Aldrich Pump LLC and Murray Boiler LLC. The Defendants in this adversary proceeding are all named plaintiffs in the asbestos-related lawsuits against one or both of the Debtors (or for which either Debtor is responsible) listed on Appendix A to the Complaint, as well as John and Jane Does 1-1000. The actions listed on Appendix A are lawsuits that were either allocated to either Debtor in the 2020 Corporate Restructuring or otherwise asserted against the Debtors prior to the Petition Date. The Protected Parties, with the exception of Old IRNJ and Old Trane, are listed in Appendix B to the Complaint, which is also attached to this Order. Defendants John and Jane Does 1-1000 are prospective plaintiffs who may at any time while the above-captioned chapter 11 cases are pending seek to hold the Protected Parties liable for the Aldrich/Murray Asbestos Claims.

C. The Debtors seek, pursuant to Rule 65(b) of the Federal Rules of Civil Procedure (the "Civil Rules") and Rule 7065 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), a temporary restraining order prohibiting the Defendants from continuing or commencing against any of the Protected Parties any action or claim asserting, on any theory of liability (whether direct, derivative, joint and several, successor liability, vicarious liability, fraudulent or voidable transfer or conveyance, alter ego, or otherwise), any Aldrich/Murray Asbestos Claims.

D. The Court has subject matter jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2). Venue for this matter is proper in this District pursuant to 28 U.S.C. § 1409.

Request for Temporary Restraining Order

E. A denial of the Debtors' request for a temporary restraining order pending a final hearing on the Debtors' request for injunctive and/or declaratory relief would cause the very harm that the Debtors seek to prevent by the Motion and the Complaint. Without immediate injunctive relief, it is expected that: (1) many Defendants who already have asserted Aldrich/Murray Asbestos Claims against Protected Parties will attempt to continue prosecuting such claims outside of the Debtors' chapter 11 cases (the "Chapter 11 Cases"), (2) many Defendants who have sued only the Debtors will seek to amend their complaints to name one or more of the Protected Parties, (3) many Defendants will seek to amend their complaints to add new causes of action against the Protected Parties, and (4) Defendants John and Jane Does 1-1000 will file Aldrich/Murray Asbestos Claims against Protected Parties, but not the Debtors. The commencement or continued prosecution of the Aldrich/Murray Asbestos Claims against Protected Parties risks significant, immediate and irreversible harm to the Debtors and their estates because: (1) the Debtors have contractual obligations to indemnify Protected Parties for any liability on account of the Aldrich/Murray Asbestos Claims and assertion of Aldrich/Murray Asbestos Claims against the Insurers would seek to obtain property of the Debtors' estates, (2) findings and judgments in litigation of Aldrich/Murray Asbestos Claims against the Protected Parties could bind the Debtors, (3) litigation of the Aldrich/Murray Asbestos Claims against the Protected Parties will prejudice the Debtors' interests, and (4) litigation of Aldrich/Murray Asbestos Claims against the Protected Parties would divert key

personnel from the Debtors' reorganization efforts. Accordingly, the Debtors have demonstrated that they will suffer "immediate and irreparable injury, loss, or damage" in the absence of immediate relief before any adverse party can be heard in opposition. Fed. R. Civ. P. 65(b).

F. Over roughly the last month, the Debtors' non-debtor affiliates, Trane Technologies Company LLC ("New Trane Technologies") and Trane U.S. Inc. ("New Trane"), and other Protected Parties have been named in or added (or sought to be added) as defendants in approximately 65 Aldrich/Murray Asbestos Claims. On a daily basis, depositions are occurring, court appearances are scheduled and answers are coming due in cases asserting Aldrich/Murray Asbestos Claims. If Aldrich/Murray Asbestos Claims against Protected Parties are permitted to proceed pending a final hearing on the Debtors' request for injunctive or declaratory relief, the Debtors will be compelled to actively monitor, participate in, and defend currently pending and additional threatened Aldrich/Murray Asbestos Claims against Protected Parties, notwithstanding the automatic stay, to guard against, among other things, indemnity claims, evidentiary prejudice, and the risks of collateral estoppel and *res judicata*. In doing so, key personnel will be diverted from assisting the Debtors in achieving their reorganization goals.

G. Regardless of their diligence, the Debtors cannot realistically provide effective notice to the many named plaintiffs that have commenced or may commence Aldrich/Murray Asbestos Claims against the Protected Parties in the short period of time in which this Court's action is needed. Moreover, notice itself is likely to precipitate the assertion of additional Aldrich/Murray Asbestos Claims against the Protected Parties. This temporary restraining order is requested, and the Court finds is required, to prevent that result.

H. Further, service on John and Jane Does 1-1000 is impossible because these individuals are putative plaintiffs for future asbestos actions against the Protected Parties.

I. Accordingly, this Court finds it appropriate to enter a temporary restraining order with limited notice to the Defendants pursuant to Civil Rule 65(b)(1) and Bankruptcy Rule 7065.

J. To allow more parties in interest, including an appointed Asbestos Committee, to participate in the hearing on the requested relief and to conserve time and resources, this Court finds good cause for an extension and will enter a temporary restraining order extending for the maximum period allowed under Civil Rule 65—28 days—and set a hearing on the Motion and the Complaint on or before that date.

K. The legal and factual bases set forth in the Motion, the Complaint, the Tananbaum Declaration, the First Day Declaration, and at the Hearing establish just cause for the relief granted herein.

Based on these findings and conclusions, IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED with respect to its request for a temporary restraining order, as provided herein.

2. The Defendants are prohibited and enjoined from commencing or continuing to prosecute any Aldrich/Murray Asbestos Claims against any of the Protected Parties on any theory of liability, whether direct, derivative, joint and several, successor liability, vicarious liability, fraudulent or voidable transfer or conveyance, alter ego or otherwise, through and including 28 days from the date of entry of this Order, during which time the Court will hold a hearing on the Debtors' request for injunctive and/or declaratory relief on _____, 2020 at ____:____.m. This temporary restraining order includes, without limitation:

(a) the pursuit of discovery from the Protected Parties or their officers, directors, employees or agents; (b) the enforcement of any discovery order against the Protected Parties; (c) further

motions practice related to the foregoing; and (d) any collection activity on account of a Aldrich/Murray Asbestos Claim against any Protected Party or its officers, directors, employees or agents or its respective assets.

3. This Order is entered without prejudice to the Debtors' right to request that this Court extend this Order to include other entities or persons not previously identified in Appendix A or Appendix B to the Complaint. For the avoidance of doubt, the inclusion of an asbestos-related claim on Appendix A is not an admission that such Defendant holds a currently pending claim against either the Debtors or the Protected Parties.

4. Any party subject to this Order may seek relief from any of the provisions of this Order for cause shown. This Order is without prejudice to the Debtors' or others' rights to seek relief pursuant to section 362 of the Bankruptcy Code.

5. Pursuant to Bankruptcy Rule 7065, the Debtors are relieved from posting any security under Civil Rule 65(c).

6. This Order shall be immediately effective and enforceable upon its entry.

7. The Debtors shall cause a copy of this Order to be served via e-mail, facsimile, hand delivery or overnight carrier on counsel for the known Defendants and the Bankruptcy Administrator within three business days of its entry on the Court's docket.

8. This Order shall be promptly filed in the Clerk of Court's office and entered into the record. This Order shall remain effective for the period through and including 28 days after the entry of this Order.

9. This Court retains exclusive jurisdiction over this Order and any and all matters arising from or relating to the implementation, interpretation or enforcement of this Order.

This Order has been signed electronically.
The Judge's signature and court's seal appear
at the top of the Order.

United States Bankruptcy Court

Appendix B