

Exhibit 1

Redacted and Excerpted Transcripts of the Depositions of:

- Sara Brown, individually and on behalf of Trane Technologies (30(b)(6))
- Richard Daudelin
- Matthew Diaz
- Chris Kuehn
- Mark Majocho
- Ray Pittard
- David Regnery
- Amy Roeder
- Robert Sands
- Allan Tananbaum
- Allan Tananbaum, on behalf of the Debtors (30(b)(6))
- Evan Turtz
- Manlio Valdes
- Robert Zafari



**Sara Brown April 1, 2021 Excerpted Deposition Transcript,
individually and on behalf of Trane Technologies (30(b)(6))**

**Filed Provisionally Under Seal Per Agreed Protective Order
Governing Confidential Information**

Richard Daudelin March 9, 2021 Excerpted Deposition Transcript

RICHARD DAUDELIN
UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

-----x
IN RE: Chapter 11
No. 20-30608 (JCW)
(Jointly Administered)

ALDRICH PUMP LLC, et al.,
Debtors.

-----x
ALDRICH PUMP LLC and
MURRAY BOILER LLC,
Plaintiffs,

v. Adversary Proceeding
No. 20-03041 (JCW)

THOSE PARTIES TO ACTIONS
LISTED ON APPENDIX A
TO COMPLAINT and
JOHN and JANE DOES 1-1000,
Defendants.

-----x
MARCH 9TH, 2021
REMOTE VIDEOTAPED DEPOSITION OF
RICHARD DAUDELIN

Reported by:
Sara S. Clark, RPR/RMR/CRR/CRC
JOB No. 191079

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

RICHARD DAUDELIN

MARCH 9, 2021

9:39 a.m. EST

Remote Videotaped Deposition of
RICHARD DAUDELIN, held at the location of the
witness, taken by the Committee of Asbestos
Personal Injury Claimants, before Sara S. Clark,
a Registered Professional Reporter, Registered
Merit Reporter, Certified Realtime Reporter, and
Notary Public.

1 RICHARD DAUDELIN

2 A. Yes.

3 Q. And would that be

4 Trane Technologies PLC?

5 A. Yes.

6 Q. With respect to reports to

7 Trane Technologies PLC after February 29th of

8 2020, did you propose any issuances of dividends

9 from that -- from February 29th, 2020 to

10 present?

11 A. Yes.

12 Q. How frequently have you made that

13 recommendation to the finance committee?

14 A. Quarterly.

15 Q. Okay. And with respect to the

16 liquidity position and cash flow analysis that

17 you mentioned that goes into your consideration

18 of it to propose a dividend, with respect to

19 Trane Technologies PLC, has there been a -- has

20 there been a time where you did not recommend a

21 dividend for Trane Technologies PLC?

22 A. No.

23 Q. Is it safe to say that

24 Trane Technologies PLC has been cash flow

25 positive during this period from February 29th,

1 RICHARD DAUDELIN

2 2020 to present?

3 MR. MASCITTI: Objection; form.

4 A. Yes.

5 Q. Would you say that the
6 Trane Technologies PLC entity has had sufficient
7 liquidity during the period from February 29th,
8 2020 to present?

9 MR. MASCITTI: Objection; form.

10 A. Yes.

11 Q. And with respect to cash flow and
12 liquidity, are there considerations with respect
13 to paying Trane Technologies' creditors that is
14 considered as part of those assessments?

15 MR. MASCITTI: Objection; form.

16 A. Can you ask your question again,
17 please?

18 Q. Sure.

19 In analyzing the cash flow of
20 Trane Technologies PLC -- let's start there --
21 do you consider any obligations owed to
22 creditors of Trane Technologies PLC in analyzing
23 that cash flow?

24 A. Yes.

25 Q. And what is that analysis?

1 RICHARD DAUDELIN

2 A. High-level cash flow and liquidity
3 chart.

4 Q. Generally speaking, the cash flow
5 addresses whether or not there are sufficient
6 funds to pay creditors and still have funds
7 beyond those obligations; is that fair to say?

8 A. Yes.

9 Q. And you mentioned issuing dividends on
10 a quarterly basis -- or recommending -- excuse
11 me -- dividends be issued on a quarterly basis
12 since February 29th of 2020.

13 Have those dividends actually been
14 issued?

15 A. Yes, to the best of my knowledge.

16 Q. And being that they're issued on a
17 quarterly basis, was there one issued at the end
18 of June 2020?

19 A. Yes, to the best of my knowledge.

20 Q. Was there another dividend issued at
21 the end of August 2020?

22 A. No, not that I recall.

23 Q. Did you make a recommendation that a
24 dividend be issued at the end of August 2020?

25 A. Not that I recall.

1 RICHARD DAUDELIN

2 MS. HARDMAN: No.

3 MR. MASCITTI: Okay. Okay for me to
4 begin?

5 MS. HARDMAN: Yes. I'm sorry.

6 EXAMINATION

7 BY MR. MASCITTI:

8 Q. Mr. Daudelin, you've been asked about
9 a number of documents that were presented for
10 your signature.

11 In the ordinary course of Trane's
12 business, could you please describe the process
13 for documents to be presented to you for your
14 signature?

15 A. Yes. The normal course of -- in our
16 normal course of business in our governance,
17 legal documents come to me and they're vetted
18 first from a legal or an advisory perspective.
19 And before I execute on those, they come from,
20 again, the legal organization.

21 Q. And you had indicated earlier that, as
22 part of reviewing documents before you sign
23 them, you look at who the sender is.

24 Would it make a difference if the
25 sender was someone from the legal department?

1 RICHARD DAUDELIN

2 A. Yes.

3 Q. Why?

4 A. Because it would give me a comfort
5 based on our governance that it has been
6 reviewed by the legal department and/or outside
7 or third-party advisors.

8 Q. Now, you've answered, in response to
9 multiple questions that were presented to you
10 today, that you couldn't recall who you received
11 these documents from, both the board resolutions
12 and the written agreements.

13 Do you recall whether you received
14 those documents from someone in the legal
15 department?

16 A. No, I do not. The reason I say that
17 is because sometimes the legal department will
18 pass it through to my admin, and my admin will
19 bring it forward to me. And then based on that,
20 I'll see within the e-mail that it's -- it has
21 come from the legal department.

22 Q. So with respect to all of the
23 documents, both the resolutions and the
24 agreements that were presented to you today,
25 were those received from someone in the legal

1 RICHARD DAUDELIN

2 department, either directly to you or through
3 your admin?

4 A. Yes, to the best of my knowledge.

5 Q. So although you can't recall the
6 specific person, you did know that those
7 documents were presented to you for execution
8 through the legal department?

9 A. Yes.

10 Q. And why was that important?

11 A. Because, again, based on our
12 governance and the way we vet legal documents,
13 my signature is not on a document unless it's
14 gone through our legal department.

15 Q. So given that we've seen your
16 signature on multiple resolutions and agreements
17 today, does that refresh your recollection that
18 you authorized the legal department to apply
19 your signature to those resolutions and
20 agreements?

21 A. Yes. In good faith, that will be
22 executed.

23 Q. You also answered in response to
24 multiple questions that you didn't recall
25 communicating with anyone regarding these

Matthew Diaz March 23, 2021 Excerpted Deposition Transcript

**Filed Provisionally Under Seal Per Agreed Protective Order
Governing Confidential Information**

Chris Kuehn March 19, 2021 Excerpted Deposition Transcript

CHRIS KUEHN

UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

-----x
IN RE: Chapter 11
No. 20-30608 (JCW)
(Jointly Administered)

ALDRICH PUMP LLC, et al.,
Debtors.

-----x
ALDRICH PUMP LLC and
MURRAY BOILER LLC,
Plaintiffs,
v. Adversary Proceeding
No. 20-03041 (JCW)

THOSE PARTIES TO ACTIONS
LISTED ON APPENDIX A
TO COMPLAINT and
JOHN and JANE DOES 1-1000,
Defendants.

-----x
REMOTE VIDEOTAPED DEPOSITION OF
CHRIS KUEHN

Reported by:
Sara S. Clark, RPR/RMR/CRR/CRC
JOB No. 191086

1 CHRIS KUEHN

2

3

4

5 MARCH 19, 2021

6 9:37 a.m. EST

7

8

9 Remote Videotaped Deposition of

10 CHRIS KUEHN, held at the location of the

11 witness, taken by the Committee of Asbestos

12 Personal Injury Claimants, before Sara S. Clark,

13 a Registered Professional Reporter, Registered

14 Merit Reporter, Certified Realtime Reporter, and

15 Notary Public.

16

17

18

19

20

21

22

23

24

25

1 CHRIS KUEHN

2 A. Well, prior to sign- -- I can see that
3 I signed the document, but we reviewed these
4 documents prior to signing. But just recalling
5 what this document says, yes, that's what --
6 that's what I recall.

7 Q. Okay. And that was going to be my
8 next question. On the page ending 1758, is that
9 your signature, Mr. Kuehn?

10 A. Okay. I see 1758.
11 Yes, it is.

12 Q. Okay. Do you recall signing this
13 specific document?

14 A. I don't recall signing this specific
15 document, no.

16 Q. Do you --

17 A. I recall signing documents to effect
18 the corporate restructuring, but not this
19 specific one.

20 Q. Okay. Let's talk about that
21 generally, then.

22 With respect to signing documents for
23 the corporate restructuring, can you describe
24 that process? Did you sign them electronically
25 or in hard copy? Who presented them to you?

1 CHRIS KUEHN

2 Any sort of description of how that process
3 worked would be helpful.

4 A. Sure. My recollection is we had
5 several meetings leading up to the presentation
6 of the documents. Those meetings were led by
7 company legal counsel to really explain what the
8 documents were required to do or asked to do of
9 the signers. We were -- at the time, this was
10 early stages of the pandemic, so we were largely
11 working remotely.

12 So after reviewing the documents and
13 understanding the step that -- the various steps
14 in the corporate restructuring, I would have
15 electronically signed the document via an iPad,
16 I believe is how it was completed.

17 Q. Okay. So just to unpack that a little
18 bit, you said company legal counsel had meetings
19 with you to describe these -- the various
20 documents you would be signing with respect to
21 the corporate restructuring?

22 A. That's correct.

23 Q. And who was the company legal counsel
24 at that point that you're referring to?

25 A. I don't recall specifically who it

1 CHRIS KUEHN

2 was, but it was a combination of Evan Turtz
3 and/or Sara Brown.

4 Q. And they met with you in person or on
5 Zoom? How did those meetings actually occur,
6 all pandemic related and whatnot?

7 A. It's hard to recall specifically. I
8 think it was a mix of in-person meetings as well
9 as over, you know, Zoom or Teams applications.

10 Q. And about when did these meetings
11 happen? Do you recall?

12 A. My recollection is they happened on or
13 around the date on the first page, on or around
14 May 1st, 2020, to sign the documents. There
15 were, as I recall, meetings the previous week or
16 so, weeks prior, actually, to explain what all
17 of the steps would be to effect the corporate
18 restructuring. And that connected to meetings
19 that we had, you know, leading up to that
20 decision.

21 Q. And the meeting --

22 MS. HARDMAN: If we could go off the
23 record for just a moment.

24 VIDEOGRAPHER: The time is 10:42 a.m.,
25 and we are off the record.

1 CHRIS KUEHN

2 (Discussion held off the record.)

3 VIDEOGRAPHER: The time is 10:43 a.m.,
4 and we are back on the record.

5 MS. HARDMAN: Great.

6 BY MS. HARDMAN:

7 Q. So Mr. Kuehn, we were just discussing
8 the process, and you said there were a number of
9 meetings, and you were presented these documents
10 for signature.

11 When you described the signature via
12 iPad process, I assume that was a meeting in
13 person; is that fair?

14 A. If it was via iPad, it would have been
15 the documents were sent to me via email and then
16 executing them through an iPad and sending them
17 back, you know, electronically. Or it was in
18 person, right, signing. I don't recall which
19 avenue I used, but it was one of those two to
20 sign the document.

21 Q. Okay. And the iPad you're referring
22 to, is it one of your own or did somebody give
23 you an iPad to use for the signature process?

24 A. It's a company-issued iPad that's --
25 wasn't just used for this process. It's just a

1 CHRIS KUEHN

2 company iPad that's used for multiple things
3 related to the company.

4 Q. Okay. That's something you keep on
5 your person for your work in the everyday
6 operations of Trane?

7 A. Yes, that's fair.

8 Q. And on that iPad score, do you keep
9 notes on that iPad? Sometimes folks use that
10 electronic notepad to keep notes.

11 A. I do not.

12 Q. Okay. I am not a big fan either. I'm
13 a big hard copy notetaker.

14 All right. With respect to the
15 signing process, you mentioned a number of
16 meetings describing the steps that would be
17 taken for that corporate restructuring and then
18 you were presented these documents.

19 Did you see multiple iterations of the
20 documents that you ended up signing related to
21 the corporate restructuring?

22 A. I recall seeing one document, not
23 necessarily multiple iterations.

24 Q. Okay. And in that process, did you
25 ask any questions with respect to the documents

1 CHRIS KUEHN

2 that you were planning to sign?

3 A. I recall making sure that I was
4 familiar with the document and what step in the
5 process the corporate restructuring reflected to
6 make sure that I, you know, was comfortable, A,
7 Evan Turtz or Sara Brown, making sure signers
8 were comfortable with what step in the process
9 it was, and then ultimately if any questions
10 were required, I asked them at that time if they
11 were necessary.

12 Q. Okay. And you asked those questions
13 of Mr. Turtz or Ms. Brown; is that right?

14 A. That would be correct. Of those
15 two -- and I don't recall which meetings they
16 were in, but it would have been one of those
17 two. If there were any questions being asked,
18 it would have been asked of them.

19 Q. And you said the time frame was about
20 a two-week window, give or take, for the
21 meetings up to the signing?

22 MR. MASCITTI: Object to the form.

23 Q. You can answer.

24 MR. MASCITTI: Ms. Hardman, I wanted
25 you to clarify what meetings you're

1 CHRIS KUEHN
2 team. I think at one point, we may have
3 included a member or two from the business
4 units. And I believe Mr. Pittard joined that
5 group at some point in 2019. I don't recall
6 when.

7 Q. Who was it, under your understanding,
8 that ran Project Omega?

9 A. Evan Turtz, our general legal counsel,
10 would be the one that I would describe as
11 running the project.

12 Q. Okay. And so you said that you did
13 sign an NDA with respect to Project Omega.

14 Do you know why you signed an NDA?

15 A. The project was being treated like any
16 other large transaction in the company. Really
17 just to ensure that the proper people were
18 given -- the proper access were given to the
19 proper people rather than to discuss it more
20 openly within the organization. So I would call
21 that fairly common practice.

22 Q. Why is an NDA necessary?

23 A. I think the sensitive nature of the
24 subject and evaluating options that ultimately
25 may never have come true or concluded. So we do

1 CHRIS KUEHN

2 this commonly for transactions and mergers and
3 acquisitions, just to include the people that we
4 need to include to get the data or execute
5 various steps that we think are proper.

6 Q. What's the sensitivity that you're
7 describing there if this information were to be
8 more widely disseminated?

9 A. Unfortunately, you can't control who
10 has access to information if you just keep it
11 very broad. So, you know, concerned about
12 discussions within the company, discussions
13 outside the company. Especially if no decision
14 was being reached, it was really, let's evaluate
15 options for the company. So the concern was
16 let's bring in more people as decisions are
17 being made, but while we're evaluating the
18 decisions, let's limit it to a smaller group of
19 people.

20 Q. I guess my question is why do you do
21 that as a --

22 MR. MASCITTI: Objection; asked and
23 answered.

24 You can answer again, Mr. Kuehn.

25 A. It's really to engage people on to the

1 CHRIS KUEHN

2 MS. HARDMAN: I don't expect you to
3 read the whole thing. Just let me know once
4 you've had a chance to skim.

5 (Witness reviews document.)

6 THE WITNESS: Okay.

7 BY MS. HARDMAN:

8 Q. Are you familiar with this document?

9 A. Yes.

10 Q. Okay. And on the third page, I think
11 it's DEBTORS ending in 2506, Page 3 of the PDF.

12 Is that your signature, Mr. Kuehn?

13 A. Yes, it is.

14 Q. Do you recall signing this document?

15 A. I do recall signing the document.

16 Q. Do you recall who may have presented
17 it to you?

18 A. I believe that was the corporate legal
19 department of Trane Technologies, combination of
20 Evan Turtz and/or Sara Brown.

21 Q. And at a high level, did you review
22 this document before you signed it?

23 A. Yes.

24 Q. And do you recall asking any
25 questions -- I'm not asking what they were --

1 CHRIS KUEHN

2 but do you recall asking any questions of
3 Mr. Turtz or Ms. Brown with respect to this
4 document?

5 A. I recall being aware of what steps in
6 the process this document related to to effect
7 the corporate restructuring. So just making
8 sure I understood where this document fit into
9 that broader plan.

10 Q. Okay. So putting aside this document
11 specifically, do you know what steps in the
12 corporate restructuring required your
13 authorization?

14 A. I had assistance of our corporate
15 legal department to include me on areas that
16 required my involvement or my signature. So I
17 probably couldn't recite every one of them, but
18 it was just making sure that anything that I had
19 to be involved in, that I was aware of what the
20 request was and that I had an opportunity to ask
21 questions.

22 Q. Okay. So do you have any specific
23 understanding of what parts or what steps within
24 Project Omega or the corporate restructuring
25 that you authorized?

Mark Majocha March 18, 2021 Excerpted Deposition Transcript

1 MARK MAJOCHA

2 UNITED STATES BANKRUPTCY COURT
3 FOR THE WESTERN DISTRICT OF NORTH CAROLINA
4 CHARLOTTE DIVISION

4 -----x

5 IN RE: Chapter 11
6 No. 20-30608 (JCW)
(Jointly Administered)

7 ALDRICH PUMP LLC, et al.,
8 Debtors.

9 -----x

10 ALDRICH PUMP LLC and
11 MURRAY BOILER LLC,
12 Plaintiffs,

13 v. Adversary Proceeding
14 No. 20-03041 (JCW)

15 THOSE PARTIES TO ACTIONS
16 LISTED ON APPENDIX A
17 TO COMPLAINT and
18 JOHN and JANE DOES 1-1000,
19 Defendants.

20 -----x

21
22 REMOTE VIDEOTAPED DEPOSITION OF
23 MARK MAJOCHA

24 Reported by:
Sara S. Clark, RPR/RMR/CRR/CRC
25 JOB No. 191085

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MARK MAJOCHA

MARCH 18, 2021

9:33 a.m. EST

Remote Videotaped Deposition of
MARK MAJOCHA, held at the location of the
witness, taken by the Committee of Asbestos
Personal Injury Claimants, before Sara S. Clark,
a Registered Professional Reporter, Registered
Merit Reporter, Certified Realtime Reporter, and
Notary Public.

1 MARK MAJOCHA

2 him not to answer the question as it relates
3 to that analysis as it was done as part of
4 work product.

5 But to the extent that you have
6 questions for the topics that are listed,
7 feel free to ask him those questions about
8 the topics that he's been designated for.

9 MR. GOLDMAN: It is one of the topics.
10 I'm asking him what he knows about it.

11 MR. MASCITTI: You're asking him about
12 an analysis that he did at the request of
13 counsel. That's not one of the topics
14 listed.

15 BY MR. GOLDMAN:

16 Q. You've said that you're prepared to
17 testify as to the debtors' contention that the
18 negative consequences of bankruptcy filings by
19 old IRNJ and old Trane would have outweighed any
20 potential benefits of placing both entities in
21 bankruptcy.

22 Why would the negative consequences of
23 bankruptcy filings by old IRNJ and old Trane
24 have outweighed any potential benefits of
25 placing both entities in bankruptcy?

1 MARK MAJOCHA

2 A. As I think through potential business
3 impacts, if old IRNJ or old Trane would have
4 been put into bankruptcy, there's a series of
5 things that, you know, I could -- after
6 understanding the business, could correlate back
7 into a detriment. I think of loss of revenue
8 tied to a bankruptcy proceeding. We participate
9 in an industry that has, I would say, four to
10 five major competitors, so it is a very
11 tight-knit, very competitive industry that we
12 participate in. So I believe that, you know, we
13 would see reputational damage coming out of
14 this. It's a highly competitive bid situation.

15 We would have an impact related to
16 licensing, which would impact our revenue. We
17 are often the contractor on a lot of the
18 commercial jobs that we participate in, and we
19 have contracting licenses, whether they would be
20 general contracting, mechanical contracting,
21 HVAC contracting, electrical, et cetera. And a
22 lot of those licenses are up for renewal every
23 one, two, or three years. And as part of that
24 renewal process, there are many states that
25 actually have a -- we are required to disclose

1 MARK MAJOCHA

2 any bankruptcy that would have taken place.

3 We participate heavily in public
4 bidding, whether it would be federal, state, or
5 local municipalities, you know, specifically
6 like school boards and higher education. And a
7 bankruptcy filing within Trane U.S. Inc. could
8 potentially inhibit our ability to bid on some
9 of those large-scale projects that we are very
10 successful in executing.

11 I continue to think down the list of
12 some of the business impacts and the detriments
13 associated with it. You know, we have over
14 \$5 billion of bonds that a significant majority
15 of those bonds have a debt acceleration clause
16 tied to them that would be triggered from a
17 bankruptcy perspective. The guarantors further
18 up the chain, all the way up to the PLC. So we
19 present a lot of risk there.

20 I sit here and I think about the
21 impact on, like, my organization, my employees.
22 You know, there's not a lot of people that raise
23 their hand and say "I want to go work for a
24 bankruptcy entity," you know. And I really
25 think long and hard about this because we

MARK MAJOCHA

1
2 probably have 4,500 service technicians in the
3 field that are working with our customers every
4 single day who are not going to understand what
5 a bankruptcy filing means, and they're going to
6 become very uncomfortable and anxious. And no
7 matter how hard we would try to script it and
8 make people feel more comfortable, I think we
9 would see, you know, people leaving the
10 organization. And they're touching our
11 customers every day. And if they go to
12 competitors, then all of a sudden, they're going
13 to be influencing our current customers to move
14 to the competition.

15 I think of our customers that are out
16 there, you know. We have default clauses in all
17 of our open contracts. And while the
18 bankruptcy, we may have a stay in place that
19 could allow us to continue to perform, it
20 doesn't mean we're going to get paid, because
21 when those default clauses trigger, there's a
22 lot of confusion that gets created. And that
23 confusion is going to be felt. As we're trying
24 to execute jobs, trying to work with our
25 customers, trying to collect, they're going to

1 MARK MAJOCHA

2 hold payment.

3 And then, you know, I also sit there
4 and think about it, you know, they're going to
5 try to attempt to cancel the agreements. A lot
6 of them are on a
7 purchase-order-by-purchase-order basis, so we're
8 only locked in for a short period of time.
9 They're going to start to worry about the
10 warranty we give them on the product. Are they
11 going to stand behind the warranty? You know, I
12 think they're going to start to worry about our
13 ability to continue to service the product in
14 the field, so it makes me nervous there.

15 And then if you think about outside of
16 our direct organization and you go further out
17 into the chain, you know, we -- I'm sure you've
18 had HVAC work done at your home. And those are
19 a lot of small family-owned businesses. We have
20 well over 4,000 contractors across North America
21 that we support within the residential space
22 that sell the Trane brand every single day and
23 service it every single day. We have the same
24 thing in our Thermo King business, where we have
25 between 50 and 60 family-owned distributorships

1 MARK MAJOCHA

2 with over 180 locations that stand behind us and
3 sell our brand. So we're going to start
4 impacting them at well, as we think about that.

5 And then I get into the whole supply
6 chain risk that we would have with a bankruptcy
7 filing because, again, we don't have -- while we
8 may have -- I'll classify it as a memorandum of
9 understanding with suppliers. We purchase
10 product on a PO-by-PO basis. And as they
11 fulfill the obligations of those POs, they're
12 going to want to renegotiate the next purchase
13 order we put out there. They're going to want
14 to renegotiate pricing. They're going to want
15 to renegotiate terms. And today we have pretty
16 good terms with our supply base, anywhere from
17 60 to 75 days we pay them in. And all of a
18 sudden we can feel a cash crunch where they say,
19 "Hey, I want to be paid in advance or we're
20 going to shorten up the terms."

21 So as I sit here and I think about the
22 impacts to the business, they're pretty severe.

23 Q. And when you did your preliminary
24 analysis, did you take all of those things into
25 account?

1 MARK MAJOCHA

2 A. We looked at those things.

3 Absolutely.

4 Q. And if you were to try to quantify the
5 financial impact of a larger bankruptcy or more
6 comprehensive bankruptcy than the two that were
7 filed, how would you go about that?

8 MR. TORBORG: Object to form.

9 A. As I think through that, I mean, we
10 can put assumptions around some of the things I
11 just spoke about. We can -- you know, pretty
12 good assumptions based on analysis of the market
13 and competitiveness of the situations that we're
14 in. You know, we would have an understanding
15 around what our -- how our cost of capital would
16 increase based on a bankruptcy filing. You
17 know, it's -- the cash that it would take to pay
18 third-party support, like we have on this call,
19 for an extended period of time to get us through
20 a reorganization plan, it's tremendous.

21 So it far outweighs, to me, any other
22 alternative.

23 Q. I'm sorry. Which far outweighs any
24 other alternative?

25 A. If we were to look at IRNJ -- old IRNJ

1 MARK MAJOCHA

2 and old IR Trane, the cost to the business, not
3 just our business but all of our partners in the
4 field, I just don't know how we would recover
5 from anything like that and the damage we would
6 cause to all of our partners and all of our
7 employees.

8 Q. Changing subjects a little bit, are
9 there any remaining Trane businesses or product
10 lines that include production of any kind of
11 boilers or heating devices?

12 MR. MASCITTI: Objection; form.

13 A. I personally am unaware of any. But I
14 don't know all of the products, having been in
15 the job less than a year.

16 MR. GOLDMAN: All right. Okay. Why
17 don't I -- rather than take a break to check
18 my notes, if there are others who have
19 questions, let me pass to them because I --

20 THE WITNESS: Can I give you an out?
21 Can I have a five-minute break?

22 MR. GOLDMAN: You can take a
23 five-minute break. Absolutely.

24 THE WITNESS: Thank you.

25 MR. GOLDMAN: Okay. Thanks.

Ray Pittard March 17, 2021 Excerpted Deposition Transcript

1 RAY PITTARD

2 UNITED STATES BANKRUPTCY COURT
3 FOR THE WESTERN DISTRICT OF NORTH CAROLINA
4 CHARLOTTE DIVISION

4 -----x

5 IN RE: Chapter 11
6 No. 20-30608 (JCW)
(Jointly Administered)

7 ALDRICH PUMP LLC, et al.,
8 Debtors.

9 -----x

10 ALDRICH PUMP LLC and
11 MURRAY BOILER LLC,
12 Plaintiffs,

13 v. Adversary Proceeding
14 No. 20-03041 (JCW)

15 THOSE PARTIES TO ACTIONS
16 LISTED ON APPENDIX A
17 TO COMPLAINT and
18 JOHN and JANE DOES 1-1000,
19 Defendants.

20 -----x

21 MARCH 17, 2021

22 REMOTE VIDEOTAPED DEPOSITION OF

23 RAY PITTARD

24 Reported by:
Sara S. Clark, RPR/RMR/CRR/CRC
25 JOB NO: 191084

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

RAY PITTARD

MARCH 17, 2021

9:34 a.m. EST

Remote Videotaped Deposition of
RAY PITTARD, held at the location of the
witness, taken by the Committee of Asbestos
Personal Injury Claimants, before Sara S. Clark,
a Registered Professional Reporter, Registered
Merit Reporter, Certified Realtime Reporter, and
Notary Public.

1 RAY PITTARD

2 confirmed, are you?

3 A. Not impossible. I don't think -- I
4 wouldn't -- I'm sure there are ways. But it's
5 not efficient and it's certainly costly and
6 likely to consume time and resource and energy
7 to delay that.

8 I think we clearly want to make sure
9 that we get a settlement in place so that valid
10 claimants can get their money as quickly as
11 possible.

12 Q. And what's -- I'm sorry. Go ahead.

13 A. Just so there's no reason to try to do
14 both and have delays against the process. We
15 need to go through this as quickly as we can and
16 not be distracted. We need to get this done.
17 That's really the intent here.

18 Q. Okay. And the bankruptcy was filed --
19 the two bankruptcies were filed approximately
20 10 months ago, correct?

21 A. That's approximately right, correct.

22 Q. Okay. And what efforts have been made
23 over those 10 months to settle -- to bring about
24 a settlement in these matters?

25 A. Yeah. The -- it's been my

1 RAY PITTARD
2 understanding that our team has made every
3 effort to move forward as fast as possible, both
4 with yourselves on the ACC side, as well as the
5 future claimants, and that the -- we stand ready
6 today to open negotiations on an estimation and
7 ready today to try to set this in motion and
8 finalize this.

9 Q. Well, have there been any proposals
10 made by either of the debtors as of today during
11 the last 10 months?

12 A. I think there has not. I think --
13 that I'm aware of. But certainly I -- we stand
14 ready to have negotiations and start that
15 process as soon as -- as soon as the ACC comes
16 forward to do so.

17 Q. Are you aware of the identity of
18 anyone else working on the bankruptcy other
19 than -- within the Trane organization other than
20 Mr. Tananbaum and Mr. Sands and yourself?

21 A. There are officers within both Aldrich
22 and Murray that are involved, which we had
23 listed earlier today -- I believe they were
24 listed -- for both entities. And there are a
25 number of people that are in the service

1 RAY PITTARD

2 MR. JONES: Object to foundation.

3 A. Yeah, I don't know. I don't know how
4 much was understood back in the day. So it's
5 hard for me to know. I know when we looked at
6 it in this meeting, there was a good amount of
7 detail to explain the concept and the idea. And
8 I'm not sure we had that level of detail or idea
9 or concept understood back earlier on.

10 Q. And this detail was provided at this
11 meeting on May 5th?

12 A. The ideas were introduced, and then --
13 over the course of the presentation. And then
14 we had asked -- the board and the officers had
15 asked for more homework to be done, which came
16 up, I believe, if I recall, in subsequent
17 meetings.

18 So it was not a cursory look at these
19 ideas. It was a very serious robust review and
20 discussion that was asked for by the board and
21 many questions by the board and myself, for that
22 matter.

23 Q. Can you point me to any document --
24 any place that exists that suggests a --
25 mentions an organizational option or -- that was

1 RAY PITTARD

2 Page 4 of the -- of these minutes of
3 May 22nd, at the bottom there, which says "As
4 part of such discussion, it was noted for the
5 members of the board that, in contrast to the
6 use of Section 524(g) of the Bankruptcy Code,
7 none of the available options provide the," and
8 then there is a redaction.

9 Now, let me just ask you, who noted
10 that for the members?

11 A. Noted -- I'm sorry. Who noted --

12 Q. In other words, regardless of exactly
13 what was said, which was redacted, but the
14 sentence says "it was noted for members of the
15 board." Who -- who verbally noted that to the
16 members of the board?

17 A. I don't recall -- in that particular
18 sentence, I don't recall exactly. There was a
19 lot of discussion. I do remember that. I
20 remember the -- there was discussion from
21 counsel. There was discussion from the board.
22 There was discussion from officers. And in the
23 end, as I said earlier, the pros and cons were
24 looked at for all three options. And really the
25 only option that met all of the objectives

1 RAY PITTARD

2 fully, fairly, and finally resolving asbestos
3 claims was the 524(g) option.

4 Q. And was that -- I know the final vote
5 wasn't until June 17th, but was that pretty much
6 resolved by the end of the May 22nd meeting?

7 A. I think it wasn't really decided until
8 the very end. I think there was questions that
9 continued. There was discussion and
10 deliberation that continued. As mentioned in
11 the document, it was quite robust and a lot of
12 debate and questions about would -- you know,
13 each option, would they meet the full, fair, and
14 final approach; were there consequences to any
15 of the options that would have been impactful
16 to, you know, the claimants, the customer -- or
17 the stakeholders, the company.

18 It was very -- to be honest, I was
19 quite proud of the way the board behaved to
20 really thoroughly dig into this and take a very
21 informed and thorough and cautious review to get
22 to a good decision.

23 MR. GOLDMAN: Let's look at

24 Exhibit 33.

25 MR. DEPEAU: Okay. 33 is up in the

1 RAY PITTARD

2 And that business is a business that
3 was acquired, the Arctic business that we talked
4 about earlier. But it's a great business that
5 gives us a unique product in our portfolio that
6 our commercial teams can take and apply to a lot
7 of different applications for cooling, for
8 heating, for commercial applications. And it's
9 another business. And that business is
10 underneath Aldrich.

11 Q. And do both of those businesses have
12 customers?

13 A. They do. They clearly have customers.
14 They generate revenue. They generate profit.
15 They generate cash. That cash is -- they're
16 both healthy businesses, and, you know, those
17 businesses are stand-alone. And they -- with
18 that cash, they will be able to help us to pay
19 for a portion, at least, of the asbestos costs
20 that we've been talking about.

21 Q. We talked a lot about earlier -- or we
22 heard you talk a lot about the various robust
23 discussions that went on.

24 In connection with those or any other
25 conversations you may have had -- and I'm not

1 RAY PITTARD

2 looking for anything privileged here -- this is
3 probably just a yes-or-no answer -- did you ever
4 hear anyone say that the goal with respect to
5 the restructuring and the 524(g) bankruptcy
6 filing was to delay paying asbestos claimants?

7 A. Absolutely not. That's clearly not
8 our intention from the very beginning. Our
9 intention is to move as quickly as possible to
10 settle these claims. We've had these claims
11 with us for many, many years. And our intention
12 is to go and get this to full, fair, and final
13 resolution as quickly as possible. And clearly
14 our intention is to do the right thing, to pay
15 valid claims to people who have been injured by
16 asbestos that is associated with our products.
17 And so by no means is this an attempt to do any
18 type of delay. We would like to go quicker than
19 we're going today. If we can find a way to move
20 it up, we stand ready to do so.

21 Q. And along those same lines, did you
22 ever hear anyone say that the goal of the
23 restructuring and the bankruptcy was to
24 artificially suppress the debtors' asbestos
25 liabilities in the tort system?

1 RAY PITTARD

2 A. Absolutely not. We want to pay the
3 full amount that we're responsible for to all
4 valid claims.

5 What our intent here to do is to find
6 a more efficient way to do that. And one of the
7 interesting documents we looked at today showed
8 that only 42 cents on the dollar goes to the
9 claimant. I think that's unbelievable. It
10 shows that 58 cents on the dollar goes to legal
11 fees, attorneys' costs, and administrative
12 costs. We would like to get through that as
13 quickly as possible and get it into a trust
14 where we can get money to the claimants fully,
15 fairly, and finally, without the bureaucratic
16 burden and without that overwhelming cost.

17 So clearly there's no intent to do any
18 supression whatsoever of the liability amount.
19 What we would like to do is find a more
20 efficient way to take care of those claims.

21 MS. FELDER: And I have no further
22 questions. Thank you so much.

23 THE WITNESS: You're welcome.

24 MR. GOLDMAN: I've just got one
25 document I'd like to ask a few questions

David Regnery March 12, 2021 Excerpted Deposition Transcript

1 DAVID REGNERY

2 UNITED STATES BANKRUPTCY COURT
3 FOR THE WESTERN DISTRICT OF NORTH CAROLINA
4 CHARLOTTE DIVISION

4 -----x

5 IN RE: Chapter 11
6 No. 20-30608
(Jointly Administered)

7 ALDRICH PUMP LLC, et al.,
8 Debtors.

9 -----x

10 ALDRICH PUMP LLC and
11 MURRAY BOILER LLC,
12 Plaintiffs,

13 v. Adversary Proceeding
14 No. 20-03041 (JCW)

15 THOSE PARTIES TO ACTIONS
16 LISTED ON APPENDIX A
17 TO COMPLAINT and
18 JOHN and JANE DOES 1-1000,
19 Defendants.

20 -----x

21 2ND REVISED
22 REMOTE VIDEOTAPED DEPOSITION OF
23 DAVID REGNERY

24 Reported by:
Sara S. Clark, RPR/RMR/CRR/CRC
25 JOB No. 191081

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

DAVID REGNERY

MARCH 12, 2021

9:31 a.m. EST

Remote Videotaped Deposition of
DAVID REGNERY, held at the location of the
witness, taken by the Committee of Asbestos
Personal Injury Claimants, before Sara S. Clark,
a Registered Professional Reporter, Registered
Merit Reporter, Certified Realtime Reporter, and
Notary Public.

1 DAVID REGNERY

2 agreements at a high level, correct?

3 A. Very high level.

4 Q. Okay. But one of the payers under the
5 funding agreement is Trane Technologies,
6 correct, if you know?

7 A. I don't know the answer to that,
8 Jonathan.

9 Q. Do you know if there's any cap on the
10 funding agreements, the amount that they have to
11 pay?

12 A. I don't know, Jonathan.

13 Q. That's okay. It's perfectly okay not
14 to know, because we've got plenty of depositions
15 coming up. Someone will know the answer to that
16 question.

17 From the conversations that you've had
18 with your colleagues leading up to the filing
19 for the prepetition restructuring, did anyone
20 ever say to you, "The goal of this restructuring
21 is to suppress our asbestos liability"?

22 A. No.

23 Q. And is it your understanding --

24 A. The goal was -- the goal was to
25 always -- if someone was harmed, we had every

1 DAVID REGNERY

2 intention of making sure they were fairly
3 compensated.

4 Q. And the goal is not to pay the
5 asbestos claims less than they would be paid in
6 the tort system, correct?

7 A. No, not to my knowledge.

8 MR. GUY: I have no further questions.
9 Thank you.

10 THE WITNESS: Okay. Thanks, Jonathan.

11 MR. MASCITTI: I guess why don't we go
12 off the record, then, until Mr. Mastoris is
13 back.

14 THE WITNESS: Sure. Do you want to
15 pick a time, or -- it doesn't matter, I
16 guess.

17 VIDEOGRAPHER: The time is 3:28 p.m.
18 We're going off the record.

19 (Recess taken.)

20 VIDEOGRAPHER: The time is 3:34 p.m.
21 We are back on the record.

22 MR. MASTORIS: Thanks again,
23 Mr. Regnery. I only have a few more minutes
24 of questions left. And I appreciate you
25 giving me the time to collect my documents

Amy Roeder March 16, 2021 Excerpted Deposition Transcript

1 AMY ROEDER

2 UNITED STATES BANKRUPTCY COURT
3 FOR THE WESTERN DISTRICT OF NORTH CAROLINA
4 CHARLOTTE DIVISION

4 -----x

5 IN RE: Chapter 11
6 No. 20-30608 (JCW)
(Jointly Administered)

7 ALDRICH PUMP LLC, et al.,
8 Debtors.

9 -----x

10 ALDRICH PUMP LLC and
11 MURRAY BOILER LLC,
12 Plaintiffs,

13 v. Adversary Proceeding
14 No. 20-03041 (JCW)

15 THOSE PARTIES TO ACTIONS
16 LISTED ON APPENDIX A
17 TO COMPLAINT and
18 JOHN and JANE DOES 1-1000,
19 Defendants.

20 -----x

22 REMOTE VIDEOTAPED DEPOSITION OF
23 AMY ROEDER

24 Reported by:
Sara S. Clark, RPR/RMR/CRR/CRC
25 JOB No. 191083

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

AMY ROEDER

MARCH 16, 2021

10:01 a.m. EST

Remote Videotaped Deposition of
AMY ROEDER, held at the location of the witness,
taken by the Committee of Asbestos Personal
Injury Claimants, before Sara S. Clark, a
Registered Professional Reporter, Registered
Merit Reporter, Certified Realtime Reporter, and
Notary Public.

1 AMY ROEDER

2 11:15 a.m.

3 BY MR. LIESEMER:

4 Q. Ms. Roeder, do you have Exhibit 128 in
5 front of you?

6 A. I do.

7 Q. Do you recognize Exhibit 128?

8 A. Not necessarily, no.

9 Q. Are you aware that Aldrich and Murray
10 are asking the bankruptcy court to issue a
11 preliminary injunction?

12 A. I am.

13 Q. Aldrich and Murray are taking the
14 position in the motion that's in front of you
15 that if the bankruptcy court does not grant the
16 requested injunction and allows its asbestos
17 lawsuits to continue, you and others will be
18 diverted from the debtors' reorganization
19 efforts?

20 Do you understand that that is the
21 debtors' position?

22 A. Yes.

23 Q. Do you have any understanding or
24 expectation of how you would be diverted from
25 the reorganization if the bankruptcy court does

1 AMY ROEDER

2 not grant the injunction?

3 A. My only understanding would be that
4 if -- and I'm -- this is where I have to leave
5 things up to lawyers when it comes to what the
6 injunction actually means -- but if I were to go
7 back to dealing with any type of claims --
8 asbestos-related claims, that significantly
9 increases my workload.

10 Q. Do you have any understanding of how
11 it would significantly increase your workload?

12 A. Well, it would go back to a point of
13 managing the claims reporting, metrics around
14 claims. And there's certainly fewer people now
15 to do that than there were, you know,
16 previously.

17 Q. When you say "fewer people," do you
18 mean people who were assisting you?

19 A. Prior to the restructuring, there was
20 a litigation team. And within that team, there
21 were -- there was a gentleman who had a role
22 that was an operational excellence-type role
23 over process. And he did -- helped with a lot
24 of the tracking and management and certainly
25 assisted me with that.

1 AMY ROEDER

2 Q. And you don't remember this
3 gentleman's name?

4 A. I do. His name was Mike Russell.

5 Q. You said he was part of the legal
6 team, but was he a lawyer?

7 A. I don't think so, no.

8 Q. When was the first time you heard
9 about Project Omega?

10 A. 20- -- let's say sometime late 2019.

11 Q. Do you know when Project Omega
12 started?

13 A. Again, I would have to say late 2019.

14 Q. Who first told you about
15 Project Omega?

16 A. Evan Turtz.

17 Q. When were you invited to join
18 Project Omega?

19 A. I don't recall the dates. Late 2019.

20 Q. Did you have to sign a non-disclosure
21 agreement, or NDA, to participate in
22 Project Omega?

23 A. Yes. At some point, yes.

24 Q. Why did you have to sign an NDA to be
25 a part of Project Omega?

1 AMY ROEDER

2 MR. HIRST: Objection; form -- hold
3 on.

4 Objection to the form and foundation.

5 Go ahead, Amy.

6 A. Signing NDAs for any of the projects
7 that we work on is just a typical process that
8 we do, because we -- regardless of the project
9 or the subject matter or the content, as a
10 company, typically these projects have some
11 level of confidentiality. And so most of the
12 time people that join a project sign an NDA,
13 just by normal course of business.

14 Q. So you were heading in this direction,
15 but -- so others had to sign an NDA to be a part
16 of Project Omega, correct?

17 A. Yes.

18 Q. Okay. Do you know how many people
19 were asked to sign an NDA?

20 A. I do not.

21 Q. Who decided who would be invited to
22 join Project Omega?

23 MR. HIRST: Object to the form.

24 Go ahead.

25 A. I really don't know.

1 AMY ROEDER

2 Bankruptcy Code, Mr. Tananbaum then reviewed the
3 other strategic options for addressing current
4 and future asbestos liabilities that were
5 presented at the May 15 joint meeting."

6 Do you see that?

7 A. I do.

8 Q. Do you recall a lengthy and robust
9 discussion at the meeting?

10 A. I do.

11 Q. In what way was the discussion robust?

12 A. I just recall a lot of involvement
13 from all participants asking questions,
14 obviously, the board members asking questions.
15 I don't remember what questions they were
16 asking, but certainly very interested in
17 understanding everything that had really been
18 presented and really wanted to kind of do a
19 thorough deep dive of everything.

20 Q. At the meeting, was there disagreement
21 among the board members over which options to
22 choose?

23 A. No, not that I recall.

24 Q. The next sentence says "During his
25 review, Mr. Tananbaum, with the assistance of

1 AMY ROEDER

2 A. I can only speak to my vote, but I
3 think I mentioned this earlier, but -- once all
4 of the options were presented, I found
5 bankruptcy to be the best option for Aldrich to
6 get to the resolution that we were seeking.

7 Q. And what is that resolution?

8 A. As I mentioned earlier, the -- a fair
9 and equitable resolution for, ultimately, the
10 claimants. Making sure that they're compensated
11 for any losses.

12 Q. That ties into my next question.

13 Why was it desirable and in the best
14 interests of the company's creditors that the
15 company seek relief under the Bankruptcy Code?

16 A. Again, I think in my view, it was the
17 best way to ensure claimants were compensated,
18 to ensure that -- how do I say this?

19 We didn't -- we wanted to make sure
20 that everyone -- we weren't trying to not pay
21 someone. We wanted to make sure everyone was
22 paid appropriately as they should be. But to
23 get to a resolution, there had to be some
24 certainty in the end, and that's where
25 bankruptcy provided that.

1 AMY ROEDER

2 The other two options, they didn't
3 really make sense to me. I didn't find them
4 plausible. And the tort system could go on and
5 on and on forever. And so this gave some type
6 of certainty to everyone involved. And so I
7 felt that was in the best interest of the
8 claimants, the company, and, in this, the
9 creditors.

10 Q. What do you mean by "everyone paid
11 appropriately"?

12 A. Well, making sure that it was not in
13 our interest to avoid paying anyone. It was --
14 we wanted to ensure that we're paying whoever we
15 owe money to, whoever our creditors are,
16 ensuring that they're paid. But this was more
17 about finding that certainty in the end.

18 Q. Do you know who the other interested
19 parties are in that resolved clause?

20 A. No.

21 MR. LIESEMER: Jessica, could you
22 kindly send the witness Tab 31, please.

23 Ms. Roeder, we will be sending you now
24 through the chat a document that is
25 marked -- previously marked as

1 AMY ROEDER

2 Aldrich to make any changes.

3 Q. And what changes are you referring to
4 specifically?

5 A. Anything that would have changed from
6 the first document to the second.

7 Q. Do you remember what those changes
8 were?

9 A. Without reading this in detail, no.

10 Q. Do you remember asking for any changes
11 to be made to the original funding agreement?

12 A. I do. And it's a very vague
13 recollection, but I believe it had to do with
14 the threshold amount that would trigger funding.
15 So we had to keep a certain amount of cash on
16 Aldrich's books. And I remember vaguely wanting
17 a change to that amount.

18 Q. Do you recall the reason for that
19 change?

20 A. I believe I wanted -- if I remember
21 this correctly, I wanted a -- let me think about
22 this for a minute just so I give you the right
23 answer from how I remember it.

24 I believe the amount was lower
25 originally, and I wanted that amount, that

AMY ROEDER

1
2 funding -- I wanted those thresholds raised,
3 because I did not want to get stuck in a
4 position for Aldrich where we were doing any
5 type of last-minute funding, or risking not
6 getting funding for any reason or missing --
7 like having delays just in the transactional
8 part of this. So I wanted that to be raised so
9 that we could kind of pad ourselves on the
10 industrial -- sorry -- on the Aldrich side, I
11 think. I'm trying to remember. It's been a
12 long time since I did that.

13 Q. You said you perceived the possibility
14 of Aldrich not getting funding at all. Can you
15 tell me more about that?

16 A. Yeah. So what I mean there is when
17 you put in a request, and at the time of the
18 original funding agreement, never having
19 executed on a payment request, I did not know
20 how long that request would take to receive
21 approval and then certainly transact the actual
22 funding. And if we had indemnity claims at the
23 time that needed to be processed, defense spend,
24 any type of expenses, I didn't want to get into
25 a position where I'm paying our third parties

1 AMY ROEDER

2 late. And so I wanted to make sure that we
3 always were in a position to be able to pay.

4 Q. Can you think of any other changes
5 that you asked for to the funding agreement?

6 A. Not that I remember.

7 Q. What is the purpose of the Aldrich
8 funding agreement?

9 A. My understanding is to ensure that we
10 have a funding mechanism to continue normal
11 course of operations in Aldrich. As our cash
12 needs run low, we can request that funding from
13 Trane. Trane LLC, Trane Technologies Company, I
14 believe that's the entity. And -- just so that,
15 again, we can continue our normal course
16 operations.

17 Q. Let me invite your attention to Page 5
18 of the funding agreement.

19 And let me know when you're there.

20 A. I'm there.

21 Q. Do you see on the page where it says
22 "Permitted Funding Use"?

23 A. I do.

24 Q. Are you familiar with that definition?

25 A. I am.

1 AMY ROEDER

2 Q. So there's no third amended funding
3 agreement?

4 A. I don't think so.

5 Q. Can we refer to this document as "the
6 Murray funding agreement"?

7 A. Yes.

8 Q. Did you read the Murray funding
9 agreement before you signed it?

10 A. Absolutely.

11 Q. Did you negotiate the terms of the
12 Murray funding agreement on behalf of Murray?

13 A. This particular agreement, the second
14 amended, or any funding agreements?

15 Q. Any funding agreement.

16 A. So on any funding agreements, it would
17 have been the same negotiation as I had with
18 Aldrich. So it was just around the cash
19 thresholds that I requested a change.

20 Q. And you don't recall any other further
21 changes that you requested?

22 A. No, not on top of mind.

23 Q. What is the purpose of the Murray
24 funding agreement?

25 A. The same as it is for Aldrich. This

1 AMY ROEDER

2 that can resolve asbestos liabilities in one
3 forum and create an asbestos trust other than in
4 bankruptcy?

5 A. Not that I recall.

6 Q. Can you tell the Court why Trane PLC
7 and all its subsidiaries didn't file for
8 bankruptcy?

9 A. I don't know.

10 Q. That's where you get to say "I don't
11 know." That's perfectly okay.

12 You're familiar with the funding
13 agreements, correct --

14 A. Yes.

15 Q. -- Exhibits 13 and 86?

16 There's one for each debtor, correct,
17 Aldrich and Murray?

18 A. Yes.

19 Q. And on behalf of Aldrich and Murray,
20 as I understand your testimony, you negotiated
21 changes to the funding agreements -- the
22 original funding agreements to address your
23 concerns that monies would be available to --
24 when and if needed; is that correct?

25 A. I wanted to make sure I had cash

1 AMY ROEDER

2 readily available and didn't want to get too low
3 from a balance standpoint, so I wanted to be
4 able to trigger cash at a time -- just so I
5 could do it timely. Let's put it that way.

6 Q. And you're familiar with the payers
7 under those two funding agreements, correct?

8 A. Yes.

9 Q. So for Aldrich, it's
10 Trane Technologies Company LLC, correct?

11 A. Correct.

12 Q. And for Murray, it's Trane U.S. Inc.,
13 correct?

14 A. Correct.

15 Q. Can you tell me why there are two
16 different payers for the different debtors?

17 A. That gets to the legal entity
18 structure and outside my realm of expertise.

19 Q. The funding agreements are the
20 vehicles whereby Aldrich and Murray will have
21 assurances that there will be enough money to
22 pay the asbestos liabilities that are being
23 assigned to them, correct?

24 A. I'm sorry. Can you repeat that?

25 Q. Yes.

1 AMY ROEDER

2 Q. Correct.

3 A. Okay. So for 200 Park, they
4 manufacture modular and process chillers for the
5 commercial HVAC industry.

6 And on Climate Labs, they do chemical
7 analysis, so oil analysis, basically, to look
8 for any type of contaminants -- that was the
9 word I was looking for earlier today --
10 contaminants in the oil that can be predictive
11 of any type of potential failure.

12 Q. And these companies have customers?

13 A. Customers? Sorry. Did you say
14 "customers"?

15 Q. Yes.

16 A. Yes.

17 Q. And they generate revenue, correct?

18 A. They do.

19 Q. They're not fake companies, are they?

20 A. They are not.

21 Q. So I just want to summarize.

22 If I understand your testimony
23 correctly, the goal of the Trane family of
24 companies in this bankruptcy is to ensure that
25 all individuals who were harmed by

1 AMY ROEDER
2 asbestos-containing products, either
3 manufactured or sold by those companies, will be
4 paid in full by an asbestos trust as soon as
5 possible, correct?

6 A. Yes.

7 Q. And that's existing and future claims
8 in the tort system, correct?

9 A. Correct.

10 Q. Did you ever hear anyone say at any
11 point in all of the discussions concerning the
12 restructuring that the goal was to delay paying
13 asbestos claimants?

14 A. No.

15 Q. Did you ever hear anyone say at any
16 point in all of the discussions concerning the
17 restructuring discussion -- I just repeated
18 that. Sorry. Let me start again. Strike that.

19 Did you ever hear anyone say at any
20 point in all of the discussions concerning the
21 restructuring that the goal was to artificially
22 suppress the debtors' asbestos liabilities in
23 the tort system?

24 A. No.

25 MR. GUY: I have no further questions.

Robert Sands March 11, 2021 Excerpted Deposition Transcript

1 ROBERT SANDS

2 UNITED STATES BANKRUPTCY COURT
3 FOR THE WESTERN DISTRICT OF NORTH CAROLINA
4 CHARLOTTE DIVISION

4 -----x
5 IN RE: Chapter 11
6 No. 20-30608
(Jointly Administered)

7 ALDRICH PUMP LLC, et al.,
8 Debtors.

9 -----x

10 ALDRICH PUMP LLC and
11 MURRAY BOILER LLC,
12 Plaintiffs,

13 v. Adversary Proceeding
14 No. 20-03041 (JCW)

15 THOSE PARTIES TO ACTIONS
16 LISTED ON APPENDIX A
17 TO COMPLAINT and
18 JOHN and JANE DOES 1-1000,
19 Defendants.

20 -----x

21
22 REMOTE VIDEOTAPED DEPOSITION OF
23 ROBERT SANDS

24 Reported by: Sara S. Clark, RPR/RMR/CRR/CRC
25 JOB No. 191080

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MARCH 11, 2021

9:33 a.m. EST

1 ROBERT SANDS

2 (Witness reviews document.)

3 A. Okay. I'm sorry. I've had a chance
4 to review it.

5 What was your question?

6 Q. Are you familiar with this document?

7 A. Honestly, I don't recall. I may have
8 seen it.

9 Q. Okay. Let's move to Page 3 of this
10 document.

11 A. Okay.

12 Q. And if you see the first full
13 paragraph on Page 3, under the numbered list --

14 A. Okay.

15 Q. -- could you read that paragraph for
16 me?

17 A. You want me to read it out loud or to
18 myself?

19 Q. Out loud, please.

20 A. Okay.

21 "In further response to Request 28,
22 which cites excerpts from Paragraph 40 of the
23 declaration of Allan Tananbaum, the," quote,
24 "personnel who Mr. Tananbaum expected will play
25 key roles in the debtors' reorganization," close

1 ROBERT SANDS

2 quote, who would be -- "who," quote, "would be
3 required to spend substantial time managing and
4 directing the activities and the day-to-day
5 defense of these lawsuits," close quote, "are
6 Mr. Tananbaum and Mr. Sands," period.

7 Q. Do you agree that you're expected to
8 play a key role in the debtors' reorganization?

9 A. I believe so, yes.

10 Q. How so?

11 A. Well, as we discussed earlier, my job
12 is to provide legal support to Mr. Tananbaum,
13 who is the chief legal officer, and to the
14 debtors throughout the pendency of the -- what
15 do you call it -- the reorganization. Sorry. I
16 wasn't sure if you used the word "bankruptcy."

17 And that encompasses every aspect of
18 my duties and every aspect of the reorganization
19 process, and we expect that to ultimately
20 culminate in a 524(g) bankruptcy trust.

21 Q. If the -- strike that.

22 The second part of this paragraph,
23 which states you're among "the personnel who
24 would be required to spend substantial time
25 managing and directing the activities involved

1 ROBERT SANDS

2 in the day-to-day defense of these lawsuits,"
3 let's assume for the moment that these lawsuits
4 are lawsuits against the nondebtor affiliates if
5 the preliminary injunction is not granted.

6 With that assumption in place, do you
7 agree that you would be required to spend
8 substantial time managing and directing those
9 activities?

10 A. Do me a favor. You lost me there for
11 a second. Please restate or reask your
12 question.

13 Q. Let me ask it this way.

14 If the preliminary injunction is not
15 granted and asbestos claims are allowed to
16 continue against the nondebtor affiliates, do
17 you expect that you will be involved in the
18 day-to-day defense of those lawsuits?

19 A. I do.

20 Q. And would you be involved in those
21 lawsuits as part of your 90 percent of
22 secondment to the debtor or your 10 percent work
23 for the nondebtor affiliates?

24 A. Well, I think it would have to be
25 both, because if you think about it, these are

1 ROBERT SANDS

2 projects -- excuse me -- these are products and
3 liabilities that belong to Aldrich and Murray.
4 And if the nondebtor affiliates are being forced
5 to defend those in the tort system while Aldrich
6 and Murray continue in the bankruptcy system,
7 the nondebtor affiliates -- you know, there are
8 liabilities, so there's no one to defend them.
9 The documents are ours. The liabilities are
10 ours. The witnesses are ours, meaning the
11 debtors.

12 The -- you know, the debtors run the
13 risk of having collateral estoppel issues,
14 res judicata issues, adverse rulings on issues
15 that -- if it proceeds in the tort system -- so
16 take discovery responses as an example --
17 Aldrich and Murray have a 30-plus-year history
18 of providing discovery -- hundreds of discovery
19 responses in the tort system.

20 If the nondebtor affiliates are being
21 forced to answer for those liabilities in the
22 tort system and are -- answer in a way that is
23 inconsistent with our prior discovery responses,
24 that creates issues that in this type of mass
25 tort litigation with repeat players, same

1 ROBERT SANDS

2 plaintiffs' counsel in the same jurisdictions
3 with judges that are, shall we say -- with
4 jurisdictions that are not prone to grant
5 summary judgment, this creates a management
6 nightmare for us, number one, for the debtors,
7 and we owe indemnity back, as I understand it,
8 to those nondebtor affiliates, the new
9 Trane U.S. Inc. and new Trane Technologies, so
10 we're going to be stuck with their handling of
11 those liabilities.

12 And it's -- you know, to say, well, is
13 it one or the other, I don't think you can draw
14 that line, because it directly impacts the
15 debtors. And, of course, my job as being
16 seconded to the debtors is to support the
17 eventual resolution of this in a 524(g)
18 bankruptcy, as is Mr. Tananbaum's. And if we're
19 distracted having to defend the nondebtors in
20 the tort system and, you know, dealing with
21 counsel issues and dealing with discovery and
22 dealing with trials and then being stuck with
23 the results of that, it's clearly going to
24 impede our ability to manage and achieve
25 resolution of a 524(g) bankruptcy.

1 ROBERT SANDS

2 I think I answered your question.

3 Q. You did. Thank you.

4 Is it also your understanding that the
5 purpose of the bankruptcy filings for Aldrich
6 and Murray is to attempt to resolve all of the
7 historic asbestos liabilities in one place?

8 A. Yes, absolutely. That is my
9 understanding of the goal.

10 Q. Do you have an understanding of how
11 current and future asbestos claimants are to be
12 treated in a 524(g) trust process?

13 A. Well, I'm not an expert, but my
14 understanding is that current and future
15 claimants are to be treated substantially
16 similarly. And that's -- I'm not aware of the
17 nuts and bolts, but to me, they're supposed to
18 be treated essentially the same.

19 MS. FELDER: Thank you. That was all
20 I had.

21 THE WITNESS: Thank you.

22 MR. EVERT: Anybody else?

23 Then I think we're done.

24 VIDEOGRAPHER: All right. This
25 concludes today's deposition of

Allan Tananbaum March 22, 2021 Excerpted Deposition Transcript

**Exhibit Redacted Per Agreed Protective Order Governing
Confidential Information**

1 UNITED STATES BANKRUPTCY COURT
2 FOR THE WESTERN DISTRICT OF NORTH CAROLINA
3 CHARLOTTE DIVISION

-----x
4 IN RE:

5 Chapter 11
6 No. 20-30608 (JCW)
7 (Jointly Administered)

8 ALDRICH PUMP LLC, et al.,
9 Debtors.

-----x
10 ALDRICH PUMP LLC and

11 MURRAY BOILERS LLC,

12 Plaintiffs,

13 Adversary Proceeding
14 No. 20-03041 (JCW)

15 v.

16 THOSE PARTIES TO ACTIONS

17 LISTED ON APPENDIX A

18 TO COMPLAINT AND

19 JOHN AND JANE DOES 1-1000,

20 Defendants.

-----x

21 March 22 2021

22 REMOTE VIDEOTAPED DEPOSITION OF

23 ALLAN TANANBAUM

24 Stenographically Reported By:
25 Mark Richman, CSR, CCR, RPR, CM
Job No. 191087

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MONDAY, MARCH 22, 2021
9:30 A.M.

Remote Videotaped Deposition of
Allan Tananbaum, before Mark Richman, a
Certified Shorthand Reporter, Certified Court
Reporter, Registered Professional Reporter and
Notary Public within and for the State of New
York.

1 A. TANANBAUM

2 understood the concept.

3 Q. So as of May 1st, you were
4 seconded as chief legal officer to the
5 two debtors and maintained your role as
6 deputy general counsel products
7 litigation and vice president of
8 compliance -- I'm sorry -- and vice
9 president for Trane Technologies; is
10 that right?

11 A. Yes. But not -- not -- not the
12 compliance piece. I think you corrected
13 that.

14 Q. Right. What are your current
15 professional duties and work
16 responsibilities as chief legal officer
17 of the debtors?

18 A. Well, I'm essentially the
19 in-house client for all of the
20 restructuring lawyers at Jones Day who
21 are assisting our efforts to create a
22 consensual trust that will pay valid
23 asbestos victims.

24 Q. When you say in-house client,
25 what does that mean? Are you

1 A. TANANBAUM

2 suggesting, you know, communications

3 with, with your outside counsel?

4 A. Suggesting the full panoply of

5 activities that client has to engage in,

6 right? We've got a large team of

7 bankruptcy attorneys who were very

8 skilled at what they're doing but

9 obviously they just can't turn around

10 and do things without client approval.

11 And so, you know, there's a large array

12 of activities that I engage in. There

13 are daily conference calls about

14 strategy. There are many draft

15 pleadings and briefs to review. There

16 are myriad of decisions to be made on

17 almost a daily basis. And I should also

18 add, I apologize, there's an entirely

19 separate workstream around finances. I

20 have to approve many invoices for

21 payment from our own set of counsel.

22 I've got to approve ACC counsel payments

23 including your firm's payments and a

24 variety of experts as well. And I have

25 to interact with the CFO of the debtors,

1 A. TANANBAUM

2 Ms. Roeder, on approval and payment of
3 those things.

4 Q. You mentioned daily conference
5 calls. Who are those conference calls
6 with?

7 A. The attorneys representing the
8 debtors in this matter.

9 Q. Do you have daily conference
10 calls with people in the Trane
11 organization about this matter?

12 A. Certainly close to daily
13 conference calls with Mr. Sands who is,
14 as I think you know, also a Trane
15 Technologies employee who is seconded to
16 the debtors, although his secondment
17 currently stands at 90 percent not a
18 hundred percent.

19 Certainly discussions with him,
20 certainly several discussions a week
21 with Ms. Roeder and Cathy Bowen who is a
22 Trane Technologies employee who assists
23 Ms. Roeder on financial matters.

24 Q. Anyone else besides Mr. Sands and
25 Ms. Roeder and Ms. Bowen?

1 A. TANANBAUM

2 A. On a daily basis, I would say
3 probably not.

4 Q. What about on a weekly basis or
5 biweekly, bimonthly basis?

6 A. On a weekly basis I have a
7 standing discussion with Ray Pittard who
8 is the vice president and chief
9 restructuring officer as you know, as I
10 believe you know, for the debtors and
11 who is also the chief transformation
12 officer for Trane Technologies itself.
13 You know, with Mr. Turtz at least on a
14 biweekly basis I'll have a discussion.

15 Q. And you report to Mr. Turtz,
16 right?

17 A. I wouldn't say in my seconded
18 role I report to Mr. Turtz. I think
19 technically I report to the boards of
20 the debtors, and I know that there's
21 also reference in some of the key
22 agreements that I technically report to
23 Mr. Valdes. But I certainly
24 administratively report to Mr. Turtz.

25 Q. And those phone calls, those

1 A. TANANBAUM
2 biweekly phone calls with Mr. Turtz,
3 those have to do with your
4 administrative reporting function to
5 him?

6 A. If you're asking whether the
7 discussions are about administrative
8 functions, the answer is no, they're
9 about substantive issues, they're about,
10 you know, touching base on what I've
11 been doing and where the cases stand.

12 I think as you know the services
13 agreement provides that the debtors get
14 additional, or are entitled to
15 additional legal support. And
16 throughout the process of these
17 bankruptcies we've had steady legal
18 services provided to the debtors by both
19 Mr. Turtz and Sara Brown.

20 Q. You mentioned draft pleadings and
21 briefs. Do you look at all the
22 pleadings and briefs that your counsel
23 produces in these matters?

24 A. That's correct.

25 Q. Are you a bankruptcy attorney?

1 A. TANANBAUM

2 A. No. And in fact I'm glad you
3 mention that. Because I'm not a
4 bankruptcy attorney, it probably takes
5 me much longer to review some of these
6 pleadings and briefs and it makes some
7 of the conversations that I have with
8 Jones Day last much longer. Because
9 again, I'm a client representative and I
10 need to understand what's happening
11 before it can be signed off on.

12 So you're right, I actually spend
13 more time with my counsel because I'm
14 not a bankruptcy attorney to make sure I
15 get it.

16 Q. I think you mentioned a myriad of
17 decisions made on a daily basis.

18 A. That's correct.

19 Q. What is that?

20 A. Decisions about which arguments
21 to push and which not, arguments not to
22 push, decisions about which motions to
23 make and not to make, decisions about
24 which motions to oppose and which
25 motions not to oppose, decisions about

1 A. TANANBAUM

2 how Jones Day will staff various
3 matters.

4 I mean I could go on and on, a
5 lot of decisions.

6 Q. Do you participate in board
7 meetings?

8 A. I participate in all of the
9 debtors board meetings, that's correct.

10 Q. I've seen documents referring to
11 you as the secretary in these board
12 meetings. What does that term mean?

13 A. My understanding -- so, yes, I'm
14 the chief legal officer for the debtors
15 as well as the secretary. I believe in
16 my role as the secretary, I'm
17 responsible for maintaining the books
18 and records of the debtors, and I
19 believe I have authorization, I believe,
20 that came from a combination of some of
21 the orienting documents and perhaps the
22 unanimous consents dated May 1st of
23 2020.

24 I believe I've got authorization
25 to help open and maintain bank accounts

1 A. TANANBAUM

2 and the like.

3 Q. You mentioned your daily tasks
4 earlier, running the full panoply I
5 think is the, is the phrase you used.

6 Have those tasks evolved since
7 the debtors filed for bankruptcy?

8 A. I don't know if they've evolved
9 so much as they might be different at
10 different points in time, depending on
11 what is actively happening in the case
12 at a given moment in time.

13 Q. So if there aren't a lot of
14 pleadings you're not reviewing pleadings
15 obviously, is that --

16 A. If there's no pleading being
17 drafted or contemplated, that's correct,
18 I wouldn't be reviewing pleadings.

19 Q. Have you been participating in
20 discovery related to the preliminary
21 injunction matter?

22 A. What do you mean by
23 participating?

24 Q. Have you overseen collection of
25 documents, have you prepared witnesses

1 A. TANANBAUM
2 for depositions, things of that nature?

3 A. So let me separate the two. On
4 the collection of documents, I put Rob
5 Sands in charge of that. And because
6 Trane's production of documents was
7 going to come from the same set last
8 fall, we changed his secondment so that
9 he could simultaneously support the
10 debtors and the Trane affiliates. But
11 Rob has, in general, been on the spot on
12 the document productions.

13 Now when there are tricky issues
14 that require counsel caucusing
15 pertaining to a subset of the documents,
16 you can be sure that I'm involved in
17 those discussions but, in general, Rob's
18 taken the lead on the documents.

19 With regard to testimony, I've
20 been involved in the preparation of
21 witnesses that Jones Day has presented
22 in deposition on behalf of the debtors.
23 I have not been involved in the
24 preparation of witnesses that the Trane
25 entities have presented as Trane

1 A. TANANBAUM

2 witnesses.

3 Q. Okay. So you participate with
4 the debtors witnesses but not with the
5 Trane witnesses; is that right?

6 A. That's correct.

7 Q. And what does that, what does
8 that participation entail with respect
9 to the debtors witnesses?

10 A. I participated in the teams
11 sessions, in the team's prep sessions
12 with the debtor witnesses and Jones Day.

13 Q. And why were you involved with
14 those team sessions and preparation of
15 the witnesses?

16 A. I'm the chief legal officer for
17 the debtors, and so I think I have a
18 right to be at -- to have a seat at the
19 table.

20 Q. Have you participated in
21 preparing all the debtors witnesses that
22 have been deposed to date?

23 A. Yes, except I wasn't as involved
24 in Mr. Sands' preparation, and I can't
25 recall, I may have been at an initial

1 A. TANANBAUM

2 session but I wasn't at all of the
3 sessions.

4 Q. You went through what your kind
5 of daily tasks and typical routine is I
6 think with respect to your current
7 position.

8 Before the corporate
9 restructuring, if I say the 2020
10 corporate restructuring, will you know
11 what I'm talking about?

12 A. Yes.

13 Q. Before the 2020 corporate
14 restructuring, what did a typical day at
15 work look like for you?

16 A. Which time period are you
17 referring to?

18 Q. Directly before the corporate
19 restructuring?

20 A. So in the, fair to say the April
21 2020 time frame?

22 Q. Sure.

23 A. Okay. Because prior to April I
24 would have had a whole other set of
25 duties and compliance and I just wanted

1 A. TANANBAUM

2 Q. Okay. You also write the facts
3 and statements set forth in this
4 declaration are based on your review of
5 relevant documents. Do you see that,
6 it's C?

7 A. I do see that, yes.

8 Q. What are the relevant documents
9 that you reviewed, do you recall?

10 A. I don't recall right now.

11 Q. Let's look at paragraph 40 of
12 your declaration. You see, it's the
13 paragraph that starts with personnel who
14 I expect will play key roles, you see
15 that?

16 A. That's correct.

17 Q. That first, that first really two
18 sentences?

19 A. Right.

20 Q. I anticipate these activities
21 would consume my and possible others'
22 time?

23 A. Right.

24 Q. It ends with parties, you see
25 that?

1 A. TANANBAUM

2 A. I do.

3 Q. What role would these personnel
4 that you're referring to in those first
5 two sentences play in the debtors'
6 reorganization?

7 A. Well I think the only way to
8 answer this is to talk about specific
9 people, right.

10 Q. Who are the personnel that you
11 are referring to in those first two
12 sentences?

13 A. Well on the one hand principally
14 myself and Mr. Sands in the legal
15 function. And then on the other hand
16 principally Ms. Roeder and I would say
17 Cathy Bowen as well in the finance
18 organization.

19 Q. Okay. Let me ask you this. What
20 is the basis for your statement in those
21 two sentences that personnel would be
22 required to spend substantial time
23 managing and directing the activities
24 and these activities would consume my
25 and possible others' time, what's the

1 A. TANANBAUM

2 basis for those two sentences?

3 A. Well again I'd like to divide
4 them between the legal and the finance
5 folks.

6 For Mr. Sands and myself on the
7 legal side, as I mentioned earlier, when
8 asbestos is -- when asbestos is
9 unleashed and fully operating in the
10 tort system, it's a daily barrage of
11 settlement demands and negotiations and
12 mediations and discovery that needs to
13 be responded to. And sometimes, you
14 know, obstreperous judges in wonderful
15 places such as Madison County calling
16 you to bring a senior corporate witness
17 to appear at a hearing or deposition on
18 next to no notice.

19 I mean there's always some
20 emergency going on and it's all
21 consuming.

22 In the past, when we ran the team
23 with a full panoply of litigation
24 unleashed against both Aldrich and
25 Murray's predecessors, we took care of

1 A. TANANBAUM
2 that with a much larger staff than just
3 Mr. Sands and myself. In addition to
4 Mr. Sands, there was -- there were at
5 least two other full-time attorneys
6 handling asbestos. There was a full
7 time paralegal assisting asbestos.
8 There was a vendor who assisted in
9 invoice review, and there was, as well,
10 a para-technologist, a paralegal who
11 specialized in lien process who helped
12 do a lot of the reporting that we had.

13 So that was a full-time job for
14 that entire team. If we were going to
15 be back in the tort system which I
16 believe failure to secure a PI would
17 essentially bring about, and we would
18 have that full array of activity and
19 just Mr. Sands and myself on the legal
20 side to handle it.

21 I think if that's all we were
22 doing, that would be an overwhelming
23 task for the two of us. But if we were
24 also simultaneously tasked with working
25 with bankruptcy counsel to help

1 A. TANANBAUM

2 effectuate a resolution in the
3 bankruptcy case, that would be a bridge
4 too far.

5 Q. Why did you reduce your staff to
6 the current level of just you and Mr.
7 Sands?

8 A. We lost several individuals in
9 the summer, I would say July of 2020.

10 Q. When you say you lost them, what
11 does that mean?

12 A. Their positions were eliminated.

13 Q. And why were their positions
14 eliminated in July 2020?

15 A. So I think there are -- I think
16 there were two components to that. The
17 first component was that in wake of the
18 Reverse Morris Trust transaction that
19 closed in the end of February 2020, the
20 entirety of Trane Technologies began a
21 restructuring effort led by Mr. Pittard
22 an effort that I understand continues to
23 this day.

24 And given the one focus of that
25 corporate restructuring was the need

1 A. TANANBAUM
2 given the smaller size of the company to
3 restructure the corporate functions to
4 make them leaner.

5 And so I think what Mr. -- what
6 Mr. Turtz was confronted with was a need
7 to bring his staffing levels -- to
8 rationalize his staffing levels. And
9 while I can't recall the number of
10 lawyers who were asked to leave the
11 legal function as a result of the
12 restructuring, there were a number as
13 well as a number of other professionals
14 in the legal department.

15 And I think no corner of the
16 legal department went unscathed. And my
17 understanding was that given the
18 pendency of the restructuring and the
19 review of asbestos being undertaken by
20 the debtors' boards, that the staffing
21 decisions in the litigation team
22 including the asbestos litigation team
23 were extended until further notice.

24 So while a number of lawyers lost
25 their job in the April time frame, we

1 A. TANANBAUM

2 were given dispensation to extend a bit
3 before the other shoe was going to drop
4 so to speak.

5 So that's sort of issue number 1.

6 Issue number 2, I think, was our
7 expectation, once the bankruptcies were
8 filed, that we'd be the beneficiaries of
9 the automatic stay and that would not
10 have the need for that type of staffing
11 in the aftermath of the filing.

12 Q. Is there any expectation of
13 replacing those people that were let go
14 during the summer?

15 A. There was no expectation at that
16 point in time, and I don't have that
17 expectation now.

18 If the PI were not granted, I
19 suppose we'd have to revisit how to make
20 things work.

21 Q. Okay.

22 A. And frankly, apologize, I was
23 just going to add that frankly we would
24 need additional resources to be able to
25 get the job done.

1 A. TANANBAUM

2 Q. I think that's what you referred
3 to as the legal function, and then what
4 about with respect to Ms. Roeder and
5 Ms. Bowen?

6 A. Well, yes, what I would say with
7 respect to them is that right now they
8 have workstreams relating to the
9 bankruptcy. Ms. Roeder, for instance,
10 supervises the -- works with a financial
11 consultant and supervises the filing of
12 required monthly reports that go to the
13 bankruptcy administrator. Ms. Roeder
14 also ensures that -- that we book
15 payments to various -- and pay payments
16 to various professionals both those and
17 those of the -- as well as those
18 associated with both the ACC and FCR in
19 this matter, and, and Ms. Roeder also
20 ensures that the debtors are adequately
21 funded at all times and on a quarterly
22 basis will review the consolidated
23 financial statements provided by the
24 nondebtor sister affiliates New Trane US
25 Inc. and Trane Technologies LLC.

1 A. TANANBAUM

2 So there's some standing
3 workstreams that they're involved in.

4 Should, should the PI not be
5 granted and should tort cases begin
6 again against any of the protected
7 parties, inevitably Ms. Roeder would be
8 drawn back into some of the workstreams
9 that she previously engaged in prior to
10 the restructuring, things around looking
11 at the payments of professionals,
12 looking into the reserving of
13 liabilities and assets and the like.

14 And so I think there would be a
15 strain on both Ms. Roeder and Ms. Bowen
16 who unlike Mr. Sands and I are not
17 seconded and have day jobs as well.

18 So I think you'd just be adding
19 to the tasks that are already on their
20 plates and strangle them.

21 Q. Just so I understand it,
22 Ms. Roeder, you said she handles the
23 MORs or monthly operating reports, she
24 handles payments to bankruptcy
25 professionals, and she ensures that the

1 A. TANANBAUM
2 debtors are adequately funded; is that
3 right?
4 A. Those are the things that came to
5 mind, yes. I'm sure she's doing other
6 things as well that perhaps I'm not as
7 privy to.

8 Q. Are you personally aware of any
9 other bankruptcy related activity she
10 engages in?

11 A. I think those are the main ones.

12 Q. How much of her time is spent on
13 those three functions?

14 A. Well I think --

15 MR. HIRST: Object to form. Go
16 ahead.

17 A. I think that question would be
18 better asked of her than of me. But --
19 sorry?

20 Q. Do you understand my question?

21 A. I do.

22 Q. Let me rephrase it just to be
23 sure. How much time does Ms. Roeder, to
24 your knowledge, spend on the monthly
25 operating reports, the payments to

1 A. TANANBAUM

2 professionals and making sure the
3 debtors are adequately funded?

4 A. I couldn't say.

5 Q. How about with respect to
6 Ms. Bowen, what bankruptcy activities
7 does she engage in?

8 A. Ms. Bowen supports Ms. Roeder on
9 all of the above. She's more on the
10 spot in the initial instance around the
11 payment of various invoices once they've
12 been reviewed and approved by Ms. Roeder
13 and myself.

14 Q. Can you tell me, do you know how
15 much time Ms. Bowen spends on bankruptcy
16 related issues?

17 A. I couldn't. But what I can say
18 for both her and Ms. Roeder is that from
19 my perspective, given the breadth of
20 their other assignments, you know, it's
21 not an exceedingly high percentage, but
22 whether it's 50 percent or below 50
23 percent I couldn't say.

24 Q. And you mentioned that neither of
25 them are seconded, so they both work for

1 A. TANANBAUM

2 the Trane organization specifically?

3 A. That's correct. And they've got
4 other ongoing duties.

5 Q. Besides yourself, Mr. Sands,
6 Ms. Roeder and Ms. Bowen, are you aware
7 of anyone else that may be distracted or
8 averted in your opinion if the
9 preliminary injunction is not granted?

10 A. Those are the main folks, I would
11 say.

12 Q. Okay. Are there any others?

13 A. No one is coming to mind at the
14 moment.

15 Q. Okay. You said that they were
16 the main folks. Are there others that
17 are, to use a different word, you know,
18 secondary? Is there anyone else that
19 you're aware of that could be distracted
20 if the preliminary injunction is not
21 granted?

22 MR. HIRST: Object to the form,
23 asked and answered.

24 A. Nobody that I can think of. I'm
25 trying to be careful, but I can't think

1 A. TANANBAUM

2 Q. Did any of the Trane affiliates
3 sign-off on the decision to file for
4 bankruptcy?

5 A. They did not sign-off on it; the
6 decision was made by Aldrich and
7 Murray's boards.

8 Q. How do the debtors expect to
9 fairly resolve their asbestos claims
10 through this bankruptcy?

11 A. I think for my -- from my
12 perspective, the fair resolution is
13 principally the product of a trilateral
14 negotiation in which the debtors, the
15 FCR and the ACC align on the size of a
16 trust. I think that's principally the
17 way it should work and I expect and hope
18 that it will.

19 Q. Have you been engaged in
20 discussions with the debtors or any
21 nondebtor affiliate with respect to
22 contributing to a Section 524 (g) trust?

23 A. Discussions within the debtor?
24 Absolutely.

25 Q. Okay.

1 A. TANANBAUM
2 discussions to amicably resolve this
3 matter.

4 Q. Mr. Tananbaum, do the debtors
5 expect a contribution to a trust -- I'm
6 sorry, let me rephrase that.

7 Do the debtors anticipate that
8 they will pay less than they were paying
9 in the tort system with Section 524 (g)
10 plan?

11 MR. HIRST: Same objections and
12 caution the witness if your only
13 answer is the product of -- would
14 reveal confidential privileged legal
15 advice, I'll instruct you not to
16 answer. If you have any other basis
17 to answer, you can go ahead and do
18 so.

19 A. Well since the question is
20 couched in terms of expectations, I
21 guess I can answer it. I would say that
22 we don't have an expectation because we
23 don't control the outcome of
24 discussions, right. I don't have a
25 present expectation because where we

1 A. TANANBAUM

2 land will be the result of three-way
3 discussions.

4 Q. Have any of the protected parties
5 committed to contributing to an eventual
6 524 (g) trust?

7 A. Well let me take them one by one.
8 You've got the affiliate protected
9 parties, and I don't think that -- I'm
10 not aware of any expectation on the part
11 of the non -- of the affiliates who are
12 not the direct sister entities of Trane
13 Technologies -- of Aldrich and Murray.

14 So that is to say the only
15 affiliates who I think are expecting to
16 be potentially funding a 524 (g) trust
17 are New Trane and New Trane Technologies
18 LLC.

19 Beyond that, you know, you've got
20 a long list of affiliates. I wouldn't
21 imagine there's an expectation on the
22 part of any of those other affiliates
23 that they're going to be needing to pay
24 out. So that's with respect to the
25 affiliates.

1 A. TANANBAUM
2 concede there's some delay that needs to
3 be weighed. I'm not going to say
4 otherwise. But I think in the scheme of
5 things it's not as bad as it may look at
6 first blush and it's clearly outweighed
7 by the harms on our side of the -- on
8 our side of the fence.

9 Q. Have you formed any opinions,
10 sir, as to whether a successful
11 reorganization is likely?

12 A. I'm optimistic and I believe it
13 is likely.

14 Q. And what documents or information
15 do you rely on to formulate that view
16 that it is likely?

17 A. I'm just reminded that while
18 these cases are hard fought, the
19 previous cases that have all eventually
20 gotten over the finish line. I also
21 understand that, and I don't question
22 that in these preliminary skirmishes the
23 parties have to signal hard. And, you
24 know, I understand that the ACC, for
25 instance, is trying to signal hard right

1 A. TANANBAUM

2 now that there will never be a deal.

3 But I say to myself that that's
4 kind of what, that's kind of what the
5 ACC has to say right now. But I don't
6 think it's a -- I don't think it's a
7 barometer of what's to come later on and
8 so I'm optimistic that we will be
9 successful in getting this case done.

10 I wish we could do it a lot
11 faster. I know the ACC likes to
12 complain that we're all about delay but
13 it's actually just the opposite. We
14 would love to sit down tomorrow and
15 negotiate a plan.

16 This is not some vacation from
17 the tort system where we're rubbing our
18 hands saying how wonderful to be out of
19 the tort system another year. It's --
20 that's not it at all.

21 This bankruptcy filing was driven
22 for the desire for finality, not for a
23 desire to save a buck. And we stand
24 ready, willing and able to sit down
25 immediately to commence and deepen those

1 A. TANANBAUM

2 discussions.

3 Q. Are you aware that current
4 asbestos claimants would vote on any
5 potential 524 (g) plan, sir?

6 A. That's my understanding. That
7 comports with my understanding, yes.

8 Q. Are you aware that 524 (g)
9 requires a 75 percent supermajority vote
10 by current asbestos claimants?

11 A. I am aware of that, yes.

12 Q. Are you aware of anyone working
13 on a plan of reorganization on behalf of
14 the debtors at this point?

15 MR. HIRST: Object to form. I
16 will caution the witness not to
17 reveal anything that's the result of
18 confidential legal advice. If you
19 can otherwise answer, go ahead.

20 A. Well, what I would say is that
21 I've had extensive discussions with the
22 legal team at Jones Day since these
23 cases were filed and it's my
24 understanding through those discussions
25 that a plan will need to be arrived at,

1 A. TANANBAUM

2 22nd board meeting?

3 A. No reason.

4 Q. And your signature is at the
5 bottom of page 5; is that right?

6 A. I do see that, yes, that's my
7 signature.

8 Q. Did you draft this process or
9 same process as the other ones?

10 A. Same process as the other ones.

11 Q. On page 3 it says there is an
12 update regarding activities in
13 connection with current asbestos related
14 lawsuits.

15 A. I see that.

16 Q. Again points to Mr. Evert. Do
17 you recall what those updates were?

18 A. Again, the same constellation of
19 updates that I previously testified to,
20 just updating the board as to what
21 happened in the tort system the previous
22 week and in discussions and
23 communications with our defense counsel
24 network and insurers.

25 Q. On page 4 the minutes say that

1 A. TANANBAUM
2 following a lengthy and robust
3 discussion of the benefits and
4 challenges associated with the use of
5 Section 524 (g), Mr. Tananbaum then
6 reviewed the other strategic options.
7 Do you see that?

8 A. I did -- do.

9 Q. Do you recall a lengthy and
10 robust discussion at this meeting?

11 A. I recall that this discussion
12 went on at some length. I think it was,
13 as many of the board meetings during
14 this period of time were quite a long
15 discussion and some of the board
16 meetings, perhaps this one, went on
17 long, lasting, you know, for upwards of
18 three or four hours.

19 So I recall in general a robust
20 discussion, yes.

21 Q. In what way was the discussion
22 robust?

23 A. Robust in the sense that the
24 board seemed very concerned that it
25 understand how the options work, what

1 A. TANANBAUM
2 the potential benefits of each option
3 were, what the potential limitations of
4 each option were, what the risks of each
5 option were, what the implementation
6 costs of pursuing each option might be,
7 and what the ultimate cost if you could
8 reach the -- reach the end of the
9 process and see it through successfully.

10 So kind of lots of questions
11 around all of those angles.

12 MR. PHILLIPS: Let's turn to tab
13 42. This is the Aldrich board
14 meeting minutes previously marked as
15 Committee Exhibit 36.

16 (Committee Exhibit 36, Aldrich
17 Pump minutes from June 17th, 2020
18 Bates number Debtors 50812 was
19 previously marked for
20 identification.)

21 MR. PHILLIPS: So this is Murray
22 -- I'm sorry. This is the Aldrich
23 Pump minutes from June 17th, 2020 it
24 has a Bates number at the bottom
25 starting with 50812. And I believe

1 A. TANANBAUM

2 Object to form only.

3 Q. Looking back at that time that
4 Chapter 11 filing it says now,
5 therefore, be it resolved, it says in
6 the best interest of the company, its
7 creditors and other interested parties?

8 A. That's correct.

9 Q. So why was it in the best
10 interest of the creditors?

11 A. Well again I think I testified to
12 this before, at least I hope I did, the
13 boards were certainly focused on what
14 was in the best interest of the debtors,
15 that's a given. But the boards were
16 also fairly focused on what was in the
17 best interest of the creditors and
18 particularly the asbestos claimants.

19 And I think the board was sensitive to
20 the delays, the significant transaction
21 costs and the inefficiencies of the tort
22 system. And I do believe that one of
23 the board's motivators in authorizing
24 the filing of the Chapter 11 case was
25 that there had to be a better way, a

1 A. TANANBAUM
2 more efficient way, a more humane way,
3 if you will, of cutting out as many of
4 the long legal processes as possible
5 and, you know, permitting claimants to
6 get to a point where they can easily
7 fill out a form and get just
8 compensation where it's fairly due and
9 owing.

10 So I think the creditor
11 perspective was one we did express in
12 the presentations and that the board
13 members really asked a lot about.

14 I recall that the topic came up.

15 Q. At some point during that meeting
16 did you ask the board to vote on the
17 resolution?

18 A. That's correct.

19 Q. And how did the board vote?

20 A. The vote -- the board voted
21 unanimously to proceed with the filing.

22 MR. PHILLIPS: Let's go to tab
23 43, Cecelia.

24 Q. We're going to send to you
25 through the Chat function, Mr.

1 A. TANANBAUM
2 exhibit, Committee Exhibit 191 in front
3 of you, sir.

4 A. I'm not seeing it pop up on the
5 chat, unless it's going somewhere else.
6 Oh, I see one new message. Let's see.
7 All right, good. Let me save it to my
8 desktop.

9 Q. This document has a Trane Bates
10 label at the bottom of 7526. And it
11 appears to be an email from Eric Hankins
12 to Eric Hankins containing conversations
13 with, and the subject line conversation
14 with Hankins, Eric, appears to be a chat
15 between Rolf Paeper and Mr. Hankins.
16 Let me know when you've had a chance to
17 look at that?

18 A. I see it. May I have a moment to
19 review it? I don't think I've seen this
20 before.

21 Q. Sure. I'd like you to turn to
22 page 2 when you've had a chance to look
23 at this.

24 A. Okay, just one moment.
25 Yes, okay, I've had a chance to

1 A. TANANBAUM

2 review it.

3 Q. Okay. Page 2. And do you have
4 any reason to believe this isn't an
5 accurate depiction of this chat between
6 Mr. Paeper and Mr. Hankins?

7 A. No reason. I see it was produced
8 with a Trane Bates stamp.

9 Q. Thank you. On page 2, about
10 halfway down the page Mr. Hankins
11 message at 7:58 a.m. says "BTW, the only
12 interesting thing that came up in the
13 finance stream meeting yesterday was
14 that it seems like it may be more like
15 mid-June before the BODs for Aldrich and
16 Murray will make a decision about how we
17 proceed going forward."

18 Do you see that?

19 A. I do.

20 [REDACTED]

21 [REDACTED]

22 [REDACTED]

23 [REDACTED]

24 [REDACTED]

25 [REDACTED]

1 A. TANANBAUM

2 Q. But he did put it in quotes,
3 right?

4 A. He did. And while I don't know
5 what it means, I look at it and I say
6 well that's potentially unfortunate.
7 But Eric Hankins had it right.

8 And I forgot to mention Eric. He
9 was definitely part of the Omega project
10 on the finance side assisting
11 particularly on Rolf's workstreams as I
12 recall. But I think Eric got it right,
13 it has to be an independent board of
14 directors' decision and he also pushed
15 back on the notion that this was
16 definitely going to occur in some sort
17 of set timetable.

18 I think as I testified before, it
19 was, in general, thought to be a good
20 thing to keep pushing and doing -- do
21 this as soon as possible. Particularly,
22 I should add, given all of the claims
23 that started to come in against the
24 protected parties post divisional merger
25 that creates some risk and that's

1 A. TANANBAUM
2 another reason to proceed with all due
3 haste if you can.

4 But, you know, Mr. Hankins'
5 statement validates what I was saying,
6 that we had an independent board process
7 and, you know, whatever assumptions
8 about time frames might have been made
9 before the board was on a course and
10 looked like they needed more time.

11 Q. And Mr. Paeper was part of
12 Project Omega, right?

13 A. Mr. Paeper was. He was project
14 manager and principally in charge of the
15 licensing workstream, yes.

16 Q. Okay.

17 MR. PHILLIPS: Why don't we take
18 a break now, Mr. Hirst.

19 MR. HIRST: Great, Todd.

20 MR. PHILLIPS: We'll take ten
21 minutes. Want to come back at about
22 4:42, give or take.

23 MR. HIRST: Sounds good.

24 THE VIDEOGRAPHER: The time is
25 4:33 p.m., this is the end of media

1 A. TANANBAUM

2 protected parties as indemnified
3 parties?

4 A. Well we tried to create a
5 comprehensive list of M&A
6 counterparties, that is to say, in
7 general, companies that had, we had
8 divested and as part of the divestiture
9 had agreed to indemnify and protect from
10 Aldrich and/or Murray asbestos claims as
11 the case may be.

12 And so this was our attempt
13 through a lot of archeology of old M&A
14 deals and experience in managing tort
15 cases to come up with a comprehensive
16 list.

17 Q. Is it fair to say that none of
18 the parties on this list are affiliates
19 of the debtors?

20 A. That is correct.

21 Q. Do you know which, if any,
22 indemnified parties on this list have
23 been sued for Aldrich or Murray asbestos
24 claims?

25 A. I would say most, if not all of

1 A. TANANBAUM

2 them.

3 Q. Most or all of them have been
4 named on complaints for --

5 A. I believe so, yes.

6 Q. Do you know if those entities
7 have sought indemnification from Aldrich
8 or Murray?

9 A. Yes, and in some cases their
10 successors.

11 Q. Turning to the insurers, do you
12 know what the criteria was for including
13 a party on the list of the protected
14 parties as insurers? And this starts on
15 page 10 of 27 of the PDF.

16 A. This list of insurers I believe
17 is a comprehensive list of all the
18 Aldrich and Murray historical insurers
19 that provided comprehensive general
20 liability insurance that would have
21 included asbestos, you know, typically
22 from the mid '50s through on the Murray
23 side I believe it's April of '86 and on
24 the Aldrich side through January 1st,
25 '85.

1 A. TANANBAUM

2 law?

3 A. I haven't given that thought so I
4 don't know how to answer that right now
5 definitively. I don't think I can. But
6 I think our motion was predicated on
7 these contractual indemnifications.
8 That's --

9 Q. Has any party ever tendered a
10 common law indemnification claim to the
11 debtors?

12 A. I am not aware of any. It's
13 possible, but I'm not aware of any.

14 Q. Turning to paragraph 38 of your
15 declaration, you state that if allowed
16 to pursue the Aldrich Murray asbestos
17 claims against the protected parties the
18 defendants would litigate the same key
19 facts involving same products, same time
20 period, same alleged injuries. You see
21 that paragraph?

22 A. I do, yes.

23 Q. Any rulings or findings could
24 bind the debtors. The debtors could not
25 stand by as liability is potentially

1 A. TANANBAUM

2 established. Do you see that?

3 A. I do.

4 Q. What documents or information do
5 you rely to formulate that view
6 articulated in paragraph 38, sir?

7 A. Documents? I principally don't
8 rely on documents. I principally rely
9 on my knowledge of the tort system, the
10 fact that only Rob Sands and myself are
11 equipped to defend these products and
12 these cases.

13 So as a very practical matter, it
14 just is as clear as rain that the only
15 way these cases could be successfully
16 defended is with our intercession.

17 Q. Let me ask this. How could any
18 rulings or findings regarding the
19 Aldrich/Murray asbestos claims asserted
20 against protected parties bind the
21 debtors with respect to those same
22 claims?

23 A. Because again as I testified
24 earlier and as our motion makes clear,
25 these claims, any claims that might be

**Allan Tananbaum April 12, 2021 Excerpted Deposition Transcript,
30(b)(6) deposition on behalf of the Debtors**

1 UNITED STATES BANKRUPTCY COURT
2 FOR THE WESTERN DISTRICT OF NORTH CAROLINA
3 CHARLOTTE DIVISION

-----x

4 IN RE:

5 Chapter 11
6 No. 20-30608 (JCW)
7 (Jointly Administered)

8 ALDRICH PUMP LLC, et al.,

9 Debtors.

-----x

10 ALDRICH PUMP LLC and

11 MURRAY BOILERS LLC,

12 Plaintiffs,

13 Adversary Proceeding
14 No. 20-03041 (JCW)

15 v.

16 THOSE PARTIES TO ACTIONS

17 LISTED ON APPENDIX A

18 TO COMPLAINT AND

19 JOHN AND JANE DOES 1-1000,

20 Defendants.

-----x

21 April 12, 2021

22 REMOTE VIDEOTAPED 30(b)(6) DEPOSITION OF
23 MURRAY BOILER AND ALDRICH PUMP BY
24 ALLAN TANANBAUM

25 Stenographically Reported By:
Mark Richman, CSR, CCR, RPR, CM
Job No. 192003

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MONDAY, APRIL 12, 2021
9:30 A.M.

Remote Videotaped 30(b)(6)
Deposition of Murray Boiler and Aldrich Pump
by its Corporate Representative Allan
Tananbaum, before Mark Richman, a Certified
Shorthand Reporter, Certified Court
Reporter, Registered Professional Reporter
and Notary Public within and for the State
of New York.

1 A. TANANBAUM

2 A. I would say not in drafting it
3 but certainly in reviewing a draft plan,
4 commenting on it, providing input.

5 Q. Since your deposition on March
6 22nd, have the debtors entered
7 negotiations with any parties in hopes
8 of drafting a consensual plan of
9 reorganization?

10 MR. HIRST: I'm just objecting on
11 scope here, Todd.

12 MR. PHILLIPS: This is topic 19,
13 irreparable harm.

14 MR. HIRST: All right.

15 MR. PHILLIPS: And topic 21,
16 successful reorganization.

17 Q. Let me repeat my question. Have
18 the debtors entered negotiations with
19 any parties in hoping of drafting a
20 consensual plan of reorganization?

21 A. I would characterize the debtors
22 as being in the beginning, very
23 beginning stages of the negotiation with
24 the FCR.

25 Q. Okay. To your knowledge, has a

1 A. TANANBAUM
2 term sheet been drafted or executed?
3 A. Not executed. A draft term sheet
4 has been shared with the FCR.

5 Q. And can you give me a general
6 idea of what the terms of that term
7 sheet are?

8 MR. HIRST: Hold on one second.
9 I don't have an objection, Mr.
10 Tananbaum, giving it at a high level.
11 This is negotiations with another
12 party in this case.

13 I suspect if we were negotiating
14 with your client, Mr. Phillips, you
15 would not want revealed to other
16 parties in the case. But from a high
17 level perspective I'll let Mr.
18 Tananbaum testify.

19 MR. GUY: FCR has the same
20 objection.

21 Q. Let me rephrase my question. So
22 just so I'm clear, a term sheet has been
23 exchanged between the debtors and the
24 FCR; is that your testimony?

25 A. The debtors shared a draft term

1 A. TANANBAUM

2 sheet for the FCR's review and comment,
3 yes.

4 Q. Does that term sheet include a
5 number for asbestos liabilities, such as
6 a contribution to a trust?

7 A. No, it does not.

8 Q. Are in-house counsel involved in
9 working on a term sheet with the FCR?

10 A. I guess I'm not quite sure how to
11 respond to that question. The debtors
12 already shared their proposal for a term
13 sheet, you know, what I would say is
14 that it's in the FCR's court right now.

15 Q. I'm sorry, let me rephrase my
16 question.

17 Are you or Mr. Sands or anyone
18 else from the legal department involved
19 in that term sheet exchange and process?

20 A. I certainly was involved in
21 reviewing the draft term sheet and
22 providing input before it was
23 communicated to counsel for the FCR.

24 Q. Mr. Tananbaum, what steps
25 specifically have the debtors taken

1 A. TANANBAUM

2 since the petition date towards
3 successfully reorganizing under Chapter
4 11 here?

5 A. Well, I think the communication
6 of the draft term sheet is one tangible
7 step. The discussions that have been
8 proceeding between our counsel, myself,
9 Mr. Grier's counsel and Mr. Grier are
10 all moving in the direction of reaching
11 a consensual plan and the continued
12 discussions that the debtors have with
13 their insurance representatives are also
14 moving in that same direction.

15 We're basically talking to
16 everybody except the ACC, which again we
17 would love to begin doing as well, and
18 those are all movements that get us
19 closer.

20 I would also argue that
21 prosecuting this preliminary injunction
22 motion is also getting us there as well
23 because it's clearing out the underbrush
24 of blockers or procedural issues that
25 will in due course I believe get us to

1 A. TANANBAUM

2 A. So we did review the support
3 agreement and I believe there's similar
4 language in the plan of divisional
5 merger, and it does talk about, to my
6 knowledge, indemnification and there's
7 no explicit reference to defense.
8 Again, if I'm wrong the agreement will
9 control, but that's my recollection.

10 And so I don't see a formal
11 contractual defense obligation, that's
12 correct.

13 Q. Okay. Are the debtors aware of
14 any parties that asserted res judicata
15 against either Old IRNJ or Old Trane in
16 asbestos tort litigation prebankruptcy?

17 A. I'm not aware of such.

18 Q. Are the debtors aware of any
19 parties that asserted collateral
20 estoppel against Old IRNJ or Old Trane
21 in asbestos tort litigation
22 prebankruptcy?

23 A. I'm not aware as such. But
24 again, that's in a very different
25 context where the debtors were directly

1 A. TANANBAUM
2 defending each case and so the risk of
3 same wasn't the same risk that we're
4 identifying here.

5 Q. Did any parties to the debtors'
6 knowledge assert res judicata against
7 the debtors in asbestos tort litigation
8 prebankruptcy?

9 A. I believe you asked that --

10 MR. HIRST: Object to the form.

11 Asked and answered. Go ahead.

12 A. -- but I'm not aware.

13 Q. I actually asked about Old IRNJ
14 and Old Trane. This question is
15 prebankruptcy did anyone assert res
16 judicata against the debtors?

17 A. Yes, thank you for that
18 clarification. But that's
19 prebankruptcy. So in between the
20 divisional merger and bankruptcy, no,
21 not aware. And in fact, I'm sorry, for
22 that period of time I can go beyond not
23 aware. It did not happen, I believe.

24 Q. Is the answer the same for
25 collateral estoppel prebankruptcy post

1 A. TANANBAUM

2 restructuring?

3 A. That's accurate, yes.

4 Q. To the debtors' knowledge did any
5 parties assert res judicata against any
6 of the debtors' nondebtor affiliates in
7 asbestos tort litigation prebankruptcy?

8 A. I don't believe so, no.

9 Q. What about with respect to
10 collateral estoppel?

11 A. Again, I don't believe so. I
12 would careful during that time not to
13 really be involved in the nondebtor
14 affiliates' defense but I believe I
15 would have heard and I don't believe so.

16 Q. Did any parties to the debtors'
17 knowledge assert res judicata against
18 any of the indemnified parties in
19 asbestos tort litigation prebankruptcy?

20 A. No.

21 Q. What about collateral estoppel
22 against any of the indemnified parties
23 prebankruptcy?

24 A. No.

25 Q. Are the debtors aware of any

1 A. TANANBAUM

2 other examples of res judicata being
3 asserted by an asbestos tort plaintiff
4 against an asbestos tort defendant?

5 A. I'm not, but again I don't think
6 the test on this motion is past is
7 prologue. I think if there's a risk and
8 it can be militated against then we're
9 duty bound to look after it. That's all
10 this motion seeks to do. And again, the
11 context of collateral estoppel and res
12 judicata being applied in cases where
13 the party in interest is actively
14 defending the case is a far cry from the
15 proposition here where if you would have
16 it, if the ACC would have it, these
17 cases against the affiliates would move
18 forward with no input from the debtors
19 themselves even though the actual
20 liabilities being litigated in the cases
21 are Aldrich and Murray liabilities, so.

22 Q. So it's fair to say that the
23 debtors are not aware of any examples of
24 res judicata being asserted by an
25 asbestos tort plaintiff against an

1 A. TANANBAUM

2 asbestos tort defendant?

3 A. I'm not aware but I don't know
4 that I would be aware. So I don't think
5 my lack of knowledge proves anything on
6 that.

7 Q. Well I'm asking the debtors'
8 knowledge?

9 A. Right, but why would the debtors,
10 there are scores of companies involved
11 in the asbestos litigation, I don't see
12 why these two debtors should have
13 awareness of what happened to some, you
14 know, of the scores of additional
15 companies that have been in the tort
16 system for all these many years. I just
17 don't think we would have that
18 knowledge. And so our lack of knowledge
19 just can't be viewed as meaningful.

20 Q. Are the debtors aware of any
21 examples of collateral estoppel being
22 asserted by an asbestos tort plaintiff
23 against an asbestos tort defendant?

24 A. I'm not aware and I refer by
25 reference all my previous responses.

1 A. TANANBAUM

2 A. I do, yes.

3 Q. How would the continued
4 prosecution of claims against protected
5 parties thwart the debtors' ability to
6 resolve their asbestos liabilities
7 through 524 (g)?

8 A. Counsel, I specifically was
9 referring to this sentence in the second
10 part of my prior answer, which is that
11 it undermines the goal of resolving the
12 524 (g) bankruptcy simultaneously to
13 expect continued prosecution of cases in
14 the tort system. It just does not
15 facilitate reaching a landing in the
16 case.

17 And again it goes back to my
18 theme that the parties need to choose a
19 lane. We either have to slog it out in
20 the tort system one case at a time for
21 the next 20, 30, 40 years, who knows?
22 Or we can all put our heads together, we
23 can all come to the table productively
24 and with open minds to try to resolve
25 something efficiently and fairly.

1 A. TANANBAUM
2 debtors' reorganization progresses?

3 A. He'll continue to play a
4 secondary client role to my own.

5 You know, I believe I testified
6 about all this at great length at my
7 original declaration. I'm not a
8 bankruptcy attorney but I am the
9 client. No decisions can be made, no
10 strategy can be executed without my
11 involvement. And because I'm not a
12 bankruptcy attorney I take more time,
13 not less, understanding the issues.

14 This insulting notion that I'm
15 not a necessary player here because I'm
16 not a bankruptcy attorney is just
17 ridiculous. The idea that Jones Day can
18 run around run this bankruptcy case with
19 effectively no client, it's just
20 laughable.

21 Q. On page 2 of Mr. Hirst's letter,
22 exhibit 107, do you still have that
23 open, sir?

24 A. No, but I'll reopen it. Okay, I
25 reopened it.

1 A. TANANBAUM

2 pace and she's going to need to continue
3 to be involved in all of those
4 workstreams.

5 Q. Would the debtors expect
6 Ms. Bowen to be involved in a contested
7 estimation proceeding?

8 A. I would imagine not directly,
9 although I could also envision that we
10 might need to source some historical
11 data runs from her relating to prior
12 payments. I just don't know.

13 Q. Would Ms. Bowen's role include
14 formulating a plan of reorganization?

15 A. No.

16 Q. What about negotiating a plan of
17 reorganization, would she be involved in
18 that?

19 A. No.

20 Q. Would Ms. Bowen be distracted
21 from the reorganization process if
22 asbestos litigation continued against
23 the protected parties or the debtors?

24 A. I think there would be more work
25 on her plate and she's already pretty

1 A. TANANBAUM
2 heavily tasked so it would certainly not
3 be a welcome development, right?
4 Because she would continue to do all the
5 things I've outlined around the payment
6 process supporting the bankruptcy and at
7 the same time have to re-up her prior
8 workstreams around processing defense
9 counsel payments, tort settlements,
10 looking at potentially any reserves
11 around same. So she would, just as she
12 had previously been involved I'm sure,
13 she would need to be involved with the
14 nondebtor affiliates named in the tort
15 cases.

16 So, you know, is it a
17 distraction? Absolutely. It's a
18 certain level of distraction because on
19 top of both those workstreams she's got
20 her day job issues, so.

21 Q. Okay. Besides those individuals
22 listed in Mr. Hirst's letter, are you
23 aware of anyone else, when I say you I
24 mean the debtors, are the debtors aware
25 of anyone else that would be diverted by

1 A. TANANBAUM

2 on the project.

3 Q. And was that option presented as
4 a viable option to the debtors?

5 A. Certainly. I presented it as a
6 viable option to the debtors. It was
7 viable in the sense that one could
8 pursue it. You know, was it as viable
9 as other options? Was it as effective
10 as other options? I think those are
11 different questions. But certainly it
12 was an option that could be pursued.
13 And Sidley & Austin told us that other
14 companies in fact had successfully
15 pursued it, although they also told us
16 they could not give us the names of any
17 of those companies.

18 Q. So was it a viable option post
19 corporate restructuring and post
20 divisional merger?

21 MR. HIRST: Let me just again
22 caution, and I think again you can
23 answer this question, Mr. Tananbaum,
24 but not to reveal any legal advice
25 that either you received or you

1 A. TANANBAUM

2 provided to the board. But I think
3 you can go ahead and answer.

4 A. I would contend yes. The boards
5 were charged with reviewing the
6 companies', the debtors' long term
7 asbestos position and seeing if there
8 were a better way, a more efficient way,
9 a fairer way to wrap asbestos up in a
10 bow, if you will, and move past the
11 daily slogging through the tort system.

12 And they made the most of that
13 opportunity and analyzed the historical
14 problem deeply, both from a liability
15 and asset standpoint analyzed what it
16 would mean to continue soldiering on in
17 the tort system, what it might mean to
18 file a Chapter 11 524 (g) case and what
19 it might mean to take a different path
20 and the structural optimization was one
21 of those different paths.

22 And so the board certainly looked
23 at it every which way. And frankly,
24 what the prior Trane entities had or had
25 not decided to do about it no longer

1 A. TANANBAUM
2 mattered. It was understood, indeed it
3 was understood by the Trane entities
4 that created the debtors that the
5 decision was now out of their hands and
6 these boards was going -- were going to
7 make the decision.

8 And among the options were too
9 revert to something like structural
10 optimization that in the past seemed to
11 have some traction and then maybe seemed
12 to run out of some steam. So it was
13 certainly on the table.

14 Q. You mentioned discussions with
15 Sidley Austin about it, but you said
16 they were not able to give you any
17 specific examples by name.

18 Are you aware of any examples of
19 structural optimization taking place
20 after a divisional merger?

21 A. I'm not aware one way or another.
22 I was disappointed to hear that Sidley &
23 Austin felt that because of
24 confidentiality and/or privilege
25 concerns that it could share with us the

1 A. TANANBAUM
2 you know, the debtors were forced to, if
3 you will, make dollars and cents
4 calculations that weren't always based
5 on what the true liability was. And so
6 those are another cluster of harms as
7 well.

8 Q. You said the debtors would have
9 had to use up their own cash if they
10 stayed in the tort system before turning
11 to the Funding Agreement; is that right?

12 A. Right. We reviewed that portion
13 of the Funding Agreement on several
14 occasions, right? You can't ask for
15 funding until and unless you've used
16 your own assets first, right? That's
17 the big proviso.

18 Q. How much cash do the debtors have
19 after the corporate restructuring? How
20 much cash were they allocated?

21 A. Well, show me Mr. Pittard's
22 declaration and I'll give you the exact
23 figures. I think Aldrich was allocated
24 something like \$26 million in cash and
25 Murray was allocated I want to say 16.

1 A. TANANBAUM

2 But the correct and exact figures are
3 enumerated in Mr. Pittard's declaration.

4 In addition to that, I know that
5 there were I think in early June, prior
6 to the restructuring the, the only cash
7 calls under the Funding Agreement, if
8 you will, occurred then and I think
9 there were a couple for Aldrich and one
10 for Murray and again records included in
11 the MSRs would detail exactly what those
12 numbers were.

13 But, you know, with balances
14 moving up and down because insurance
15 proceeds are coming in and because
16 payments to vendors are going out the
17 door, I can't tell you exactly as of the
18 18th how much sat in the accounts. But
19 those are more or less the guard rails.

20 Q. Just taking those numbers that
21 you threw out, the 26 and 16, do the
22 debtors have to spend 26 and 16 million
23 to access the Funding Agreement and then
24 the Funding Agreement would cover the
25 rest? Would the debtors have been

1 A. TANANBAUM
2 financially harmed by staying in the
3 tort system?

4 A. Well the harm would be to the
5 tune of 24 and the 16. That would also
6 include cash disbursements from the
7 operating subs. My understanding is to
8 date no cash disbursements have been
9 made.

10 To use your hypothetical, if
11 everything was static from the 26 and
12 the 16, the harm would be, I would
13 contend, the 26 and the 16.

14 To your point, once you get
15 beyond that you've got the Funding
16 Agreement. But to say there's no harm
17 at all is not true.

18 Q. And how much money were the
19 debtors spending each year before the
20 bankruptcy on the tort system?

21 A. All in, close to a hundred
22 million in, for both debtors together.

23 Q. And so if they paid 26 and 16 and
24 then the Funding Agreement took over,
25 you still think that they would have

1 A. TANANBAUM

2 been harmed by staying in the tort
3 system?

4 A. To the tune of the 42 million,
5 that's all I'm saying. Once you get
6 past the 42, I grant your point that
7 it's on somebody else's nickel. But 42
8 million is real money where I come from.

9 Q. When was the idea of remaining in
10 the tort system rejected or abandoned by
11 the debtors?

12 MR. HIRST: Object to the form.

13 A. None of the options was rejected
14 or abandoned until the final vote.

15 Q. Was remaining in the tort system
16 presented as a viable option to the
17 board?

18 A. It was certainly viable. We had,
19 the debtors had the funding agreements.
20 It was certainly viable that if that
21 were the decision the debtors could
22 revert to the tort system. You know,
23 whether it was advisable is a separate
24 question, but it was certainly viable.

25 Q. Besides the options we've

Evan Turtz April 5, 2021 Excerpted Deposition Transcript

**Filed Provisionally Under Seal Per Agreed Protective Order
Governing Confidential Information**

Manlio Valdes March 1, 2021 Excerpted Deposition Transcript

1 MANLIO VALDES

2 UNITED STATES BANKRUPTCY COURT
3 FOR THE WESTERN DISTRICT OF NORTH CAROLINA
4 CHARLOTTE DIVISION

4 -----x

5 IN RE: Chapter 11
6 No. 20-30608 (JCW)
(Jointly Administered)

7 ALDRICH PUMP LLC, et al.,
8 Debtors.

9 -----x

10 ALDRICH PUMP LLC and
11 MURRAY BOILER LLC,
12 Plaintiffs,

13 v. Adversary Proceeding
14 No. 20-03041 (JCW)

15 THOSE PARTIES TO ACTIONS
16 LISTED ON APPENDIX A
17 TO COMPLAINT and
18 JOHN and JANE DOES 1-1000,
19 Defendants.

20 -----x

21 *REVISED*

22 REMOTE VIDEOTAPED DEPOSITION OF
23 MANLIO VALDES

24 Reported by:
Sara S. Clark, RPR/RMR/CRR/CRC
25 JOB No. 190521

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

MANLIO VALDES

MARCH 1, 2021

8:35 a.m. EST

Remote Videotaped Deposition of
MANLIO VALDES, held at the location of the
witness, taken by the Committee of Asbestos
Personal Injury Claimants, before Sara S. Clark,
a Registered Professional Reporter, Registered
Merit Reporter, Certified Realtime Reporter, and
Notary Public.

1 MANLIO VALDES

2 Q. And did you sign them and put them in
3 the return envelopes back to Sara Brown?

4 A. Yes, sir, I believe I did.

5 Q. Did you carefully review the documents
6 that were attached to this e-mail that we're
7 looking for, April 21, or did you just sign the
8 documents knowing in general what they were
9 about?

10 MR. HAMILTON: Object to form.

11 A. No, I --

12 MR. GOLDMAN: Let me -- I'll reword
13 the question.

14 Q. Did you review the document sheet --
15 besides the signature pages, did you review the
16 documents that she had sent to you that were
17 attached in the April 21 --

18 A. I did. I did, Mr. Goldman.

19 Q. Okay. Was there anything in those
20 documents that you did not understand?

21 A. From memory, I don't know what the
22 exact documents were. This is at the beginning,
23 I believe, after I was asked if I would be
24 willing to serve as a board member and president
25 of those businesses. So I believe, but don't

1 MANLIO VALDES

2 know for certain, that this was some of the
3 incorporations and early documents that needed
4 to be signed.

5 Your question is if I understood every
6 single word in the document? The simple answer
7 probably would be no. Some of these documents
8 are outside of my general field of expertise.
9 But broadly speaking, with documents like this
10 in our company, I review them. I try to ask
11 questions, if there were some, from legal
12 counsel, and counsel generally tries the best
13 they can to give me comfort. But some of these
14 things may sit very well outside my area of
15 immediate expertise, so...

16 Q. Do you recall asking any questions
17 about any of the documents that were sent to you
18 on April 21st?

19 MR. HAMILTON: Again, I'm --

20 A. I --

21 MR. HAMILTON: Excuse me, Mr. Valdes.

22 I'm just going to interpose an
23 objection.

24 I don't need to instruct you not to
25 answer at this point. It's a yes-or-no

1 MANLIO VALDES

2 the operating company would be insolvent.

3 Q. And you said one of the considerations
4 was treating the claimants equitably; is that
5 right?

6 A. That is correct.

7 Q. You're talking about the people
8 injured or killed by the asbestos product?

9 A. Correct. Anybody that had a
10 legitimate claim against us. And we discussed
11 it quite a bit.

12 Q. And if you kept, I think you said,
13 option 1 was basically keep going the way you
14 had been going with the claims being handled by
15 Navigant and paid by the parent, what reason did
16 you have to believe that those claimants -- if
17 any, that those claimants would not be treated
18 equitably if you had chosen option 1?

19 A. Well, Mr. Goldman, let me answer the
20 question maybe this way, and then obviously if
21 you have another question, I'll take that one.

22 But in my mind, my recollection, and
23 just thinking back on it, I wasn't intent on
24 solving a single variable. If I had been trying
25 to solve the problem of a single constituent

Robert Zafari March 2, 2021 Excerpted Deposition Transcript

1 UNITED STATES BANKRUPTCY COURT
2 FOR THE WESTERN DISTRICT OF NORTH CAROLINA
3 CHARLOTTE DIVISION
4

5 IN RE:)
6)
7 ALDRICH PUMP LLC, et al.,) Chapter 11
8 Debtors,) No. 20-30608 (JCW)
9) (Jointly Administered)
10)
11 ALDRICH PUMP LLC and)
12 MURRAY BOILER LLC,) Adversary Proceeding
13 Plaintiffs,) No. 20-03041 (JCW)
14)
15 V.)
16)
17 THOSE PARTIES TO ACTIONS)
18 LISTED ON APPENDIX A TO)
19 COMPLAINT and JOHN AND)
20 JANE DOES 1-1000,)
21 Defendants.)
22)
23)
24)
25)

20 REMOTE DEPOSITION OF ROBERT ZAFARI

21 TUESDAY, MARCH 2, 2021

22 8:29 A.M.

24 REPORTED BY: KATHERINE FERGUSON, CSR NO. 12332

25 JOB NO. 190522

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

March 2, 2021

8:29 a.m.

Deposition of ROBERT ZAFARI, held remotely,
before Katherine Ferguson, Certified Shorthand
Reporter.

1 specific mention of it. I don't think it would have
2 mattered. I don't know. I was not part of what
3 units were created or were to be created or anything.

4 Q Okay. But you understood it was something
5 in the air conditioning or air --

6 A Yeah, that's the nature of Trane, yes.

7 Q And you said -- you said that sometime
8 after this high-level conversation you had a meeting
9 with the team.

10 When approximately was that?

11 A It must have been either late March or
12 early April. I don't remember. So around that
13 period.

14 Q Who was part of that team meeting besides
15 yourself?

16 A There was Manuel Valdez and I remember Alan
17 Tananbaum, which became part of every meeting after
18 that, and probably Amy Roeder. That's definitely a
19 core in most of our meetings. And then there were a
20 number of lawyers. I could not specifically remember
21 who at every meeting. A lot of the people I only
22 know by name or heard the name or by video, et
23 cetera. So there were people I didn't know. I know
24 there were specialists there to help us.

25 Q When was -- when was the subject of

1 bankruptcy or potential bankruptcy filing or possible
2 bankruptcy filing first mentioned, you know, to you
3 or in your presence?

4 A In an implied way, when I looked at the
5 Bestwall case, you know, it definitely appeared like
6 an option. But we never talked about that subject
7 as -- as a single element. We talked about it as
8 part of, you know, the various alternatives that were
9 discussed in every meeting at various length. So
10 it's never been discussed as one topic. It's been
11 much broader than asbestos or bankruptcy.

12 Q Is it -- is it still being -- considered
13 one of the options?

14 A It's one of the options, but there were
15 other options also. We painstakingly reviewed, over
16 the first many, many meetings that we have,
17 understanding all the -- because none of us knows
18 about bankruptcy or asbestos, so none of that had --
19 we were brought up to speed with a lot of questions,
20 a lot of discussions.

21 Q Are you familiar with an entity named 200
22 Park, Inc.?

23 A Yeah, that's a wholly-owned subsidiary of
24 Aldrich.

25 Q Are you a -- are you a manager or member of

1 code as a mechanism to finally resolve current and
2 future asbestos claims against the companies."

3 As of May 29, 2020, had the decision been
4 made to pursue section 524(g) of the bankruptcy code?

5 A I don't think so, no.

6 Q So despite the fact that the other options
7 had been found on May 22nd to be not liable, it still
8 hadn't not been (inaudible) to use 524(g)?

9 A Yeah. Oh, yeah. I don't think that's when
10 we had made the resolution. It was still work in
11 progress to look at the different options.

12 Q Okay.

13 A Still making sure we reviewed them and
14 understood them and all of that.

15 Q If you could turn to page 3, please.

16 A Yes.

17 Q The first section discussion that's
18 outlined in the minutes is an update regarding
19 activities and connection with the current
20 asbestos-related lawsuits.

21 Could you tell me what was said on that
22 subject?

23 MR. HAMILTON: Object and instruct not to
24 answer on the grounds it requires disclosure of
25 communications protected by the attorney/client

1 privilege.

2 BY MR. GOLDMAN:

3 Q The second section describes a review and
4 further discussion of strategic options to addressing
5 current and future asbestos claims.

6 Could you tell me what you recall being
7 said on that subject?

8 MR. HAMILTON: Object and instruct the
9 witness not to answer that question because it
10 requires disclosure of communications protected by
11 the attorney/client privilege. As we did in the
12 prior meetings, I will not object to questions that
13 ask what were the subject -- or what were the
14 strategic options that were considered, but if the
15 question is what was said, I'm objecting and
16 instructing the witness not to answer.

17 BY MR. GOLDMAN:

18 Q In this section, it says, Mr. Tananbaum
19 briefly reviewed the strategic options for addressing
20 current and future asbestos claims presented June 15
21 -- excuse me, make sure -- at the May 15th joint
22 meeting and further discussed at the May 22 joint
23 meeting noting that it received requests from members
24 of the boards at and after the May 22 joint meeting
25 to prepare for review with the boards a side-by-side

1 comparison of such options.

2 Did you make such a request?

3 A I think we all agreed on those and having a
4 side by side. I don't know if it was specifically me
5 or -- I don't know, but we all agreed that that was
6 the right thing to do.

7 Q And was a side-by-side review presented at
8 this meeting?

9 A I don't remember which meeting it was
10 presented.

11 Q Further down the same paragraph, it says,
12 "Mr. Tananbaum then reviewed a slide presentation
13 which was shared electronically by internet that
14 analyzed such options on a side-by-side basis."

15 A That would be this meeting.

16 Q So that would be on May 29?

17 A Probably if it says so, that's the date,
18 yeah.

19 Q And do you recall the -- withdrawn.

20 When we talk about side by side, would that
21 be if we do this, if we do option 1, then this thing
22 will happen; if we do option 2, something else will
23 happen; and so on and so forth, just going point by
24 point? Is that what a side-by-side presentation --
25 is that what it was structurally?

1 A It was basically what we discussed before,
2 the headlines were organizational, optimization,
3 insurance and 524(g). And the outcome of possible
4 permanent, efficient, et cetera. I think that's --
5 those are the discussions. They weren't held only
6 during this meeting. They were held -- this whole
7 thing traveled over time, on the 15th onward. We
8 were digging into each scenario to make sure we're
9 making the right decision. So side by side would
10 definitely look at the credibility, the cost and
11 things of that sort, all of the things we underlined
12 earlier in our conversation and the efficiency,
13 permanency, all of that.

14 Q Did you have any questions about side by
15 side?

16 MR. HAMILTON: You can answer that question
17 yes or no.

18 THE WITNESS: I probably did. I'm sure I
19 did.

20 BY MR. GOLDMAN:

21 Q What were those questions?

22 MR. HAMILTON: Objection, instruct the
23 witness not to answer on the grounds it requires
24 disclosure of communications protected by the
25 attorney/client privilege.

1 MS. FELDER: This is Debbie Felder from the
2 FCR. I have one question, Mr. Zafari.

3

4 EXAMINATION

5 BY MS. FELDER:

6 Q Do you have an understanding of how
7 asbestos claimants will be treated in the bankruptcy?

8 A Current or future?

9 Q Let's start with current.

10 A With the current -- well, this is to be
11 determined as -- in the bankruptcy, if this goes
12 through, there's all kinds of conditions we have to
13 meet and my understanding is basically once -- and if
14 we can set a trust, the claimants would manage the
15 claims. So that's, in short, my understanding. And
16 what would help me is to understand that the future
17 claimants are treated as well as the current
18 claimants as much as possible and they're consistent
19 across the geographies or time. So that's how I hope
20 that the claims would be handled.

21 MR. FELDER: That was all I had. Thank
22 you.

23 THE WITNESS: Okay.

24 MR. GOLDMAN: Mr. Zafari, I have one or two
25 followup questions.