Docket #2969 Date Filed: 12/10/2025

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re:	:	Chapter 11
ALDRICH PUMP LLC, *et al.*,[1]	:	Case No. 20-30608 (LMJ)
Debtors.	:	

THE OFFICIAL COMMITTEE OF ASBESTOS PERSONAL INJURY CLAIMANTS' RESPONSE TO THE FUTURE ASBESTOS CLAIMANTS' REPRESENTATIVE'S MOTION FOR AN ORDER COMMENCING THE ESTIMATION TRIAL WITH HEARINGS BASED ON TORT SYSTEM VALUES AND THE PARTIES' EXPERT REPORTS

The Official Committee of Asbestos Personal Injury Claimants (the "**Committee**") respectfully submits this response (the "**Response**") to *The Future Asbestos Claimants' Representative's Motion for an Order Commencing the Estimation Trial with Hearings Based on Tort System Values and the Parties' Expert Reports* (the "**Motion**") [Dkt. No. 2941]. The grounds supporting this Response are as follows:

PRELIMINARY STATEMENT

Last month, the United States Bankruptcy Administrator for the Western District of North Carolina (the "**Bankruptcy Administrator**") requested that this Court order continued mediation, and the Court has continued that hearing to December 17, 2025.[2] All parties appear to agree in principle with the Bankruptcy Administrator's motion and the Committee believes that mediation should proceed in tandem with any expedited estimation in an effort to advance the ultimate potential resolution of these cases. If successful, mediation could resolve these cases, quickly

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

[2] *See* Mot. to Modify Order Establishing Mediation Protoc., Dkt. No. 2887 (the "**BA Mediation Motion**").

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compensating the only unpaid creditors of these Debtors (and their non-debtor affiliates): the dead and dying asbestos victims and their widows, widowers and surviving children while preserving their Seventh Amendment jury trial rights against the assets of Trane, not a capped trust. Even a mediation that is not immediately successful may provide the parties with a better understanding of each other's positions with respect to how any consensual agreement might be achieved.

The Committee agrees with the Future Claimants' Representative (the "**FCR**") that any formal estimation process would only be useful and productive if focused on and limited to calculations based on the Debtors' settlement and verdict history (what the FCR refers to as "tort value" estimation). Ultimately creditors and the Court will be required to compare any proposed treatment against what would be available outside of bankruptcy. The Committee also agrees that to the extent the Debtors insist on, and are permitted to, pursue their so-called "legal liability" and/or alleged suppression of evidence theory as part of estimation, that would, as the FCR notes, "delay estimation for years." Delay only benefits the Debtors; delay has grievous impact on the current claimants.

Accordingly, the Committee supports the Motion to the extent it would result in the Debtors complying with such a Court-ordered tort value estimation process. In other words, if this Court does decide to set an abbreviated estimation proceeding, the parties must be required to put forward an estimate extrapolating directly from the Debtors' historical tort system settlements and patterns at least for purposes of the expedited estimation; such a methodology is the established way to estimate the value of current and future mesothelioma claims. Without such guard rails in place, the Debtors would be free to make allegations of evidence suppression without the current process that gives the Committee at least some opportunity to respond. Moreover, the process proposed

by the FCR should not be side-tracked or delayed by *Daubert* motions, expert challenges or other ancillary litigation.

There is also no reason to delay mediation until after such an expedited estimation proceeding takes place. Accordingly, to the extent the FCR intended to suggest that a formal estimation process is a necessary predicate for a productive mediation and/or negotiation to take place, the Committee respectfully disagrees with that suggestion. As set forth below, a number of consensually resolved asbestos cases did not have a formal estimation proceeding or hearing, yet agreement was reached among the Debtors, the Committee and the FCR, via mediation or otherwise.

RELEVANT BACKGROUND

1. The Debtors made clear their strategy to declare their historical asbestos litigation experience inappropriate for estimating their aggregate remaining asbestos liability from the outset of these cases. On the day the Debtors filed for bankruptcy (June 18, 2020), they filed an "informational" brief wherein they alleged that their settlements in the tort system were corrupted by their plaintiffs' purported suppression of evidence regarding their other asbestos exposures. Informational Br. at 6, Dkt. No. 5.

2. On August 26, 2021, the Debtors and the FCR informed the Court that they had reached a "settlement" agreement that purportedly resolved all the asbestos liabilities in these chapter 11 cases,[3] and of course did so prior to any formal estimation process or trial. The Committee played no role in the formation of this deal. The agreement between the Debtors and

[3] *See* Hr'g Tr. 6:16-25, Aug. 26, 2021 (B. Erens); *see also* Notice of Filing of Plan Support Agmt., Dkt. No. 832 ("**Plan Support Agreement.**"). The FCR was a signatory to the Plan Support Agreement. *Id.* at 19. The parties have asserted that the FCR has a common interest with the Debtors related to the settlement. *E.g.*, Hr'g Tr. 96:18-24, Mar. 3, 2022 (G. Mascitti); Tananbaum Dep. 152:20-153:18, July 6, 2023.

the FCR is embodied in a proposed plan (the "**Proposed Plan**")[4] that provides for a § 524(g) trust funded with $545 million[5] (an amount lower than the very low end of the Debtors' ultimate parent's estimate for asbestos liability),[6] $125 million of which would be allocated to Prepetition Asbestos Claims. *See* Debtors' Mot. for Estimation of Prepetition Asbestos Claims ¶ 10, Dkt. No. 833 (the "**Estimation Motion**"). Although it has been four years since the Proposed Plan was filed, the Debtors and the FCR have yet to file a disclosure statement or solicit votes, despite repeated invitations to do so.

3. In furtherance of the Proposed Plan, on September 24, 2021 the Debtors asked the Court to estimate the liability of their current asbestos claimants at no more than $125 million.[7] Rejecting that proposal, this Court instead agreed to allow an estimation proceeding that would estimate the Debtors' aggregate liability for all current and future asbestos personal injury claims (the "**Estimation Proceeding**").[8]

4. The Court entered its initial Case Management Order for Estimation of Asbestos Claims on August 2, 2022 (the "**Estimation CMO**").[9] The Debtors' evidence suppression theory has been the reason for significant delays in the Estimation Proceeding. *See* Mot. at 4 (noting that the parties are "conducting lengthy discovery" into the suppression of evidence, a "key element of

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4 Joint Plan, Dkt. No. 831.

5 Debtors' Mot. for Order Auth. Establishment of QSF ¶ 4, Dkt. No. 834; *see also* Plan Support Agmt. Ex. 1 at 5, 25, 26, 44, 57, Dkt. No. 832.

6 Findings of Fact and Conclusions of Law Regarding Order: (I) Declaring that the Automatic Stay Applies to Certain Actions Against Non-Debtors, (II) Preliminarily Enjoining Such Actions, and (III) Granting in Part Denying in Part the Motion to Compel ¶ 36, Adv. Pro. No. 20-03041, Dkt. No. 308 ("**Court's Findings and Conclusions**") ("As of December 31, 2019, IR plc has projected the current and future asbestos liabilities of Old IRNJ and Old Trane to be at least $547 million.").

7 *E.g.*, Estimation Mot. ¶¶ 13, 20.

8 Order Auth. Estimation of Asbestos Claims ¶ 2, Dkt. No. 1127; Hr'g Tr. 13:6-14:2, Jan. 27, 2022.

9 Dkt. No. 1302. Those deadlines were ultimately extended and then suspended. First Am. Estimation CMO, Dkt. No. 1804; Order Suspending Deadlines Established by Agreed CMO for Estimation of Debtors' Current and Future Meso. Claims, Dkt. No. 2229.

the legal liability theory" and that it is "expected that discovery and related motion practice could take years to complete" and so "no firm date has been set for estimation."). The parties sought an order extending the deadlines in the Estimation CMO by one year,[10] before agreeing to suspend the Estimation CMO deadlines while they negotiated a protocol for, and began collection of, claimant files and related documents for those claimants that would serve as a sample to test the Debtors' allegations.[11] The Court entered an order suspending the Estimation CMO deadlines on April 25, 2024.[12]

5. Meanwhile, the Debtors have engaged in extensive estimation-related discovery to support their allegations regarding plaintiffs' alleged concealment of other sources of asbestos exposures prior to settlement. *See, e.g.*, Order Granting Debtors' Mot. for Order Auth. Debtors Issue Subpoenas on Asbestos Trusts and Paddock Enters., LLC, Dkt. No. 1240 and Order Approving PIQ, Dkt. No. 1246.

6. On September 15, 2025, the experts for the Committee, the FCR and the Debtors exchanged preliminary expert reports and reliance materials for the Estimation Proceeding. The Debtors produced a report with multiple estimates, including one based in part on historical settlement values. Mot. at 6.

7. The Bankruptcy Administrator subsequently moved to renew mediation. *See* BA Mediation Mot. The BA Mediation Motion seeks an order calling for mediation to take place within 90 days of a ruling on that motion, for decision makers for all parties to attend, and for a mediation report to be issued. BA Mediation Mot. ¶ 2.

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[10] Agreed Mot. to Amend Estimation CMO, Dkt. No. 1766; *see also* First Am. Estimation CMO, Dkt. No. 1804; Second Am. Estimation CMO, Dkt. No. 2656.

[11] *See* Hr'g Tr. 8:23-9:12, Apr. 25, 2024.

[12] Order Suspending Deadlines, Dkt. No. 2229.

8. In response to the BA Mediation Motion, the Debtors represented that they "remain ready and willing to engage in negotiations with all key constituencies regarding a consensual resolution of these chapter 11 cases." Debtors' Resp. to BA Mediation Mot. ¶ 1, Dkt. No. 2927. The FCR likewise indicated that he "fully supports any mediation efforts in this case." FCR's Resp. to BA Mediation Mot. at 1, Dkt. No. 2925. The Committee also "agrees that mediation at this stage of the case will inform the parties whether, and, if so, how, a consensual resolution of this case may be achieved." Committee's Resp. to BA Mediation Mot. at 1, Dkt. No. 2928.

9. At the hearing on November 20, the Bankruptcy Administrator reiterated the importance of having a set date to recommence mediation. Hr'g Tr. 49:19-21, Nov. 20, 2025 (S. Abel: "I'm perfectly happy with . . . [more than 90 days]. I don't want it to be an aspirational order. I want it to be an order, if we do it, that actually gives a deadline and says, 'Come on. Let's, let's get this done.'"). The parties indicated support and optimism, with the Committee noting its support for mediation "on the quickest timeline that makes sense in the case," *id.* at 54:15-16 (Ms. Ramsey), and both the Debtors and FCR indicating willingness to talk and "move these cases along and reach a resolution," *id.* at 55:20-22 (Mr. Erens). *See also id.* at 53:5 (Mr. Guy: "I think, hopefully, we're going to see progress here."). Mr. Eric Green, who has already served as mediator in these cases, has also indicated he is "ready, willing, and able" to re-engage in this process.

10. As suggested by the Bankruptcy Administrator, mediation now makes sense to see if a consensual resolution is achievable.

ARGUMENT

I. Mediation Should Not be Delayed by Any Estimation Proceeding, No Matter How Streamlined

11. As Judge Whitley noted, to resolve these cases under section 524(g), the parties need to reach an agreement. *See* Court's Findings and Conclusions ¶ 76 ("[T]he current asbestos

claimants must by a 75% vote, approve the Plan."); *Truck Ins. Exch. v. Kaiser Gypsum, Co.*, 602 U.S. 268, 274 (2024) (citing 11 U.S.C. § 524(g)(2)(B)(ii)(IV)(bb)).[13] More than four years have passed since the FCR purported to agree to allow the Debtors, highly solvent entities in no imminent danger of financial distress, to resolve all their asbestos liabilities for an amount lower than the very low end of the Debtors' ultimate parent's prepetition estimate for asbestos liability.[14] Acknowledging that they lack the support of current claimants necessary to achieve a section 524(g) plan, the Debtors and the FCR have made no attempt to solicit a vote on their Proposed Plan[15] in the four years since it was filed. *See* Hr'g Tr. 71:14-17, Dec. 2, 2021 (Mr. Erens: "Ms. Ramsey has suggested that we—I'm not sure she said this exactly, but what I heard was we should be required to solicit the plan. That also makes no sense to us, your Honor. The currents are not going to vote for the plan.").

12. The FCR contends that "the Court's subsequent estimate could, and indeed should, lead to agreement between the estate fiduciaries for a plan and trust consistent with the Court's findings." Mot. at 1. But an estimation, even one conducted pursuant to the FCR's proposed procedure, will not obviate the Committee's concerns with the Debtors' plan structure or convert an unpalatable plan into a palatable one. Moreover, history teaches that estimations are nearly always wrong, and usually wrong by underestimating the liabilities. Given the lack of financial distress of the relevant corporate enterprise, it would be neither fair nor appropriate to place the risk of an underestimate on the asbestos victims. Conversely, a plan that provided for opt-outs to

[13] Additionally, at least two-thirds in amount of the value of such a class of current claims must approve a Plan under 11 U.S.C. § 1126(c).

[14] Court's Findings and Conclusions ¶ 36 ("As of December 31, 2019, IR plc has projected the current and future asbestos liabilities of Old IRNJ and Old Trane to be at least $547 million.").

[15] Nor have they prepared a plan that addresses the *Ortiz v. Fibreboard Corp.*, 527 U.S. 815 (1999) issues outlined by Judge Whitley. *See, e.g.*, Order Denying Mots. to Dismiss, at 36-40, Dkt. No. 2047.

the tort system, against the uncapped assets of the non-debtor affiliates, places the risk where it belongs: on the corporate enterprise that orchestrated this bankruptcy.

13. The FCR says that the *Garlock* bankruptcy case is "direct[ly and] unique[ly] parallel[]" to these cases. Mot. at 5. If so, it serves as an example of why estimation, whether abbreviated or not, is not a shortcut to case resolutions. In *Garlock*, a case where the debtors put forth an evidence suppression theory, the court estimated Garlock's aggregate liability for present and future mesothelioma claims at $125 million.[16] The case was consensually resolved for $500 million more than two years later.[17] Thus, the estimation in *Garlock* could not and did not dictate the terms of the ultimate resolution or eliminate the need for the parties to negotiate a deal. Indeed, even the FCR acknowledges that the *Garlock* court's estimation was "not dispositive." Mot. at 6. As Judge Whitley, the successor judge in the *Garlock* case and the previous judge in these cases, noted about the estimation proceeding there:

> [B]y the end of it the parties were pretty hot at one another and it looked to me, while there was an agreement that was reached between the debtor and the FCR in a year's time, the parties overall were, were farther away instead of closer, at least that was my view of it at the point. I wasn't there at the first part of the case. But the bottom line is in the long run they did produce a settlement and we can argue about whether estimation caused that or something else. But the bottom line is if it, if it worked, it didn't work in a short period of time.

Transcript of Hearing at 83:9-18, *In re DBMP LLC*, No. 20-30608 (Bankr. W.D.N.C. Oct. 14, 2021).

14. Moreover, many asbestos cases have been consensually resolved without a formal estimation proceeding or hearing. For example, in the relatively recently-resolved cases of Kaiser

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[16] *In re Garlock Sealing Techs., LLC*, 504 B.R. 71, 97 (Bankr. W.D.N.C. 2014).

[17] *See* Disclosure Statement for Modified Joint Plan of Reorganization of Garlock Sealing Technologies LLC, *et al.* and OldCo, LLC, Proposed Successor by Merger to Coltec Industries Inc., at ii, *In re Garlock Sealing Techs., LLC*, No. 10-31607 (Bankr. W.D.N.C. July 29, 2016), Dkt. No. 5444; Modified Joint Plan of Reorganization of Garlock Sealing Techs. LLC, *et al.* and OldCo, LLC, Successor by Merger to Coltec Indus. Inc., *In re Garlock Sealing Techs. LLC*, No. 10-31607 (Bankr. W.D.N.C. May 19, 2017), Dkt. No. 5965-1.

Gypsum (in this Court)[18] and Owens Illinois/Paddock (in the Delaware Bankruptcy Court before Judge Silverstein),[19] the parties reached agreement with no formal estimation hearing.

II. A Streamlined Estimation Proceeding Would Require Presentations Focused Solely on Extrapolation of the Debtors' Historical Asbestos Litigation Experience Without Allegations of Evidence Suppression or Other Ancillary Litigation

15. If the Court determines that a streamlined estimation proceeding, focused solely on a tort system extrapolation of the Debtors' asbestos liabilities, is appropriate, certain safeguards would be necessary to ensure that the proceeding is a fair one.

16. As noted previously, a streamlined estimation here would be far preferable to the current drawn out process. Indeed, the DBMP Committee unsuccessfully requested a streamlined estimation in response to DBMP's estimation motion in that case. *See* The Official Committee of Asbestos Personal Injury Claimants' and the Future Claimants' Representative's Conditional Motion to Establish a Two-Step Protocol for Estimating the Debtor's Asbestos Liabilities, *In re DBMP LLC*, No. 20-30080 (Bankr. W.D.N.C. Sept. 23, 2021), Dkt. No. 1031. Although the Court denied the DBMP Committee's motion, the circumstances present here, where the parties have already exchanged estimates based on a methodology using historical claims settlement values and patterns, are distinguishable.[20] Estimating the Debtors' aggregate asbestos liability by reference to the Debtors' own claims history is the reasonable and legally supportable approach. *See, e.g.*, *In re Eagle-Picher Indus., Inc.*, 189 B.R. 681, 684-86 (correct approach is to begin with the data in the debtor's history). And if that were the approach taken, there would potentially only be three experts to depose, direct testimony could be submitted in advance, and with short opening

[18] *In re Kaiser Gypsum Co.*, No. 16-31602 (DMW) (Bankr. W.D.N.C.).

[19] *In re Paddock Enters., LLC*, No. 20-10028 (LSS) (Bankr. D. Del.).

[20] To the extent the Debtors' expert report contains methodologies other than one based on historical claims settlement values and patterns, those would need to be redacted and not utilized as part of an expedited estimation.

statements and time-limited cross-examination, such an estimation hearing might be wrapped up in as little as two to three days.

17. In contrast, allowing the inclusion of the Debtors' evidence suppression theory—the Debtors' assertion that their historical asbestos liability experience is corrupted and cannot be used to predict the future—would generate myriad complex evidentiary side shows. The "short tort value estimation trial [that] could be completed in a matter of months" envisioned by the FCR, Mot. at 5, requires all parties to use a fundamentally similar estimation methodology based on the tort system experience and settlement values of the Debtors.

18. If the Debtors are permitted to present their evidence suppression theory in a short-form estimation proceeding, equity would require this Court to give the Committee a fair opportunity to contest that theory. Providing the Debtors with free reign to lob allegations of evidence suppression with no meaningful opportunity—or process—for the Committee to respond would not only be manifestly unfair but would also eliminate any persuasive power the short-form estimation proceeding might otherwise have had.

CONCLUSION

For the foregoing reasons, the Committee supports an expedited estimation process alongside the continued mediation recommended by the Bankruptcy Administrator. These dual paths present dual opportunities, and are a sensible and efficient way to move these cases along a hopeful path toward a confirmable section 524(g) plan.

[Signatures on following page]

Dated: December 10, 2025
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