

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF NORTH CAROLINA  
CHARLOTTE DIVISION

In re

ALDRICH PUMP LLC, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No. 20-30608 (LMJ)

(Jointly Administered)

**DEBTORS' RESPONSE TO THE FUTURE CLAIMANTS' REPRESENTATIVE'S  
MOTION TO COMMENCE THE ESTIMATION TRIAL WITH HEARINGS  
BASED ON TORT SYSTEM VALUES AND THE PARTIES' EXPERT REPORTS**

Aldrich Pump LLC ("Aldrich") and Murray Boiler LLC ("Murray"), as debtors and debtors in possession (together, the "Debtors"), hereby respond to the *Motion for an Order Commencing the Estimation Trial with Hearings Based on Tort System Values and the Parties' Expert Reports* [Dkt. 2941] (the "Motion"), filed by the representative for future asbestos claimants in the above-captioned cases (the "FCR").

Since the petition date the Debtors have repeatedly reaffirmed their goal of a resolution of these cases that ensures final, fair, and efficient payment for asbestos claimants.<sup>2</sup> And throughout these cases, the Debtors, along with the FCR, have continuously strived to push these cases forward toward this goal. To that end, as a result of a motion by the Debtors, on September 15, 2025 each of the Debtors, the FCR, and the Official Committee of Asbestos Claimants (the "ACC")

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

<sup>2</sup> See, e.g., Declaration of Allan Tananbaum in Support of Debtors' Complaint for Injunctive and Declaratory Relief, Related Motions, and the Chapter 11 Cases [Dkt. 29] at 12 ("[T]he Debtors commenced the Chapter 11 Cases to resolve, finally and fairly, all current and future Aldrich/Murray Asbestos Claims and intend to pursue a plan of reorganization that includes the establishment of a section 524(g) trust"); *Joint Motion of the Debtors and the Future Claimants' Representative for an Order (I) Establishing a Bar Date for Certain Known Asbestos Claims, (II) Approving Proof of Claim Form, (III) Approving Personal Injury Questionnaire, (IV) Approving Notice to Claimants, and (V) Granting Related Relief* [Dkt. 471] at 2 ("The Debtors' objective in these cases is the rational and permanent resolution of asbestos litigation against them in a manner beneficial to both the Debtors and asbestos claimants").



exchanged initial expert reports (the "Initial Expert Reports") on the Debtors' asbestos-related liabilities. The FCR's and the ACC's respective experts estimated those liabilities by using the historical settlements of asbestos claims to forecast what the Debtors would have eventually paid to resolve claims in the tort system had the Debtors not filed for bankruptcy (the "Tort System Extrapolation Method"). In contrast, the Debtors' expert estimated those liabilities based on what it asserts is the proper estimation methodology for asbestos claims, the "Legal Liability Method," which is the methodology that measures the Debtors' actual liability for asbestos claims under state law and was the methodology accepted by Judge Hodges in Garlock. In addition, the Debtors' expert also included an alternative estimate based on the Tort System Extrapolation Method in anticipation of the FCR and ACC using that methodology.

The Debtors continue to believe that the appropriate way to estimate their liability for asbestos claims is the Legal Liability Method provided in their Initial Expert Report, and the Debtors remain committed to pursuing an estimation ruling based on that methodology. This is the path that the cases have been on since Judge Whitley granted the Debtors' estimation motion and expressly ruled that each party could present its preferred estimation methodology.

But the Debtors understand, as the FCR has highlighted in his Motion, that this path, especially when viewed in the light of the history of similar cases in this District, could be a long one, given the ACC's unprecedented and persistent discovery and motion practice aimed at attacking the Legal Liability Method.<sup>3</sup> Thus, if the FCR is correct, and an initial trial estimating

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<sup>3</sup> Counsel for the ACC in these cases is also serving as counsel for the ACC in Bestwall, which filed for bankruptcy in November 2017. The ACC there apparently does not believe that an estimation trial can occur in Bestwall prior to the tenth anniversary of the filing of that case, and may, in fact, take even longer. See Third Amended Case Management Order for Estimation of the Debtor's Liability for Mesothelioma Claims [Dkt. 3808], In re Bestwall LLC, No. 17-31795 (Bankr. W.D.N.C. May 13, 2025) (establishing November 2027 estimation hearing date, which would be more than 10 years after the petition date); May 9, 2025 Bestwall Hr'g Tr. [Dkt. 3811] at 9:18-10:4 (Counsel to ACC: "[potential waiver of privilege] would result in a new document production that would potentially cause further delay . . . that is most, the most likely, from our perspective [] to result in, in maybe a further extension.").

the Debtors' liabilities under the Tort System Extrapolation Method could foster negotiations, allow parties to better evaluate the proposed \$545 million Debtors/FCR Plan, and lead the parties to a consensual resolution, the Debtors are in favor. That outcome would indeed be beneficial.

However, for the Court to be in position to evaluate whether the FCR's proposal has any chance of advancing these cases down the path to resolution as the FCR predicts, the Debtors also believe that it is essential for the Court to first review the Initial Expert Reports to evaluate the merits of the Motion. The Debtors have analyzed the Initial Expert Reports, and based on that knowledge believe that the FCR's proposal to commence the estimation proceeding with a trial only on tort values might assist in fostering a resolution of the cases. But the Court is the only stakeholder here who has not yet seen those reports. Without that information, the Court lacks any similar basis to assess the workability of the FCR's proposal and make fully informed case management decisions.

After that review, if the Court is inclined to go down this new path, the Debtors maintain that precise parameters of the proposed proceeding should be established. These parameters include: (1) bifurcating the estimation process into Phase I and Phase II as described herein; (2) preserving without prejudice the Debtors' ability to pursue the Legal Liability Method in a Phase II trial if the Phase I trial does not prompt resolution as the FCR predicts; (3) limiting the contours of the evidence to be presented in the Phase I estimation trial to the opinions, and support thereof, included in the Initial Expert Reports and any rebuttal reports; (4) setting a schedule for rebuttal reports, depositions, and a Phase I estimation trial, after the parties have met and conferred on a schedule and, with respect to the trial, on dates available to the Court; and (5) pausing claims file discovery currently in process, which relates only to the Legal Liability Method, until Phase II.

### **THE ESTIMATION PROCESS TO DATE**

1. On April 18, 2022, the Court, over the ACC's objection, entered an order (the "Estimation Order") [Dkt. 1127] approving a substantial part of the Debtors' motion for estimation of their asbestos-related liabilities.<sup>4</sup> That estimation motion was filed in connection with the proposed \$545 million Debtors/FCR plan of reorganization filed on September 24, 2021 [Dkt. 831].

2. On July 1, 2022, over objections by the ACC and the subpoena recipients, the Court granted the Debtors' motion to authorize subpoenas to: nearly 20 asbestos trusts, the claims file processing facilities that processed claims for those trusts, and Paddock Enterprises LLC, an asbestos defendant with a pending chapter 11 case (collectively, the "Subpoena Recipients") [Dkt. 1240].<sup>5</sup> The Subpoena Recipients then sought to quash the subsequently served subpoenas in several jurisdictions. While all of the motions to quash were ultimately denied, the litigation delayed production of the requested information such that production did not conclude until over 18 months after the Court first authorized the subpoenas.

3. In September 2022, the ACC served Interrogatories and Requests for Production on the Debtors probing numerous estimation-related topics. To date, the Debtors have produced over 864,000 pages of documents in response to the ACC's discovery requests.<sup>6</sup>

4. The sole outstanding estimation-related written discovery owed to the ACC is in response to one interrogatory and a document request (the "Contention Requests"),

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<sup>4</sup> On August 2, 2022, the Court entered an initial case management order for estimation (the "Initial Estimation CMO") [Dkt. 1302].

<sup>5</sup> This "trust discovery" sought information in estimation of the type that Judge Hodges found persuasive in Garlock.

<sup>6</sup> In addition, in December 2020 and October 2021, the Debtors produced their extensive historical claims database maintained by PACE to both the FCR and the ACC. The database chronicles the Debtors' entire asbestos-related claims history.

whereby the ACC seeks production of all information concerning the hundreds of thousands of historical asbestos claims filed against the Debtors. The ACC ostensibly seeks this information to counter the Debtors' Legal Liability Method.<sup>7</sup>

5. In an effort to narrow the breadth of the Contention Requests, on September 9, 2022, the FCR filed a motion asking the Court to order the parties to reach agreement on a representative sample of resolved mesothelioma claims for purposes of discovery [Dkt. 1342]. A similar claims file sample was simultaneously being negotiated and finalized in DBMP and had already been agreed to and ordered in Bestwall.<sup>8</sup> Despite this backdrop, it took the parties over a year to reach an agreed 1,400 claims sample.<sup>9</sup>

6. The Debtors believe that much of the delay in promptly reaching what should have been routine agreements on these issues was due to the ACC's preoccupation with efforts to have these cases dismissed. In April and May 2023, the ACC and the Maune Raichle Hartley French & Mudd law firm ("Maune") decided, after almost three years in bankruptcy, to seek dismissal of these chapter 11 cases. These motions were denied by Judge Whitley at the end of 2023.<sup>10</sup>

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<sup>7</sup> The Legal Liability Method posits that settlements, for varied reasons, do not equal liability, so that a raw extrapolation of settlements in the tort system is an invalid and unfair estimate of the Debtors' actual liability. Here, of course, the FCR proposes to conduct Phase I solely based on this Tort System Extrapolation Method, so the Contention Requests are irrelevant to the FCR's proposed Phase I estimation.

<sup>8</sup> *Agreed Order with Respect to Resolved Claims Sampling for Purposes of Estimation Discovery* [Dkt. 2506], In re DBMP LLC, No. 20-30080 (Bankr. W.D.N.C. June 7, 2023); *Agreed Order with Respect to Estimation Discovery Matters* [Dkt. 2862], In re Bestwall LLC, No. 17-31795 (Bankr. W.D.N.C. Jan. 23, 2023).

<sup>9</sup> On December 28, 2023, the Court entered an *Agreed Order with Respect to Resolved Claims Sampling for Purposes of Estimation Discovery* [Dkt. 2048].

<sup>10</sup> See Order Denying Motions to Dismiss [Dkt. 2047]. The ACC and Maune appealed the order denying dismissal, including seeking to have the Fourth Circuit accept direct appeal, which the Fourth Circuit declined to do in April 2024. See Order [Dkt. 50], In re Off. Comm. of Asbestos Personal Injury Claimants v. Aldrich Pump, No. 24-128 (4th Cir. Apr. 17, 2024). The District Court also subsequently denied motions for leave to appeal Judge Whitley's denial of the dismissal motions. See Memorandum Opinion and Order [Dkt. 50], Off. Comm. Of Asbestos Claimants v. Robert Semian and Other Clients of MRHFM, No. 24-00042 (W.D.N.C. Nov. 11, 2025).

7. Given the ACC's focus on dismissal, attempts at productive discussions regarding estimation during much of 2023 and 2024 lagged. As a result, on May 18, 2023, the parties filed an agreed motion [Dkt. 1766] extending the deadline for completion of written discovery by one year, with commensurate extensions of related deadlines within the Initial Estimation CMO.<sup>11</sup>

8. Less than a year later, the parties sought another extension, this time suspending all deadlines in estimation, which the Court also approved [Dkt. 2229]. It then took an additional eight months for the ACC to agree to a claims file protocol describing what sources and search methodology the Debtors would use to collect and produce the "claims files" for the 1,400 claims in the agreed claims sample. That protocol was presented to this Court at the January 30, 2025 hearing.

9. Despite all of this history, the ACC persisted in attempts to relitigate whether estimation in these cases should be pursued, including at the first hearing before Your Honor.<sup>12</sup> The Court rejected the ACC's overtures and made clear that moving estimation along expeditiously was a priority.<sup>13</sup> In response, on March 6, 2025, the Debtors filed their *Motion to Amend Case Management Order for Estimation of Asbestos Claims* [Dkt. 2562] (the "Second

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<sup>11</sup> On June 12, 2023, the Court granted the agreed motion, entering the *First Amended Case Management Order for Estimation of Asbestos Claims* [Dkt. 1804], which changed the written discovery deadline to August 2, 2024 and extended all commensurate deadlines within the Initial Estimation CMO.

<sup>12</sup> See Oct. 24, 2024 Hr'g Tr. [Dkt. 2416] at 142:18-20; 171 (ACC Counsel: "That [estimation-related] issue again, will be coming back to this Court if the debtor is able to obtain what it asks the Court to do, which is to continue on the estimation path."); id. at 151:6-10 ("[E]stimation is a long road to nowhere . . . estimation is simply going to result in delay. In our opinion, it will not advance at all a consensual resolution of this case.").

<sup>13</sup> See Jan. 30, 2025 Hr'g Tr. [Dkt. 2535] at 45:8-46:9 ("I'm really hesitant to wait three months to just begin discussing a deadline[.] . . . So we'll do two months, if this is what we're doing . . . right? . . . I do think we need to get some, some deadlines, at least. . . . I think about the people who need distribution of these funds, you know. That's what we all need to think about. And so thinking, about, you know, three more years, which it could [take], I mean, if we're even just starting to talk about discovery.").

Motion to Amend Estimation CMO"), proposing a definitive timeline for written discovery in estimation and also providing for the preparation and exchange of Initial Expert Reports. On March 27, 2025, the Court granted the motion over the ACC's objection and continued argument that estimation should be abandoned.<sup>14</sup>

10. Since the approval, progress in estimation has far outpaced the preceding three years combined. In just seven months, the Debtors have already produced over 700,000 pages of claims files in response to the ACC's Contention Requests. And on September 15, 2025, the Debtors, ACC, and FCR exchanged their Initial Expert Reports.

### **ARGUMENT**

#### **I. LEGAL LIABILITY IS THE CORRECT ESTIMATION METHODOLOGY FOR ESTIMATING THE DEBTORS' ASBESTOS LIABILITIES.**

11. The Debtors appreciate the FCR's continual efforts to progress these cases, which have often worked in tandem with the Debtors' efforts to move these cases towards estimation and, indeed, confirmation. That said, the Debtors diverge from the FCR in that they staunchly believe, as Garlock established, that an estimation based on the Legal Liability Method is the only valid methodology for valuing the Debtors' asbestos liabilities. As Judge Hodges held in Garlock:

The bankruptcy estimation process requires a pure (or more academic) analysis of Garlock's 'liability' to claimants; whereas the tort system produced a settlement based both liability and avoidable defense costs. Here, the court's mission is to determine Garlock's *liability* to claimants—and data that includes avoided defense costs does not prove that. By analogy, following the 'settlement' approach would be like valuing a trade creditor's claim by the cost of collection rather than the amount of the debt. Here claimants' claims

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<sup>14</sup> The Court reiterated that "I genuinely believe that a process that works towards obtaining and sharing competing numbers -- and by that I mean, the number, the alleged amount of the debtors' asbestos liability, what everyone thinks is the way to, forward, to get money in the hands of the claimants." Mar. 27, 2025 Hr'g Tr. [Dkt. 2622] at 8. On April 17, 2025, the Court entered an order approving the Second Motion to Amend Estimation CMO [Dkt. 2656] (the "Second Amended Estimation CMO").

must be estimated as of Garlock's petition date and pursuant to state law. But, the proper measure is of its liability and not simply its claims resolution history.

In re Garlock Sealing Techs., LLC, 504 B.R. 71, 94 (Bankr. W.D.N.C. 2014) (emphasis in original).<sup>15</sup> The Garlock court's adoption of the Legal Liability Method is particularly relevant given the similarities between Garlock's and the Debtors' products and the fact that they paid similar amounts in the tort system.

12. With this in mind, the Debtors believe that only a complete estimation trial on all issues, including the Legal Liability Method adopted in Garlock, would give this Court the full context it needs to determine the appropriate estimation methodology and its most accurate estimate of the Debtors' asbestos liabilities. But, if the FCR's predictions about what could result from a Tort System Extrapolation Method trial are on target, the Debtors agree that the FCR's proposal would indeed be beneficial in achieving the Debtors' ultimate goal: a full and final resolution of these cases.

## **II. BEFORE DECIDING WHETHER TO DEVIATE FROM THE CURRENT PATH, THE DEBTORS BELIEVE THE COURT SHOULD FIRST REVIEW THE INITIAL EXPERT REPORTS.**

13. Again, as a threshold matter, the Debtors submit that the Court should review the Initial Expert Reports while considering the Motion. At this point, this Court is being asked to make case management decisions and adopt a unique new direction for these cases in a near vacuum. Apart from superficial information about what the Court would even be asked to decide in a "tort value" estimation trial, the Court has no context for the issues, what sequence

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<sup>15</sup> See also id. at 95 ("The court has concluded that the [legal liability] approach offered by Garlock produces a reasonable and reliable estimate of its liability to present and future claimants. That estimate is based on econometric analysis of current data produced in discovery by the representatives of a sizeable sample of the current claimants and applied parameters based on observation and accepted measures. Although it is a 'projection,' it appears to be based on reasonable factors and to be designed to produce an accurate estimate.").



and schedule makes sense, and, most importantly, how this departure from the current path might be beneficial. If these reports are going to form the backbone of the Phase I estimation trial, it seems essential to consider the range of positions of the parties set forth in those reports in order to assess the extent to which the bifurcated approach has merit.

14. To be sure, any effort that moves these cases forward towards a consensual resolution is worthy of serious consideration. However, whether that would occur, and whether a "tort system" estimation trial would accelerate case progress, are questions that the Court cannot really answer without the benefit of reviewing the Initial Expert Reports to gain an understanding of the parties' positions and what is at issue.

### **III. THE APPROACH PROPOSED BY THE FCR MAY BE WORKABLE IF CLEAR PARAMETERS AND CONDITIONS ARE ADOPTED.**

15. Because of the many delays in the estimation process to date, that process is not nearly as far along as the Debtors would have hoped. Hence, the FCR's proposal aimed at accelerating that process certainly has appeal. But the Debtors maintain that more precision about the contours of a bifurcated estimation process is needed to ensure that the FCR's proposal actually accelerates case progress while also preserving the Debtors' rights. Without this precision, a bifurcation may well end up serving as merely a detour.

16. Specifically, for the FCR's proposal to be workable and yield the benefits the FCR predicts, the Debtors submit that the conditions below must be incorporated into any amended estimation process and related order. The Debtors believe that these requirements are modest and should not be controversial. Without them, however, the Debtors' believe the FCR's worthy goals cannot be achieved.

**A. The Legal Liability Methodology Must Be Preserved.**

17. First, the Debtors do not waive their rights to pursue the Legal Liability Method, and request that any order amending the estimation process explicitly preserve the Debtors' right to present that methodology and the evidence supporting it. More specifically, the Debtors request that the order specify that the estimation process will be bifurcated into two phases. While Phase I would involve an estimation trial based on the Tort System Extrapolation Method, the order should also clarify that any Phase I ruling pursuant to the Tort System Extrapolation Method will not constitute or be construed as a ruling on whether that methodology is adopted as the definitive estimation methodology. The order should also clarify that, after a ruling on Phase I, if these cases are not resolved as the Debtors hope and the FCR predicts, Phase II of the estimation process would proceed. Phase II would involve consideration of the Legal Liability Method, a corresponding determination of whether it is the appropriate estimation methodology and, if the Court agrees that it is, an estimation of the Debtors' liabilities utilizing that methodology.

18. The Debtors strongly maintain that, absent a near-term consensual resolution of these cases, there is great benefit to the asbestos claimants in having the Court's estimate of the Debtors' actual asbestos liability under state law. The Debtors' view is that their actual liability is established by the Legal Liability Method. Barring a consensual resolution of these cases after a Phase I estimation trial, it would be important for the parties and all stakeholders to know whether the Court's determination of the Debtors' legal liability tracks the Debtors' view.

**B. The Scope of the Phase I (Tort System Extrapolation Method) Estimation Trial Should Be Limited.**

19. The Debtors recognize that a benefit of bifurcating the estimation process into Phase I and Phase II is that first obtaining an estimation ruling under the Tort System Extrapolation Method will potentially achieve a streamlined, faster estimation process. To capture that benefit, the order should specify, as outlined in the Motion, that the scope of the Phase I estimation trial is limited to the Initial Expert Reports and any rebuttal reports pursuant to the Second Amended Estimation CMO. See Mot. at 5. Said another way, the order should clarify that the evidence at this Phase I trial shall be limited to the experts that submit reports pursuant to the Second Amended Estimation CMO and the opinions and supporting evidence within those reports.

**C. The Parties Should Be Directed to Meet and Confer on a Phase I Schedule.**

20. If, after the Court has reviewed the Initial Expert Reports, it is inclined to pursue bifurcation of the estimation process proposed in the Motion, the Debtors urge the Court to direct the parties to promptly meet and confer about a schedule for all necessary trial activity related to this Phase I process. Once the parties have reached agreement on dates for these events and submitted either a consensual or competing schedules to this Court for consideration, this would allow the Court, if it approves the proposed schedule, to set the date and time for an estimation trial in view of the Court's own schedule.

**D. The Claims File Discovery Process Should Be Suspended Until Phase II of the Estimation Process.**

21. Finally, in order to allow the parties to focus attention on Phase I, and to realize the potential cost and time savings that the FCR predicts an accelerated tort system extrapolation estimation will provide, any order should suspend all deadlines to complete responses to the ACC's Contention Requests, including the further production of claims files,

until after the Phase I estimation ruling. This will allow the parties to determine whether the Phase I trial was sufficiently informative to serve as a catalyst for resolving these cases. If not, then the discovery process would be resumed as Phase II of the estimation process begins.

22. The ACC's Contention Requests are directed solely at the production of claims files and identification of individual claims for which evidence was suppressed from the Debtors in the tort system. These materials are only relevant to the ACC's efforts to rebut the Legal Liability Method, which asserts that settlements, for a number of reasons, do not equal liability, so that a raw extrapolation of settlement amounts in the tort system cannot serve as an estimate of the Debtors' actual liability under state law. While the Debtors disagree with the breadth of the Contention Requests, they have continued to collect and produce the requested documents. This has been time-consuming and imposes a significant expense to the estates, doubly so because the Debtors bear the burden of the expense of their own lawyers' review and production of those materials and the cost of the ACC's subsequent review of those same materials.<sup>16</sup>

23. By this Motion, the FCR proposes that Phase I of estimation be merely that raw extrapolation of asbestos claims settlements, and litigation over the Legal Liability Method be deferred. The ACC's Contention Requests, including the claims files currently being collected and produced in response to those requests, have no relevance to that raw extrapolation of asbestos claims settlements. If estimation pursuant to the Legal Liability Method is deferred until Phase II, so should this discovery that relates solely to that method. Doing so would allow the parties to focus on a just and speedy process for the Phase I estimation. It will further

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<sup>16</sup> Among the most time consuming activities is the collection of claims file materials from the Debtors' current and former external law firms, which are parties not controlled by the Debtors. Because that process is nearing completion, the Debtors would propose for efficiency that the collection of those documents be continued and completed.

achieve potentially enormous cost savings to the estates by avoiding the professional fees required for the Debtors to review and produce the information, and the equivalent professional fees incurred as the ACC's counsel review the same information once produced. If the FCR's hoped-for resolution sought by this Motion is achieved, all these very substantial review and production costs would be avoided.

#### **IV. THE DEBTORS DISAGREE WITH CERTAIN CHARACTERIZATIONS IN THE FCR'S MOTION.**

24. Finally, the Debtors note that there are a number of positions advanced in the Motion that are either incomplete or incorrect. For example, the Debtors do not agree that the trust funding amounts established in Garlock (and every other court-approved asbestos trust) were solely based on tort values. Mot. at 2. As to the \$480 million trust amount in Garlock, the ACC and the FCR in that case used the Tort System Extrapolation Method, resulting in estimations between \$1.0 and \$1.3 billion. See In re Garlock, 504 B.R. at 74. The court explicitly rejected the ACC/FCR estimates in favor of the debtors' Legal Liability Method estimate of \$125 million.<sup>17</sup> As counsel for the FCR has previously stated in these cases, the parties then negotiated the \$480 million trust funding amount.<sup>18</sup> The \$480 million settlement amount was far nearer to Garlock's \$125 million legal-liability estimate than the ACC/FCR's tort-system values.<sup>19</sup> The FCR's acknowledgement that the "Garlock Court's legal liability was instructive," Mot. at 6, understates its importance in that case.

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<sup>17</sup> See id. at 73 ("The estimates of Garlock's aggregate liability that are based on its historic settlement values are not reliable because those values are infected with the impropriety of some law firms and inflated by the cost of defense."); see also id. at 84-87, 94-95.

<sup>18</sup> See Dec. 2, 2021 Hr'g Tr. [Dkt. 943] at 79:21-80:10 (FCR Counsel: "[W]hat happened in Garlock is the court said 125. We and the ACC said, 'That's not enough.' . . . And we negotiated the \$480 million number.").

<sup>19</sup> This is even more the case because the \$480 million included compensation for non-mesothelioma diseases and to resolve claims against additional entities (including Coltec, Garlock's parent), neither of which were included in the parties' respective estimations. See Disclosure Statement for Modified Joint Plan of Reorganization of Garlock Sealing Technologies LLC, et al. and Oldco, LLC, Proposed Successor by Merger

25. Beyond Garlock, there are several other examples where—contrary to the Motion—the funding amount for an asbestos trust was not based "solely" on "tort values." See Mot. at 2 (stating that the "FCR is not aware of a single, bankruptcy court and debtor/creditor approved asbestos trust that is not based on tort values"). The Garlock court discussed the estimation process in several previous asbestos cases, observing that in many of them, including W.R. Grace, G-I Holdings, and USG, the courts "analyzed the merits of claims at estimation"—akin to a legal-liability approach. In re Garlock, 504 B.R. at 88-89, 93-94. In other cases, even those where courts principally relied on historical settlements in estimating a debtor's asbestos-related liability, the ultimate amount of trust funding was, as in Garlock, later negotiated by the parties. For example, in Specialty Products, the parties ultimately agreed to a trust value of \$797.5 million, an amount between the debtors' estimated legal-liability range of \$300-575 million and the tort-value estimate of \$1.166 billion proffered by the Specialty Products FCR, which the bankruptcy court had adopted as its estimate.<sup>20</sup> The tort system estimate proffered by the Specialty Products asbestos claimants' committee was even higher at \$1.255 billion.

26. Finally, the Motion's assertion that the Garlock court only "reviewed 15 claims when ruling on the debtor's legal liability theory," is incomplete. While the Garlock court permitted full discovery on 15 claims,<sup>21</sup> the court also reviewed evidence from 205 additional

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*To Coltec Industries Inc.* [Dkt. 5444], In re Garlock Sealings Techs., No. 10-31607 (Bankr. W.D.N.C. July 29, 2016) at 17, 38-41 (reviewing negotiations after estimation decision, including amending the proposed plan to include Coltec).

<sup>20</sup> See In re Garlock, 504 B.R. at 92; Tom Hals, *RPM Reaches \$797.5 Million Deal to Resolve Bondex Asbestos Claims*, REUTERS (July 28, 2014), available at <https://www.reuters.com/article/business/rpm-reaches-7975-million-deal-to-resolve-bondex-asbestos-claims-idUSKBN0FX1P2/>.

<sup>21</sup> The court found "exposure evidence was withheld in *each and every one* of them." In re Garlock, 504 B.R. at 84 (emphasis in original).

cases and permitted limited discovery on 161 cases that settled for \$250,000 or more. Id. at 86-87.

WHEREFORE, the Debtors respectfully request that, if the Court is inclined to bifurcate the estimation process as suggested in the Motion, the Court do so only consistent with the points made in this Response, and grant such other and further relief as the Court may deem proper.

Dated: December 10, 2025  
Charlotte, North Carolina

Respectfully submitted,

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