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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:

HOPEMAN BROTHERS, INC.,

Debtor.

:
: **Chapter 11**
:
: **Case No. 24-32428 (KLP)**
:
:
:
:

**CHUBB INSURERS' OBJECTION TO
SEVENTH MONTHLY FEE STATEMENT OF
MORGAN, LEWIS & BOCKIUS LLP AS SPECIAL
INSURANCE COUNSEL TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS FOR ALLOWANCE OF COMPENSATION FOR
SERVICE RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
FOR THE PERIOD OF FEBRUARY 1, 2025 THROUGH FEBRUARY 28, 2025**

Century Indemnity Company and Westchester Fire Insurance Company (together, the "Chubb Insurers"), parties in interest, object to the Seventh Monthly Fee Statement of Morgan, Lewis & Bockius LLP ["MLB"] as Special Insurance Counsel to the Official Committee of Unsecured Creditors for Allowance of Compensation for Services Rendered and Reimbursement of Expenses Incurred for the Period of February 1, 2025 through February 28, 2025 (Dkt. No. 636) (the "MLB Fee Application"). As explained below, significant portions of MLB's services were



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performed in attempt to convert a non-operating, liquidating debtor into a purported “reorganizing” debtor entitled to the “supplemental” discharge injunction of 11 U.S.C. § 524(g). But this Debtor is ineligible for a discharge under § 1141, so it necessarily is ineligible for the “supplemental” discharge injunction of § 524(g). The fact that Debtor, the Committee, and their professionals have spent so much time analyzing these issues is *prima facie* evidence of that fact. Accordingly, fees incurred by Debtor, the Committee, and their respective professionals in pursuit of a § 524(g) plan cannot be reasonably likely to benefit Debtor’s¹ estate.

This is a particularly acute issue because Debtor’s estate currently is administratively insolvent by over \$6.6 million dollars and counting. The only potential payment source for these mounting administrative fees are the Certain Insurers’ settlement proceeds, which were intended to pay holders of Asbestos-Related Claims – the very reason Hopeman filed this bankruptcy case in the first place. Every dollar paid towards Debtor’s and the Committee’s professionals diminishes payments to those creditors and to the Chubb Insurers, who are entitled to contribution from the proceeds of Certain Insurers’ settlement for Certain Insurers’ now-settled share of claim payments and defense costs. Wasting significant dollars pursuing a non-confirmable plan must be viewed with this lens. The MLB Fee Application with respect to work regarding the § 524(g) term sheet and plan should be denied.

FACTUAL BACKGROUND

A. Hopeman is a Defunct Company with No Ongoing Business to Rehabilitate or Reorganize.

1. Hopeman filed its Chapter 11 petition on June 30, 2024. Its president, Christopher Lascell, testified that since 2003, “Hopeman has had no business operations and exists solely to

¹ The Chubb Insurers reference “Hopeman” and “Debtor” interchangeably. Both mean Hopeman Brothers, Inc., the debtor in this Chapter 11 case.

defend and, when appropriate, settle [] Asbestos-Related Claims.” Dkt. No. 8, ¶ 18. Mr. Lascell explained that since he became President of Hopeman in 2016, Hopeman has made no money and has been “burning cash” because of the shortfall between the indemnity costs and defense spending for Asbestos-Related Claims that Hopeman is responsible to pay compared to the amount it recovered from insurers.² Tr. 12/16/24, p. 27:5-13.

2. Because Hopeman could not pay for its share of defense costs and claim payments with respect to Asbestos-Related Claims once its remaining cash was depleted – which now has happened because of the administrative fees incurred in this case (*see* Section C, below) – Hopeman commenced this Chapter 11 proceeding “to seek approval and implementation of an efficient, value maximizing process to monetize the remaining available insurance and distribute those proceeds equitably to valid holders of Asbestos-Related Claims.” *Id.*, ¶ 37. Hopeman planned to accomplish this through largely identical settlements with the Chubb Insurers and Certain Insurers and a liquidating plan to distribute those settlement proceeds to current holders of Asbestos-Related Claims. *See* Dkt. Nos. 9, 53, 56-57.

3. Mr. Van Epps, Hopeman’s insurance consultant and financial advisor since 2004 (*see* Tr. 12/16/24, p. 58:18-25), explained that Hopeman pursued the Chubb Insurers’ and Certain Insurers’ settlements and filed its liquidating plan because, “[w]e don’t see an avenue that allows this to go on forever. ***The debtor doesn’t have money. They don’t have a source of future income.***” *Id.*, p. 103:21-23 (emphasis added).

² Hopeman’s insurance policies are reimbursement policies, meaning that Hopeman advances the costs to defend against Asbestos-Related Claims and to resolve claims where appropriate and then “recovers a portion of the amount that they paid” from its insurers. Tr. 12/16/24, p. 61:17-24 (Testimony of Ron Van Epps, Hopeman’s insurance and financial consultant since 2004).

4. On July 12, 2024, Hopeman filed its Plan of Liquidation. Hopeman explained that the Plan “provides for an *orderly wind-down of Hopeman, which has had no business operations since 2003* and has existed, as of the Petition Date, solely to defend and settle (when appropriate) Asbestos PI Claims.” Dkt. No. 57, p. 6-7 of 148 (emphasis added). Hopeman further explained that:

[t]he fact that the Debtor no longer maintains any business operations suggests that a reorganization or liquidation on terms substantially different than those currently proposed under the Plan may be improbable or infeasible. As a result, any attempt to propose an alternative plan containing different terms for any of these parties may not be confirmable and could delay and/or dilute distributions to creditors.

Id., p. 32 of 148.

5. Hopeman’s status as a liquidating debtor with no ongoing business operations cannot be disputed. Just four months ago, the Committee acknowledged exactly that, arguing to this Court that “*the Debtor has no ongoing business . . . to rehabilitate or reorganize.*” Dkt. No. 342, p. 2, ¶ 1 (emphasis added). The Committee further recognized that:

[t]his case is a chapter 11 liquidation of a debtor with no business operations; it exists solely to manage its asbestos liabilities. And, although the Debtor has insurance coverage that it is seeking to monetize, it has ‘no other assets that it must decide to keep or sell, no unexpired leases or executory contracts that it must decide to assume or reject, no employees it must decide to retain or discharge and *no business to restructure.*’

Id., p. 4-5, ¶ 9, citing *In re GMG Cap. Partners III, L.P.*, 503 B.R. 596, 601 (Bankr. S.D.N.Y. 2014) (emphasis added).

B. The Committee Pushes Hopeman into Negotiating a Non-Confirmable § 524(g) Plan of Reorganization.

6. The Committee knows that “the Debtor seeks to liquidate, not reorganize.” Dkt. No. 342, p. 2, ¶1. Yet, on November 8, 2024, the Committee objected to extending Hopeman’s

exclusivity, alleging that Hopeman’s Plan of Liquidation “is deficient and unconfirmable.” *Id.*, p. 6, ¶11. The Committee threatened that, “[t]here is no point in having extended litigation over a plan that asbestos creditors are likely to vote down.” *Id.*, p. 2, ¶ 3. Threatening that Hopeman could not successfully confirm a plan and exit bankruptcy with protections for its owners and current/former directors without Committee approval³, the Committee coopted Hopeman into doing exactly what the Committee wanted – and more.

7. Less than two weeks after averring that “Debtor has no ongoing business . . . to rehabilitate or reorganize,” and after spending millions in estate fees pursuing discovery and trying to develop grounds for objecting to the Chubb Insurers’ and Certain Insurers’ settlements, the Committee turned its attention towards setting up a § 524(g) trust through Debtor’s case. *See* Dkt. No. 531, p. 20-30 of 35 (Committee counsel fee application with entries from 11/20/24 and after referencing “Trust structure” and “term sheet”); Dkt. No. 444, p. 31-36 of 40 (Committee’s insurance counsel fee application with entries from 11/19/24 and after referencing “term sheet” and “potential settlement approach”); Dkt. No. 448 (Debtor’s counsel fee application for November 1-November 30, 2024 with entries referencing “term sheet,” “settlement,” and “524(g)”).

8. On November 29, 2024, Hopeman and the Committee entered into a Settlement Term Sheet that, “set forth certain essential terms. . . of a potential Plan that would settle the liability of the Debtor for Channeled Asbestos Claims.” *See* Dkt. No. 417, Ex. 1 (the “Initial Term Sheet”)⁴. Notwithstanding Hopeman’s and the Committee’s recognition that Hopeman is a

³ As Debtor’s counsel explained to the Court, “current owners and directors needed a path out,” and pursuing the § 524(g) plan desired by the Committee “does provide that.” Tr. 3/10/25, p. 14:12-14.

⁴ Although Debtor had been pursuing motions to approve settlements with the Chubb Insurers and Certain Insurers simultaneously (because the evidence supporting approval of both settlements is virtually

liquidating debtor with nothing to reorganize, the Term Sheet required Hopeman and the Committee to “negotiate in good faith over the terms of a Plan that would propose to create a Trust pursuant to § 524(g) of the Bankruptcy Code,” *i.e.*, a plan of **reorganization** with a supplemental discharge injunction. *Id.*, Ex. 1, Art. D.

C. The Committee and Hopeman Have Agreed to Pursue a Non-Confirmable Plan because Hopeman is Ineligible for a Discharge.

9. Under the guise of a 7-week long court-ordered mediation with the Chubb Insurers (which excluded the Chubb Insurers from all but the first session in January 2025), the Committee pressed Hopeman into “pivot[ing]” from a liquidating plan to “a potential reorganization under 524(g).” 3/10/25 Tr., p. 5:18-20. The Committee’s financial advisor, FTI, spent 93 hours in January to “[a]nalyze potential investment opportunities” and “investment strategies” for Hopeman in furtherance of a potential § 524(g) plan. Dkt. 630 at Ex. C, Task Categories 2 and 16. Debtor explained that this “investment” would be made in an attempt to “satisfy 524(g), which requires . . . some contributions over time to the trust” from a reorganized debtor. 3/10/25 Tr., p. 6:23-7:9.

10. Purchasing an “investment” for “\$500,000 or less” cannot and does not change the fact that **Hopeman is liquidating**, even under the putative § 524 “plan of reorganization” that Hopeman and the Committee have agreed upon. Dkt. 609, Settlement Term Sheet for § 524(g) Plan of Hopeman Brothers Inc. (the “Plan Term Sheet”), p. 1, ¶A.3, 2, ¶ C.4. The Plan Term Sheet

identical), with a hearing on both motions scheduled for December 16, 2024, the Initial Term Sheet required Debtor to sever the hearing on the Chubb Insurers’ settlement and delay that hearing while moving forward with the Certain Insurers’ settlement approval motion. *Id.*, ¶4. The Committee, which had opposed both settlements as being “too low” and spent months taking fact and expert discovery regarding both settlements, agreed not to oppose approval of the Certain Insurers’ settlement so that the payment, once made, could be used for “allowed administrative expenses of the Debtor’s bankruptcy case.” *Id.*, ¶¶1, 3.

makes this clear. Pursuant to the agreed “Plan terms, provisions, and conditions” (*id.*, ¶C.1), on the Plan Effective Date:

- “the Debtor shall transfer all its assets, both tangible and intangible, to the Trust” (*id.*, ¶C.2.(b));
- “all existing equity security interests in the Debtor shall be terminated and extinguished,” and the “Reorganized Debtor shall thereupon issue new equity security interests, all of which shall be transferred to, and held by, the Trust.” (*id.*, ¶C.2.(c));
- the Debtor will “transfer the Debtor’s books and records to the Trust. . . including the books and records presently stored in the Debtor’s warehouse in Waynesboro, Virginia, and in or in storage near the offices of the Debtor’s pre-petition claims administrator, Special Claims Services, Inc.” (*id.*, ¶D.3.(a)); and
- “the Trust will own everything, including the Reorganized Debtor” (*id.*, ¶D.4.(b), n.1). *See also id.* at Ex. A (“Reorganized Hopeman Brothers shall become a subsidiary of the Trust on the Effective Date of the Plan”).

11. Debtor’s counsel’s explanation of the Plan reinforces that it is, in fact, a liquidation masquerading as a purported “plan of reorganization:”

at effective date . . . ***the debtor would be completely owned by the trust at that point and controlled by it. So at that point, the current directors and officers would exit stage left. They would not have any role going forward.*** We contemplate a plan that would provide releases to them and to the former directors . . . There would be an indemnity from the trust to make sure that it is final for the former and current D&Os, but there should be no continuing role going forward.

* * *

The [] goal, Your Honor, was to make sure that there was a mechanism to wind-down the debtor’s defense and claims administration process, and this puts an end to it. As I said, ***the debtors’ [sic] operations will go away. It’ll all be handed over to the trust.***

3/10/25 Tr., pp. 6:2-13, 14:7-11 (emphasis added).

12. Hopeman, as of the petition date and as currently constituted, has no tangible assets, no employees, and no business operations. In other words, it has already liquidated. Hopeman is

liquidating whatever remains of its “assets” through the purported § 524(g) plan, and *Hopeman* will engage in no post-confirmation business operations – it is “exit[ing] stage left.” That is the epitome of a liquidating debtor that is ineligible for a discharge pursuant to § 1141(d)(3).

ARGUMENT

A. Section 330 Prohibits Awarding Compensation for Services that Were Not “Reasonably Likely to Benefit the Debtor’s Estate.”

13. Section 330 of the Code provides the legal standard for compensating professional persons employed on behalf of the Committee pursuant to § 1103 of the Code, such as MLB. The provisions of § 330 allow the court to award professional persons “reasonable compensation for actual, necessary expenses.” *David v. King*, 109 F.4th 653, 658 (4th Cir. 2024). Section 330 provides that:

(a)(1) After notice to the parties in interest and the United States Trustee and a hearing and subject to sections 426, 327, and 329, the court may award to a . . . professional person employed under section [] 1103 –

(A) reasonable compensation for actual, necessary services rendered by the . . . professional . . .; and

(B) reimbursement for actual, necessary expenses.

11 U.S.C. § 330(a)(1). Section 330(a)(1) “provides compensation for all § 327(a) professionals—whether accountant, attorney, or auctioneer—for all manner of work done *in service of* the estate administrator.” *Baker Botts L.L.P. v. ASARCO LLC*, 576 U.S. 121, 128 (2015).

14. Section 330 provides guidance as to what constitutes “reasonable” compensation:

(3) In determining the amount of reasonable compensation to be awarded to an examiner, trustee under chapter 11, or professional person, the court shall consider the nature, the extent, and the value of such services, taking into account all relevant factors, including—

* * *

(C) whether the services were necessary to the administration of, or beneficial at the time at which the service was rendered toward the completion of, a case under this title;

* * *

11 U.S.C. § 330(a)(3).

15. While a court has discretion in awarding compensation for “reasonable and necessary” services, § 330(a)(4)(A) provides that “the court ***shall not allow*** compensation for . . . services that were not—(I) reasonably likely to benefit the debtor’s estate; or (II) necessary to the administration of the case.” 11 U.S.C. § 330(a)(4)(A) (emphasis added). “The burden of proof as to the reasonableness of requested compensation is on the applicant.” *In re Great Sweats, Inc.*, 113 B.R. 240, 242 (Bankr. E.D. Va. 1990) (citations omitted).

16. Where “the debtor’s inability to successfully develop and complete a plan should have been apparent to counsel from commencement of the case,” any work performed by its law firm for such services “was not necessary” and the bankruptcy court properly “refus[ed] to compensate the law firm for such services.” *In re Lederman Enterprises, Inc.*, 997 F.2d 1321, 1323–24 (10th Cir. 1993). *See also In re Amstar Ambulance Serv., Inc.*, 120 B.R. 391, 395 (Bankr. N.D. W.Va. 1990) (denying compensation for fees incurred to prepare a plan of reorganization and disclosure statement where “the Debtor had no reasonable chance at accomplishing an effective reorganization”); *In re Rusty Jones, Inc.*, 134 B.R. 321, 339–340 (Bankr. N.D. Ill. 1991) (disallowing fees incurred by debtor’s counsel and its accounting consultant for pursuing a non-confirmable plan because they were not “useful or necessary to confirmation of any lawful plan pursued by Debtor.”).

B. MLB's Fee Application Includes Charges for Work That was Not Reasonably Likely to Benefit the Estate because Hopeman is Patently Ineligible for a § 524(g) Plan.

17. The Chubb Insurers object to the MLB Fee Application because it does not meet the standards set forth in § 330. *None* of the work that MLB performed in February 2025 supporting the Committee's § 524 term sheet and mediating with Hopeman regarding the same was "reasonably likely to benefit the debtor's estate," because the Committee knows or should have known that Hopeman is ineligible for a discharge under § 1141 or the supplemental discharge injunction under § 524(g), such that a § 524(g) plan cannot be confirmed in this case. The fact that the Committee engaged FTI to investigate "investment opportunities," and that both sets of Committee counsel spent hours researching and analyzing "524(g) issues" (*see* Dkt. Nos. 603, 556) proves that the Committee knows it. Hopeman certainly knows it. *See* Dkt. No. 57 at 32 of 148 ("[t]he fact that the Debtor no longer maintains any business operations suggests that a reorganization . . . may be improbable or infeasible").

18. Section 524(g) provides that "a court that enters an order confirming a plan of reorganization under chapter 11 may issue, in connection with such order, an injunction in accordance with this subsection to supplement the injunctive effect of a discharge under this section." 11 U.S.C. § 524(g)(1)(A). By the statute's plain terms, a "plan of reorganization" with a "discharge" are necessary predicates to obtaining the "supplement[al]" relief of § 524(g). Accordingly, to qualify for a § 524(g) plan and injunction as Hopeman and the Committee are pursuing, Hopeman must qualify for a discharge under § 1141. *See In re Flintkote Co.*, 486 B.R. 99, 129 (Bankr. D. Del. 2012) ("[A] bankruptcy court may issue a channeling injunction 'to supplement the injunctive effect of a discharge under this section.' It follows then that there must be a discharge for the channeling injunction to 'supplement.'"), *aff'd*, 526 B.R. 515 (D. Del. 2014). That is impossible here.

Hopeman Cannot be Discharged Pursuant to § 1141(d)(3).

19. The requirements for a discharge are provided by § 1141(d). Under that section, plan confirmation “does not discharge” a corporate debtor if (1) “the plan provides for the liquidation of all or substantially all of the property of the estate” and (2) “the debtor does not engage in business after consummation of the plan.” Both are true here.

20. By definition, a “reorganization” is “the restructuring of a corporation with continuing operations.” *Reorganization*, Practical Law Glossary Item 4-382-3757. That is “in contrast to a liquidation of the estate and distribution of the proceeds to creditors in a case filed under Chapter 11 or Chapter 7.” *Id.* Hopeman had no business operations when it filed its Chapter 11 petition, and it has none today. *See* ¶¶ 1, 3-5, above. Hopeman has no tangible assets or inventory; it has no cash (indeed, it is deeply administratively insolvent⁵) and no means to generate income; and it has no employees. Hopeman’s only remaining assets are insurance policies/insurance rights, which cannot be “reorganized”⁶ – the proceeds are available only to pay covered third-party claims, such that the policies can only be liquidated.

21. Pursuant to the terms of the § 524(g) plan that Hopeman and the Committee have agreed upon, Hopeman will liquidate all its remaining assets by transferring them to the Trust such that “the Trust will own everything, including the Reorganized Debtor” and Hopeman’s current owners and directors will “exit stage left.” *See* ¶¶ 10-12, above. The § 524(g) Plan contemplated by the Plan Term Sheet thus provides for the liquidation of all of the property of Hopeman’s estate.

⁵ *See* Section C, below.

⁶ “[T]he rights and obligations of the Debtor and [its insurer] under the [insurance] policy are not altered because of the Debtor’s Chapter 11 filing.” *In re Amatex Corp.*, 107 B.R. 856, 865-866 (E.D. Pa. 1989), *aff’d*, 908 F.2d 961 (3d Cir. 1990). *See also In re Lloyd E. Mitchell, Inc.*, 2012 Bankr. LEXIS 5531, at *20 (Bankr. D. Md. Nov. 29, 2012) (“insurance contracts cannot be re-written” in bankruptcy).

22. Plainly, Hopeman is liquidating, not reorganizing, because it has no “ongoing business to protect.” *Carolyn Corp. v. Miller*, 886 F.2d 693, 703 (4th Cir. 1989) (dismissing Chapter 11 petition where, among other things, “Carolyn was more akin to a shell corporation than a viable enterprise” and there was “nothing in the record to suggest that, at any relevant time [preceding the Chapter 11 petition], Carolyn was conducting or *could* conduct business activities of any kind”). As the Fourth Circuit explained in *Carolyn*, the purpose of Chapter 11 is to “reorganize or rehabilitate an existing enterprise, or to preserve going concern values of a viable or existing business.” *Id.* at 702, citing *In re Victory Constr. Co.*, 9 B.R. 549, 564 (Bankr. C.D. Cal. 1981).

23. The Fourth Circuit’s holding in *Carolyn* is consistent with well-established law throughout the country that a “reorganization” under Chapter 11 requires the reorganization/rehabilitation of business that existed as of the petition date. For example, in *In re Cinole, Inc.*, 339 B.R. 40, 45 (Bankr. W.D.N.Y. 2006), the bankruptcy court explained that “Chapter 11 of the Bankruptcy Code is not an economic development program.” Rather, “in the case of a business Chapter 11, its purpose is to allow an existing business to be reorganized and rehabilitated.” *Id.* The court dismissed the debtor’s bankruptcy case because “[Debtor] had no existing business on [the petition date] that could be reorganized or rehabilitated in Chapter 11.” *Id.* Similarly, in *In re 15375 Mem’l Corp. v. Bepco, L.P.*, 589 F.3d 605, 619 (3d Cir. 2009), the Third Circuit held that there was no valid Chapter 11 reorganizational purpose served by a case where debtors “have no going concerns to preserve – no employees, offices, or business other than the handling of litigation.” Likewise, in *Singer Furniture Acquisition Corp. v. SSMC, Inc. N.V.*, 254 B.R. 46, 52–53 (M.D. Fla. 2000), the district court concluded that “there is no real possibility of reorganization” where a debtor “is not engaged in any business and has no employees” on the

petition date and has “no accounts receivable, no accounts, no inventory” That is precisely the case here. Hopeman has no “going concern” to preserve and it *is not reorganizing*.

24. As Congress explained during the enactment of § 1141, a Chapter 11 discharge “is not granted” where “all or substantially all of the distribution under the plan is of all or substantially all of the property of the estate,” and “if the business, if any, of the debtor *does not continue*.” S. Rep. 95-989, 130, 1978 U.S.C.C.A.N. 5787, 5916 (emphasis added). The Fourth Circuit has made clear that § 1141(d)(3) requires the “*continuation of a pre-petition business*” following confirmation. *In re Grausz*, 63 F. App’x 647, 650 (4th Cir. 2003).

25. Hopeman has no pre-petition business to “continue” if the putative § 524(g) Plan is consummated because it had no business operations when this Chapter 11 case began. As Mr. Lascell testified, “Hopeman exited [its business as a ‘ship joiner’ contractor] in the 1980s and following the sale of substantially all of its assets in 2003, Hopeman has had no ongoing business operations.” Dkt. No. 8 ¶ 2. Because Hopeman had no pre-petition business to “continue” after plan confirmation, it will not “engage in business after confirmation of the plan” as required by § 1141(d)(3).⁷

⁷ See also *Spokane Rock I, LLC v. Um (In re Um)*, 2015 WL 6684504, at *7 (Bankr. W.D. Wash., Sept. 30, 2015) (“Based on the legislative history and the cases most factually analogous to this case, the Court is persuaded that § 1141(d)(3)(B) refers to the **continuation** of a debtor’s pre-petition business in the requirement that ‘the debtor does not engage in business after consummation of the plan’”) (emphasis in original), *aff’d*, 2016 WL 7714141, at *4 (W.D. Wash. Aug. 18, 2016) (“the Court concludes that, in the context of the bankruptcy code, the term ‘business’ in § 1141(d)(3)(B) means pre-petition business”); *In re Berwick Black Cattle Co.*, 394 B.R. 448, 461 (Bankr. C.D. Ill. 2008) (denying confirmation because the plan, although “dressed up to look like a reorganization, . . . is in essence one of liquidation” because one debtor “is being merged out of existence, after all of its assets have been liquidated,” and the “new venture” – essentially consisting of the ongoing business of the non-debtor with which debtor was merging – “cannot be considered to be a continuation of [the Debtors’] cattle business.”).

The Plan Term Sheet Embodies a Plan that Perverts the Purpose and Requirements of § 524(g).

26. The § 1141(d)(3) requirement for a continuing business that existed pre-petition is mandated by § 524(g). Congress enacted § 524(g) to codify the channeling injunction entered in the *Johns-Manville* bankruptcy, which had the “imperative” purpose of protecting and preserving “the **continuing** viability” of the operating entity to provide an “evergreen” funding source to pay future claims. *In re Johns-Manville Corp.*, 68 B.R. 618, 622 (Bankr. S.D.N.Y. 1986) (emphasis added), *aff’d*, 78 B.R. 407 (S.D.N.Y. 1987), *aff’d*, *Kane v. Johns-Manville Corp. (In re Johns-Manville Corp.)*, 843 F.2d 636 (2d Cir. 1988). Congress reiterated this purpose when it enacted § 524(g), stating that the supplemental injunction is intended to allow “**an otherwise viable business** to quantify, consolidate, and manage its debt so that it can satisfy its creditors to the maximum extent feasible, but without threatening its **continued existence** and the thousands of jobs that it provides.” 140 Cong. Rec. S. 14461-01, at S 14454 (Oct. 6, 1994) (emphasis added).

27. Hopeman had no viable business to save on the Petition Date, nor has it tried to engage in any business since the Petition Date. Hopeman will not engage in any business if its purported § 524(g) plan is confirmed, either, because Hopeman will no longer exist. The Trust and “Reorganized Hopeman” will become one, and **the Trust** will manage the “low cost, income generating” investment required by the Plan Term Sheet. *See* ¶¶ 9-11, above; Plan Term Sheet at Ex. A (Trustee of the § 524(g) must have “[e]xperience w/ triple net lease/rental property or other type of investment contemplated by Plan,” and the “Trust Administration” includes “*Real estate management (if applicable)*”).

28. This foundational element of Hopeman’s and the Committee’s Plan Term Sheet turns § 524(g) upside down. As the Supreme Court explains, § 524(g) “allows a Chapter 11 debtor with substantial asbestos-related liability to establish and fund a trust that assumes the debtor’s

liability for ‘damages allegedly caused by the presence of, or exposure to, asbestos or asbestos-containing products.’” *Truck Ins. Exch. v. Kaiser Gypsum Co., Inc.*, 602 U.S. 268, 273 (2024), quoting 11 U.S.C. § 524(g)(2)(B)(i)(I). This “ensure[s] that health claims can be asserted only against the Trust and that [*the company’s*] *operating entities will be protected from an onslaught of crippling lawsuits that could jeopardize the entire reorganization effort.*” *Id.* at 274 (emphasis added). Section 524(g) thus provides for a trust to which a debtor’s asbestos liabilities are channeled for resolution and payment while the reorganized debtor *separately* continues its business post-confirmation, cleansed of asbestos liabilities. Nothing in Section 524(g) contemplates that the trust assuming debtor’s liability *becomes the reorganized debtor* that *continues* to be sued for Asbestos-Related Claims, as the Plan Term Sheet provides. *See* Plan Term Sheet at Ex. A, “Claims Processing (potential options),” providing that “Tort claimants file complaints in the tort system, suing the Reorganized Debtor.” That defeats the very purpose of § 524(g).

29. According to the MLB Fee Application, MLB billed 64.4 hours, with fees totaling \$92,600, from February 1, 2025 through February 28, 2025. *See* Dkt. No. 636, p. 19 of 21. MLB expended 52.7 hours working on “524(g) term sheet issues,” addressing “issues arising from proposed 524(g) term sheet,” and mediation efforts pertaining to what is now the Plan Term Sheet. *See* Ex. A (highlighted time entries in MLB Fee Application). MLB’s fees associated with that work total \$66,715. *Id.* The Chubb Insurers object to allowance of those fees. MLB spent \$5,140.50 in Westlaw expenses to research term sheet-related issues, to which the Chubb Insurers also object. *Id.*, p. 20 of 21. As explained above, Hopeman is not eligible for a discharge pursuant to § 1141(d) and, accordingly, it cannot qualify for a supplemental § 524(g) channeling injunction. As a result, the § 524(g) plan that Hopeman and the Committee have committed to pursue cannot

possibly be confirmed.⁸ Thus, not one penny in fees that Hopeman, the Committee, and their respective professionals spend in attempt to confect and pursue such a plan could be “reasonably likely to benefit” Hopeman’s estate are required by § 330(a)(4)(A).

C. Pursuing a Non-Confirmable § 524(g) Plan Deepens the Estate’s Administrative Insolvency and Wastes the Only Monetary Source of Creditor Recoveries

30. There can be no dispute that Debtor’s estate is currently administratively insolvent. According to Hopeman’s Monthly Operating Report for the month ending February 28, 2025, its total assets were \$1,301,986 and its post-petition payables were \$6,494,472. Combined with its prepetition unsecured debt of \$81,805, Hopeman’s net worth as of month-end February 2025 is **\$-5,274,292**. *See* Dkt. No. 635, p. 2. That does not include fee applications that had not yet been approved as of February 28, 2025, or those that have been filed since, which currently total \$1,369,375.06. *See* Dkt. Nos. 574, 582, 585, 586-589, 603, 630, 636, 639, 640-643. Thus, as of today, Hopeman’s estate is insolvent by **-\$6,643,667**.

31. Because Hopeman has no business operations and no means of generating revenue, these administrative fees cannot be satisfied from Hopeman’s assets. The only potential source of payment, therefore, is from proceeds of the Certain Insurers’ (not-yet-consummated) settlement, which permits payment of Hopeman’s administrative expenses. *See* Dkt. No. 53, p. 32-33 of 80, § 2.2. But as the Court recognized, that settlement was intended for “Debtor [to] use that money to establish a liquidation trust (the ‘Liquidation Trust’) for the purpose of distributing those funds to the holders of the Asbestos-Related Claims.” Dkt. No. 526, p. 3. *See also* p. 6 (“The Settlement Agreement was entered into to facilitate an orderly distribution of funds to asbestos-related

⁸ There are numerous other reasons why the plan contemplated by the Plan Term Sheet cannot be confirmed. The Chubb Insurers raise here only the key threshold issue that precludes a § 524(g) plan from even being considered in this case, much less from being negotiated at the significant expense and detriment of Debtor’s administratively insolvent estate.

claimants while avoiding extensive litigation costs associated with resolving disputes over coverage issues”).

32. The currently outstanding administrative expenses of this estate already will diminish Certain Insurers’ not-yet-paid settlement proceeds from \$18.5 million to \$11,856,332.94. Pursuing a § 524(g) plan will significantly diminish those proceeds even further. The court will be required to appoint a future claimants’ representative, who – like the Committee – will need to retain professionals, engage in due diligence, and negotiate regarding the plan. Debtor and the Committee have estimated that this will be a 5-month process and cost only \$25,000 per month (Plan Term Sheet, ¶B), but they have no way to know that and no authority to limit the FCR in this way. Given that the fees incurred by the Committee’s and the Debtor’s professionals have been many multiples of \$25,000 every month since they began considering a § 524(g) plan, the notion that the FCR would only expend \$25,000 each month is preposterous. Undertaking that exercise and expense in the context of a § 524(g) plan for which Hopeman is ineligible is not in the best interest of Hopeman’s estate or its creditors, and it is not “reasonably likely to benefit” the estate.

33. Further, the Plan Term Sheet makes clear that the § 524(g) plan that Debtor and the Committee have agreed upon will vitiate and violate the Chubb Insurers’ contractual rights in significant ways. The Chubb Insurers must object to any plan containing those terms. Litigating those issues will deepen Hopeman’s administrative insolvency even further, further eroding the proceeds of Certain Insurers’ settlement. That is detrimental not only to holders of Asbestos-Related Claims, but it is also detrimental to the Chubb Insurers.

34. Pursuant to the Plan Term Sheet, the Chubb Insurers are considered Non-Settling Insurers that will be responsible for defending and paying Asbestos-Related Claims against Reorganized Debtor in the tort system. Should that occur, the Chubb Insurers are entitled to

contribution for the Certain Insurers' share of such payments (25% or more, depending whether the payment is for defense or indemnity). Now that Certain Insurers have settled, the Chubb Insurers' contribution claims are channeled to the settlement proceeds. Dkt. No. 442, ¶¶ 7-8, 14-15. Every dollar that Debtor and the Committee spend towards a doomed § 524(g) plan diverts money that should be available to pay for Certain Insurers' share of Hopeman's liability and puts it instead into the pockets of Debtor's and the Committee's (and potentially the FCR's) professionals.

CONCLUSION

The MLB Fee Application should be disallowed for the reasons and as set forth above.

Dated: April 4, 2025

Respectfully submitted,

/s/ Dabney J. Carr

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-and-

Patricia B. Santelle (admitted *pro hac vice*)
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1650 Market Street
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Telephone: (215) 864-7000
santellep@whiteandwilliams.com

*Counsel for Century Indemnity
Company and Westchester Fire
Insurance Company*

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that, on April 4, 2025, a true and correct copy of the foregoing Objection to Seventh Monthly Fee Statement of Morgan, Lewis & Bockius as Special Insurance Counsel to the Official Committee of Unsecured Creditors for Allowance of Compensation for Service Rendered and Reimbursement of Expenses Incurred for the Period of February 1, 2025 through February 28, 2025 was served upon all parties receiving electronic notice through the Court's ECF notification system.

/s/ Dabney J. Carr

Dabney J. Carr

EXHIBIT A

CAPLIN & DRYSDALE, CHARTERED

Kevin C. Maclay (admitted *pro hac vice*)
Todd E. Phillips (admitted *pro hac vice*)
Jeffrey A. Liesemer (VSB No. 35918)
Nathaniel R. Miller (admitted *pro hac vice*)
1200 New Hampshire Avenue, NW, 8th Floor
Washington, DC 20036
Telephone: (202) 862-5000

Counsel for the Official Committee of Unsecured Creditors

MORGAN, LEWIS & BOCKIUS LLP

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Telephone: (713) 890-5000

W. Brad Nes (admitted *pro hac vice*)
1717 Main Street, Suite 3200
Dallas, TX 75201-7347
Telephone: (214) 466-4000

Jeffrey S. Raskin (admitted *pro hac vice*)
One Market, Spear Street Tower, 28th Floor
San Francisco, CA 94105-1596
Telephone: (415) 442-1000

Special Insurance Counsel for the Official Committee of Unsecured Creditors

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:

HOPEMAN BROTHERS, INC.,

Debtor.

Chapter 11

Case No. 24-32428 (KLP)

**SEVENTH MONTHLY FEE STATEMENT OF
MORGAN, LEWIS & BOCKIUS LLP AS SPECIAL
INSURANCE COUNSEL TO THE OFFICIAL COMMITTEE OF
UNSECURED CREDITORS FOR ALLOWANCE OF COMPENSATION FOR
SERVICE RENDERED AND REIMBURSEMENT OF EXPENSES INCURRED
FOR THE PERIOD OF FEBRUARY 1, 2025 THROUGH FEBRUARY 28, 2025**

Name of Applicant:	Morgan, Lewis & Bockius LLP
Name of Client:	Official Committee of Unsecured Creditors
Date of Retention Order Entered:	October 4, 2024, effective as of July 29, 2024 [Docket No. 269]
Time Period Covered:	February 1, 2025 through February 28, 2025
Total Fees Requested:	\$74,080.00 (80% of \$92,600.00)
Total Expenses Requested:	\$10,723.58



2432428250321000000000004

Type of Fee Statement:	Monthly ¹
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Pursuant to sections 330 and 331 of title 11 of the United States Code (the “**Bankruptcy Code**”), Rule 2016 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), Rule 2016-1 of the Local Rules of Bankruptcy Practice and Procedures of the United States Bankruptcy Court for the Eastern District of Virginia (the “**Local Rules**”), and the *Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals and (II) Granting Related Relief*, entered September 9, 2024 [Docket No. 162] (the “**Interim Compensation Order**”), Morgan, Lewis & Bockius LLP (“**Morgan Lewis**”), as special insurance counsel for the Official Committee of Unsecured Creditors (the “**Committee**”) of Hopeman Brothers, Inc. (the “**Debtor**”), hereby submits this monthly fee statement (the “**Monthly Fee Statement**”) for the reasonable and necessary legal services rendered by Morgan Lewis for the period February 1, 2025 through February 28, 2025 (the “**Fee Period**”) and reimbursement of the actual and necessary expenses that Morgan Lewis incurred during the Fee Period. By this Monthly Fee Statement, Morgan Lewis seeks payment of its reasonable and necessary fees and expenses incurred during the Fee Period in the total amount of \$84,803.58, consisting of (i) \$74,080.00, which is 80% of the fees incurred by the Committee for reasonable and necessary professional services rendered by Morgan Lewis during the Fee Period, and (ii) \$10,723.58 for actual and necessary costs and expenses.

Itemization of Services Rendered and Disbursement Incurred

1. In support of this Monthly Fee Statement, Morgan Lewis has attached the following:
 - a. **Exhibit A** is a summary of schedule of hours and fees covered by this Monthly Fee Statement, categorized by project code.

¹ Notice of this Monthly Fee Statement shall be served in accordance with the Interim Compensation Order (as defined herein) and objections to payment of the amounts set forth in this Monthly Fee Statement shall be addressed in accordance with the Interim Compensation Order.

- b. **Exhibit B** is a summary schedule of the time expended by all Morgan Lewis professionals and paraprofessionals engaged in the representation of the Committee during the Fee Period.
- c. **Exhibit C** is a summary of the expenses incurred by Morgan Lewis during the Fee Period.
- d. **Exhibit D** includes detailed invoices for the hours expended and fees incurred by Morgan Lewis professionals and paraprofessionals during the Fee Period.

Representations

2. Although every effort has been made to include all fees and expenses incurred in the Fee Period, some fees and expenses might not be included in this Monthly Fee Statement due to delays caused by accounting and processing during the Fee Period. Morgan Lewis reserves the right to make further application to this Court for allowance of such fees and expenses not included herein. Subsequent fee statements and applications will be filed in accordance with the Bankruptcy Code, Bankruptcy Rules, Local Rules, and Interim Compensation Order.

Notice

3. Notice of this Monthly Fee Statement has been provided to all necessary parties in accordance with the Interim Compensation Order.

[Remainder of page left blank]

WHEREFORE, Morgan Lewis respectfully requests payment of its reasonable and necessary fees and expenses incurred during the Fee Period in the total amount of \$84,803.58, consisting of (i) \$74,080.00, which is 80% of the fees incurred by the Committee for reasonable and necessary professional services rendered by Morgan Lewis during the Fee Period, and (ii) \$10,723.58 for actual and necessary costs and expenses.

Dated: March 21, 2025

By: /s/ Brady Edwards
Brady Edwards
MORGAN, LEWIS & BOCKIUS LLP
1000 Louisiana Street, Suite 4000
Houston, TX 77002-5006
Telephone: (713) 890-5000
Email: brady.edwards@morganlewis.com

ELECTRONICALLY FILED BY:

/s/ Jeffrey A. Liesemer
CAPLIN & DRYSDALE, CHARTERED
Jeffrey A. Liesemer (VSB No. 35918)
1200 New Hampshire Avenue, NW, 8th Floor
Washington, DC 20036
Telephone: (202) 862-5000
Email: jliesemer@capdale.com

Counsel for the Official Committee of Unsecured Creditors

EXHIBIT A

Statement of Fees by Subject Matter During the Fee Period

Task Code	Matter Description	Hours	Fees Requested
00	General	2.00	\$1,040.00
04	Case Administration & Calendar Control	0.10	\$110.00
07	Fee Application – Self	5.60	\$4,860.00
08	Objections – Fee/Retention Applications	0.30	\$330.00
10	Litigation	55.60	\$85,160.00
15	Committee Meetings/Conferences	0.80	\$1,100.00
<u>TOTAL</u>		<u>64.40</u>	<u>\$92,600.00</u>

EXHIBIT B

Professionals Rendering Services During the Fee Period

The Morgan Lewis attorneys who rendered professional services in this chapter 11 case during the Fee Period include:

Professional	Position	First Bar Date	Section	Hourly Billing Rate	Total Hours Billed	Total Compensation
Cox, David S.	Partner	1995	Litigation	\$1,375.00	27.80	\$38,225.00
Edwards, Brady	Partner	1995	Litigation	\$2,025.00	7.80	\$15,795.00
Raskin, Jeffrey S.	Partner	1993	Litigation	\$1,550.00	20.80	\$32,240.00
DeSantis, Celine M.	Associate	2022	Finance	\$850.00	5.20	\$4,420.00
Shim, David	Associate	2016	Finance	\$1,100.00	0.80	\$880.00
				Total	62.40	\$91,560.00

The Morgan Lewis paraprofessionals who rendered professional services in this chapter 11 case during the Fee Period include:

Paraprofessional	Position	Department	Hourly Billing Rate	Total Hours Billed	Total Compensation
Guzzi, Tiffany A.	Paralegal	Litigation	\$520.00	2.00	\$1,040.00
			Total	2.00	\$1,040.00

EXHIBIT C

Summary of Expenses Incurred During the Fee Period

Type	Expenses
Air Travel	\$1,773.48
Data Services	\$20.00
Data Services – R	\$1,738.80
Hotel	\$510.80
Taxi	\$20.00
User Fees (Monthly) – Relativity	\$1,520.00
Legal Research	\$5,140.50
<u>Total</u>	\$10,723.58

EXHIBIT D

Invoices

Morgan Lewis

Morgan, Lewis & Bockius LLP
1000 Louisiana Street, Suite 4000
Houston, TX 77002-5005
T +1.713.890.5000
F +1.713.890.5001
www.morganlewis.com
Fed Tax ID: 23-0891050

Invoice Date: March 17, 2025
Invoice Number 5623718
Account No. 139505-0001

Hopeman Brothers, Inc.
c/o Hunton Andrews Kurth LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Attn: Tyler P. Brown and Henry P. (Toby) Long, III
Richmond, VA 23219

Summary of Services for the period ended February 28, 2025:

Re: Hopeman Creditors Committee

Fees	\$	92,600.00
Disbursements	\$	10,723.58
Total Current Period Charges	\$	103,323.58

Please refer to the table titled "**Detail of Outstanding Invoices**" which lists all other outstanding invoices for the matters referenced on this invoice.

Morgan Lewis

Morgan, Lewis & Bockius LLP
1000 Louisiana Street, Suite 4000
Houston, TX 77002-5005
T +1.713.890.5000
F +1.713.890.5001
www.morganlewis.com
Fed Tax ID: 23-0891050

Invoice Date: March 17, 2025
Invoice Number 5623718
Account No. 139505-0001

REMITTANCE COPY

Hopeman Brothers, Inc.
c/o Hunton Andrews Kurth LLP
Riverfront Plaza, East Tower
951 East Byrd Street
Attn: Tyler P. Brown and Henry P. (Toby) Long, III
Richmond, VA 23219

Summary of Services for the period ended February 28, 2025:

Re: Hopeman Creditors Committee

Fees	\$	92,600.00
Disbursements	\$	10,723.58
Total Current Period Charges	\$	103,323.58

Please reference account and/or invoice number(s) on your remittance.

Please send your remittance to:
Morgan, Lewis & Bockius LLP
P. O. Box 8500 S-6050
Philadelphia, PA 19178-6050
Federal Tax ID 23-0891050

Or please wire your remittance to:
Wells Fargo Bank, N.A.
ABA# 121000248
Morgan, Lewis & Bockius LLP
Acct# 2100010985563
Swift Code: WFBUS6S

For ACH transfers:
ABA# 031000503
Acct# 2100010985563
Reference account number

Remittance detail address
cashapplication@morganlewis.com

Morgan Lewis

Morgan, Lewis & Bockius LLP
 1000 Louisiana Street, Suite 4000
 Houston, TX 77002-5005
 T +1.713.890.5000
 F +1.713.890.5001
 www.morganlewis.com
 Fed Tax ID: 23-0891050

Detail of Outstanding Invoices

The following table shows all other outstanding invoices for the matters being billed on this invoice.

Invoice Date	Invoice Number	Invoice Amount	Payments/Credits	Days Outstanding	Balance Due
10/18/24	5530494	238,023.66	1,700.00	150	236,323.66
11/15/24	5552180	309,570.64	1,700.00	122	307,870.64
12/13/24	5570374	438,370.93	1,700.00	94	436,670.93
01/10/25	5588017	84,074.65	0.00	66	84,074.65
02/14/25	5608788	153,188.36	0.00	31	153,188.36
TOTAL OUTSTANDING					\$ 1,218,128.24

Please reference account and/or invoice number(s) on your remittance.

Please send your remittance to:
Morgan, Lewis & Bockius LLP
 P. O. Box 8500 S-6050
 Philadelphia, PA 19178-6050
 Federal Tax ID 23-0891050

Or please wire your remittance to:
Wells Fargo Bank, N.A.
 ABA# 121000248
 Morgan, Lewis & Bockius LLP
 Acct# 2100010985563
 Swift Code: WFBUS6S

For ACH transfers:
 ABA# 031000503
 Acct# 2100010985563
 Reference account number

Remittance detail address
 cashapplication@morganlewis.com

Morgan Lewis

March 17, 2025
Page 1

Invoice Number 5623718
Account No. 139505-0001

Detail for Fee Services Rendered

Date	Task Code	Task Description	Description	Timekeeper	Rate	Hours	Amount
02/03/25	00	General	Evaluate case pleadings.	Guzzi, T. A.	520.00	0.20	104.00
02/04/25	15	Committee Meetings/Conferences	Prepare for and attend committee meeting.	Cox, D.S.	1,375.00	0.80	1,100.00
02/04/25	07	Fee Applications - Self	Follow up regarding order granting second interim fee application.	DeSantis, C. M.	850.00	0.30	255.00
02/04/25	10	Litigation	Attend Committee meeting.	Raskin, J. S.	1,550.00	0.50	775.00
02/06/25	07	Fee Applications - Self	Email with counsel for UCC regarding CNO.	DeSantis, C. M.	850.00	0.20	170.00
02/06/25	10	Litigation	Attend conference concerning mediation issues.	Raskin, J. S.	1,550.00	0.80	1,240.00
02/07/25	10	Litigation	Analyze revised term sheet and related inquiries from Hopeman.	Cox, D.S.	1,375.00	0.40	550.00
02/07/25	07	Fee Applications - Self	Revise CNO and proposed order granting second interim fee application to incorporate comments from counsel to UCC.	DeSantis, C. M.	850.00	2.00	1,700.00
02/07/25	08	Objections - Fee/Retention Applications	Communicate with C. DeSantis regarding MLB's revised proposed order for the second interim fee application.	Shim, D. K.	1,100.00	0.20	220.00
02/09/25	10	Litigation	Analyze Hopeman revisions to term sheet and information requests.	Cox, D.S.	1,375.00	0.40	550.00

Morgan Lewis

March 17, 2025
Page 2

Invoice Number 5623718
Account No. 139505-0001

Date	Task Code	Task Description	Description	Timekeeper	Rate	Hours	Amount
02/10/25	10	Litigation	Analyze Hopeman revisions to term sheet and information requests, outline responses to insurance-related questions and confer with MLB team regarding same.	Cox, D.S.	1,375.00	3.70	5,087.50
02/10/25	07	Fee Applications - Self	Follow up regarding Hopeman CNO.	DeSantis, C. M.	850.00	0.10	85.00
02/10/25	10	Litigation	Prepare for upcoming mediation session.	Edwards, B.	2,025.00	0.50	1,012.50
02/10/25	00	General	Evaluate case pleadings.	Guzzi, T. A.	520.00	0.40	208.00
02/10/25	10	Litigation	Analyze certain issues raised by Hopeman in response to proposed 524(g) term sheet.	Raskin, J. S.	1,550.00	2.80	4,340.00
02/10/25	08	Objections - Fee/Retention Applications	Communicate with C. DeSantis regarding the certificate of no objection.	Shim, D. K.	1,100.00	0.10	110.00
02/11/25	10	Litigation	Analyze Chubb settlements and policies in connection with inquiries from Hopeman regarding term sheet, videoconference with MLB team regarding term sheet and prepare email to Caplin team regarding same,.	Cox, D.S.	1,375.00	4.50	6,187.50
02/11/25	07	Fee Applications - Self	Follow up regarding as-filed CNO regarding Second Interim Fee Application.	DeSantis, C. M.	850.00	0.10	85.00
02/11/25	10	Litigation	Video conference with Caplin to prepare for upcoming continued mediation session.	Edwards, B.	2,025.00	0.50	1,012.50

Morgan Lewis

March 17, 2025
Page 3

Invoice Number 5623718
Account No. 139505-0001

Date	Task Code	Task Description	Description	Timekeeper	Rate	Hours	Amount
02/11/25	10	Litigation	Conference with Committee's counsel concerning insurance issues arising from proposed 524(g) term sheet.	Raskin, J. S.	1,550.00	0.50	775.00
02/12/25	10	Litigation	Prepare for and conduct videoconferences with Caplin team and with Debtor's counsel in furtherance of mediation and related follow-up.	Cox, D.S.	1,375.00	3.70	5,087.50
02/12/25	10	Litigation	Attend video mediation session with Judge Huennekens and Hopeman's counsel.	Edwards, B.	2,025.00	1.50	3,037.50
02/12/25	10	Litigation	Video conference with Caplin and team to prepare for upcoming mediation.	Edwards, B.	2,025.00	0.90	1,822.50
02/12/25	10	Litigation	Telephone conference with committee member's counsel regarding strategy and next steps.	Edwards, B.	2,025.00	0.30	607.50
02/12/25	00	General	Evaluate case pleadings.	Guzzi, T. A.	520.00	0.30	156.00
02/12/25	10	Litigation	Mediation pre-call with Committee counsel and attend mediation with Hopeman and mediator.	Raskin, J. S.	1,550.00	2.40	3,720.00
02/13/25	10	Litigation	Analyze revised term sheet and related follow-up regarding coverage issues.	Cox, D.S.	1,375.00	1.80	2,475.00
02/13/25	00	General	Evaluate case pleadings.	Guzzi, T. A.	520.00	0.20	104.00
02/14/25	10	Litigation	Exchange correspondence with Caplin team regarding revised term sheet and correspondence to Debtor counsel.	Cox, D.S.	1,375.00	0.90	1,237.50

Morgan Lewis

March 17, 2025
Page 4

Invoice Number 5623718
Account No. 139505-0001

Date	Task Code	Task Description	Description	Timekeeper	Rate	Hours	Amount
02/14/25	10	Litigation	Video conference with constituent regarding status.	Edwards, B.	2,025.00	0.20	405.00
02/14/25	07	Fee Applications - Self	Review MLB's January monthly fee statement and correspond with MLB working group regarding order granting MLB's second interim fee application.	Shim, D. K.	1,100.00	0.20	220.00
02/17/25	10	Litigation	Analyze revised term sheet.	Cox, D.S.	1,375.00	1.20	1,650.00
02/17/25	10	Litigation	Analyze FTI's mediation-related analysis per request of the Debtor.	Raskin, J. S.	1,550.00	0.50	775.00
02/18/25	10	Litigation	Attend mediation meeting with Hopeman's counsel.	Edwards, B.	2,025.00	1.30	2,632.50
02/18/25	10	Litigation	Prepare for and attend committee meeting.	Edwards, B.	2,025.00	0.70	1,417.50
02/18/25	00	General	Evaluate case pleadings.	Guzzi, T. A.	520.00	0.20	104.00
02/18/25	10	Litigation	Attend Committee meeting.	Raskin, J. S.	1,550.00	0.50	775.00
02/18/25	04	Case Administration & Calendar Control	Review chapter 11 docket.	Shim, D. K.	1,100.00	0.10	110.00
02/19/25	10	Litigation	Analyze revised term sheet and comments regarding FTI analysis.	Cox, D.S.	1,375.00	0.60	825.00
02/19/25	07	Fee Applications - Self	Analyze bankruptcy docket regarding fee change requirements and report to D. Shim regarding same.	DeSantis, C. M.	850.00	0.40	340.00
02/19/25	07	Fee Applications - Self	Finalize and follow up with Committee counsel regarding Sixth Monthly Fee Statement.	DeSantis, C. M.	850.00	0.20	170.00

Morgan Lewis

March 17, 2025
Page 5

Invoice Number 5623718
Account No. 139505-0001

Date	Task Code	Task Description	Description	Timekeeper	Rate	Hours	Amount
02/19/25	10	Litigation	Prepare for upcoming mediation.	Edwards, B.	2,025.00	0.60	1,215.00
02/19/25	10	Litigation	Analyze potential revisions to mediation-related analysis.	Raskin, J. S.	1,550.00	1.20	1,860.00
02/19/25	07	Fee Applications - Self	Correspond with MLB working group regarding MLB's January monthly fee statement.	Shim, D. K.	1,100.00	0.10	110.00
02/20/25	10	Litigation	Prepare for and conduct further mediation with debtor, videoconference with committee counsel regarding related follow-up and revise mediation-related analysis.	Cox, D.S.	1,375.00	3.70	5,087.50
02/20/25	07	Fee Applications - Self	Finalize Sixth Monthly Fee Statement.	DeSantis, C. M.	850.00	1.20	1,020.00
02/20/25	10	Litigation	Continue mediation with debtor's counsel, including follow-up issues.	Edwards, B.	2,025.00	1.10	2,227.50
02/20/25	00	General	Evaluate case pleadings and hearing notices.	Guzzi, T. A.	520.00	0.30	156.00
02/20/25	10	Litigation	Conference concerning revised mediation-related analysis.	Raskin, J. S.	1,550.00	0.70	1,085.00
02/20/25	10	Litigation	Communications concerning revised mediation-related analysis.	Raskin, J. S.	1,550.00	0.60	930.00
02/20/25	07	Fee Applications - Self	Correspond with MLB working group regarding MLB's January monthly fee statement.	Shim, D. K.	1,100.00	0.10	110.00

Morgan Lewis

March 17, 2025
Page 6

Invoice Number 5623718
Account No. 139505-0001

Date	Task Code	Task Description	Description	Timekeeper	Rate	Hours	Amount
02/21/25	10	Litigation	Revise mediation-related analysis and confer with committee counsel regarding same.	Cox, D.S.	1,375.00	1.20	1,650.00
02/21/25	07	Fee Applications - Self	Follow up with UCC counsel regarding finalizing Sixth Monthly Fee Statement.	DeSantis, C. M.	850.00	0.30	255.00
02/21/25	10	Litigation	Prepare several rounds of revisions and additions to portions of the revised mediation-related analysis.	Raskin, J. S.	1,550.00	1.50	2,325.00
02/24/25	10	Litigation	Analyze correspondence from Liberty and work with J. Raskin regarding same.	Cox, D.S.	1,375.00	0.80	1,100.00
02/24/25	10	Litigation	Analyze correspondence from D. Gooding (Choate) requesting Liberty Mutual's inclusion in mediation process.	Edwards, B.	2,025.00	0.20	405.00
02/24/25	10	Litigation	Internal communications concerning 524(g) term sheet issues.	Raskin, J. S.	1,550.00	2.00	3,100.00
02/25/25	10	Litigation	Confer with J. Raskin regarding committee meeting and term sheet status.	Cox, D.S.	1,375.00	0.30	412.50
02/25/25	00	General	Evaluate case pleadings.	Guzzi, T. A.	520.00	0.20	104.00
02/25/25	10	Litigation	Communications concerning 524(g) term sheet.	Raskin, J. S.	1,550.00	1.20	1,860.00
02/26/25	10	Litigation	Analyze revised term sheet.	Cox, D.S.	1,375.00	0.30	412.50

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Date	Task Code	Task Description	Description	Timekeeper	Rate	Hours	Amount
02/27/25	10	Litigation	Analyze HII revisions to term sheet and confer with Caplin team regarding response to same.	Cox, D.S.	1,375.00	1.30	1,787.50
02/27/25	00	General	Evaluate case pleadings.	Guzzi, T. A.	520.00	0.20	104.00
02/27/25	10	Litigation	Analyze 524(g) term sheet issues and conferences regarding same.	Raskin, J. S.	1,550.00	2.40	3,720.00
02/28/25	10	Litigation	Prepare for and attend further mediation session and related follow-up.	Cox, D.S.	1,375.00	2.20	3,025.00
02/28/25	07	Fee Applications - Self	Follow up regarding LEDEs file for Sixth Monthly Fee Statement.	DeSantis, C. M.	850.00	0.40	340.00
02/28/25	10	Litigation	Analyze proposed revisions to 524(g) term sheet and communications regarding same.	Raskin, J. S.	1,550.00	3.20	4,960.00
Matter Total						64.40	\$ 92,600.00

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Summary for Fee Services Rendered

	Hours	Rate	Amount
PARTNER			
Cox, D.S.	27.80	1,375.00	38,225.00
Edwards, B.	7.80	2,025.00	15,795.00
Raskin, J. S.	20.80	1,550.00	32,240.00
ASSOCIATE			
DeSantis, C. M.	5.20	850.00	4,420.00
Shim, D. K.	0.80	1,100.00	880.00
PARALEGAL			
Guzzi, T. A.	2.00	520.00	1,040.00
Matter Total	64.40		\$ 92,600.00

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Disbursements and Other Related Charges Incurred on Your Behalf

Date	Name	Description	Amount
01/20/25	Edwards, Brady	Taxi - Brady Edwards - - - taxi	20.00
01/20/25	Edwards, Brady	Data Services - Brady Edwards - - - Brady Edwards -	8.00
01/20/25	Edwards, Brady	Air - Brady Edwards - - - - Only flight available to D.C. due to Houston winter blizzard	1,773.48
01/21/25	Edwards, Brady	Hotel - Brady Edwards - - - Brady Edwards -	510.80
01/22/25	Edwards, Brady	Data Services - Brady Edwards - - - Brady Edwards -	12.00
02/11/25	Cox, David S	WestLaw	2,799.50
02/13/25	Cox, David S	WestLaw	2,004.50
02/14/25	Cox, David S	WestLaw	336.50
02/28/25	Data Services, Data Services	Data Services Active - R fee; February; 86.94 GB	1,738.80
02/28/25	eData Services, eData Services	eData User Fees (Monthly) - Relativity fee; February; 16.00 User	1,520.00
Total Disbursements			\$ 10,723.58

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Summary of Disbursements and Other Related Charges Incurred on Your Behalf

Description	Amount
Taxi	20.00
Hotel	510.80
Air	1,773.48
Data Services	20.00
Westlaw Charges	5,140.50
Data Services Active - R	1,738.80
User Fees (Monthly) - Relativity	1,520.00
Total Disbursements	\$ 10,723.58