

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

**In Re: HOPEMAN BROTHERS, INC., )  
Debtor. ) Chapter 11  
 ) Case No. 24-32428 (KLP)**

**DECLARATION OF CHRISTOPHER LASCELL  
IN SUPPORT OF CONFIRMATION OF PLAN OF REORGANIZATION**

I, Christopher Lascell, pursuant to 28 U.S.C. § 1746, declare:

1. I submit this Declaration in support of confirmation of the Amended Plan of Reorganization of Hopeman Brothers, Inc Under Chapter 11 of the Bankruptcy Code, dated May 21, 2025 [Doc. No. 766] (as may be further amended, supplemented or otherwise modified, the “Plan”).<sup>1</sup>

2. Except as otherwise indicated, this declaration is based upon my personal knowledge, my review of relevant documents, information provided to me by Hopeman’s outside professional advisors, or my lay opinion based upon my experience, knowledge, and information concerning the Debtor’s operations and financial condition. If called upon to testify, I could and would testify competently to the facts set forth in this Declaration

3. I am President of Hopeman Brothers, Inc., the debtor in the above-captioned Chapter 11 case (“Hopeman” or the “Debtor”). I have served in that role since 2016 since after the death of my father, who previously served in that role and had been counsel to Hopeman for many years.

4. I and my two siblings serve as the three members of the Board of Directors of the Debtor. Neither I nor my siblings had any affiliation with Hopeman’s business operations prior to its cessation of operations in 2003 or prior to our father’s death in 2016. We have attempted to serve as stewards of Hopeman for the last eight years, overseeing the work of outside professionals in the administration and resolution of the Asbestos Claims, described below. We have also overseen the Debtor’s management of its insurance program as well as the management and investment of the Debtor’s cash.

5. In my capacity as President of the Debtor, I am familiar with the Debtor’s historical operations, its assets, financial condition, business affairs, and books and records. The Disclosure Statement filed with the Plan accurately describes the Debtor’s corporate and business history, and the Debtor’s history of addressing asbestos personal injury claims, litigation and insurance coverage matters.

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<sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the meanings given to them in the Plan.



### Background

6. The Debtor previously operated as “ship joiner” subcontractor. In that line of work, Hopeman contracted with shipbuilders to outfit the interior of ships, which consisted of supplying and installing shipboard furniture, beds, box berthing, non-structural bulkhead panels, ceilings, insulation and other interior components of ocean going vessels. Some of the materials supplied and/or installed in Hopeman’s line of work contained asbestos.

7. Hopeman exited the ship joiner business in the 1980s and following the sale of substantially all of its assets in 2003, Hopeman has had no ongoing income-producing business operations.

8. Hopeman has maintained its corporate existence solely to address personal injury claims asserted against it allegedly arising out of the asbestos-containing products used in its legacy ship joining business (collectively, the “Asbestos Claims”).

9. Managing the Asbestos Claims has been a complex process. This has included overseeing claims submitted to Hopeman through administrative claims processes pursuant to agreements with various law firms (each an “Administrative Agreement”) as well as managing lawsuits filed in courts across the country against Hopeman. Further, in order to address and pay the Asbestos Claims, Hopeman has managed the extensive liability insurance policies it paid for and still owns to insure funds were available to defend against and settle, when appropriate, Asbestos Claims. Hopeman has also invested its cash assets in conservative investments to provide some return that also was used to manage the Asbestos Claims process.

10. The Debtor’s current material assets consist of cash, potential reversionary interests in settlement funds held at Peoples Bank, books and records, and a significant portfolio of liability insurance policies and Hopeman’s rights under such policies.

### The Asbestos Claims Against Hopeman

11. Although Hopeman no longer used asbestos in its line of work after the mid-1970’s, since that time persons allegedly injured by asbestos-containing products have named Hopeman as a defendant in over 126,000 claims, either filed in lawsuits or asserted in an out-of-court administrative process.

12. As of the filing of the Debtor’s Chapter 11 petition on June 30, 2024 (the “Petition Date”), the Debtor had approximately 2,700 unresolved asbestos claims. While the pace of the filing of claims had slowed prior to the Petition Date, the Asbestos Claims filed against Hopeman from January 2015 through May 2024 still exceeded 5,000 claims. These claims were filed in courts in, or submitted pursuant to the Administrative Agreements and assigned by Hopeman’s claims administrator, Special Claim Services (“SCS”), as if filed in, 20 states.

13. Hopeman expects claimants will continue to assert Asbestos Claims against it if the automatic stay no longer prevents their assertion against the Debtor and for many years thereafter due to the expected length of time for claimants who have been exposed to asbestos to manifest certain asbestos-related diseases. Hopeman cannot state with any certainty how many such claims will be filed against it in the future.

The Debtors' Decision to File for Bankruptcy

14. The Debtor filed this Chapter 11 case to fairly and permanently resolve its legacy asbestos liabilities. Resolving these liabilities in accordance with the Plan will benefit both the Debtor and its creditors by, among other things, (a) eliminating the ongoing costs, administrative burdens, risks and distractions that the Debtor has been subjected to from these decades-old liabilities, and (b) providing for (i) the liquidation in the tort system and the payment of current and future Asbestos Personal Injury Claims from the Asbestos Personal Injury Trust and the Debtors' asbestos insurers and (ii) the payment on the Plan's Effective Date of all or substantially all Allowed General Unsecured Claims.

The Certain Settling Insurers Settlement Agreement

15. Soon after the Petition Date, the Debtor filed an insurer settlement motion, seeking approval of an agreement with a group of insurers (collectively, the "Certain Settling Insurers") [Docket No. 53] (the "Certain Settling Insurer Settlement Motion").

16. The Debtor successfully prosecuted the Certain Settling Insurers Motion at a hearing held on December 16, 2025. On December 19, 2024, the Court entered the Insurance Settlement Order approving the Certain Settling Insurers Settlement Motion and overruling four objections to that settlement. See Docket No. 442. An appeal of that Order was settled as to both appellants, and the appeal was dismissed by the District Court. The Insurance Settlement Order became a final order upon dismissal of the appeal. Subsequently, the Certain Settling Insurers paid the settlement proceeds to the Debtor, consummating the settlement.

17. The Debtor, with Bankruptcy Court approval, anticipates using the settlement proceeds of the Certain Settling Insurers Settlement Agreement, together with the Debtor's remaining cash, to fund the administrative payments and Plan payments contemplated. I believe there are sufficient settlement proceeds to fund all obligations of the Debtor under the Plan.

The Section 524(g) Term Sheet and Jointly-Filed Plan

18. On December 20, 2024, the Court entered its Order approving the joint motion by the Debtor and Committee to authorize judicial mediation (the "Mediation") of the Chubb Insurer Settlement Motion [Docket No. 443] (the "Mediation Order"), among other things, (i) appointing the Honorable Kevin R. Huennekens as judicial mediator (the "Mediator") and (ii) directing the Debtor, the Committee, and the related Chubb Insurers (Century Indemnity Company and Westchester Fire Insurance Company) to mediate the relief sought in the Chubb Insurers Settlement Motion. The Debtor and the Committee consented to a request from Huntington Ingalls Industries, Inc. ("HII") to participate in the Mediation.

19. Through the Mediation, the Debtor reached a settlement (the "524(g) Settlement") with the Official Committee of Unsecured Creditors (the "Committee") and HII, but not with the Chubb Insurers. The essential terms of the 524(g) Settlement are set forth in a term sheet filed with the Court on March 7, 2025. See Docket No. 609, Exhibit B. The term sheet sets forth the parties' agreement on the essential terms for the treatment of present and future Asbestos Claims. The centerpiece of the 524(g) Settlement is that the Debtor and Committee agreed to jointly prosecute a chapter 11 plan that would create a trust pursuant to section 524(g) of the Bankruptcy

Code, and the Debtor would transfer its remaining insurance coverage and cash, after payment of administrative expenses, to that trust to allow for the resolution of the thousands of asbestos claims against the Debtor after the effective date of the jointly proposed plan.

20. In accordance with the 524(g) Settlement, on April 29, 2025, the Debtor and the Committee jointly filed the Plan of Reorganization of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code [Docket No. 689] (as amended by the filing at Docket No. 766, the “Joint 524(g) Plan”) that incorporates the terms of the 524(g) Settlement, and the Disclosure Statement with Respect to the Plan of Reorganization of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code [Docket No. 690] (as amended by the filing at Docket No. 767, the “Disclosure Statement”).

21. I am also familiar with the Disclosure Statement, the Plan, and the Plan-related documents filed as exhibits to the Plan or as part of the Plan Supplement.

22. The Plan implements the 524(g) Settlement by, among other things, providing for the creation and funding of the Asbestos Personal Injury Trust to resolve Asbestos Claims pursuant to section 524(g) of the Bankruptcy Code. The Asbestos Personal Injury Trust to be created under the Plan will be funded with the remaining cash of the Debtor and the cash that will be available from the Certain Settling Insurers Settlement after payment of administrative expenses and the funding of the Restructuring Transactions. See Plan at §§ 1.22, 1.23, and 8.3(a). In addition, the Debtor will assign to the Asbestos Personal Injury Trust all of the Debtors' rights under insurance policies covering Asbestos Claims. *Id.* at §8.3(b).

23. I am informed and believe that the Asbestos Personal Injury Trust will allow for liquidation and payment of the Asbestos Claims in accordance with the Asbestos Personal Injury Trust Distribution Procedures filed with the Plan, as such procedures were amended through the Plan Supplement filed June 6, 2026.

24. Under the Plan, the cash contributed to the Asbestos Personal Injury Trust and any recoveries by the trust will be used to pay any Uninsured Asbestos Claims that may arise and the operating expenses of the Asbestos Personal Injury Trust.

25. I believe the settlement reflected in the Plan represents a fair and reasonable compromise among the parties regarding the Asbestos Claims, the Demands and the funding of the Asbestos Personal Injury Trust.

26. I believe the provisions of the Plan, including the assets to be contributed to the Asbestos Personal Injury Trust, are fair, reasonable and in the best interests of both the Estates and the holders of present and future Asbestos Personal Injury Claims.

27. I have been informed and therefore believe that the legal representative of future asbestos personal injury claimants (the "FCR") has agreed to the Plan, including the Asbestos Personal Injury Trust Distribution Procedures.

Satisfaction of Section 1129(a) of the Bankruptcy Code

28. I am familiar with the terms of the Plan. Together with the Debtor's counsel, I have reviewed the requirements for confirming a plan of reorganization under the Bankruptcy Code. Based on my personal involvement in the negotiation and implementation of the transactions embodied in the Plan and this Chapter 11 Case, I believe that the Plan complies with the applicable provisions of the Bankruptcy Code, that the Plan was proposed in good faith and that the Debtor, acting through myself, its directors and professionals, have conducted themselves in a manner that complies with applicable law in relation to the formulation and negotiation of, solicitation of votes on, and approval of the Plan.

29. Among other things, Article II of the Plan properly classifies all Claims and Interests that require classification and segregates such Claims and Interests into five separate Classes. The number of Classes reflects the diverse characteristics of those Claims and Interests, and the legal rights under the Bankruptcy Code of each of the holders of Claims or Interests within a particular Class are substantially similar to other holders of Claims or Interests within that Class.

30. The Debtor proposed the Plan in good faith and not by any means forbidden by law. The Debtor is proposing the Plan with the legitimate and honest purpose of reorganizing its affairs and maximizing the returns available to creditors and other parties in interest. The Plan is the product of extensive arm's-length, good faith negotiations among the Debtor, the Committee, HII, and other creditors, and reflects a consensual resolution of the Debtor's asbestos liabilities and maximizes the value of assets available to satisfy Claims. I believe, based upon the Liquidation Analysis, that creditor recoveries under the Plan may be substantially greater than could be realized if the Debtor were to liquidate under chapter 7 of the Bankruptcy Code.

31. To arrive at this juncture in this Chapter 11 Case, the Debtor actively engaged with the Committee in the Plan-formulation process. The Debtors provided substantial information and documents to the Committee and to certain creditors and insurers who requested information and documents. I believe that the Debtor's good faith in proposing the Plan is evidenced by the prior proceedings before this Court and by the agreement of the Committee and the FCR, together with the overwhelming support of holders of Class 4 Asbestos Personal Injury Claims through their votes in favor of the Plan.

32. The principal purpose of the Plan is not avoidance of taxes or avoidance of the requirements of Section 5 of the Securities Act of 1933.

33. The Disclosure Statement, the Plan and exhibits to the Plan disclose all necessary information regarding the Debtor's and Reorganized Debtor's officers and directors, as well as the members of the Trust Advisory Committee, and the proposed initial Administrative and Litigation Trustees of the Hopeman Asbestos Person Injury Trust. I believe that the appointment of the proposed officer and director for the Reorganized Debtor, who appears to be highly qualified and experienced, is consistent with public policy and the interests of the holders of Claims and Interests

34. The Reorganized Debtor's business will not involve the establishment of rates over which any regulatory commission has or will have jurisdiction after Confirmation, nor are retiree benefits involved.

Satisfaction of Section 524(g) of the Bankruptcy Code

35. Based on the long latency period of asbestos-related disease and the substantial number of asbestos-related personal injury lawsuits that were filed in the past and were continuing to be filed prior to Petition Date, the Debtor would likely be subject to substantial future Demands for payment arising from the same or similar conduct or events that gave rise to the Asbestos Personal Injury Claims. Moreover, the Debtor is unable to predict with any degree of confidence the amounts, numbers and timing of future Demands in respect of alleged asbestos-related personal injuries.

36. Under the Plan, all asbestos claimants, current and future, will receive the treatment set forth in the Asbestos Trust Distribution Procedures. Without the Plan, there is a risk that present claimants will be treated more favorably than future claimants because, absent establishment of the Asbestos Personal Injury Trust, present claimants could obtain judgments against Reorganized Hopeman, including punitive damages, leaving it without sufficient assets to make equivalent payments to future claimants or take actions necessary to maintain the availability of liability insurance for recovery to future claimants.

37. As part of the confirmation process in this case, the Debtor included the terms of the Asbestos Permanent Channeling Injunction, including provisions therein barring actions against any Protected Party, in both the Plan and the Disclosure Statement. See Plan § 10.3; Disclosure Statement § H(4). The Debtor also designated Class 4 under the Plan for all Asbestos Personal Injury Claims. See Plan §§ 4.4; Disclosure Statement § E(4). Over 2,400 holders of Claims in Class 4 submitted ballots, and those voting claimants overwhelmingly voted to accept the Plan.

38. Moreover, under the Plan, the Asbestos Personal Injury Trust is required to pay Asbestos Personal Injury Claims in accordance with the Asbestos Personal Injury Trust Distribution Procedures, which contain mechanisms that provide reasonable assurance that the Asbestos Personal Injury Trust will value, and be in a financial position to pay, present Asbestos Personal Injury Claims and future asbestos-related Demands that involve similar claims in substantially the same manner to the extent such Claims and Demands are entitled to payment from the Asbestos Personal Injury Trust.

39. Finally, each Protected Party under the Plan is either identifiable from the terms of the injunction by name or is a member of an identifiable group. See Plan § 1.95. In addition, the Plan defines “Protected Party” to include only those parties that fit within the categories listed in section 524(g)(4)(A) of the Bankruptcy Code. See Plan § 1.95. In light of the substantial contributions to be made to the Asbestos Personal Injury Trust by or on behalf of the Protected Parties, it is my opinion that entry of the Asbestos Personal Injury Channeling Injunction, and the naming of the Protected Parties therein, is fair and equitable with respect to persons that might subsequently assert an asbestos claim that is a demand addressed by the injunction and transferred to the trust.

40. I believe that the FCR properly represented the future asbestos personal injury claimants in this case by supporting the Plan.

The Plan Satisfies the Best Interests Test

41. FTI prepared (a) the financial projections reflecting the Reorganized Debtors' expected future operating performance for the fiscal years ending July 31, 2025 through July 31, 2030, and (b) a hypothetical chapter 7 liquidation analysis to demonstrate that the Plan satisfies the "best interests test" (the "Liquidation Analysis").

42. On behalf of the Debtor, I have reviewed the Liquidation Analysis. I believe that each holder of a Class 4 Asbestos Personal Injury Claim will receive or retain under the Plan on account of such Claim property of a value, as of the Effective Date, that is not less than the amount such holder would receive or retain if the Debtors were liquidated under chapter 7 of the Bankruptcy Code on such date.

43. Compared to a liquidation under Chapter 7, the Plan also may allow more holders of Asbestos Claims to potentially recover on their claims by not having a bar date and not having the available assets being subject to the payment of Chapter 7 trustee and professional fees. Additionally, the Plan leaves open the possibility for future settlements between the Asbestos Personal Injury Trust and insurers to be approved by the Bankruptcy Court, which could increase recoveries to all holders of Asbestos Claims.

44. In addition, under the proposed Trust Distribution Procedures, holders of Asbestos Claims who reside outside of Louisiana may have an opportunity to assert their claims against the Reorganized Debtor and, absent a reorganization, those claimants could not assert those claims against insurers in states that do not authorize direct action claims.

45. In light of the Debtor's dwindling cash, the advantages to the Plan over a Chapter 7 liquidation, and the creditors' near universal support for the Plan, I believe the Plan represents the best opportunity for the Debtor and its creditors to exit bankruptcy under the present circumstances.

Transfer of Books and Records to the Asbestos Personal Injury Trust

46. Section 8.3(l) of the Plan provides that, effective as of the Effective Date, the Debtor will transfer all their books and records that are necessary for the defense of Asbestos Personal Injury Claims to the Asbestos Personal Injury Trust and otherwise arrange for access to those books and records. Access will be provided without waiving any privileges or protections applicable to the documents. In my view, permitting the Asbestos Personal Injury Trust, which is responsible for the processing or defense of Asbestos Personal Injury Claims access to the document repository, without the destruction or waiver of any privileges or protections applicable to the documents contained therein, is necessary for the implementation of the Plan and the operation of the Asbestos Personal Injury Trust.

Executory Contracts and Unexpired Leases

47. To the extent the Asbestos Insurance Policies and the Asbestos CIP Agreements are deemed to be executory contracts, the Debtor has concluded, in its sound business judgment, that it is in the best interests of the Debtor's estate to assume those agreements. The Debtor also has determined, in the exercise of its sound business judgment, that it is in the best interests of the

Debtor's estate to reject as unduly burdensome any other Executory Contracts and Unexpired Leases that are not specifically identified for assumption in the Plan. For purposes of clarity, these include the rejection of any Designated Insurance Agreements, including the Travelers 2005 Agreement.

Discharge, Release and Injunction Provisions

48. I believe that the discharge, exculpation, release and injunction provisions set forth in Article X of the Plan of the Plan, are consensual and/or are supported by substantial consideration. Importantly, in my opinion, the Plan represents the best opportunity for the Debtor and its creditors to exit bankruptcy under the present circumstances.

I declare under penalty of perjury that the foregoing information is true and correct to the best of my knowledge, information and belief.

Dated: August 18, 2025

/s/ Christopher Lascell  
Christopher Lascell