

**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 CONOR P. TULLY
IN SUPPORT OF PLAN OF REORGANIZATION**

I, Conor P. Tully, pursuant to 28 U.S.C. § 1746, declare:

1. I am a Senior Managing Director of FTI Consulting, Inc., together with its wholly owned subsidiaries (“FTI”), a leading, NYSE-listed international financial advisory and consulting firm. I am a member of FTI’s Corporate Finance and Restructuring segment, and I am located in FTI’s New York office. I have been providing financial advisory services to companies and creditor groups undergoing in-court and out-of-court restructurings in a variety of industries for more than 25 years.

2. FTI serves as the Court-approved financial advisor to the Official Committee of Unsecured Creditors (“Committee”) in the chapter 11 bankruptcy case of Hopeman Brothers, Inc., the debtor in the above-captioned Chapter 11 case (“Hopeman” or the “Debtor”).

3. 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”).¹

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

My Experience as a Financial Advisor in Bankruptcy Cases

5. I have a bachelor’s degree in accounting from Manhattan University and hold the following licenses and certifications (i) Certified Public Accountant, (ii) Certified Insolvency and Restructuring Advisor, (iii) Certified Turnaround Professional, (iv) Accredited in Business Valuation, and (iv) Certified in Financial Forensics. I have served as a financial advisor in chapter 11 bankruptcy cases for over 20 years with FTI. Prior to that, I was employed by Ernst & Young Corporate Finance LLC as a Director in its Corporate Finance & Restructuring Practice. A copy of my CV is attached hereto as **Exhibit A**.

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



6. Over the course of my career, I have personally been involved in advising numerous parties-in-interest in over 100 bankruptcy or bankruptcy related matters, involving various types of businesses, including automotive, financial services, retail, consumer products, telecom, metals, shipping and manufacturing industries, among others.

7. My representative engagement experience includes work on transactions involving debtors with significant asbestos claims exposure, including Aldrich Pump, Bestwall LLC, DBMP LLC, LTL Management, Paddock Enterprises, Specialty Products Holding Corp. (Bondex), and Whittaker Clark Daniels, among others.

8. As part of my professional practice, I regularly prepare and review business plans, financial forecasts, financial statement models, investment opportunities, restructuring transactions, liquidation analyses, debtor-in-possession financing arrangements, employee retention and severance plans, restructuring plans, plans of reorganization, disclosure statements, and evaluations of strategic alternatives. In my prior chapter 11 engagements I have provided expert testimony in support of plan confirmation.

FTI's Role in Connection with the Plan

9. I am 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.

10. I am the person within FTI who has overseen the preparation of (a) the financial projections reflecting the Reorganized Hopeman's expected future operating performance for the fiscal years ending July 31, 2026 through July 31, 2030 ("Reorganized Hopeman Projections"), which demonstrates that the Plan is feasible, and (b) a hypothetical chapter 7 liquidation analysis, which demonstrates that the Plan satisfies the "best interests test" ("Liquidation Analysis"). I also led FTI's efforts to identify and evaluate various potential restructuring investment opportunities and ultimately recommended the Restructuring Transactions, described in the Plan and below.

11. Through my extensive experience in the bankruptcy and restructuring industry, and through my work on this case, I am qualified to testify in support of Plan confirmation, specifically concerning the Liquidation Analysis, the Reorganized Hopeman Projections and the Restructuring Transactions filed with the Court in connection with the Plan.

The Reorganized Hopeman Projections Are Accurate

12. At the request of the Committee, FTI took the lead in identifying and evaluating numerous potential Restructuring Transactions that may be pursued by the Debtor or Reorganized Hopeman, as contemplated by the Plan.

13. After thorough evaluation by FTI and upon the Committee's recommendation, the Debtor agreed that Reorganized Hopeman, upon the Effective Date, would make a \$350,000 investment in an existing apartment complex described more fully in the Plan Supplement filed on June 6, 2025 (the "Pines Investment").

14. As set forth in the Plan Supplement, the Restructuring Transactions contemplate the Debtor providing a total of \$500,000 to Reorganized Hopeman on the Effective Date. As soon as reasonably practicable after the Effective Date, Reorganized Hopeman will deploy \$350,000 to acquire the Pines Investment and will maintain \$150,000 as excess Reorganized Hopeman capitalization. This amount will be invested in high quality US treasuries, or similar conservative investments, and will be available as additional funding if necessary to cover Reorganized Hopeman's expenses of maintaining its corporate existence, any other shortfalls in revenue, or unanticipated expenses that may be arise from time to time.

15. On behalf of the Committee, and under my supervision, FTI prepared the Reorganized Hopeman Projections filed as part of the Plan Supplement, which project the net cash flow expected to be generated from the Restructuring Transactions.

16. In my opinion, the Reorganized Hopeman Projections accurately reflect the cash flow expected from the Restructuring Transactions currently contemplated in the Plan, as described in the Plan Supplement.

17. Under the Plan, Reorganized Hopeman will have an experienced officer and director capable of managing the business of Reorganized Hopeman, which will be the Pines Investment as more fully described in the Plan Supplement.

Feasibility of the Plan

18. The Restructuring Transactions will capitalize Reorganized Hopeman in amounts that will avoid the need for any further restructuring. In fact, Reorganized Hopeman is projected to generate net cash flow that will more than adequately offset its minimal expenses and allow Reorganized Hopeman to regularly make distributions of its income to the Asbestos Trust. In addition, the Asbestos Trust will have the financial resources and the authority to provide Reorganized Hopeman with financial support, in the unlikely event it becomes necessary, to keep it funded to serve its role under the Plan.

The Plan Satisfies the Best Interests Test

19. I oversaw the development by FTI of the draft liquidation analysis for the Committee that was requested by the Debtor during the settlement discussions that led to the Section 524(g) Term Sheet. I also oversaw the updating of the numbers and notes included in the final version of the Liquidation Analysis. That version was included in the Disclosure Statement jointly filed by the Debtor and the Committee.

20. I believe that the information, assumptions and calculations underlying the Liquidation Analysis are proper, accurate and in accordance with industry standards.

21. In my opinion, the Liquidation Analysis demonstrates that the Plan provides better recoveries for both existing and future holders of Channeled Asbestos Claims than liquidation of the Debtor under chapter 7.

22. The differences between the Plan and chapter 7 scenario are driven primarily by (a) the additional insurance proceeds that would become available to claimants or the Asbestos

Trust under the Plan that would not be available in a chapter 7 scenario, and (b) the additional costs for a chapter 7 trustee and his or her professionals to become sufficiently educated on the insurance portfolio and the liabilities of the Debtor and the statutory chapter 7 trustee fees that would be payable in a chapter 7 that would not be incurred under the Plan.

23. In my opinion, claimants collectively will have the opportunity to recover far more on their claims under the Plan than under a chapter 7 scenario in lieu of potential recoveries under the Plan. In addition, more claimants will be able to recover on their claims against Reorganized Hopeman than could recover from Hopeman's available assets in a chapter 7 scenario.

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/ Conor P. Tully