Docket #0230 Date Filed: 5/5/2026

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re ALDRICH PUMP LLC, *et al.*,[1] Debtors.	Chapter 11 Case No. 20-30608 (LMJ) (Jointly Administered)
OFFICIAL COMMITTEE OF ASBESTOS PERSONAL INJURY CLAIMANTS Plaintiff, v. ALDRICH PUMP LLC, MURRAY BOILER LLC, TRANE TECHNOLOGIES COMPANY LLC, and TRANE U.S. INC., Defendants.	Adv. Pro. No. 21-03029 (LMJ)
OFFICIAL COMMITTEE OF ASBESTOS PERSONAL INJURY CLAIMANTS, on behalf of the estates of Aldrich Pump LLC and Murray Boiler LLC, Plaintiff, v. INGERSOLL-RAND GLOBAL HOLDING COMPANY LIMITED, TRANE TECHNOLOGIES HOLDCO INC., TRANE TECHNOLOGIES COMPANY LLC, TRANE INC., TUI HOLDINGS INC., TRANE U.S. INC., and MURRAY BOILER HOLDINGS LLC, Defendants.	Adv. Pro. No. 22-03028 (LMJ)

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

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THE FUTURE ASBESTOS CLAIMANTS' REPRESENTATIVE'S RESPONSE TO DEFENDANTS' SUPPLEMENTAL MEMORANDUM IN SUPPORT OF MOTION TO STAY ADVERSARY PROCEEDINGS

Joseph W. Grier, III, the representative for future asbestos claimants in the above-captioned cases (the "FCR"), through counsel, hereby files this *Response to Defendants' Supplemental Memorandum in Support of Its Motion to Stay Adversary Proceedings* (the "Supplemental Memorandum")[2] filed by Aldrich Pump LLC and Murray Boiler LLC (together, the "Debtors") as debtors and debtors in possession and Trane Global Holding Company Limited f/k/a Ingersoll-Rand Global Holding Company Limited, Trane Technologies Holdco Inc., Trane Technologies Company LLC, Trane Inc., TUI Holdings Inc., Trane U.S. Inc., and Murray Boiler Holdings LLC in support of *Defendants' Motion to Stay Adversary Proceedings* (the "Motion to Stay").[3]

ARGUMENT

As the Supplemental Memorandum explains, the Adversary Proceedings stand and fall on two competing arguments.[4] The first is that ***solvent*** entities such as the Debtors should not be permitted to file for bankruptcy protection, particularly if the entity was created through a prepetition restructuring. The ACC has repeatedly brought and lost that argument, not only before this Court but also in the District Court and the Fourth Circuit. Accordingly, the Adversary Proceedings should be stayed because the ACC's theory lacks relevant legal support.

The ACC's second argument directly contradicts the first by asserting that the Debtors are ***insolvent***, and the two-step prepetition restructuring reflected a massive fraud on creditors. That argument also falls flat. It is plainly counterfactual. More importantly, however, the insolvency

2 Dkt. 3122.

3 Dkt. 2822.

4 *See* Supplemental Memorandum, at pgs. 4-6.

argument is premature, speculative, and relies on uncertain future events.[5] The actual extent of the Debtors' solvency will be determined this year when the Court estimates the Debtors' asbestos liabilities. Indeed, a solvency finding, the most likely result of the coming Phase I tort estimation trial, would render the Adversary Proceedings moot. The Adversary Proceedings should be stayed until after the Court makes that determination.

Lastly, there is no prejudice to the class of current claimants, the body that the ACC is charged with protecting. To the contrary, as Congress directed, various courts in the Fourth Circuit have acknowledged, and common-sense dictates, the collective interests of that class are best served by prompt confirmation of a fully funded asbestos plan and trust. All estate professionals should be focused on that goal rather than tilting at windmills at a cost of tens of millions of dollars in fees for no creditor benefit.

A. <u>The Adversary Proceedings are at Odds with Controlling Law and the Interests of the Asbestos Claimants.</u>

The ACC, through counsel, has argued repeatedly that solvent entities are prohibited from filing for bankruptcy protection, and, therefore, these full pay cases should be dismissed. The ACC has lost that argument every time, not only before this Court but also the District Court and the Fourth Circuit.[6]

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5 *See* Supplemental Memorandum at 6, 18-19.

6 *See e.g.,* Dkt. 2047, *Order Denying Motions to Dismiss,* at pgs. 7, 26-27 (finding that there are "no cases holding 'financial distress' to be a constitutional requirement for filing a chapter 11 case, much less a 'jurisdictional prerequisite'" and that "[i]n section 109(d) of the Bankruptcy Code, Congress determined which entities are eligible to file cases under chapter 11. 11 U.S.C. § 109(d). These Debtors satisfy those requirements."); *Off. Comm. of Asbestos Claimants v. Semian,* 809 F. Supp. 3d 383, 391-92, *6 (W.D.N.C. 2025) (Volk J.) (denying the ACC's motion for leave to appeal); *Bestwall LLC v. Off. Comm. of Asbestos Claimants of Bestwall, LLC,* 148 F.4th 233 (4th Cir. 2025) (rejecting jurisdictional argument that Bestwall's purported lack of financial distress made it ineligible for bankruptcy under the U.S. Constitution's Bankruptcy Clause).

Likewise, as the ACC acknowledged in an amicus brief it filed to support the *Bestwall* ACC's effort to obtain Supreme Court review of the "Texas Two-Step," in this Circuit, the ACC has repeatedly lost its argument that debtors created through a prepetition restructuring are not proper debtors. *See* Supplemental Memorandum at 5, 16-23.

Rejecting the ACC's arguments, those courts have consistently ruled that it is not only legal but appropriate for a solvent debtor to file for bankruptcy protection, especially in circumstances where the debtor is seeking to create a fully funded trust for the collective benefit of current and future classes of asbestos claimants.[7] Those prior rulings are binding on all parties, thus rendering frivolous the ACC's argument that these bankruptcy cases are *per se* illegal. As such, continuation of the Adversary Proceedings on that basis cannot be justified.

The ACC's ceaseless crusade to dismiss the Debtors' cases by any means, including through the Adversary Proceedings, is not only at odds with controlling law, it also cannot be squared with the ACC's fiduciary obligation to advance the collective interests of the class of current claimants. It is self-evident that if only insolvent entities are permitted to file bankruptcy, the ACC's professed preferred result in North Carolina but not Delaware (where the *Paddock* case was filed),[8] the classes of current (and future) asbestos claimants will always be irreparably harmed. They will receive pennies on dollars (or perhaps nothing at all) as compared to the full prepetition recovery for individual tort law firms and their clients.[9] It is confounding that the ACC continues to advocate for dismissal, which would doom the class that they represent to a prejudicial result.

To be sure, the small group of tort law firms that continue to control the ACC evidently believe that dismissal would be in their ***individual*** best interests and have directed the ACC accordingly.[10] Hence the unremitting push for dismissal by any means possible, including through

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7 *Order Denying Motion to Dismiss*, Dkt. 2047; *Semian,* 809 F. Supp. 3d 383; *Bestwall, LLC,* 148 F.4th 233.

8 *In re Paddock Enters., LLC*, Case No. 20-10028 (LSS) (Bankr. D. Del.).

9 *See* Elihu Inselbuch and Ann McMillan, *The Effrontery of the Asbestos Trust Transparency Legislation Efforts*, MEALEY'S LITIGATION REPORT 28.2, at 2 (Feb. 20, 2013) (co-authored by Caplin & Drysdale attorneys, counsel to the ACC, acknowledging that "[b]ecause of the hopeless insolvency of their predecessors, the trusts are only able to pay a small percentage of that historical settlement share to each deserving claimant, present and future").

10 Evidence of this continuing control is that ACC counsel are even now pressing for dismissal anew by

the Adversary Proceedings. The tort law firms are passionately opposed (at least in North Carolina) to the creation of a trust, including quixotically a fully funded one, as being contrary to their business model. That model is largely dependent on being able to flood a few preferred jurisdictions with thousands of claims against dozens of companies and then extract group settlements from defendants seeking to avoid unsustainable defense costs. Unsurprisingly, those settlements often have little to do with the merits of any individual claim but rather are dependent on a particular court's jurisdiction and the tort law firms involved. More problematically, the model means that valid claimants often wait years—even decades—to be paid, if at all, with wildly disparate recoveries across the country. That is a disastrous result for a class that rightfully expects prompt, fair, merit-based payments.

Thus, no credible argument has been made by ACC counsel that dismissal serves the ***collective*** best interests of the ACC's constituency class of claimants. The benefits that accrue to the classes of claimants from the creation of a fully funded asbestos trust are known and proven. Indeed, neither the FCR here, nor the FCR in *Bestwall*, the informed fiduciaries who represent by far the largest class of creditors—the future claimants—has supported dismissal.

This failure of representation is particularly stark when compared to the actions taken in the *Paddock* case. There, the same tort law firms and the same ACC professionals argued for and voted 99.997% in favor of confirmation of a full pay $610 million capped fund plan for a solvent Delaware asbestos debtor that also went through a prepetition "two-step" restructuring.[11] In

advancing a certiorari petition before the Supreme Court, challenging Judge Beyer's denial of their motion to dismiss the *Bestwall* case. *See Brief of Asbestos Creditors' Committees in the DBMP and Aldrich Bankruptcies as Amici Curiae in Support of Petitioner*, *Official Committee of Asbestos Claimants of Bestwall LLC v. Bestwall LLC,* No. 25-1013 (Mar. 26, 2026). As noted above, that strategy violates the fiduciary duties that the ACC, and their counsel, owe to the current class of claimants.

[11] *In re Paddock Enters., LLC*, No. 20-10028 (LSS), 2022 WL 1746652 (Bankr. D. Del. May 31, 2022).

contrast to these cases, the *Paddock* ACC did not argue for dismissal despite the Third Circuit's lower bar for doing so.

B. <u>The Estimation Proceeding Will Inform Debtors' Ability to Pay Claimants.</u>

As to the ACC's second, counterfactual and contradictory argument—that the Debtors are insolvent—it is self-evident that the Debtors have the resources, through the funded QSF, their own assets, insurance, and the uncapped Funding Agreements, to pay all valid asbestos claims in full. Indeed, the ACC has loudly proclaimed this to be true at every judicial level, including before the Supreme Court.[12] Putting aside the puzzling question as to how the Debtors could be both simultaneously *solvent* and *insolvent*, the ACC's "insolvency" argument will be put to rest once the Court determines the scope of the Debtors' asbestos liabilities in a matter of months. There is simply no valid reason to continue the Adversary Proceedings in the interim.

C. <u>Staying the Adversary Proceedings Would Avoid Unnecessary Costs and No Party Would Be Adversely Prejudiced.</u>

Finally, there is a good cause for a stay. As of January 2026, total professional fees in these cases exceeded $170 million, with a significant amount having been spent on the Adversary Proceedings. But nearly six years after the Debtors' petition date, the ACC professionals have yet to advance the collective interests of the class of current claimants one inch. On the contrary, as ACC counsel has repeatedly and candidly admitted, their focus has been to get the Debtors' cases

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[12] *See e.g., Motion of the Official Committee of Asbestos Personal Injury Claimants to Dismiss the Debtors' Chapter 11 Cases*, Dkt. 1756; *see Consolidated Memorandum of Law to Support Motion for Leave to Appeal the Orders Denying Aldrich Committee's, Mr. Robert Semian and Forty-Six Other MRHFM Plaintiffs', and Mr. Wilson Buckingham and Ms. Angelika Weiss's Motions to Dismiss*, Dkt. 40, *Official Committee of Asbestos Claimants, et. al. v. Aldrich Pump LLC, et al*., Case No. 3:24-cv-00042-FWV (W.D.N.C. Aug. 28, 2025); *see The Official Committee of Asbestos Personal Injury Claimants' Memorandum of Law in Support of its Motion for Leave to Appeal Order Denying Motions to Dismiss*, Dkt. 2065; *see also Brief of Asbestos Creditors' Committees in the DBMP and Aldrich Bankruptcies as Amici Curiae in Support of Petitioner*, *Official Committee of Asbestos Claimants of Bestwall LLC v. Bestwall LLC,* No. 25-1013 (Mar. 26, 2026).

dismissed to protect the reputations of individual tort law firms.[13] If fiduciary actions are properly aligned with class collective interests, there can be no doubt that the staggering legal fees incurred in this case would be much better spent funding a properly constituted asbestos trust similar to the uniquely successful court and claimant approved *Garlock* Trust. That Trust addresses the same liability pool and pays valid claims in full in a matter of weeks after submission of a simple claim form. Spending tens of millions on the Adversary Proceedings is not only incredibly wasteful but also an unwarranted distraction. Instead, the efforts of all professionals should be focused on mediation, which ACC counsel argued for, and the Phase I Estimation trial, which ACC counsel supported, and plan confirmation. Thus, a stay of the Adversary Proceedings would not prejudice the class of current claimants; rather, it would increase the chances of the creation of a fully funded trust so claimants may finally receive compensation from the Debtors in their lifetimes.

CONCLUSION

The Adversary Proceedings lack both legal and factual support; will likely be rendered moot in a matter of months; and are unnecessary distractions to plan confirmation. The FCR respectfully submits that the Court should grant the Motion to Stay.

[13] *See e.g.,* Jan. 26, 2023 Hr'g Tr., at 38:25; 39:1-10, Dkt. 1599 (Natalie Ramsey, counsel for the ACC, stating "The, the difficulty from the claimant perspective . . . and I, I want to be very transparent about this – is that in addition to reaching a low number, Judge Hodges made some very critical determinations about the, the, the way that the plaintiffs and the tort lawyers behaved in the tort system . . . . And that is the responsibility that we bear, is to not let that happen again on our watch.").

Dated: May 5, 2026
Charlotte, North Carolina

Respectfully submitted,

/s/ A. Cotten Wright

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