UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

IN RE:	:	Case No. 20-30608 (LMJ) (Jointly Administered)
ALDRICH PUMP LLC, *et al.*,	:	
Debtors,	:	Chapter 11
	:	Charlotte, North Carolina
	:	Thursday, May 21, 2026
	:	9:34 a.m.
	:	
OFFICIAL COMMITTEE OF ASBESTOS PERSONAL INJURY CLAIMANTS,	:	AP 21-03029 (LMJ)
Plaintiff,	:	
v.	:	
ALDRICH PUMP LLC, MURRAY BOILER LLC, TRANE TECHNOLOGIES COMPANY LLC, and TRANE U.S. INC.,	:	
Defendants,	:	
OFFICIAL COMMITTEE OF ASBESTOS PERSONAL INJURY CLAIMANTS, on behalf of the estates of Aldrich Pump LLC and Murray Boiler LLC,	:	AP 22-03028 (LMJ)
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.	:	

TRANSCRIPT OF PROCEEDINGS
BEFORE THE HONORABLE LENA MANSORI JAMES,
UNITED STATES BANKRUPTCY JUDGE

APPEARANCES:

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P R O C E E D I N G S

(Call to Order of the Court)

THE COURT: Morning, everyone.

(Counsel greet the Court)

THE COURT: All right. Good morning.

MR. ERENS: Good morning, your Honor. Brad Erens, E-R-E-N-S, of Jones Day on behalf of the debtors. I'll let the others who are going to be making their appearances do it for themselves.

THE COURT: All right. Thank you.

MR. TORBORG: Good morning, your Honor. David Torborg from Jones Day on behalf of the debtors.

MS. SIEG: Good morning, your Honor. Beth Sieg of McGuireWoods for the Trane Defendants.

MR. EVERT: Morning, your Honor. Michael Evert, special counsel to the debtors.

MR. KUTROW: Brad Kutrow with Ms. Sieg from McGuireWoods for the NDAs.

MR. MILLER: Morning, your Honor. Jack Miller, Rayburn Cooper & Durham, for the debtors, along with Rick Rayburn.

THE COURT: All right. Morning.

Anyone else?

MS. HARDMAN: I think it's my turn, your Honor. Carrie Hardman from Winston & Strawn on behalf of the

Committee. And with us I have Cristina Calvar from Winston & Strawn; Serafina Concannon and Nathaniel Miller from Caplin & Drysdale; Andrew DePeau and Annecca Smith from Robinson & Cole;, and Rob Cox from Hamilton Stephens Steele & Martin. Good morning, Your Honor.

THE COURT: Good morning.

MS. WRIGHT: Good morning, Your Honor. Cotten Wright with Grier Wright Martinez, and with me today is the Future Claimants' Representative, our client Joe Grier. And also with me today is our associate attorney, Ben Rhodes, and Amy Lenz with Orrick. Mr. Guy sends his apologies. He had flight issues and, and just couldn't get here from there.

THE COURT: All right.

MS. WRIGHT: So.

THE COURT: Thank you.

MS. WRIGHT: Thank you.

THE COURT: Thank you.

All right.

MR. ERENS: All right, your Honor. Unless you have anything you wanted to discuss with us, there's one item on the agenda and we'll just go straight to it. Mr. Torborg will be doing the presentation for the debtors.

THE COURT: All right, yeah. Why don't we start with that and then we can talk about any status issues after.

MR. ERENS: Okay.

MR. TORBORG: Good morning, your Honor. Again, David Torborg, T-O-R-B-O-R-G, from Jones Day on behalf of the debtors. I'll be handling the bulk of the argument. I'll leave some time for Ms. Sieg at the end to address a couple of discovery issues.

The Court has had the benefit already of extensive briefing and oral argument on the stay motion. Given that, I'd like to highlight what we think are the key points.

I do have a set of slides. If nothing else, it'll give you an idea of where I am.

THE COURT: All right.

MR. TORBORG: And you can keep tabs on me and see how long I'm going to go.

If Mr. Miller can approach?

THE COURT: Sure.

MR. TORBORG: And I'm going to put them on, put them on the screen.

THE COURT: Morning.

(Slide deck provided to the Court)

MR. TORBORG: Okay. All right, success.

I'd like to start with what this stay motion is not about. The Committee's latest brief leans heavily into the notion that the defendants seek a stay to avoid producing documents that might fill the evidentiary gaps in their claims. That assertion is not correct. First, the Committee ignores

the extensive discovery that already occurred in the PI litigation before your Honor was handling this case about every single issue at issue in the adversary proceedings. The document requests that they served in this litigation overlap almost entirely with the document requests that they served in the PI litigation about Project Omega, the corporate restructuring, and the bankruptcy filings. Defendants took their obligations to respond to that discovery seriously. It took months of effort and cost hundreds of thousands, if not millions of dollars. Twenty-two depositions were held. Over 10,000 documents spanning 94,000 pages were produced. Defendants are not seeking a stay to avoid producing documents that might fit evidentiary caps, gaps in the Committee's claims.

Let's be clear. Everyone knows all of the operative relevant facts about the pre-petition restructuring in the bankruptcy filings. The Committee has not identified a single thing it does not understand about those transactions and for which it needs additional discovery. What is left in these adver, adversary proceedings are already rejected legal arguments and contentions that rely on uncertain future contingencies.

Second, defendants have long been preparing to meet the CMO's July 6th deadline for document productions. Defendants never asked this Court to adjourn that deadline. We

understand the Court established that deadline at the same time it decided to continue the stay motion. We have been reviewing and preparing responsive documents for production all along. We hoped to produce a, some documents this week, but we ran into some quality control issues that prevented that from happening. That is not to say that responding to these requests was easy. The review and deduplication process was costly, largely due to the overlap in the prior discovery.

Relatedly, the Committee suggests the stay motion is really just an improper attack on the merits of their claims. I'm not exactly sure what the, what the Committee means by that, because what they seem to be characterizing as merits issues really overlap, in large part at least, with the substantive bases for the stay motion. To be sure, defendants have expressed their views about the merits of these proceedings and have cited decisions, some of them recent, that support our position that the claims should be dismissed. But that is not the underlying basis for the stay motion. In any event, we're not aware of any authority for the proposition that the Court should blind itself to the merits of the cases completely in deciding a motion for discretionary stay. The cases make clear that the three so-called Landis factors -- that's a Supreme Court case -- characterize the three factors as non-exclusive factors.

So I'd like to briefly reiterate what these adversary

proceedings are, at bottom, all about. In substance, the proceedings are based on two contentions. The first is what we've called the Texas Two-Step Hinder and Delay Contention. The substance of the argument is that the Texas twostep, by its nature, is a scheme to trap asbestos claimants in a prolonged bankruptcy proceeding until they capitulate to a bankruptcy discount. It's no secret that the plaintiffs' firm, firms that run the Official Committees in these cases disfavor what they've labeled the Texas twostep. They've leveled the same attacks against the Texas twostep in Bestwall and DBMP. They've filed a *cert*. petition before the Supreme Court dedicated entirely to the issue and they've planted innumerable media articles on the subject.

The second contention is what we've called the Insufficient Assets Contention. It contends the 2020 corporate restructuring render the debtors insolvent, inadequately capitalized, and un, unable to satisfy their asbestos liabilities. The contention is premised on the notion that the funding agreements put into place as part of the 2020 corporate restructuring are conditional agreements that depend on the NDAs and the debtors performing and enforcing their respective rights and obligations under those agreements.

Outside the adversary proceedings, of course, the Committee has continually maintained that the debtors, by virtue of these same funding agreements, are solvent, suffer no

financial distress, and are capable of paying their asbestos liabilities in full. There is no dispute, your Honor, that these two contentions are the sum and substance of the adversary proceedings, nor could there be. The Committee's complaints make this perfectly clear, and it is hornbook law in all matter of context that is the substance of the claim, not the language used or the legal claims pleaded, that controls.

Defendants have advanced three principal reasons for staying the Aps, which I've summarized below and will address separately. First, the estimation proceeding will necessarily inform the allegations the Committee makes in the APs. Logically then, estimation should precede the APs. Second, the Committee's allegations, particularly its Insufficient Assets Contention, depends on contingent future events. And third, the Committee's allegations, particularly the Texas Two-Step Hinder and Delay Contention, has already been rejected in the dismissal litigation, which is the appropriate context to raise that argument. The decision is law of the case as to that contention.

As the Court will remember, defendants previously argued that the motions for leave to appeal Judge Whitley's order denying the motions to dismiss divested the Court of jurisdiction over the Committee's attacks on the Texas twostep. Now that Judge Volk has denied the motion for leave, that issue is off the table. But as defendants forecast in the stay

motion, that does not affect, affect defendants' law of the case arguments. And then finally, obviously, continued prosecution of the claims at issue will cause significant cost escalation and increased demand on the Court's and professionals' time.

So let me start with the first reason: estimation informs and should precede the APs. The underlying question raised by the Committee's Insufficient Assets Contention is whether sufficient assets and resources are available to play, pay the debtors' asbestos liabilities. On the resource side, the Committee has raised various concerns about funding agreements. We disagree with those contentions, but let's put that aside for now. Even without the funding agreements, there's approximately $650 million available to pay the asbestos claims. This consists of approximately $295 million in the Qualified Settlement Fund, insurance coverage, which has historically covered about half of the defendants' costs, and $38 million book value of the equity in the debtors' subs. We believe the market value of those subs is actually higher right now, but that's not particularly relevant for today.

The dispute, of course, comes on the other side of the balance sheet. What is a fair estimate of the debtors' asbestos liabilities? One measure which the defendants feel is highly probative, a market-based measure, is the amount that defendants and the FCR agreed to in the proposed plan, $545

million. The FCR represents the vast majority of claimants in these cases. Another measure would be the competing estimates proffered by the parties' experts last September. The Court was going to hear plenty about that in the coming months. Another measure, of course, would be the Court's estimation decision at any estimation proceeding that it holds in this case.

The Committee has, itself, acknowledged that the estimation proceedings will inform the adversary proceedings. If this slide looks familiar, it's because we used something similar to it back in February on the motion to compel argument. This is an excerpt from a letter that the Committee sent relating to discovery in the adversary proceedings: The defendants have requested the Committee provide its estimate of the asbestos liability for purposes of those proceedings. The Committee justified its refusal as follows. They said, amongst other things, "An estimate of aggregate asbestos liabilities is set to occur in a related, but separate proceeding." The Committee was obviously referring to the estimation proceeding.

The Court has also recognized the estimation will inform any decisions that it has to make in the adversary proceedings, and accordingly, the adversary proceedings should follow estimation. This is a quote from your Honor from the October 23rd, 2025 hearing where your Honor stated, "There's just some fundamental issues regarding solvency that are

important, and it makes more sense when I'm going through what I'm going to need to decide down the road is to do the estimation trial first, and then, if we get there, the AP trials." The Court made a similar comment at the February hearing, commenting that, "The Committee's reliance on estimation to provide its estimate of asbestos liabilities is exactly why this," referring to the adversary proceedings, "should be stayed."

For all these reasons, the Committee, the defendants believe the APs should be stayed at least through the Court's decision in the Phase 1 estimation proceeding.

The second principal reason the APs should be stayed is that they depend on at least two very important contingencies, neither of which has occurred yet. First, they depend on a future finding that the debtors' asbestos liabilities exceed the resources already available to pay those liabilities, even ignoring resources available under the funding agreements. As noted, we have not got to that point yet.

So I wanted to briefly address a recurring argument that we've been hearing from the Committee more recently in its briefing. It argues, first, that the debtors' solvency or insolvency is irrelevant to the subcon proceeding. And second, for purposes of the fraudulent transfer case, solvency must be measured at the time of the 2020 corporate restructuring.

Three responses to that.

First, as we said in our motion to compel briefing, there's simply no basis to suggest that a debtor's solvency or insolvency is irrelevant to a subcon remedy. If there is no need for legal, if there's no need to bring another entity's assets into bankruptcy in order to fairly pay creditors, there's no basis for subcon, which is already an extraordinary remedy. Respectfully, no court has ever ordered subcon for the entirely strategic reasons this Committee seeks subcon here.

Second, the notion that insolvency is measured at the time of the alleged fraudulent transfer doesn't address the context of the Committee's derivative claims here. Those derivative claims must provide some real tangible benefit to the estates. We've cited cases for that point in our briefs. If existing resources already exist to pay the claims, there is no benefit to the estate.

And third, obviously, the funding agreements were, in fact, put into place as part of, and at the time of, the 2020 corporate restructuring. To their credit, one thing the Committee has never disputed in these cases is that the goal of these adversary proceedings is to effectuate dismissal of these cases. They serve no asset recovery purpose whatsoever, and they are, they were not filed to assure the debtors have sufficient resources to pay asbestos claims. Even if the liabilities did exceed the non-funding agreement resources

available to pay them, we have the funding agreements. The funding agreements are written, contractual obligations. They should be presumed valid unless they have been breached or rescinded. The Committee cites nothing to support any suggestion the funding agreements have been breached or rescinded. Every request for funding to date has been honored.

At bottom, your Honor, the insufficient aspect contention aspect of the proceedings is a proverbial solution in search of a problem. In the extremely unlikely event the NDAs leave the debtors hanging with insufficient assets, that is when a fraudulent transfer claim would accrue, and that is when there might be a basis for subcon. As we noted in our supplemental brief, the Fourth Circuit in a recent decision in DBMP specifically cited the uncapped funding agreements put into place in that case in finding that the DBMP divisional merger did not protect one single dollar from asbestos-related liability. That find is, is, that finding is equally applicable to the divisional merger that occurred here.

The Committee, of course, has suggested the funding agreements are conditional agreements and are otherwise flawed. While we disagree with their contentions about the funding agreements, we recognize that Judge Whitley has also cited concerns about those agreements, but this is important: Judge Whitley also recognized that the funding agreements very well could operate precisely as intended. In his PI ruling, he

stated, as I quote on the slide:

"Perhaps, Aldrich/Murray and New TTC/New Trane mean exactly what they say. Perhaps, these jointly administered debtors will negotiate a fair plan that is acceptable to all claimants. Perhaps New TTC and New Trane will fund that plan and all of these liabilities will be funded. It is too early to say."

His comments aptly demonstrate the contingent nature of the Committee's arguments about the debtors' solvency. Even if one accepts the Committee's arguments, it is too early to say whether the debtors have sufficient assets. These proceedings present the quintessential situation of claims that, at best, turn on contingent and uncertain future events.

The Committee has not and cannot dispute that their contentions about the debtors' solvency or insolvency are contingent on uncertain future events. That, of course, explains why they have these alternative positions on the debtors' financial condition. In a dismissal context, they've argued, citing the uncapped funding agreements, that it is undisputed that the debtors have sufficient assets to pay their claims and, therefore, not in financial distress. In these APs, of course, they argue to the contrary. "It is well accepted law that a claim is not ripe for adjudication if it rests on an, on an, upon contingent future events that may not occur as anticipated, or (d) may not occur at all." That's a

quote from the Supreme Court decision in Texas v. United States.

So what do courts do in a situation where there may be valid claims, but it depends on uncertain future events? Well, normally, parties simply agree to enter into tolling agreements to address such a situation. I've seen that in all manner of context throughout my legal career. Frankly, I suggest, if the Committee was paying its own legal fees, it would be less inclined to expend millions of dollars chasing a hypo, hypothetical injury. I think it's important to consider that dynamic. But if the parties don't enter into tolling agreements, what is the court to do? In some cases, courts simply dismiss the claims on ripeness grounds. Other times, the court might find that the claim meets the case or controversy requirement for Article III standing, but still fails the prudential reasons for the ripeness doctrine. In such cases, courts, such as the Pardee decision we cited in our original stay motion, may elect to stay the matter until events transpire to ripen the dispute, instead of dismissing the claims outright.

Pardee is instructive to this situation. There, the company shareholders brought an indemnification action against the company in, in Rhode Island relating to actions against them, against them in other states. At first, the company moved to stay the litigation citing the ripeness concern. At

the inception of the case, the court denied the motion. The case proceeded through discovery to summary judgment, at which point the new judge assigned to the case said, "Wow, do we even have a ripe dispute here yet," and asked for briefing on that. The court then decided to stay the action finding it the most prudent, fair, and, therefore, appropriate action to take at this time.

While defendants may eventually file dispositive motions as to these APs, for now we believe that a stay makes the most sense. It avoids the need to enter into tolling agreements and the potential refiling of the claims, should events occur to ripen the Committee's allegations.

That brings me to the last principal reason we believe the AP should be stayed: law of the case. I borrowed this slide from Ms. Sieg's presentation in October. She had more slides on this than I've, than I've used, but these slides are taken from the Exhibit B we had in our original brief that highlighted the similarity in the allegations about the Texas twostep that the Committee made in the dismissal litigation and that they're making in the APs. I've only put some of the overlap on the slides, but as you can see, in both contexts, the Committee was arguing that the Texas twostep undermines the fundamental precepts or fundamental purposes of the Bankruptcy Code.

Similarly, they argue that the Texas twostep allows

the debtors and its affiliates to gain leverage over claimants until they knuckle under and take less than they are allegedly entitled to. Exhibit B to the stay motion contains numerous more examples of the overlap. I don't think there's any dispute that the contentions are the same.

Across the three asbestos bankruptcies pending in this District right now, this case is somewhat unique. It is the only one where the Committee has challenged the Texas two-step nature of this case, both in dismissal and in the APs. In Bestwall, the Official Committee move to, moved to dismiss, in large part attacking the Texas two-step nature of the filing. It was denied. But it hasn't filed any fraudulent transfer or other, or subcon claims, which I think is telling in its own right. In DBMP, the Official Committee has not moved to dismiss the case, but has advanced the Texas two-step contention in the APs.

Here, the Committee did not immediately move to dismiss the cases. It did so only after it was granted derivative standing to file the fraudulent transfer claim and then the subcon, and then it filed the subcon claim. I would mention that when Judge Whitley granted derivative standing and denied the motion to dismiss subcon, he did so under the notion that the proceedings might provide more assets into the estate under the possibility the funding agreements may not be honored. He did not endorse using the APs to relitigate the

Texas Two-Step Hinder and Delay Contention. When the Committee did move to dismiss the case, it made a full-throated argument against the Texas twostep. Again, Judge Whitley rejected it. He found that Aldrich and Murray, despite being byproducts of a Texas twostep, were proper debtors and he specifically rejected the Committee's sun-dried arguments that the Texas twostep is a manipulation of the bankruptcy process, that it creates prejudicial delays, and that these debtors are simply a modern take on the new debtor syndrome.

And frankly, the Committee cannot complain or be surprised about the operation of law of the case on its adversary proceedings. It decided to make its arguments in the context of dismissal. It should not get two bites at the same apple, and the Court should not have to repeatedly relitigate the same issues, which, unfortunately, has become a hallmark of these cases. And frankly, dismissal is the appropriate venue for the Committee's attacks on the Texas twostep. Whether the Texas twostep violates the fundamental purposes of the Bankruptcy Code is a subject for dismissal, not inapposite fraudulent transfer claims. As noted in our supplemental brief, that was one of the bases for Judge Shipp's decision in Red River dismissing the plaintiffs' fraudulent transfer claims.

Finally, the Committee has offered no reason why the very same attacks on the Texas Two-Step that were rejected in

the context of dismissal should fare any better in these proceedings. We are not suggesting, as the Committee seems to claim in its latest brief, that any rejection of a motion to dismiss will automatically void any fraudulent transfer claims relating to a debtor. That is obviously an oversimplification. The point here is the substantive challenges were the same. Law of the case applies.

Across the three cases pending in this District, the official committees have made several attempts to reverse the bankruptcy court's rulings concerning the good faith of the cases. These include orders denying dismissal, orders denying motions to lift stay, and orders extending the automatic stay to Non-Debtor Affiliates. All of these attempted appeals have prominently featured the Texas Two-Step Contention. Every appeal has been denied, and usually on the merits. In its recent *amicus* brief to the Supreme Court in support of the Bestwall committee's motion for *certiorari*, the Committee here acknowledged that the general use of the Texas twostep has been upheld -- that's the Committee's word, "upheld" -- in the Fourth Circuit.

Now the Committee argues that Judge Edwards, in a privilege decision, left open the possibility that the Texas twostep could be attacked. Again, we've never argued that Texas twosteps are immune from legal challenge. The point is, here, is that the Committee's sun-dried argument that Texas

twosteps necessarily hinder and delay asbestos claimants has been rejected. There's nothing materially unique about the Committee's challenges to the 2020 corporate restructuring in the bankruptcy filings that occurred here. Across the three cases pending in this District, official committees have made the same arguments, often using the exact same words. And there's no basis whatsoever to suggest that the defendants here used the Texas two-step concept to hinder and delay claimants. The defendants and the FCR have had a proposed plan on the table for years that would pay claimants tort system values. It is the Committee that has refused to negotiate, instead seeking dismissal in every way possible.

Finally, I want to be clear: we're not asking the Court to decide whether law of the case applies, nor does the Court need to decide that question for purposes of the stay motion. Rather, we believe the Court should be mindful of what claims are actually viable as it considers the stay motion.

Two more slides.

I'll wrap, I'll wrap up by addressing the relative balance of harms if the Court grants a stay. First, any prejudice to the Committee is minimal. As noted, it received extensive discovery. both in documents and depositions back in the PI proceeding when the evidence was fresh. All of the topics at issue in these APs were covered. The Committee's assertions about faded memories and lost documents ring hollow.

Second, as noted already, the underlying facts relevant to the APs are already known and largely, if not entirely, undisputed. Frankly, this explains the Committee's utter lack of urgency in prosecuting these APs. They haven't sought to depose anyone over the years these APs have been pending. Why? Because they already know all the facts. The Committee's latest brief suggests that the prejudice of staying the APs is particularly acute here because they represent asbestos claimants suffering from disease. We certainly sympathize with those individuals. Our goal in these cases from the outset has been to reach a consensual resolution as soon as possible that would get compensation to these individuals and their families. Continued prosecution of the APs is not going to accelerate compensation to these asbestos claimants. Agreement on a plan would.

One last point. We cited a number of cases in our initial brief for the proposition that courts can stay claims that are not yet ripe because they may depend on uncertain future events. These include Pardee, Terra Nova, and others. In evaluating whether to stay a case in those situations, courts look at two factors. One is, is it fit for adjudication? And two, what is the hardship to the party resisting the stay? For all the reasons I've already stated, these claims are not fit for, fit for adjudication at this time. As to hardship, what the courts look at there is, is the

plaintiff facing some dilemma requiring direct and immediate intervention by a court? Pardee noted the offsite example where plaintiffs are faced with the immediate prospect of deciding whether to spend millions of dollars in construction costs for new, for new nuclear power plants in the face of legal uncertainty as to whether the plans would ultimately be certified. The Committee has faced no dilemma here or anything analogous. Again, that explains the Committee's lack of urgency.

On the other side of the equation, continued prosecution of the APs will be costly and counterproductive. As noted in our supplemental brief, we believe the Phase 1 estimation, the reconstitution of the Committee, mediation, and other developments provide a potential path for a complete resolution of these cases. If there is a resolution, the APs would be mooted. We, we respectfully submit the parties should be focused on estimation at this time. Absent a stay, costs would escalate substantially. The Committee signaled at the February hearing that they were ready to start depositions, the expert phase of the case. The Committee has also issued new and tremendously broad discovery requests. I will let Ms. Sieg comment on that.

At bottom, we think there is nothing to be gained by cumulative wasteful discovery based on unripe claims for hypothetical, hypothetical injury.

Finally, the first, and I think most relevant here, Landis factor is simply whether a stay promotes judicial economy and efficient administration of the case. For all the reasons I've talked about already, we believe the case for a stay here is clear and convincing. For that reason, we are asking the Court to stay the proceedings at least through a decision of the Phase 1 estimation trial. We propose the Court would then consider whether the stay should continue approximately 60 days after the Court's decision in estimation. This will afford the parties some opportunity to see if an estimation decision can promote a resolution.

Unless the Court has any questions, I'll conclude my remarks there.

Thank you.

THE COURT: Thank you.

MS. SIEG: Good morning, your Honor. Beth Sieg for the Trane Defendants in the adversary proceedings.

I wholeheartedly endorse all of the arguments that Mr. Torborg made and want to join in the request for a stay. These cases have benefited mightily from your guidance and discipline that you've imposed on the process. And we're finally, after six years of these cases proceeding, we're now finally collectively focused on estimation. And we would ask you to please not let us get distracted from that goal. It makes all the sense in the world to put the APs on a pause until after

the Court decides the estimation issue and come back before your Honor at that time and see what makes sense going forward in these cases.

Just a couple points to emphasize that are important, particularly to the Trane Defendants. A lot of the discovery in the adversary proceedings has been falling on the Trane Defendants due to the nature of the custodians at issue and that, where the documents are located. We have, ever since your Honor first entered the Case Management Order in the APs that set July 6th as the deadline for document production, we've been diligently processing and reviewing all of those documents. One challenge that, here, is of the Committee's own making is they've insisted that we go back and re-review documents that were previously reviewed in connection with the PI proceeding.

So that adds a lot of time and effort to make sure that we're not just doing duplicative document dumps on the other side, particularly here where the estate bears the burden of the cost of the document review for my friends across the aisle. We've been careful to go back and review those documents, as we agreed we would do. That has taken some time. You can see in our reply brief, we let your Honor know some of the statistics we've reviewed after deduplication using threading and things like that. We've reviewed around 160,000 documents to date, and that's since December of 2025. Less

than 10 percent of those are currently marked as responsive to the Committee's request, which really emphasizes and confirms our suspicion all along that the application of the additional search terms, the tangential custodians that the Committee requested, and the re-review of prior documents was not going to yield material new information. They have what they need. Nonetheless, we are proceeding and ready, willing, and able to comply with the existing document production deadline, if that's what your Honor orders.

One other point that was a little bit inexplicable. In, in one of the Committee's briefs, they suggested that, you know, since the Trane Defendants are bearing the burden of most of the discovery -- they're not parties to estimation -- so why do they care about estimation? Well, that's just perplexing. The Trane Defendants are, obviously, parties to the estimation, as the Committee well knows, for several years now. And I may not talk as loud as Mr. Evert behind me, but they can be forgiven for not noticing that we are participating in the estimation proceeding. So that should take that issue off the table.

Your Honor, if the stay is not granted, one consequence that you heard from Mr. Torborg is all of the escalating costs that are going to start to happen. One of those is a result of the Committee's continuing insistence on overbroad discovery, and we see that in the fact that they

recently served additional interrogatories and RFAs. Certain of those requests are just absolutely overbroad. One of them that we described in our opening brief at Paragraph 21 asks for the Trane Defendants to identify every transaction since May 2020 to the present date with affiliates. Now that could encompass thousands of ordinary course transactions between corporate affiliates that happen all day, every day, especially for a corporate group of this size and worldwide footprint.

Another request that is distressing in its overbreadth is a request that the Trane Defendants identify every payment that they have made to creditors and vendors since May 2020 through the present date. Now that request would call for, probably, millions of transactions to ordinary course creditors and vendors.

And so, your Honor, if there isn't a stay, I anticipate motions practice on those overbroad discovery requests that were recently served by the Committee, in addition to the existing requests that we're already responding to in regard to the document production.

Your Honor, another concern that our clients have, if we go forward with depositions in the APs right now, our concern is the next thing we're going to hear is after your Honor holds your estimation trial, "Oh, we've learned something new now and we need to go back and redo these depositions again. We need more now that we've learned," you know, "X, Y,

and Z through the estimation trial." It's just wasteful and there's no need for it at this point. It makes all the sense in the world to pause the adversary proceedings until your Honor issues your estimation ruling. The solvency issue is just absolutely bound up with the amount of the debtors' asbestos liabilities. That's what you're going to determine in estimation. We're all finally focused on that goal. So let's just, let's focus on it, and then we can come back in front of your Honor for a status hearing and determine what should happen with the Aps, once we know a little bit more after the estimation trial.

Judge, unless you have questions for me, those are the only additional points I have.

THE COURT: No. Thank you.

MS. SIEG: Thanks.

THE COURT: Ms. Hardman.

MS. HARDMAN: Morning, your Honor. Carrie Hardman from Winston & Strawn on behalf of the Committee, again.

So I think, your Honor, I think before we get into some of the substance of what might have been raised today before you and in the briefs, I just wanted to kind of lay out where things are relative to the adversary proceedings and discovery so that you can understand what the request would have an effect of doing.

So to start, I think, I just wanted to sort of update

you so you can gauge these, these issues. Pursuant to your April 8th order, we, the Committee, on our side, sent over our supplements on May 8th to the defendants, and I'm sure they're reviewing them. So it's not a today issue, just to let you know it's out there.

We also, and I believe Ms. Sieg, mentioned this, received on March 31st defendants' responses and objections to our discovery requests. And as Ms. Sieg noted, they were in the form of interrogatories or requests for admission. So essentially, questions as opposed to document production requests. Ms. Sieg mentioned that they were additional and we double checked. They're the first ones we've ever sent. In typical discovery fashion, you receive document discovery first and then serve those kind of requests to try and narrow what your asks are. But in the interest of time, we served them early so that maybe we can move these issues along.

And what I would say relative to the breadth of those requests, as is the case in document requests and both theirs of us and we of theirs, you typically start broad and then you negotiate down to what might be considered reasonable among the parties, and we are happy to do that. We start broad, of course, related to our requests and then receive their responses and objections, which we've reviewed, your Honor, and sent a response back to them asking a number of questions in hopes to narrow the nature of those requests and truly

understand where, in certain instances, defendants have refused to respond at all. For instance, with respect to the ten interrogatories that we served, defendants have refused to respond to five of the ten citing a number of objections, but ultimately saying they will not respond.

So we have a few questions for them regarding those issues. These are the first interrogatories that have been sent since the entry of the CMO.

We, of course, in that letter that we've sent to the defendants trying to narrow those issues, have suggested a meet and confer might be productive, your Honor, as conveying our, our positions in writing can sometimes, we lose each other in the sauce and would try our best to try to narrow those issues by actually discussing them. So happy to try to get those issues resolved as quickly as possible.

As far as the document productions, and I know defendants in their reply have indicated some datapoints and numbers, which I think are helpful for your Honor's sake, back in December, your Honor may recall, we did reach agreement on the custodians that they would search from. And on January 6th, we reached agreement on search terms, which was going to be under the CMO, the start of pulling those documents and running search terms. At that point, from January 6th, under the CMO, defendants have six months to produce documents responsive to our requests. We are now in, rounding out Month

5 of 6. And so from the defendants' reply, it sounds like they've made progress through the document review, having reviewed 160,000 documents already. And while we haven't received any rolling productions from that review yet, I understand from the reply and from Mr. Torborg's comments today, that a production is forthcoming this week. So we look forward to receiving that, your Honor.

So we are making some progress. I, trying to be positive at the outset here, your Honor.

And then I think one last pending item related to the discovery process is something in the weeds called a mobile device certification. The Case Management Order from the very beginning, back in January of 2023, the parties reached agreement to have this certification be part of the process. What it effectively does, your Honor, is have each custodian review this two-page certification that says, "Yes, I used my cellphone or an iPad or some mobile device for work-related materials for issues related to these actions," so that we can all know that all those, those items are collected and the documents and information are collected from those mobile devices.

So once we were getting close to agreement on who the custodians would be back in December, we sent a version of that draft over to the defendants for their consideration. That form certification follows, largely, the form that we reached

agreement on in the DBMP case with Jones Day, among other counsel. So we figured it was a good starting point to use and sent that back in December. I think we're waiting for comments to that. I have pinged defendants a couple times just to get that done. Since they've collected the documents from their custodians and are reviewing them, we imagine the certification would be forthcoming as well. So we're hoping that that version will be an easy thing to sign off on.

So in sum, in terms of what discovery is pending right now, your Honor, we've sent responses pursuant to your court order. We await responses to our questions on the recent responses received from defendants. Document productions are to begin rolling this week, and we have made, we had confirmation on this form, mobile device certification, so that those custodians from whom they collected documents can execute that in real time.

So with all of that pending, your Honor, despite the stay request that's been in the papers, I just want to provide an update as to where the parties have been over the last few days. We communicated over the weekend, Friday, and over the weekend, and Mr. Torborg reached out to try and see if we could reach a resolution, a more practical one here, your Honor, and see where we actually might agree, since that would take those issues off the table for your Honor. And while we didn't reach full agreement, we did get pretty far, and I think Mr. Torborg

agreed we got, we got further along, at least, than our pleadings may have originally indicated. So while I'm happy to get into the weeds about certain arguments, I'm going to start by focusing on where we have agreement so that your Honor could, hopefully, knock those issues off of, of your plate, and then I can address the further arguments thereafter.

So if we could pull up the slides on the screen.

And if I may approach your Honor, I just have two slides.

THE COURT: Yes.

(Slide deck provided to the Court)

MS. HARDMAN: Okay. So over the weekend, come Monday, Tuesday, we proposed what I believe are some practical ways to resolve the issues here.

We're having some technical difficulties, your Honor. Bear with us a moment. I can assure you that somebody else is more stressed than I am right now, your Honor.

(Pause)

MS. HARDMAN: Thank you, your Honor, for bearing with us.

All right.

Sorry, your Honor.

(Pause)

MS. HARDMAN: Well, I will say, your Honor, it is two slides. I couldn't go without it, if folks are okay with that.

I'm sorry for those in the gallery who don't have the benefit of extra copies.

We'll make sure to bring a number of them next time, your Honor, more than, more than the, probably, 20 we brought. All right. So we'll work without it.

All right. We proposed, your Honor, what I believe over the weekend were some practical ways to resolve the issues between the parties here, particularly in light of what seems to be the primary concern regarding the Phase 1 estimation hearing coming up in August. And so as to the first, the second slide, this list here is what I essentially put into an email with Mr. Torborg about what we were proposing as our resolution. Here, I've noted where we've agreed on some parts, and as Mr. Torborg mentioned and Ms. Sieg mentioned as well, the defendants appear geared for substantial completion of their document production by July 6th. If it is done, you know, on or by July 6th, that would make the privilege log due by August 5th. It's a 30-day window under the CMO, but assuming it's that very day, August 5th would be that deadline.

And then the last two, I think we may have some limited agreement. We may not. I, I'm not sure, but I think where we were was the parties would continue to meet in good faith on discovery issues between now and that production deadline to try and narrow some of the issues, right? We've got letter practice outstanding among us. We've got responses

that have been lodged to one another. Let's figure out how to get some of those issued narrow, issues narrowed while we're before one another in real time. And so we thought that that made sense to continue to do while they're moving forward in production. And what we, plaintiffs, had proposed was to not call depositions or file motion practice, if any, during the period that you all are focused on Phase 1's estimation hearing. We take into consideration judicial economy, among other things, your Honor, and want to make sure that that was accounted for. And I, we were trying to interpret what was the intention behind the request.

So what we had proposed there was, essentially, we would not call depositions or file motion practice during that time. We would spend that time, instead, reviewing the documents that are produced by July 6th and the privilege log by August 5th and only recommence the process come September 1st. So that's giving folks a bit of a cushion after the hearing, your Honor, to recalibrate and refocus themselves.

In crafting this proposal, your Honor, I was using the current CMO and what's in it as our baseline since that's what the parties have agreed and your Honor has already ordered. And essentially, what the request in this stay motion would effectuate is a change to the CMO. So because of that, I crafted, took our proposal here on this Slide 2, and I inserted, effectively, into what might be as a demonstrative

changes to the CMO to account for these proposals. And that's what you see on Slide 3, your Honor. It's just a demonstrative of what those would look like in terms of changes. We only propose a few clarifying edits you'll see in sub 5 and sub 6 to reflect that those things have been agreed.

So on January 6th, we already reached agreement. So that was just to update that section. For Section 6, we were saying on or before July 6th, the defendants have agreed they will substantially complete production. And then we have agreed under sub 7 that the 30-day window to produce privilege logs would still remain. So I think we have agreement up until 7, your Honor.

When we talk about 8, this is our proposal as a resolution here, your Honor, that we essentially would continue to work together to try to narrow our issues based on the discovery we all have in front of us right now, based on responses received and exchanged, and try to reach a resolution on some of those issues as quickly as we can by July 6th. Then, what we were envisioning there was the Committee -- sorry. Defendants in our discussions over the weekend had also agreed that the Committee could review and analyze documents that were received and the privilege log as well. Based on the defendants' response and Ms. Sieg's numbers, I think we're talking somewhere in the neighborhood of about 16,000 documents that might be produced, maybe less. I think she said under 10

percent. If it's 160,000 -- I think my math is right -- it's about 16,000, maybe less, that should be coming our way on or before July 6th. I presume that those documents don't just include the search terms for document review, but also targeted searches, your Honor. For instance, meeting minutes or an agreement or a particular financial document might not be caught by a search term, but if it's asked for and the parties agreed to produce it, that those documents would, in fact, be produced. So we assume that that's all included in that 16,000.

As to a review of the documents and the logs, it seems like we may have a dispute among the parties as to what kind of analysis that we're, the Committee's allowed to conduct during that period, but I'll get into that in a moment. Sticking with what we do agree with and what's already ordered based on what, what is sub 9 in this draft, your Honor, but is original sub 8, I believe, that objections to motions to compel, objections or motions to compel document production or privilege logs would be filed 60 days after the production of those privilege logs.

So Your Honor had built in already to the CMO the ability to resolve any outstanding discovery disputes. It kind of would get us to the end of what I think is fact discovery at that point from a document and information production perspective is you, you had built in that those disputes would be resolved so that we all kind of know what documents we have

or will not have or the scope there, your Honor.

So you know, what we envisioned here is to avoid dual tracking during Phase 1, we, the Committee, we're agreeing not to pursue meet and confers during the August period while folks are preparing for estimation. We would simply be reviewing the documents received, reviewing the privilege log, lining up that information so that come September 1, if there's disputes, if there's questions we have, we are happy to have a meet and confer shortly thereafter and say, "Okay, here's where we think we are. Do you agree? What do you disagree with? Is there anything where we can come to a consensus, and try to reach resolution on those issues. It was intended to keep efficiency going during a period where we understand your Honor is intending to focus on Phase 1.

Based on the timing here, your Honor, under sub 9 or sub 8, as it were, for motion practice to be filed, that was a 60-day window. If you were to run it off of an August 5th date for the privilege logs, that would run us to about October 5. Date for the privilege logs, that would run us to about October 5th. I will say, your Honor, if you look at Slide 2, we proposed September 24. There's no magic to those two numbers in terms of filing motion practice. We were thinking September 24 is the deadline for the October omnibus, but if your Honor would like us to file by October 5th to give you plenty of time to review these documents, we're also happy to do that. Your

Honor, that was, that was just more of us trying to line up based on current deadlines that exist for omnibus hearing dates.

We also proposed to defendants in this process that our right to call depositions would recommence after September 1. And much was made about the depositions here, your Honor, today insinuating that we're planning to call 40 witnesses and ask a number of questions. But what I'll say, your Honor, is you've heard a lot today about how limited the fact discovery is going to be, given how much has already been provided. If that's the case, and if their suspicions have been confirmed, then we're talking about a limited subset of discovery documentation production, and thus a limited set of follow-up questions for witnesses, either prior witnesses or for new witnesses that are intended to be targeted. I want to represent to your Honor that we do not intend to be wasteful, contrary to statements made today. That is not our goal. And of course, your Honor, if a party believes we are, in fact, being excessive, there are methods to address those issues.

That said, I will also say something practical about depositions being available come September 1. If we still have material discovery disputes about documents that would affect questions I might ask a witness, I'm not going to call that witness until we've resolved the issue. I'm going to be efficient about it, your Honor. I'm not planning to notice for

deposition on September 1 40 witnesses and have, you know, 12 outstanding discovery disputes that would inform and, and, and adjust some of the questions that we might ask. However, if we're able to reach agreement among the parties relative to some of those discovery disputes, we would like depositions to proceed once we've reached resolution of those issues.

So we essentially built in the optionality for when we reach agreement on our discovery scope in terms of documents and information, we would then have an ability to proceed with depositions. So, of course your Honor knows it's important for depositions to occur closer in time as witnesses have fading memories, and that's been mentioned today, as each day goes on. Some even leave their places of employment or otherwise become unavailable.

So based on our back and forth over the weekend, we seem to diverge from defendants on only a couple of issues, and I think we've heard it today, your Honor. It's a matter of whether or not we're staying fact discovery pending your hearing of the Phase 1 estimation proceeding. We agree on discovery production. We agree on privilege logs. We agree we can review the documents. Defendants have mentioned an intention to limit our review of those documents to ensure that we aren't preparing for depositions. Your Honor, I do think it's inefficient to tell me how to analyze a document and what purpose I use it for, respectfully. But I, you know, at this

point, it seems slightly improper also to control how I conduct my analysis and want to make sure it's efficient.

But as for next steps, we've also disagreed with when the negotiations of the remaining discovery issues could recommence. Defendants want discovery negotiations to be halted until 60 days after you render a decision on Phase 1, at which time defendants will likely seek to extend the stay further, your Honor. I think that's what's envisioned here. Contrary to that, on our side, we were simply envisioning allowing a period in August after the Phase 1 hearing for the parties to recalibrate so that there's a, there's a time for the parties to recalibrate at a time when we can expect certain parties to have limited availability and so on. So come September 1, the parties would reinvigorate their discussions to clarify and fill any holes that may have arisen in the document discovery. I think our proposal addresses the concerns about judicial economy to ensure that we're not adding to the Court's July or August plate while ensuring the parties make progress to finalize fact discovery.

A couple of points. And your Honor, if you'll forgive me. Because I am on response here, your Honor, I'm going to take a few things out of order simply addressing comments that have been raised before you today.

As mentioned, defendants noted how little discovery appears to be left to be produced. I know there was much made

about some deduplication issues that they were having. We're not seeking duplicative discovery, your Honor, and it's the first time we're hearing that they had these issues. If there were some, we were happy to discuss it further. For instance, we asked for whether some of the search terms resulted in false hits, which we could maybe find a way to exclude that information. But the parties simply didn't want to provide that type of information.

So while there's been some statements that this was of our doing, there was ways for the defendants to mitigate or propose mitigations that we could have assisted with to try to limit their discovery review process.

There was a mention that we haven't deposed anyone since the PI was conducted and yet, there's a concern that we're going to depose 40 people. So I'm not sure if we should have been deposing people or we're concerned and need to stop depositions now. Your Honor, as I mentioned before, I'm not going to just depose folks for the sake of it. We're going to see if there's any additional discovery that would inform our questions. We will narrow and limit that discovery. We're not trying to re-ask questions that were asked in the prior depositions, but simply try to get clarification.

When we talk about -- Ms. Sieg mentioned a re-review of previously reviewed documents. That was something that the parties agreed to, including the defendants, and we explained

practically why that was happening. If there's a document that was reviewed based on the analysis of a preliminary injunction, that's a different analysis than whether or not the elements of substantive consolidation or fraudulent transfer have been met. And so there's a different analysis here and defendants seem to understand that when they agreed to put them, those reviews into their hopper. Again, if there were false hits or something that they could have easily excluded, we were happy to discuss those issues.

With respect to the stay arguments that have been raised before you, your Honor, on substance, as your Honor knows the factors, and I believe the Landis factors were raised by Mr. Torborg today, governing a discretionary stay are the interests of judicial economy, the hardship and equity to the defendants, the harms to plaintiffs by imposing the stay. I gather, as your Honor knows, and the parties seem to agree, we're not talking about a stay pending appeal any longer since Judge Volk has adjudicated the request for stay up in the Circuit, up at the district court. The courts have said that the hardship to defendants must be shown by clear and convincing circumstances to far outweigh the harm to, here in this case, the Committee.

We've heard today a lot about the bases for a stay, citing the motion to dismiss decision here, your Honor, other cases in other courts, including Texas two-step cases, to

justify the stay. And in the briefing, there's discussion about the composition of our committee and bifurcation of estimation. None of these issues, your Honor, today that have been raised with respect to decisions in this case or others speak to judicial economy or weighing the particular hardships, the three Landis factors, your Honor. Instead, what the agreements boil down to is, essentially, that based on the decisions in this case and others, defendants believe they will be successful on the merits of these adversary proceedings one day, and for that reason, these issues should be stayed now. We took a look at any authority on discretionary stays and under the discretionary stay standard, including 105(a), and found no cases that considered the merits of an action as the basis to grant a stay.

So what the defendants are actually asking for here, your Honor, is for the Court to establish a new standard for discretionary stays, one where a party can, in the middle of their discovery obligation, present its thoughts as to the relative success of their proceeding at trial to obtain a stay of that action well before the trial even happens. There's some cited cases by defendants regarding a stay being granted because of decisions in other matters, the Pardee case or the Terra Nova case. That stay was based on the outcome of another decision because those claims were, in fact, contingent on the outcome. These were claims for indemnification. As you, as

your Honor knows, for a claim for indemnification, you need a determination of liability before that claim can be adjudicated. That's not the case here, your Honor. Defendants appear to be requesting a pause of this litigation through the end of Estimation Phase 1 and maybe thereafter, given the desire to continue the discussion about a stay, not because these actions are contingent on the outcome of other litigation, but based on their belief that this litigation may end.

In determine, in the determination of estimation, much has been made about that today, your Honor. Estimation is certainly valuable and informative as to valuation aspects in these adversary proceedings, your Honor. I won't be disingenuous about that. But what it will not do is be dispositive over the causes of action in these three actions. Estimation will address one singular contention in each of these adversary proceedings. It does not dispose of the entire adversary proceeding. For instance, an actual fraudulent transfer, you're determining whether there was a hindrance, a delay, or a defrauding of creditors.

Your Honor might consider the badges of fraud for which, depending on the applicable law, are anywhere from 10 to 12 different badges. One badge relates to the valuation aspects that will be arising in estimation. As to constructive fraudulent transfer, it addresses one aspect, which is

reasonably equivalent value. And as to substantive consolidation, there might be some utility of estimation as to the size of the claims here, your Honor, but there are plenty of other aspects and elements of each of these causes of action that, your Honor, we are entitled to complete fact discovery to simply determine the relative merits of those claims. Estimation will inform aspects of the one contention we will address in, but not in fact discovery. That, I think, is an important point, your Honor. Your Honor, if I think defendants had come to you and said that aspects of expert discovery need to be considered and the import of estimation on expert discovery regarding valuation in these adversary proceedings, that'd be one thing, but we're talking about the fact discovery, which apparently is nearly completed by defendants from a production standpoint, save depositions, will be complete at that point. So why would we need to hold this up? We're not talking about experts at this point. I'd understand their suggestion if this was about the experts and the, the, the valuation issues, but they're making it about fact discovery, which, to my mind, your Honor, is a different metric.

Defendants' position that suggests that determinations made in the context of the dismissal motion simply because they share facts and contentions in the adversary proceedings are dispositive here to our actions. The elements are different.

To permit a stay of the fraudulent transfer and subcon claims based on dismissal, a dismissal decision would require the Court to create novel law that permits a merit-based finding to justify a stay request. Again, it'd be a whole new standard for the stay. Any time a motion to dismiss would be adjudicated, it could have preclusive effect on the merits of subcon and fraudulent transfer claims similar to that of the motion to dismiss decision here to grant a stay of claims based on determinations made in other courts, not on fraudulent transfer or subcon, again, is a request to establish a new standard for a discretionary stay. None of those cases were in the fraudulent transfer or subcon context. They did not address the elements that are imported here, and imputing their rulings and treating them as dispositive would be breaking new ground in the fraudulent transfer, subcon, and the stay space.

As for the fact discovery that's ongoing, your Honor, again, it sounds like we're at a limited production that is coming July 6th. We're not yet at expert discovery, and there are still facts on our side that we are intending to solidify with the documents that are being produced that have nothing to do with issues of valuation.

So going back to the elements, your Honor, judicial economy and the two sets of harms. Defendants have noted today that the only true harm they're citing is the increase in costs as fact discovery reaches its conclusion. I don't believe

defendants have included a weighing of plaintiffs' harms here, but I'll address that further in a moment. Defendants noted in the reply that they've completed the bulk of their review already. They do not expect to make significant productions. As Ms. Sieg said, less than 10 percent of the documents are slated for production. So it sounds like there won't be much more harm to defendants to substantially complete discovery, which may be why they've confirmed they'll make a deadline that's set in the CMO now.

I know much has been said today about fees and costs, but courts have also denied stays if the harm cited is, in fact, litigation cost. The Fourth Circuit said it in the Williford case at 715 F.2d at 128. The Eighth Circuit in Rath Packing is also cited in our brief for the same conclusion.

So it seems that defendants may be asking the Court, again, to create new precedent that the incurrence of fees can be the basis for a stay.

As cited in our papers, the courts have been consistently reticent to grant discretionary stays in the middle of discovery, as is sought here. Some of the reasoning is practical, your Honor. I think it gets to both the balance of harms and judicial economy. And in giving it thought, for your Honor's sake today, in preparation for today's hearing I would say halting the progress in the adversary proceedings might have the opposite effect for both the Committee and the

defendants. We're all human, your Honor, and we're each prone to loss of knowledge over time, as much as I would not like to admit that. To halt things in the middle of fact discovery, fact discovery, only to pick back up again months from now or even longer would honestly stand to prejudice both sides of the "V." What the parties have agreed to in past meet and confers, what they might agree to in coming meet and confers, what the remaining disputes are, would all have to be, effectively, restarted down the line. Through defendants' proposal, folks will have to try and imagine or remember exactly where we left off months from now through a half-completed process. It will take both sides significant cost and expense to get themselves back up to speed at that point. Halting fact discovery midstream will have the effect of delaying fact witness testimony, whose memories also fade over time, employees leave the company, and witnesses become unavailable for other reasons.

So it doesn't make a ton of practical sense to halt the parties midstream and isn't really economical to require them to restart months, if not longer, down the line.

So to address a few other points and before I conclude, your Honor, and just for the sake of clearing the record, Mr. Torborg mentioned that we concede that these actions are an attempt to dismiss the base case. Your Honor, we've never said that. We certainly don't agree with that.

What I've heard from the Fourth Circuit and Judge Edwards is while the Texas twostep can be lawful, and that's all the cases that defendants are citing, it can still very much be a fraudulent transfer, and that's, that is the intellectual process that we are trying to determine now, your Honor, and it's certainly an estate claim that is viable in every other circumstance. Don't know why it wouldn't be viable here.

There's a discussion about how there isn't, the injury to our clients is hypothetical. We certainly disagree, your Honor. If, if it is determined that a fraudulent transfer occurred or that substantive consolidation is necessary, that is to remedy an inequitable, in particular as to subcon, and inequitable decision-making process based on the corporate machinations. And as to an actual fraudulent transfer, there has to be a demonstration of harms to our clients.

So I think at this point, to discuss those issues and determine that they're hypothetical is a cart before the horse on merits there, your Honor.

There has been reference, of course, that all of our contentions are similar, and I mentioned this before, your Honor. The elements in this action are different and as the Fourth Circuit and Judge Edwards have acknowledged, that may be the case that Texas twostep is lawful, but it could still be a fraudulent transfer. It's the, the analogy we give when it comes to fraudulent transfer is you can convey property to your

friend for a dollar. That's a lawful conveyance. Is it still a fraudulent transfer on the eve of, perhaps, bankruptcy? Yeah, it is. So that analysis needs to be made.

There was a mention as well in -- about -- to Bestwall regarding that it's telling that the Bestwall committee did not commence fraudulent transfer or substantive consolidation actions, your Honor. While I'm not in that case, I have been informed by those who are that the actions that we're talking about have been tolled by agreement among those parties.

So to suggest there's a telling reason we haven't brought them, the telling reason is that they're tolled.

Mr. Torborg's Page 15 of his slides mentions that these issues are fit for adjudication. Again, that goes to merits. That's not a basis for a stay in discovery and certainly not under Landis.

Judge Whitley, regarding the ripeness arguments that have been made by defendants today, your Honor, Judge Whitley had decided and rejected some of those issues and said that these claims should proceed because the relevant events have already occurred. Defendants talked a lot about law of the case today, your Honor. That is also law of the case.

So your Honor, I think, in sum, where we are in dispute is whether we can review the documents that are being produced by July 6th, whether we can prepare and analyze those documents and the privilege log to determine if there's any

holes, if there's any issues. It is most efficient to do that in the moment you receive them, not six, nine months from now. Our proposal is to do that. I believe defendants over the weekend as part of our resolution contemplated some review of those documents because I imagine they also agree it'd be inefficient to receive them and just hold them. Where we may have a rub, or where rubber meets the road here, your Honor -- I'm not sure the proper analogy, but I'll try both -- is whether or not we can continue that discussion come September to ensure that those issues are ripened and that the fact discovery is closed at some point in the near term. Your Honor, if production is substantially completed by July 6, we issue, we address any outstanding issues over the next few months with a pause to address Phase 1 discovery, Phase 1 hearing -- excuse me -- and from our perspective, then we can recommence those discussions to ensure these issues are timely adjudicated. There's no reason to stop mid-fact discovery to address these issues.

We don't believe, under the law as well, that a stay is warranted here, particularly when we've provided a reasonable proposal to resolve the defendants' claim concerns. There's been no authority cited, and we couldn't find any precedent, for the relief that's actually sought here. Thus, the request that the defendants ask the Court to make here is new law, that mid-discovery stays are appropriate when the only

harm cited is cost to litigants and that prejudgment of the merits of an action are appropriate in the stay context. We suggest, your Honor, that it's not necessary to carve a new path for discretionary stays here, particularly when we've provided a reasonable proposal to resolve the defendants' claim concerns.

So our proposal to try and reach resolution here still stands. It'll permit the parties to focus their efforts, particularly in July and August where needed, while not losing any ground on these matters and ensure that fact discovery will close with timely testimony from witnesses before we lose any of what is essentially time-sensitive discovery.

And with that, your Honor, I will rest.

MS. WRIGHT: Your Honor, again, Cotten Wright, Grier Wright Martinez, for Mr. Grier, the Future Claimants' Representative.

We did file a couple of responses to the initial motion, but one most recently to, in response to the debtors' supplemental pleading and we do continue to support the debtors' position. We stand on the arguments in our papers.

Thank you.

THE COURT: Thank you.

Response?

MR. TORBORG: Again, David Torborg for the debtors.

I'll start off where she started. I must say I was a

little surprised. Yes, I did reach out to Carrie to see if we could resolve this. It, it was my idea to see if we could avoid coming down to this hearing before Memorial Day, along the lines that, that the Judge, that, that your Honor suggested at the February hearing. I was a little surprised to see what we proposed as our proposal being something we agreed to, okay? This was a compromise that we proposed. To be clear, we think these proceedings are a waste of time and should be stayed in their entirety, and no additional money should be spent for all the reasons that you've seen in our four briefs, right?

That being said, we tried to reach a compromise that addressed what we saw from their last brief, which was the last section of the brief was they wanted to get these documents in by, by July 6th. And so we said, "We'll, we'll agree to produce them by July 6th," right? And then there was a response, "Well, can we -- we -- can we review those documents," which, frankly, was kind of a surprise. We kind of assumed that they could. We didn't, we didn't take an issue with that. We don't take an issue with that. That was not an initial part of our proposal. To be clear, we think all the money being spent reviewing those documents is a waste of time and money.

So we do not agree to, to spending any more money in these cases. I wanted to get that out front.

I also want to address why their proposal doesn't make

sense. First, it doesn't make sense for all the reasons we believe the cases should be stayed. Estimation should come first. The claims are entirely contingent on uncertain events and law-of-the-case principle.

We also disagree with their, with their proposed scope of the stay. Our proposal was this, the cases are stayed. What they carve out for, we'll produce the documents and you can review them, right? Please be reasonable on how much, how much time you're spending since we're not going to have depositions immediately, but we're not going to go through with a fine-tooth comb every bill they have on this.

So that was our proposal. They want to have a, "Okay, we'll stop depositions and won't have motion practice." Well, what else? We don't know what else could be involved. These, these meet and confers that we're doing and the letter-writing campaigns are very expensive. They're very time-consuming, and we don't know what else they might file.

So we think a complete stay with a carveout makes more sense.

The second issue is with the timing of the proposed stay. We had proposed that the Court stay the proceedings until your Honor issues a decision in estimation. That was largely motivated by the fact that we think estimation can promote a consensual resolution. Let's give peace a chance, right? And we don't know how long your Honor will take to do

the estimation decision. It could be 30 days, it could be longer, we don't know. But the discussions on a potential resolution are likely going to be informed by that decision.

So we think it makes sense to await the decision. And also, it's the decision that's going to inform, at least part of the contingent nature of their claims. So, so we think a decision is, is the time.

In response to some of the arguments on the substance, we're not trying to create a new standard. We're trying to apply the Landis standard. And she, she noted that the cases that we cited on, for the proposition that cases that involve contingent events all involve indemnification context. That, that's not exactly true, but in any event, the principle is the same. Because the facts are different doesn't mean the principle disappears. If the case depends on future contingent events, it should be stayed or potentially dismissed.

And we do think estimation will be dispositive or could be dispositive of their claims. If they, if there are sufficient assets, then that could be dispositive of their claims of the Insufficient Assets Contention. On the Texas Two-Step Hinder and Delay Contention, again, and she, the actual fraudulent transfer claim, that's already been rejected in substance.

She, she mentioned the badges of fraud. Well, as Judge Edwards noted in her decision, she reviewed all of the

badges of fraud that they've identified in these cases and found none of them to be at all probative at all because they go to the nature of the twostep itself.

In terms of law of the case, Ms. Hardman said, well, the elements of the claims are different. But it's the same exact attack on the Texas twostep, using the same exact words. We saw the slides. We have the Exhibit B. There's no dispute here that they're making the same substantive attack on the Texas twostep in the APs that was already rejected in dismissal.

And finally -- and may not be finally, but close to finally -- we're not seeking a stay just because of cost. As we said, you know, the, these claims are highly contingent in nature, and we believe that estimation will inform the Aps; and, and therefore, the APs should await a decision in estimation.

And finally, I, I did think that the comment that Ms. Hardman made about the Bestwall case was telling, that they -- she noted, "Well, there was a tolling agreement in that case." Exactly. That's what should have been done in this case, and that's what should be done now.

Thank you, your Honor.

MS. HARDMAN: Your Honor, if I may?

THE COURT: What?

MS. HARDMAN: Oh.

THE COURT: Short, short, just a few comments.

MS. HARDMAN: It's -- yeah.

THE COURT: You had plenty of time to talk --

MS. HARDMAN: Maybe three.

THE COURT: -- though.

MS. HARDMAN: Thank you, your Honor, I appreciate it.

Mr. Torger, Torborg mentioned just a couple things that I wanted to respond to, your Honor.

THE COURT: Very short.

MS. HARDMAN: Very short.

What I'd note is defendants have not mentioned or disputed the fact that estimation informs expert discovery, not fact discovery. And there's been mention of -- that -- that -- Ms., Judge Edwards' decision. All she said, your Honor, with respect to the badges, that more discovery is needed. She didn't say that we haven't met our burden.

And the last part, your Honor, we certainly dispute that the issue here is contingent on anything relative to estimation. There are other elements of fraudulent transfer and of substantive consolidation that the fact discovery will inform and proceeding to ensure that information is timely captured is the best position for all parties involved and will be the most economical for all involved, your Honor.

Thank you, your Honor.

THE COURT: All right. Thank you.

All right. So I am going to grant the motion to a limited extent, but you know, really, the time period we're talking about is really pretty short. So I, I do feel this is a little overblown for, for the type of stay we're talking about. So -- because -- so I am going to require the debtor to produce, to meet the July 6th deadline. So, and then we have Phase 1, right? So, in August.

I'm -- so I'm going to make the ruling using my discretion to stay proceedings for reasons of, of judicial economy and my inherent power to control my own docket, in light of the fact that since entry of the Second Amended Case Management Order the parties in the main case agreed to the bifurcation of the estimation trial with Phase 1, trial on tort system values scheduled for August, and also mediation, which people aren't really talking about. But that's also very important, right? I consider the impact on the orderly course of justice here with the Phase 1 trial and mediation. I see a few possible outcomes.

As many of us hope, and I think we have, maybe have to think back to February to get in that mindset where there was a little bit of hope in this room, there could be a global resolution, which opens a door that could lead to a consensual Chapter 11 plan, resolution of the APs. That, that was, obviously, the, the biggest hope with the idea of let's split this up, let's do Phase 1, let's do some mediation. This, you

know, if this is the case, no further discovery is needed in an AP. I realize in this room right now you're screaming that'll never happen, but you know, that, that is the idea. That's the thought behind it. Everyone was onboard of, with doing, with, with bifurcating the trial, with that being the goal.

So this weighs very heavily, in my mind, in favor of a, a stay. Again, it's going to be a short stay because there is a significant possibility that further expense to the estate of these APs can be avoided entirely.

Other option. There could be a partial resolution out of Phase 1, you know, either the trial and then mediation and all that. Parties agree on a number for the debtors' asbestos-related liabilities and at least we don't need to contemplate a Phase 2 trial, right? Then we certainly have a giant piece of information that we need that, despite, again, the plaintiffs' protest to the contrary, will inform us in the APs. And also, at that point, I think we'd be looking at a rather brisk schedule to resolve any issues in the Aps. Because we would not need to wait until after a Phase 2 trial. And I think we could get to dispositive motions, you know, pretty, pretty quickly to get back into discovery and do that.

And then lastly, nothing is resolved. It all fails. We're back here after our Phase 1 trial and at that point, we're looking at a schedule for the APs that needs to be coordinated with Phase 2, which we had already discussed.

Because putting aside whether the plaintiffs' Texas Two-Step Hinder and Delay Contention remains viable in light of previous rulings or subsequent case law that's already out or may come out, that's all, I believe, more appropriately addressed through dispositive motions. I believe, as I've already said, judicial economy and logic require I determine the amount of the debtors' asbestos-related liabilities before I determine whether the debtors have insufficient assets. And the purpose of the APs, the purpose of any of these types of APs in a bankruptcy is to bring further assets into the estate to distribute to creditors. You know, fraudulent transfer claim, substantive consolidation, those are not like just punitive claims. The, the purpose is to bring assets in. We all know that, right, all of us who, at least, are bankruptcy lawyers. So we need to know what those liabilities are.

So scheduling-wise, those are, those are, well, three different timelines, (1) nothing more is needed; (2) you know, we're just dealing with, you know, the, the APs; (3) we, we basically accomplished nothing, almost, with Phase 1. Hopefully, that's not the case.

As for any hardship, if not stayed versus potential damage or prejudice, honestly, I view both of these as relatively minimal because the stay itself, in the scheme of this case, is going to be relatively short. It essentially is going to allow me a window of time to more quickly rule on the

Phase 1 trial, which will then assist in the disposition of the main case and the APs. You know, even this proposal has, you know, possibly, motions being filed at the end of September. I think it's unlikely, you know, I, I fear at that point I would be in the midst of an opinion from Phase, from the Phase 1 trial, right? You know, it's not helping anyone for me to be then taking a break from that, you know, dealing with, with a bunch of motions that are coming on in mid-October.

So, so it's a, it's a stay, but I think, I, I don't see, ultimately, it having an impact in the total amount of time in the long run that we can get this done. Because I also have faith. I understand if it were two years a pause in discovery. Picking it up again could be hard, Ms. Hardman. I understand the, you know, sort of forgetting things, I do, but we're not talking that, you know. We're not.

So certainly, my goal is to have a ruling out within a couple months, you know. Hopefully, we would be looking at, you know, depending on how people feel around the holidays, but we'd be looking at like a January, like, here's what we're doing. Either we're, which path are we going, you know? That would be my goal for 2027.

So, so that's, that's where we are. That's my ruling. I'm not getting into any merits as far as, I mean, of, of the, of the, of the APs.

So that being said, I would -- the July 6th deadline

would stay in place.

So you know, I was changing my notes as people were, were talking. So do the debtors agree or disagree about the privilege logs for the 5th, or we just want to --

MS. SIEG: Your Honor, we are happy to comply with the deadline to provide the privilege logs 30 days after the completion of production on July 6th. I think we've calculated that as August 5th. That's fine.

THE COURT: All right. And so --

Sir, Mr. Torborg?

MR. TORBORG: I, I was just going to ask, just so the parties aren't left with uncertainty, would they be permitted to review the documents after --

THE COURT: Well, yeah. I was just, I wasn't sure about that point, where we were on that. But I mean, my -- but regardless, no, then there would be -- I just want to -- it just needs to be a clean stay, in my mind. Because, because of the issue of there's a, there's a real enough possibility that they will be resolved and the expense to the estate. I mean, it just, to stop it for a few months and save that expense that possibly is not needed, to me, is a compelling factor.

So you know -- so you know, I don't really -- you know, we could -- the -- if the privilege logs are produced, then that would mean, perhaps, there could be a date. I'm trying to fashion that out, you know, after. Okay, we would

use -- would be -- use the omnibus hearing date following Phase 1 that's set forth in the Phase 1 order, in Paragraph 13 of that. We would use that -- would we use that for everything? And would you want -- you're probably not familiar with that, but --

MS. HARDMAN: No, no, your Honor.

THE COURT: But that, that contemplates an omnibus hearing date as well for sort of a reconvene and figure out where we are. But you know, it's possible that time could start to run before then. But, you know, I, I just think that could get messy.

But essentially, we need to have language that -- let me -- what's in the order?

MS. HARDMAN: And forgive me, your Honor. I just have no idea.

THE COURT: I have it somewhere here. Okay. "Following Phase" -- the, Paragraph 13 of that order says, "Following the Phase 1 ruling" -- that's about the meet and confer. And it contemplates an omnibus hearing occurring more than 30 days after the Phase 1 ruling. Like, do we want to have this be aligned with that?

MS. HARDMAN: Well, your Honor, it -- I'm sorry to be difficult. I'm, I'm trying to be practical.

THE COURT: Right.

MS. HARDMAN: I have no idea what we're getting in

terms of document production to analyze, figure out what's missing, figure out what I'd be able to say to your Honor about next steps relative to --

THE COURT: I'm just talking about a date to then enter into, pick up again.

MS. HARDMAN: So talk about scheduling at that point?

THE COURT: Right, right.

MS. HARDMAN: Okay. I follow, your Honor. Yeah.

MR. TORBORG: We're, we're agreeable to the January date.

THE COURT: The January --

MR. TORBORG: If that aligns with the date of the opinion.

MS. HARDMAN: Well, your Honor --

THE COURT: Well, we don't --

MS. HARDMAN: -- I'm --

THE COURT: you know --

MS. HARDMAN: We're okay with Paragraph 13 being the trigger. So depending on when your Honor issues the ruling --

THE COURT: Right.

MS. HARDMAN: -- then we can go 30 days after that to start to talk to you about that.

MR. TORBORG: I think what your Honor was suggesting, there would be -- she's -- you would expect a couple months for the decision, if that's, if that ends up holding. Who knows

what happens with their schedule, right? The, the January date would seem to make sense.

THE COURT: I also don't know, I mean, maybe I'm dreaming, but say we're doing the trial and then parties are like, "Wait. We want to actually mediate again." We don't, you know.

MS. HARDMAN: And we'll tell you that at that, at that hearing, your Honor.

THE COURT: Right.

MS. HARDMAN: We'll tell you that then.

THE COURT: But -- so I don't want to actually put the month of the, but the language in Paragraph 13 kind of contemplates various options, but anyway.

MS. HARDMAN: Your Honor, I, I would --

MR. TORBORG: I think our proposed order is probably the, the safest way to go, your Honor. We, we had suggested 60 days after the Court's decision on estimation to, to convene about whether the stay should continue. That's what our proposed order proposed. We think that makes the most sense.

THE COURT: All right.

MS. HARDMAN: Your Honor, that's a different requested relief than what I understood your Honor was granting. So I just, I guess for clarity's sake, they're suggesting to revisit the stay 60 days as opposed to --

THE COURT: No, no. We're not, I'm not having another

hearing on the stay. Sorry.

MS. HARDMAN: Okay.

THE COURT: Yeah.

MS. HARDMAN: I just wanted to understand, your Honor.

THE COURT: I'm talking about a hearing, which is why I was suggesting, perhaps, the same hearing we were contemplating after the Phase 1 trial, where we essentially know where we are. I think that's what, what's contemplated, right? Whether we need a Phase 2 trial, whether we, you know, whether more time is needed for mediation, you know. That hearing that is contemplated in the Phase 1 order, the APs could be on the same date. That's what --

MS. HARDMAN: Your Honor?

THE COURT: -- I'm trying to say.

MS. HARDMAN: It looks like it's language we've already agreed to, and it seems an easy slot in for this order and we're willing to agree to it. It's just to have a conversation before you, I gather, to figure out what's going forward. And if we come to you and all say, "Mediation is going swimmingly and can we come back to you," we will do that. If we say, "Hey, we're all ready to move forward on a few items, here they are," your Honor would be able to call balls and strikes at that point. And we're, we're okay with that, your Honor.

THE COURT: But my ruling is, to be clear, is either

way, if we have to, if the APs aren't resolved, there'll be two different times, like I said, you know. Either -- I don't know what kind of timeline it'll be, but I'm not going to entertain staying them again. I, I think if, to the extent you want to, you know, nothing, you know, once they're not stayed, file any dispositive motions you want to, you know, to the extent, you know.

MR. TORBORG: Thanks, your Honor.

MS. HARDMAN: May I ask you one clarifying question? I've got everything down. I understand very clearly. My one question was, we have production deadline by July 6th. We have the privilege log issue as well for August 5th. So those are going to go into the order.

As to outstanding responses back and forth, particularly our requests of them, are we envisioning trying to narrow issues until July 6th, or we are stopping completely, your Honor?

THE COURT: It's not stayed until, you know, so use --

MS. HARDMAN: July 6th?

THE COURT: Yeah. So at this point --

MS. HARDMAN: Okay. Stayed, stayed at July 6th?

THE COURT: Right.

MS. HARDMAN: Okay. 'Cause we'll try to make some movement, your Honor, if we can --

THE COURT: So --

MS. HARDMAN: -- on some issues.

THE COURT: Right.

MS. HARDMAN: Okay. Yeah, happy to do that.

THE COURT: It's, you know, just a clean stay.

MR. TORBORG: All right. So I, I just want to make sure. As I understand the ruling, clean stay except for we, the defendants, have to produce the documents by July 6th and the privilege logs 30 days after, correct?

THE COURT: Well, to the extent until July 6th there are conversations, and you certainly should continue them in the normal course. So, you know.

MR. TORBORG: Okay. Understood.

THE COURT: Because otherwise, you know, I, I just don't want to go down that path. So just, I expect you to deal in the normal course like you would. And then, you know, once we get to, say it ends up being January. We're going to have to start filtering through all, if there are motions to compel or whatever it is, discovery disputes on that that are left that you haven't resolved.

MS. HARDMAN: Thank you, your Honor. That'll help us at least get them all buttoned up so they're ready for your ruling, your Honor.

MS. SIEG: Yeah, Judge, just to be sure I'm understanding where we're going to set the date to come back in front of your Honor. Do you want us just to adopt the date

that's in the Estimation Phase 1 order? I think it's something like 30 days after the Court's ruling. If so, we can include that language in a revised proposed order.

THE COURT: Yeah. I think we should, I think we should tie it together unless you don't want to. Is there a reason you wouldn't want it on the same day?

MS. SIEG: No, that, that's fine, your Honor --

THE COURT: Okay.

MS. SIEG: -- for the defendants.

THE COURT: To me, it makes sense to have it all on the same day, so.

MS. SIEG: We could include that --

MS. HARDMAN: Agreed.

MS. SIEG: -- language in the proposed order.

THE COURT: Right. It just can't be -- we don't know exactly. Maybe it'll be January, but we don't know. That's my point, so.

MS. HARDMAN: Understood, your Honor.

THE COURT: But after -- so to be clear. After the July 6th, then that ends -- because at that point -- that's why I'm actually -- but the debtor will be preparing for the trial, you know. So after that point, other than the privilege logs, everything is stayed.

MS. HARDMAN: Understood, your Honor.

THE COURT: Right.

MS. HARDMAN: I think the only thing we're envisioning is for the omnibus hearing before you, we may have to at least see how much we received in terms of documents to be able to give you an estimate on timing and things like that. But I envision that being a limited analysis of -- we received a privilege log. It's either 10,000 documents, it's 100,000 documents. It's going to take us a while to get through, your Honor. We may have to look at the document just to tell you what we envision the next steps are at that status conference, but I don't mean to look at it for substance. It's more to say this is how we would propose to go forward.

THE COURT: Right.

MR. TORBORG: I understood your Honor to say it's going to be a clean stay.

THE COURT: Right. Yeah. And I'm not sure what you're, you're talking about in January?

MS. HARDMAN: In the, at your omnibus hearing when we are before you --

THE COURT: Right.

MS. HARDMAN: -- if we're not talking about how we've all Kumbaya'd at that point, your Honor, if we're still talking about these issues, to suggest to you we've received the privilege log, we've received documents. I just want to be able to tell you how many we received. I'd be able to tell you how big the priv log is. That's it. And then we would be able

to talk to you about, "Okay. Going forward, next steps. This is an enormous undertaking and this is what it requires," or, "It's actually really limited and here's what we propose."

THE COURT: Well, I mean, the way it's set up, we have, already it was 60 days. I'm assuming we would pick back up with that.

MS. HARDMAN: Sorry. I --

THE COURT: Isn't that what you're talking about, the next deadline? Any objections to, or motions to compel? It must be filed within 60 days.

MS. HARDMAN: So after the -- oh, I see. So --

THE COURT: Right?

MS. HARDMAN: -- the idea is we meet with you within that 30-day window, or right after the --

THE COURT: Right.

MS. HARDMAN: -- for the omnibus.

THE COURT: But we would be picking back up there.

MS. HARDMAN: Okay. That works for us, your Honor. So we would be picking back up at that point so that the motion practice can be filed 60 days thereafter, is what you're envisioning?

THE COURT: And that's what you agreed to before.

MS. HARDMAN: Yeah.

THE COURT: So why would we be arguing it again?

MS. HARDMAN: I'm trying, your Honor, not trying to

argue. I, I promise you, despite what my family may say about me. But I'm not trying to argue about the point. I just am trying to be very clear.

THE COURT: Right.

MS. HARDMAN: Because we -- I don't want to have an issue where Mr. Torborg needs to call me to say, "You spent time doing something" --

THE COURT: Right.

MS. HARDMAN: -- "that you weren't permitted to do. Let's talk about your fees." And I don't want to expend improperly in any way. I'm trying to be following your Honor's rules so that I fall within the scope.

But if you're envisioning we talk on that 30-day omnibus and then we have 60 days to get through that process, that makes sense to me, your Honor.

THE COURT: Right. The stay will lift --

MS. HARDMAN: Understood.

THE COURT: -- on that day and that, that 60-day time would start, unless at that point --

MS. HARDMAN: I follow.

THE COURT: -- we agreed it --

MS. HARDMAN: I follow.

THE COURT: But I mean --

MS. HARDMAN: I follow.

THE COURT: -- you don't, you don't need to do

something before.

MS. HARDMAN: Understood.

THE COURT: So.

MS. HARDMAN: Understood.

THE COURT: All right?

MS. HARDMAN: Thank you, your Honor.

MR. TORBORG: Thank you.

THE COURT: All right.

Anything -- we need to discuss. So what are the plans for the summer?

MR. ERENS: Well, in terms of our collective plans for the summer, next hearing, omnibus hearing is in June. Obviously, we may or may not have that hearing, not clear currently.

THE COURT: Okay.

MR. ERENS: The deadline for motions, I believe, is June 4th. So it's coming up. July hearing is pretrial.

THE COURT: Right.

MR. ERENS: That's July 23rd. So we'll definitely be having that hearing. And then we have the trial August 10th through 14th. So plenty to do.

THE COURT: Right, right. Okay.

Anyone else have anything to add, say?

MR. EVERT: Your Honor, I was just going to say, just to make it clear, that, that I think the June 4 deadline Mr.

Erens is talking about was for the June hearing. We have a June 25th deadline in the estimation CMO for motions to be heard at the pretrial.

THE COURT: Right.

MR. EVERT: So, so our current expectation, unless something comes up, we don't have anything up in June hearing right as we sit here right now.

THE COURT: Right.

MR. EVERT: So it may well be that we're next here at the pretrial. I think that's July 23rd.

THE COURT: I think so. All right.

All right. Get to work everyone.

MS. HARDMAN: Thank you, your Honor.

(Proceedings concluded at 11:26 a.m.)

CERTIFICATE

I, court approved transcriber, certify that the foregoing is a correct transcript from the official electronic sound recording of the proceedings in the above-entitled matter.

/s/ *Janice Russell* May 26, 2026

Janice Russell, Transcriber Date