

**UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF NORTH CAROLINA  
CHARLOTTE DIVISION**

---

In re :  
ALDRICH PUMP LLC, *et al.*,<sup>1</sup> : Chapter 11  
Debtors. : Case No. 20-30608

---

ALDRICH PUMP LLC, *et al.*, :  
Plaintiffs, :  
v. : Adv. Pro. No. 20-03041  
THOSE PARTIES LISTED ON APPENDIX :  
A TO COMPLAINT and JOHN AND JANE :  
DOES 1-1000, :  
Defendants. :

---

**NOTICE OF FILING OF UNREDACTED SUPPLEMENT TO OPPOSITION OF THE  
OFFICIAL COMMITTEE OF ASBESTOS PERSONAL INJURY CLAIMANTS TO THE  
DEBTORS’ MOTION FOR PARTIAL SUMMARY JUDGMENT, AND  
UNSEALED EXHIBITS THERETO**

The Official Committee of Asbestos Personal Injury Claimants (the “Committee” or “ACC”) of Aldrich Pump LLC and Murray Boiler LLC (the “Debtors”), by and through its undersigned counsel, hereby files this Notice of Filing Unredacted Supplement to Opposition of the Official Committee of Asbestos Personal Injury Claimants to the Debtors’ Motion for Partial Summary Judgment, and Unsealed Exhibits Thereto (the “Notice”). In support of the Notice, the Committee respectfully states as follows:

---

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



1. On April 19, 2021, the Committee filed its *Supplement to Opposition of the Official Committee of Asbestos Personal Injury Claimants to the Debtors' Motion for Partial Summary Judgment* (the “**Supplement to Summary Judgment Opposition**”) [Adv. Dkt. 180], which included Exhibits A, B, and C. Portions of the Supplement to Summary Judgment Opposition were redacted, and Exhibits A, B, and C were filed under seal, pursuant to the Agreed Protective Order Governing Confidential Information (the “**Protective Order**”) [Case No. 20-30608; ECF 345]. On April 19, 2021, the Committee filed a *Motion to File Confidential Documents under Seal* (the “**Motion to Seal**”)[Adv. Dkt. 182] related to the redacted portions of the Supplement to Summary Judgment Opposition and sealed Exhibits A, B, and C. On June 25, 2021, the Court entered an Order granting the Motion to Seal [Adv. Dkt. 291].

2. Since the filing of the Supplement to Summary Judgment Opposition, the Committee has received designations of confidential information for the deposition transcripts from which excerpts were attached as Exhibits A, B, and C. Based upon such designations, all redactions in the body of the Supplement to Summary Judgment Opposition can be removed, and Exhibits A and B can be unsealed in their entirety. Additionally, Exhibit C can be unsealed with limited redactions.

3. Accordingly, attached hereto are an unredacted copy of the Supplement to Summary Judgment Opposition, unsealed Exhibits A and B, and unsealed Exhibit C with limited redactions.

Dated: June 25, 2021

HAMILTON STEPHENS STEELE  
+ MARTIN, PLLC

/s/ Robert A. Cox, Jr.

Glenn C. Thompson (Bar No. 37221)  
Robert A. Cox, Jr. (N.C. Bar No. 21998)  
525 North Tryon Street, Suite 1400  
Charlotte, North Carolina 28202  
Telephone: (704) 344-1117  
Facsimile: (704) 344-1483  
Email: gthompson@lawhssm.com  
rcox@lawhssm.com

*Local Counsel for the Official Committee of  
Asbestos Personal Injury Claimants*

CAPLIN & DRYSDALE, CHARTERED  
Kevin C. Maclay (admitted *pro hac vice*)  
Todd E. Phillips (admitted *pro hac vice*)  
Jeffrey A. Liesemer (admitted *pro hac vice*)  
One Thomas Circle NW, Suite 1100  
Washington, DC 20005  
Telephone: (202) 862-5000  
Facsimile: (202) 429-3301  
Email: kmaclay@capdale.com  
tphillips@capdale.com  
jliesemer@capdale.com

*Counsel to the Official Committee of Asbestos  
Personal Injury Claimants*

David Neier (admitted *pro hac vice*)  
Carrie V. Hardman (admitted *pro hac vice*)  
WINSTON & STRAWN LLP  
200 Park Avenue  
New York, NY 10166  
Telephone: (212) 294-6700  
Fax: (212) 294-4700  
Email: dneier@winston.com  
chardman@winston.com

*Special Litigation Counsel  
to the Official Committee of Asbestos  
Personal Injury Claimants*

ROBINSON & COLE LLP  
Natalie D. Ramsey (admitted *pro hac vice*)  
Davis Lee Wright (admitted *pro hac vice*)  
1201 North Market Street, Suite 1406  
Wilmington, Delaware 19801  
Telephone: (302) 516-1700  
Facsimile: (302) 516-1699  
Email: nramsey@rc.com  
dwright@rc.com

*Counsel to the Official Committee  
of Asbestos Personal Injury Claimants*

Exhibit A

Turtz Deposition Transcript  
April 5, 2021  
(Relevant pages only)

1 EVAN TURTZ

2 UNITED STATES BANKRUPTCY COURT  
3 FOR THE WESTERN DISTRICT OF NORTH CAROLINA  
4 CHARLOTTE DIVISION

4 -----x

5 IN RE: Chapter 11  
6 No. 20-30608  
(Jointly Administered)

7 ALDRICH PUMP LLC, et al.,  
8 Debtors.

9 -----x

10 ALDRICH PUMP LLC and  
11 MURRAY BOILER LLC,  
12 Plaintiffs,

13 v. Adversary Proceeding  
14 No. 20-03041 (JCW)

15 THOSE PARTIES TO ACTIONS  
16 LISTED ON APPENDIX A  
17 TO COMPLAINT and  
18 JOHN and JANE DOES 1-1000,  
19 Defendants.

20 -----x

21 REMOTE VIDEOTAPED DEPOSITION OF  
22 EVAN TURTZ  
23 APRIL 5, 2021

24 Reported by:  
Sara S. Clark, RPR/RMR/CRR/CRC  
25 JOB No. 192005

1 EVAN TURTZ

2 summer.

3 Q. Summer of 2019?

4 A. Yeah.

5 Q. And why did you conclude that it was  
6 not a viable option?

7 A. At the highest level, it continued --  
8 did not provide the certainty and closure and  
9 that there were a lot of reopeners with the  
10 insurance companies. It was also a -- we never  
11 got to the very detail, but the premium was  
12 going to be fairly high.

13 Q. What do you mean by "reopeners" with  
14 the insurance company?

15 A. At the highest level, the insurance  
16 companies said that should they ever run out of  
17 money, they could come back to us.

18 Q. Okay. Should they ever run out of --  
19 you mean there would be a cap on this program?

20 A. Exactly.

21 Q. Would that be a time cap or dollar  
22 cap, if you know?

23 A. I think it was both, if I recall. We  
24 never got that far along because the structure  
25 just wasn't working.

1 EVAN TURTZ

2 I wanted a clear delineation when we're  
3 starting the 30(b)(6) portion. So what I  
4 want to confirm now is your intention to  
5 begin the 30(b)(6) portion of your  
6 deposition.

7 MR. GOLDMAN: Yeah. I intended it  
8 earlier, but that's okay. We certainly are  
9 in it now.

10 BY MR. GOLDMAN:

11 Q. I think -- in any event, let's go back  
12 to the question, which is: What is your  
13 understanding of what constitutes Project Omega?

14 A. In the broadest sense, Project Omega  
15 was something to address the asbestos business  
16 issue to provide optionality and resources to  
17 address, you know, an ongoing very difficult  
18 business issue for the company.

19 Q. And do you recall when Project Omega  
20 was given its name?

21 A. I don't have that exact recollection.  
22 It was early on.

23 Q. "Early on," meaning approximately  
24 when?

25 A. Early summer of '19 is what I'm

1 EVAN TURTZ

2 guessing.

3 Q. Was that before or after you had your  
4 first contact with Jones Day?

5 A. I don't recall.

6 Q. And how did it come about that you  
7 came into contact with the Jones Day lawyers,  
8 whether one or both of the people you  
9 identified?

10 A. I was trying to remember that.  
11 Either -- I believe someone sent me the  
12 Bestwall -- one of the briefs from the Bestwall  
13 case, and I read it and thought it would  
14 potentially be interesting.

15 Q. And when you say "someone," was that  
16 someone from Jones Day or someone from another  
17 source?

18 A. That's what I'm struggling with. I  
19 can't remember. I can't remember if I got the  
20 brief and reached out to them or vice versa.

21 Q. Okay. And that was, you said, in  
22 April, May, or June, you believe?

23 A. I do believe that.

24 Q. Okay. And upon reading -- and then  
25 when did you formally retain Jones Day?



1 EVAN TURTZ

2 Q. Yes.

3 A. No. It would have been much earlier  
4 than that.

5 Q. Okay. How about Mr. Pittard? Was it  
6 your first discussion with him on that subject?

7 A. I don't recall. I know that I sent  
8 a -- if I recall correctly, the Bestwall brief.

9 Q. To who?

10 A. To Ray, I believe. I believe he  
11 wanted to read it.

12 Q. You think in advance of this meeting?

13 A. It would have been earlier, I think.

14 Q. And who is Jason Bingham? Maybe you  
15 told me before. I don't remember.

16 A. Jason is the head of our residential  
17 business.

18 Q. Okay. And what's your memory of  
19 approximately when you first discussed potential  
20 bankruptcy with Mike Lamach?

21 MR. MASCITTI: Objection; form.

22 A. My recollection would be shortly after  
23 reading the Bestwall brief. And I can't  
24 remember. It was probably April, May, June of  
25 '19.

1 EVAN TURTZ

2 Trane entities at any point in the past had any  
3 insurance assets that may provide coverage for  
4 asbestos claims.

5 MR. MASCITTI: Objection; form.

6 A. Those insurance assets are with the  
7 debtors.

8 Q. So all of the assets providing  
9 coverage for asbestos have been transferred to  
10 the debtors; is that right?

11 A. Correct.

12 Q. Does Trane Technologies have any  
13 rights under those insurance assets that were  
14 allocated to Aldrich and Murray?

15 MR. MASCITTI: Objection; form; and  
16 outside the scope.

17 Why don't you ask that question as  
18 part of the individual deposition.

19 MS. JENNINGS: Mr. Mascitti, I think  
20 it is within the scope. This is about  
21 whether or not Trane Technologies has rights  
22 to the insurance, which would be part of  
23 their coverage. This would give them an  
24 avenue for coverage.

25 MR. MASCITTI: It's whether or not

1 EVAN TURTZ

2 Q. So you believed bankruptcy was a  
3 viable option. Was there any other objections  
4 that you believed to be viable options?

5 A. Sitting here today, I would say the  
6 other ones all had difficult -- difficulties.

7 Q. Okay. And did you believe the others  
8 all had difficulties-- did you have that belief  
9 as of May 1 of 2020?

10 A. I don't recall when I specifically  
11 formed it. I was hopeful for any way to get to,  
12 you know, resolution, fair and final for the  
13 company, and good for the potential legitimate  
14 current and future claimants.

15 I ultimately concluded that the trust  
16 system is the best way to do that. I don't  
17 remember exactly when I formulated that  
18 conclusion.

19 Q. What did you -- did you review any  
20 documents in preparing to testify today?

21 A. I did not.

22 Q. Did you meet with counsel?

23 A. I did for a few hours last week.

24 Q. That was just one session?

25 A. Yes.

1 EVAN TURTZ

2 MR. MASCITTI: Objection.

3 A. Correct.

4 Q. I'm sorry, Mr. Turtz. Could you  
5 repeat your answer?

6 A. Correct.

7 Q. Is it also true that you do not  
8 believe that Trane Technologies or Trane U.S.  
9 retained any rights in the coverage-in-place  
10 agreements assigned to Aldrich and Murray?

11 MR. MASCITTI: Objection; form.

12 A. Correct.

13 Q. Also, to your knowledge, does any  
14 entity other than Aldrich or Murray have any  
15 rights to the insurance coverage assigned to the  
16 debtors?

17 MR. MASCITTI: Objection; form.

18 A. To my knowledge, it's just with those  
19 two entities, Aldrich and Murray.

20 MS. JENNINGS: Okay. I'm staying true  
21 to my word. That's all that I have for you  
22 today.

23 THE WITNESS: Thank you.

24 MS. JENNINGS: Thank you, Mr. Turtz.

25 MR. GUY: Mr. Turtz, can you hear me

Exhibit B

Brown Deposition Transcript  
April 1, 2021  
(Relevant pages only)

1 UNITED STATES BANKRUPTCY COURT  
2 FOR THE WESTERN DISTRICT OF NORTH CAROLINA  
3 CHARLOTTE DIVISION

-----x

4 IN RE:

5 Chapter 11  
6 No. 20-30608 (JCW)  
7 (Jointly Administered)

8 ALDRICH PUMP LLC, et al.,

9 Debtors.

-----x

10 ALDRICH PUMP LLC and

11 MURRAY BOILERS LLC,

12 Plaintiffs,

13 Adversary Proceeding  
14 No. 20-03041 (JCW)

15 v.

16 THOSE PARTIES TO ACTIONS

17 LISTED ON APPENDIX A

18 TO COMPLAINT AND

19 JOHN AND JANE DOES 1-1000,

20 Defendants.

-----x

21 APRIL 1, 2021

22 REMOTE VIDEOTAPED 30 (b) (6) DEPOSITION OF

23 TRANE TECHNOLOGIES BY SARA WALDEN BROWN

24 Stenographically Reported By:  
25 Mark Richman, CSR, CCR, RPR, CM  
Job No. 192004

1 S. BROWN  
2 did, right? Okay. And in July of 2019  
3 was part of the discussion around the  
4 restructuring that these new  
5 subsidiaries might utilize the  
6 bankruptcy to, to resolve their asbestos  
7 liabilities?

8 A. The new subsidiaries hadn't been  
9 formed at that time. So there wasn't an  
10 ability for them to make a decision at  
11 that time.

12 Q. Well I appreciate that. My  
13 question is a little different. In July  
14 of 2019 when Project Omega was, the team  
15 was meeting to discuss the  
16 restructuring, was one of the things  
17 that they were contemplating the  
18 possibility that after the restructuring  
19 the subsidiaries would deal with their  
20 asbestos liabilities through a  
21 bankruptcy?

22 A. We don't have control over that  
23 because that would be a decision made by  
24 the subsidiaries after they were formed.  
25 So we were creating these subsidiaries

1 S. BROWN  
2 and my job was to assist in the  
3 corporate restructuring piece that would  
4 allow them the flexibility at a later  
5 date to make a determination about how  
6 to handle asbestos liabilities going  
7 forward.

8 One of the potential, you know,  
9 outcomes or options would be a  
10 bankruptcy at that time.

11 But that's not a decision that  
12 the people, you know, involved in the  
13 project could have made at -- in July of  
14 2019.

15 Q. Yeah, I am not trying to be  
16 difficult. I'm not asking the question  
17 of whether or not, you know, for  
18 instance at this particular meeting you  
19 were making the decision to file for  
20 bankruptcy.

21 I'm saying was a bankruptcy  
22 contemplated as one of the options when  
23 you were discussing the potential  
24 benefits or downsides to a  
25 restructuring?



1 S. BROWN

2 A. The flexibility, giving  
3 flexibility to the entities was  
4 discussed at that time. That was our  
5 primary goal for the restructuring, was  
6 making sure that we provided the assets  
7 and the support and, you know, the cash  
8 and the funding agreement to fully  
9 enable these entities to continue to pay  
10 their, the asbestos liabilities as they  
11 went through the restructuring.

12 Regardless of, you know, any  
13 future outcome we wanted to be certain  
14 that on, you know, the first day of  
15 their restructuring they were in the  
16 same position that the Trane US I think  
17 and the Ingersoll-Rand company were in  
18 vis-à-vis the liability and the assets.

19 So we wanted to be sure that we  
20 contended with their ability to pay on  
21 those claims and then to provide them  
22 with flexibility. That was the goal at  
23 that time.

24 Q. And so was a bankruptcy filing  
25 something that was discussed and

1 S. BROWN

2 contemplated in the summer of 2019?

3 A. I don't -- I don't recall exactly  
4 what was discussed at that meeting. The  
5 flexibility of, you know, providing  
6 flexibility would have included, you  
7 know, a discussion around all of the  
8 potential outcomes that the companies  
9 would have for this restructuring.

10 Q. Okay. And what were some of  
11 those other potential outcomes that were  
12 identified in 2019?

13 A. One potential --

14 MR. MASCITTI: I'm going to  
15 object and just caution the witness.  
16 Because as you know, counselor, the  
17 witness is an attorney and providing  
18 legal advice to the company. To the  
19 extent that you can answer that  
20 question without disclosing  
21 attorney-client communications and  
22 advice, you can answer that question.  
23 But I just caution you not to  
24 disclose any attorney-client  
25 communications or advice that you

1 S. BROWN  
2 system. Is that, is it fair to say  
3 that's like a status quo kind of option  
4 that you would keep, the subsidiaries  
5 would keep paying the claims?

6 A. Yes, absolutely.

7 Q. Okay. So how would the corporate  
8 restructuring on May 1st provide the  
9 subsidiaries flexibility if they were  
10 going to decide to just keep paying the  
11 same way that the prior entities had,  
12 had paid?

13 A. It provided flexibility to the  
14 board of -- boards of those entities to  
15 make the determination about what they  
16 thought best for the others with respect  
17 to the liabilities that were housed  
18 there.

19 One of the options would be to  
20 maintain the status quo, but there was a  
21 flexibility of thinking about other  
22 options as well.

23 So we provided the support and  
24 the cash and the insurance that really  
25 gave them a wide range of potential

1 S. BROWN

2 goal isn't to file a bankruptcy?

3 A. It provided the benefit of all of  
4 these different options and it  
5 centralized the liabilities in one, you  
6 know, or two places, but one place for  
7 each of the historical sets of  
8 liabilities and gave ultimate  
9 flexibility, including a bankruptcy. So  
10 that was an option.

11 And that's not something that was  
12 an option for the parent entities prior  
13 to the restructuring. We have very  
14 complicated debt instruments at the, you  
15 know, those levels within the company.  
16 And a bankruptcy event for those  
17 entities could have resulted in a  
18 default. And, you know, we have over \$5  
19 billion of outstanding debt through  
20 these indentures and, you know, that  
21 would have, from my perspective because,  
22 you know, I work on the finance, the  
23 legal finance side of our, our  
24 contracts, that would have been a very  
25 devastating result for us.

1 S. BROWN

2 So this provided some flexibility  
3 that wasn't available in that respect.

4 Q. Okay. Yeah, I appreciate the,  
5 the benefits if the company is  
6 ultimately going to file for bankruptcy  
7 in that, just as you described, it  
8 allows the larger Trane entity to not  
9 have to go into bankruptcy.

10 What I'm asking is these other  
11 three or four options, how are they  
12 benefitted? How does it enhance those  
13 options, the corporate restructuring?  
14 How does -- let me rephrase the  
15 question.

16 How does the corporate  
17 restructuring provide a benefit if any  
18 nonbankruptcy option was chosen?

19 MR. MASCITTI: Objection, form.

20 A. My understanding is that it  
21 provided the board, this entity with a  
22 menu of items including they could have  
23 decided to explore, you know, options  
24 that I'm not even aware of. It gave a  
25 focused group of people the resources

1 S. BROWN  
2 needed to look at this issue for the  
3 company. And it's an important issue to  
4 the company and it provided resources  
5 and focus within the organization at all  
6 levels of management that gave them, you  
7 know, ultimate flexibility in what they  
8 decided to do.

9 Q. I'd like to show you another  
10 document. Annecca, can you bring up  
11 Trane Debtor's 3548.

12 MS. SMITH: Yes, and I believe  
13 this will be exhibit 201 but if the  
14 court reporter could confirm that,  
15 that would be great.

16 (Reporter clarification.)

17 MS. SMITH: According to our  
18 count this will be exhibit 201.

19 MR. DePEAU: We've just been  
20 marking them on the record and then  
21 we will submit them to TSG afterward  
22 for them to be labeled.

23 (Committee Exhibit 201, Trane  
24 Debtor's 3548 was marked for  
25 identification.)

1 S. BROWN

2 that. I'm not responsible for  
3 allocating employees within the  
4 affiliate organization.

5 Q. At any time prior to the  
6 corporate restructuring, did the Project  
7 Omega team ever consider placing the  
8 entire Trane enterprise under  
9 bankruptcy?

10 A. Sorry, can you repeat that  
11 question?

12 Q. Sure. Prior to the May 1st, 2020  
13 corporate restructuring, did the Project  
14 Omega team ever consider an alternative  
15 plan to put the entire Trane  
16 organization into bankruptcy?

17 A. I don't see any reason why we  
18 would have put the entire organization  
19 into bankruptcy.

20 Q. And why is that?

21 A. It's a healthy company and there  
22 are many reasons as I said before why  
23 that would not be beneficial to our  
24 company, our shareholders, our  
25 employees. It would actually be

1 S. BROWN  
2 detrimental to any stakeholder,  
3 including plaintiffs in litigation if,  
4 you know, the company had to, to go  
5 through a bankruptcy at the parent  
6 company level.

7 Q. Okay. So at the time of the  
8 corporate restructuring, was the Trane  
9 enterprise in any financial distress?

10 A. No.

11 Q. Okay. Is there any doubt in your  
12 mind that the Trane organization, the  
13 whole enterprise, had they not -- had  
14 there not been a bankruptcy filing, that  
15 they would be able to pay for all the  
16 asbestos liabilities into the future?

17 MR. MASCITTI: Objection, form  
18 and foundation.

19 A. Yeah, I don't deal with asbestos  
20 liabilities and I don't, I don't know  
21 the answer to your question.

22 Q. Okay. All right.

23 MR. DePEAU: Annecca, could you  
24 bring up Trane 212.

25 Q. Ms. Brown, we've been going about



1 S. BROWN

2 A. The people on this call.

3 Q. Got it. And regarding this  
4 consolidated coverage for asbestos  
5 claims, what happened to it during the  
6 restructuring?

7 MR. MASCITTI: Objection, form.

8 A. The asbestos-related insurance  
9 receivables were allocated as part of  
10 the restructuring ultimately to the  
11 debtor entities that were formed.

12 Q. What do you mean by ultimately?  
13 Was there some sort of middle step?

14 A. Just that it was -- there was a  
15 -- it depends on which, which entity  
16 you're referring to.

17 Q. Which entity meaning the  
18 preexisting entity or to the debtors?

19 A. Yes, the preexisting entities.

20 Q. So regarding Trane US I think,  
21 what -- when you say it was ultimately  
22 allocated to the debtors, was there --

23 A. Trane US I think went through a  
24 divisional merger pursuant to which it's  
25 assets and liabilities were allocated to

1 S. BROWN  
2 necessarily which options that we  
3 considered. And bankruptcy could be an  
4 option for a company in dealing with its  
5 liabilities. It was not a feasible  
6 option for the enterprise as a whole.

7 Q. Understood. And then the  
8 question is did you do any analysis of  
9 that to determine it was not a feasible  
10 option for the enterprise as a whole?

11 MR. MASCITTI: Objection to form.

12 A. I'm not a bankruptcy lawyer. I  
13 don't have expertise in that area. I  
14 reviewed our documents as part of the  
15 due diligence for the project that I was  
16 working on and I'm aware of the fact  
17 that there were events of defaults and  
18 other problems that would arise as a  
19 result of a bankruptcy of the  
20 enterprise.

21 Q. Okay. And that's based -- you're  
22 aware of that based on analysis that you  
23 reviewed?

24 A. Yes.

25 Q. Okay.

1 S. BROWN

2 So that the record is clear for  
3 the court, could you please tell the  
4 court again what your title is.

5 A. Yes, it's deputy general counsel  
6 corporate finance, securities and  
7 corporate law, and assistant secretary  
8 of Trane Technologies PLC.

9 Q. Thank you. And would it be okay  
10 with you if I refer to Project Omega as  
11 the corporate restructuring?

12 A. Yes.

13 Q. You were intimately involved in  
14 the corporate restructuring, correct?

15 A. Correct.

16 Q. Is the purpose of the corporate  
17 restructuring to address the Trane  
18 family's historical asbestos liabilities  
19 through the bankruptcy?

20 A. No. The purpose of the  
21 restructuring was to allocate those  
22 liabilities to the debtor entities to  
23 facilitate their flexibility to make a  
24 decision about future outcomes to these  
25 new subsidiaries that were created.

Exhibit C

Debtors' 30(b)(6) Deposition Transcript (Tananbaum)  
April 12, 2021  
(Relevant pages only)

1 UNITED STATES BANKRUPTCY COURT  
2 FOR THE WESTERN DISTRICT OF NORTH CAROLINA  
3 CHARLOTTE DIVISION

-----x

4 IN RE:

5 Chapter 11  
6 No. 20-30608 (JCW)  
7 (Jointly Administered)

8 ALDRICH PUMP LLC, et al.,

9 Debtors.

-----x

10 ALDRICH PUMP LLC and

11 MURRAY BOILERS LLC,

12 Plaintiffs,

13 Adversary Proceeding  
14 No. 20-03041 (JCW)

15 v.

16 THOSE PARTIES TO ACTIONS

17 LISTED ON APPENDIX A

18 TO COMPLAINT AND

19 JOHN AND JANE DOES 1-1000,

20 Defendants.

-----x

21 April 12, 2021

22 REMOTE VIDEOTAPED 30(b)(6) DEPOSITION OF  
23 MURRAY BOILER AND ALDRICH PUMP BY  
24 ALLAN TANANBAUM

25 Stenographically Reported By:  
Mark Richman, CSR, CCR, RPR, CM  
Job No. 192003

1 A. TANANBAUM

2 Do you see that, sir?

3 A. I do.

4 Q. And then it continues, "This  
5 flexibility includes the commencement of  
6 a Chapter 11 reorganization proceeding  
7 to globally resolve these claims without  
8 unnecessarily subjecting the entire Old  
9 IRNJ and Old Trane enterprises and their  
10 many employees, suppliers, creditors and  
11 vendors to a Chapter 11 proceeding."

12 Do you see that?

13 A. I do.

14 Q. What do the debtors mean by  
15 flexibility in that paragraph?

16 A. My understanding of the term  
17 flexibility is that it refers to the  
18 option if the debtors so chose to file  
19 bankruptcy or file a Chapter 11 case.

20 Q. Does flexibility refer to  
21 anything else besides the option to file  
22 a bankruptcy case?

23 A. Well in fairness, flexibility  
24 would refer to the ability to choose  
25 among options, whether it be a Chapter

1 A. TANANBAUM  
2 11 524 (g) filing or some other option  
3 to attempt a global resolution of the  
4 debtors' asbestos issues, or whether it  
5 meant to just soldier on in the tort  
6 system under a status quo approach.

7 I guess I would make one  
8 additional comment if that's okay.

9 Q. Please.

10 A. Which is that to my mind  
11 flexibility also includes the ability of  
12 these entities, which after all were  
13 structured to solely concern themselves  
14 with asbestos, to give these entities  
15 the luxury of focus, if you will, to  
16 focus hundred percent on the asbestos  
17 issue and not just have it be one of  
18 myriad of items that have to be  
19 addressed.

20 That's a rare, that's a rare  
21 privilege in a big company and I think  
22 it permitted a great clarity of focus.

23 Q. When you say the luxury of focus,  
24 what does that mean for Aldrich Pump and  
25 Murray Boiler?

1 A. TANANBAUM

2 A. What I mean by that is it  
3 essentially gave the officers and the  
4 board members an opportunity to focus  
5 almost exclusively on what to do, if  
6 anything, about asbestos and not to be  
7 distracted by other pressing issues.

8 Q. And why is that important in the  
9 debtors' view?

10 A. I don't know that I would  
11 characterize it as important, but I  
12 would characterize it certainly as  
13 significant and as something that  
14 facilitated a full and fair review.

15 Q. What do the debtors mean by  
16 unnecessarily subjecting the entire Old  
17 IRNJ and Old Trane enterprises, and  
18 their many employees, suppliers,  
19 vendors, and creditors, to a Chapter 11  
20 proceeding, what does that mean?

21 A. Well as you reminded me at my  
22 last deposition, I'm not a bankruptcy  
23 attorney so I take it you would know  
24 better than I would. But even I can  
25 understand that if you have Old IR New



1                   A. TANANBAUM  
2     Jersey and/or Old Trane file for  
3     bankruptcy, you'd be essentially putting  
4     their entire business in oversight of  
5     the bankruptcy court which would be I  
6     guess a strain on both sides, a huge  
7     strain for the companies themselves,  
8     their employees, suppliers, vendors,  
9     creditors, lots of questions, and a  
10    strain, I would also argue, for the  
11    bankruptcy court itself because that  
12    would put oversight of the daily  
13    operations of those companies squarely  
14    within the purview of the bankruptcy  
15    court.

16                 That's my understanding.

17     Q.     Are you aware that asbestos  
18     defendants routinely put their entire  
19     enterprise into bankruptcy?

20                 MR. HIRST: Object to the form.

21     A.     I think I object to the term  
22     routinely, but I take your point that  
23     it's happened before, although I would  
24     add that, and again I could be wrong,  
25     but my understanding is that, in

1 A. TANANBAUM  
2 members of the Trane Technologies  
3 families, including the operating subs,  
4 right, liability, insurance, human  
5 resources planning, tax planning, legal  
6 help, those are all things that are, you  
7 know, granted or spread out to all the  
8 businesses.

9 And so while the operating subs  
10 may not have a specific agreement in  
11 place, they're certainly benefitting  
12 from a lot of these same services.

13 Q. I think you touched on this but  
14 what are the debtors' day-to-day  
15 business operations to the extent they  
16 have any right now?

17 A. Debtors are focused on making  
18 progress in this Chapter 11 case and  
19 reaching a mutually satisfactory  
20 resolution of such with the FCR and the  
21 ACC in as expeditious a time frame as  
22 possible.

23 Early on there were some stray  
24 tasks that needed to be conducted in the  
25 tort system. But I think as word got

1                   A. TANANBAUM  
2     out about the automatic stay, there's  
3     very little, if anything, that needs to  
4     be done in the tort system, although we  
5     can't stop plaintiffs from attempting to  
6     name the debtors, in which case  
7     somebody's got to rush to the court with  
8     a copy of the automatic stay.

9                   But most of what needs to happen  
10    is squarely focused on the bankruptcy  
11    case.

12    Q.     And I think, I think you  
13    mentioned this as well, but is it safe  
14    to say that there are no business  
15    operations of the debtor that are not  
16    run either pursuant to the services  
17    agreement or the Secondment Agreement?

18    A.     That, that sounds correct, yes.  
19                   You know the one -- I apologize.  
20    The one thing that I want to think about  
21    are services that our chief  
22    restructuring officer gives us, because  
23    as you know Mr. Pittard is not seconded  
24    and he's a Trane Technologies employee,  
25    that he's the transformation leader but

1                   A. TANANBAUM  
2       mattered. It was understood, indeed it  
3       was understood by the Trane entities  
4       that created the debtors that the  
5       decision was now out of their hands and  
6       these boards was going -- were going to  
7       make the decision.

8                   And among the options were too  
9       revert to something like structural  
10      optimization that in the past seemed to  
11      have some traction and then maybe seemed  
12      to run out of some steam. So it was  
13      certainly on the table.

14      Q.       You mentioned discussions with  
15      Sidley Austin about it, but you said  
16      they were not able to give you any  
17      specific examples by name.

18                  Are you aware of any examples of  
19      structural optimization taking place  
20      after a divisional merger?

21      A.       I'm not aware one way or another.  
22      I was disappointed to hear that Sidley &  
23      Austin felt that because of  
24      confidentiality and/or privilege  
25      concerns that it could share with us the

1 A. TANANBAUM  
2 identities of any companies that had  
3 done this. I think had it done so, I  
4 for one would have advocated that we  
5 benchmark or talk to said company and  
6 understand their experience. But I was  
7 disappointed to see the dearth of data  
8 around that.

9 So I guess the answer is, I don't  
10 know.

11 Q. Did you talk to any other  
12 companies about any of the options that  
13 the debtors were considering?

14 A. Any other companies embroiled in  
15 the tort system? No.

16 Q. At your deposition we also talked  
17 about the insurance option. What is the  
18 debtors' understanding of the insurance  
19 option?

20 MR. HIRST: Same caution I gave  
21 before, Mr. Tananbaum, you can answer  
22 this but I certainly caution you not  
23 to reveal any privileged advice that  
24 the debtors received in the process.  
25 Go ahead.

1 A. TANANBAUM

2 you can answer.

3 A. I think the board ultimately  
4 decided that there was a better, more  
5 efficient way that was more efficient  
6 and fair for both the debtors themselves  
7 as well as the underlying claimants who  
8 had valid claims, and that was the  
9 filing of a Chapter 11 524 (g) case.

10 Q. Would the debtors have been  
11 financially harmed if they remained in  
12 the tort system?

13 MR. HIRST: Object to the form.

14 A. I suppose in the first system --  
15 in the first -- in the first instance,  
16 yes, because the Funding Agreement  
17 couldn't be looked to until the debtors  
18 used up their own cash and assets, and  
19 so in the first instance that would have  
20 been harm.

21 Secondly, you know, the -- being  
22 in the tort system continued to visit  
23 the harms of the, of that elongated  
24 process where cases last for years and  
25 years without clear resolutions, where,

1 A. TANANBAUM

2 4:35 p.m. and we are going off the  
3 record.

4 (A recess was had.)

5 THE VIDEOGRAPHER: The time is  
6 4:45 p.m. and we are back on the  
7 record.

8 MR. PHILLIPS: Thank you.

9 Q. Mr. Tananbaum, are you familiar  
10 with the allocation of insurance assets  
11 as part of the corporate restructuring?

12 A. Yes, I am.

13 Q. Who decided how the insurance  
14 assets would be allocated to the debtors  
15 as part of the corporate restructuring?

16 A. I guess I'm not aware that  
17 anybody made a specific decision because  
18 once the guiding principle was  
19 determined that the main liabilities to  
20 be distributed or assigned were asbestos  
21 related liabilities, it sort of  
22 followed, as night follows day, in  
23 everybody's minds that the concomitant  
24 assets associated with the asbestos  
25 liabilities also had to be assigned to

1                   A. TANANBAUM  
2     the same place. So I don't think it was  
3     a separate decision. I think it just  
4     flowed from the initial decision.

5     Q.     So if I asked you who made the  
6     determination regarding which policies  
7     constitute, quote, asbestos related  
8     insurance assets, would your answer be  
9     the same, or did someone go through and  
10    determine which policies were asbestos  
11    related and which were not?

12    A.     Oh, okay, well now I understand  
13    what you're asking. Yeah, I, myself,  
14    and coverage counsel did the yeoman's  
15    work on that.

16    Q.     And coverage counsel, is that K&L  
17    Gates or is that somebody else?

18    A.     That's K&L Gates, that's correct.

19    Q.     What criteria did you and K&L  
20    Gates use to determine whether insurance  
21    policies were asbestos related insurance  
22    assets or not?

23    A.     Well it was really just like --

24           MR. HIRST: Hold on real quick.

25           Let me give you a caution here.



1 A. TANANBAUM

2 Q. Were --

3 A. Excluding worker's comp which is  
4 not part of, was not assigned to Aldrich  
5 and Murray and isn't part of this  
6 bankruptcy matter. But those are  
7 separate policies, I understand anyway.

8 Q. Were there any insurance assets  
9 available to predecessor or legacy  
10 companies for asbestos claims that were  
11 not allocated to Aldrich or Murray?

12 A. Can you repeat that question?

13 Q. Were there any insurance assets  
14 available to predecessor or lessee  
15 companies for asbestos claims that were  
16 not allocated to Aldrich or Murray?

17 A. I don't believe so.

18 Q. How was it determined which  
19 policies would be assigned to Aldrich  
20 versus Murray? Was that something that  
21 you and coverage counsel already had  
22 determined through your extensive  
23 litigation experience?

24 A. That's right. If you think about  
25 it, it's a happy occurrence solely for

1 A. TANANBAUM

2 Q. We covered this in your  
3 individual deposition, but just to  
4 confirm, is it fair to say it's the  
5 debtors' position that no one besides  
6 Aldrich has rights under the Coverage in  
7 Place agreements or insurance rights  
8 besides Aldrich?

9 A. That is correct. That is my  
10 understanding. That is my  
11 understanding.

12 Q. Are the debtors aware of any  
13 direct actions against any Aldrich  
14 insurer under any policies that's been  
15 allocated to Aldrich?

16 A. No, the debtors are not. Our  
17 historical knowledge, between Mr. Sands,  
18 Mr. Evert and myself, only goes back so  
19 far. But we're not aware of any direct  
20 actions that have taken place under our  
21 watch.

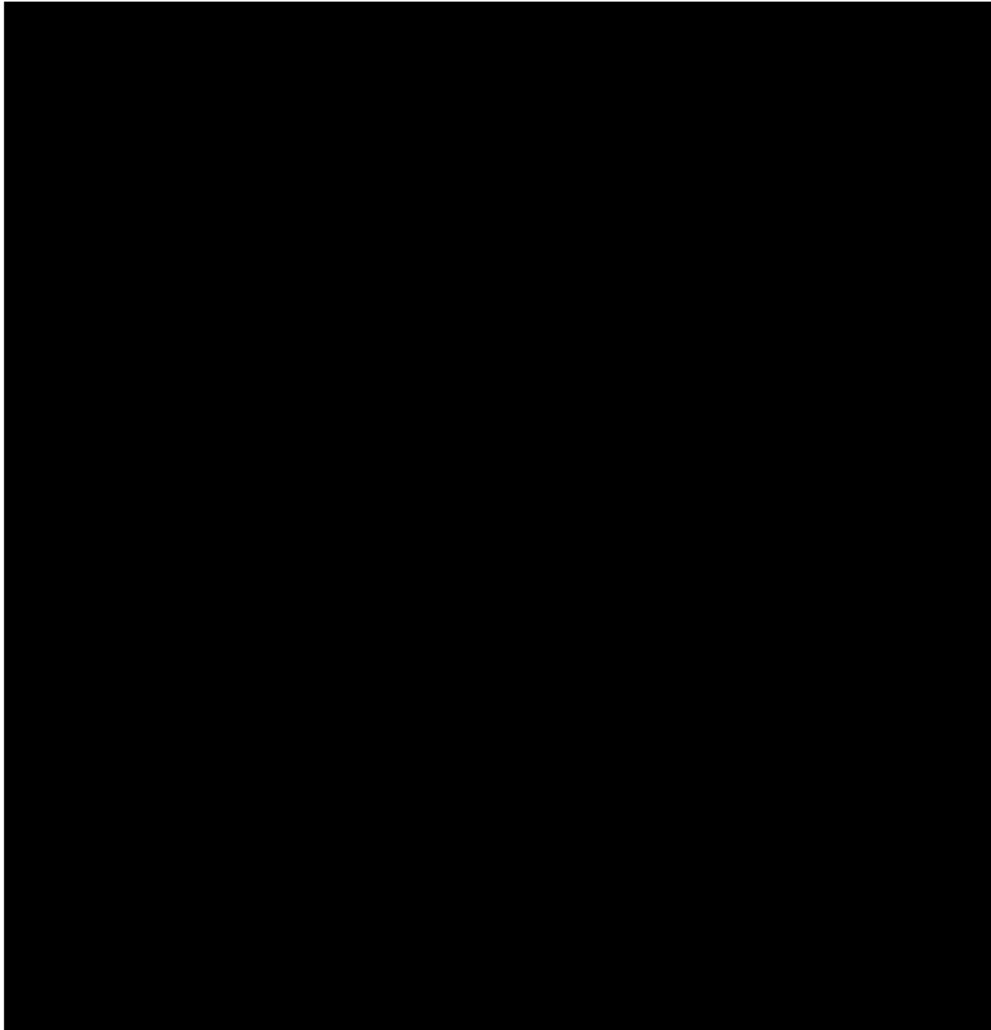
22 You know, is it conceivable that  
23 many years ago there was a direct action  
24 in a jurisdiction such as Louisiana? I  
25 guess, I guess it's possible, but no

1                   A. TANANBAUM  
2   historical lore has built up around  
3   same.

4                   Nonetheless it could happen and  
5   on that basis we view the insurers as  
6   appropriate protected parties given our  
7   indemnification obligations.

8    Q.     At your deposition we talked a  
9   little bit about the Allianz policies  
10   assigned to Aldrich. Do you recall  
11   that?

12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25



1 A. TANANBAUM

2 movement on that receivable.

3 Q. Are you aware of any direct  
4 actions against any Murray insurer under  
5 any policies allocated to Murray?

6 A. I am not. You know, my knowledge  
7 goes a little bit far back personally on  
8 the Murray side, but also doesn't go  
9 back before the early oughts and so it  
10 could have happened but I'm not aware of  
11 it.

12 Q. Does Murray have any other  
13 insurance assets besides those we've  
14 just discussed?

15 MR. HIRST: Object to the form.

16 A. None that are accessible in any  
17 way.

18 Q. What does that mean?

19 A. Well, two things. Number one, no  
20 coverage issued to Murray, we've covered  
21 the waterfront here. But your question  
22 was potentially broader than that? Can  
23 you repeat it?

24 Q. Does Murray have any other  
25 insurance assets that we have not

1                   A. TANANBAUM  
2     context of a coverage case, insurer  
3     versus insurer, it wasn't a direct  
4     action in an asbestos case.

5                   But, nonetheless, we haven't seen  
6     direct actions. I don't think anybody  
7     is necessarily expecting direct actions.

8                   Nonetheless, you know, we're  
9     asking for the injunction to protect the  
10    insurers because it's possible one  
11    tactic the plaintiff's bar might use is  
12    to start bringing them and we'd rather  
13    be safe than sorry.

14    Q.     So is it fair to say that there's  
15    no amount subtracted or excluded from  
16    the insurance receivable contemplating  
17    indemnification of insurers?

18    A.     I think that's fair to say and  
19    I'm glad because as I recall many of  
20    these indemnification provisions are  
21    uncapped. That was another sticking  
22    point. Once you knew you had to have  
23    one of these in your agreement, could  
24    you cap to it some reasonable amount or  
25    at worst limit it to an equivalent

1 A. TANANBAUM

2 this at your individual deposition?

3 A. I believe so.

4 Q. What was the criteria that the  
5 debtors used for including a party on  
6 the list of protected parties with  
7 respect to nondebtor affiliates?

8 A. The criteria was, is this an  
9 entity or an affiliate that we  
10 potentially owe indemnification to? And  
11 I think the list was compiled by more or  
12 less including a complete list of all  
13 the corporate affiliates in the Trane  
14 family because as the -- as the support  
15 agreement that we reviewed earlier  
16 details, the debtors' obligation is to  
17 not only indemnify its sister or twin  
18 company under the divisional merger but  
19 also that company's, quote, affiliates  
20 which I interpret to mean all the  
21 corporate affiliates and so we listed  
22 all the corporate affiliates.

23 Q. Which entities on this list under  
24 the tab -- the header nondebtor  
25 affiliates have ever been sued for