

UNITED STATES BANKRUPTCY COURT  
WESTERN DISTRICT OF NORTH CAROLINA  
CHARLOTTE DIVISION

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In re	:	Chapter 11
	:	
ALDRICH PUMP LLC, <i>et al.</i> , <sup>1</sup>	:	Case No. 20-30608
	:	
Debtors.	:	(Jointly Administrated)
	:	
	:	
OFFICIAL COMMITTEE OF ASBESTOS	:	Adversary Proceeding
PERSONAL INJURY CLAIMANTS, on	:	
behalf of the estates of Aldrich Pump LLC	:	
and Murray Boiler LLC,	:	
	:	Adv. Pro. No. 22-03028
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.	:	

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**DEFENDANTS' ANSWER AND AFFIRMATIVE DEFENSES**

Defendants, Trane Technologies Global Holding Company Limited f/k/a Ingersoll-Rand Global Holding Company Limited (“**TTGH**”), Trane Technologies HoldCo Inc. (“**TT HoldCo**”), Trane Technologies Company LLC (“**TTC**”), Trane Inc., TUI Holdings Inc. (“**TUI Holdings**”), Trane U.S. Inc. (“**TUI**,” and together with TTC, the “**Non-Debtor Affiliates**”), and Murray Boiler

<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.



Holdings LLC (“**Murray Holdings**,” and together with TTGH, TT HoldCo, TTC, Trane Inc., TUI Holdings, and TUI, “**Defendants**”), by and through their undersigned counsel, hereby respond to the complaint of the Official Committee of Asbestos Personal Injury Claimants (“**Plaintiff**”), on behalf of the estates of Aldrich Pump LLC (“**Aldrich**”) and Murray Boiler LLC (“**Murray**,” and together with Aldrich, the “**Debtors**”) dated June 18, 2022 [Adv. Pro. Dkt. #1] (the “**Complaint**”).<sup>2</sup>

1. Defendants deny the allegations of paragraph 1 of the Complaint.
2. With respect to the allegations of paragraph 2 of the Complaint, Defendants admit

that:

- on May 1, 2020, the former Trane Technologies Company LLC (“**Old TTC**”), successor by merger to Ingersoll-Rand Company (“**IRNJ**”), implemented a series of corporate restructuring transactions which included a divisional merger pursuant to and in full compliance with Texas law (the “**IRNJ Divisional Merger**”);
- as a result of the IRNJ Divisional Merger, IRNJ ceased to exist and IRNJ’s assets and liabilities were allocated between TTC and Aldrich, as more fully described in the *Declaration of Ray Pittard in Support of First Day Pleadings* [Main Case Dkt. #27];
- in accordance with the IRNJ Divisional Merger, certain contingent, legacy asbestos liabilities of IRNJ (the “**IRNJ Asbestos Liabilities**”) were allocated to Aldrich, together with certain assets and financial resources sufficient to pay all of the IRNJ Asbestos Liabilities and Aldrich’s other obligations in full, including (a) \$26.2 million in cash, (b) a 100 percent equity interest in 200 Park, Inc. (“**200 Park**”), (c) various

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<sup>2</sup> All capitalized terms have the meanings ascribed to them in this Answer and Affirmative Defenses, and not the meanings given in the Complaint.

insurance coverage-in-place agreements and related insurance rights, (d) all contracts of IRNJ related to its asbestos-related litigation, including settlement agreements, services contracts, and engagement and retention contracts, (e) causes of action related to the assets and liabilities allocated to Aldrich, (f) records exclusively relating to the assets and liabilities allocated to Aldrich, (g) privileges related to these matters, and (h) rights and benefits under an uncapped funding agreement between TTC and Aldrich (the “**Aldrich Funding Agreement**”); and

- Aldrich filed its chapter 11 case, now pending before this Court, on June 18, 2020 (the “**Petition Date**”).

Defendants deny the remaining allegations of paragraph 2 of the Complaint.

3. With respect to the allegations of paragraph 3 of the Complaint, Defendants admit that:

- on May 1, 2020, the former Trane U.S. Inc. (“**Old TUI**”) implemented a series of corporate restructuring transactions which included a divisional merger pursuant to and in full compliance with Texas law (the “**Old TUI Divisional Merger**,” the IRNJ Divisional Merger and the Old TUI Divisional Merger hereinafter are referred to collectively as the “**Corporate Restructuring**”);
- as a result of the Old TUI Divisional Merger, Old TUI ceased to exist and Old TUI’s assets and liabilities were allocated between TUI and Murray, as more fully described in the *Declaration of Ray Pittard in Support of First Day Pleadings* [Main Case Dkt. #27];
- in accordance with the Old TUI Divisional Merger, certain contingent, legacy asbestos liabilities of Old TUI (the “**Old TUI Asbestos Liabilities**,” and together with the IRNJ

Asbestos Liabilities, the “**Asbestos Liabilities**”) were allocated to Murray, together with certain assets and financial resources sufficient to pay all of the Old TUI Asbestos Liabilities and Murray’s other obligations in full, including (a) \$16.1 million in cash, (b) a 100 percent equity interest in ClimateLabs LLC (“**ClimateLabs**”), (c) various insurance coverage-in-place agreements and related insurance rights, (d) all contracts of Old TUI related to its asbestos-related litigation, including settlement agreements, services contracts, and engagement and retention contracts, (e) causes of action that relate to the assets and liabilities allocated to Murray, (f) records exclusively relating to the assets and liabilities allocated to Murray, (g) privileges related to these matters, and (h) rights and benefits under an uncapped funding agreement between TUI and Murray (the “**Murray Funding Agreement**,” and together with the Aldrich Funding Agreement, the “**Funding Agreements**”); and

- Murray filed its chapter 11 case, now pending before this Court, on the Petition Date.

Defendants deny the remaining allegations of paragraph 3 of the Complaint.

4. Defendants deny the allegations of paragraph 4 of the Complaint.

5. Defendants deny the allegations of paragraph 5 of the Complaint.

6. With respect to the allegations of paragraph 6 of the Complaint, Defendants admit they pay their undisputed obligations in the ordinary course of business and deny the remaining allegations of paragraph 6 of the Complaint.

7. Defendants deny the allegations of paragraph 7 of the Complaint.

8. Defendants deny the allegations of paragraph 8 of the Complaint.

9. With respect to the allegations of paragraph 9 of the Complaint, Defendants admit that, pursuant to Section 362 of the Bankruptcy Code, pending state court litigation related to the

Debtors' Asbestos Liabilities has been stayed as a result of the Debtors' bankruptcy filings and deny the remaining allegations of paragraph 9 of the Complaint.

10. Defendants deny the allegations of paragraph 10 of the Complaint.

11. With respect to the allegations of paragraph 11 of the Complaint, Defendants admit that Plaintiff filed this adversary proceeding in the Debtors' pending, jointly administered chapter 11 cases. Defendants deny the remaining allegations of paragraph 11 of the Complaint, including that this matter is a core proceeding.

12. With respect to the allegations of paragraph 12 of the Complaint, to the extent this Court possesses subject matter jurisdiction over this adversary proceeding (which Defendants deny), Defendants admit venue in this District is proper under 28 U.S.C. §§ 1408 and 1409.

13. With respect to the allegations of paragraph 13 of the Complaint, Defendants admit that:

- Aldrich is a North Carolina limited liability company with a service address at a registered agent located at 2626 Glenwood Avenue, Suite 550, Raleigh, North Carolina 27608;
- Aldrich's principal place of business is located at 800-E Beaty Street, Davidson, North Carolina 28036; and
- Aldrich is a debtor whose bankruptcy is pending before this Court.

Defendants deny the remaining allegations of paragraph 13 of the Complaint.

14. With respect to the allegations of paragraph 14 of the Complaint, Defendants admit that:

- Murray is a North Carolina limited liability company with a service address at a registered agent located at 2626 Glenwood Avenue, Suite 550, Raleigh, North Carolina 27608;
- Murray's principal place of business is located at 800-E Beaty Street, Davidson, North Carolina 28036; and
- Murray is a debtor whose bankruptcy is pending before this Court.

Defendants deny the remaining allegations of paragraph 14 of the Complaint.

15. With respect to the allegations of paragraph 15 of the Complaint, Defendants admit that:

- Plaintiff is a statutory committee of creditors appointed by the Court pursuant to the *Order Appointing Official Committee of Asbestos Personal Injury Claimants* [Main Case Dkt. #147];
- Plaintiff is comprised of individuals who assert claims (the “**Current Asbestos Claims**”) against the Debtors for bodily injury or wrongful death allegedly arising from, or attributable to, exposure to asbestos or asbestos-containing products (the “**Current Asbestos Liabilities**”); and
- the Court granted Plaintiff standing to prosecute certain alleged claims on behalf of the Debtors’ bankruptcy estates pursuant to the *Order Granting Motion of the Official Committee of Asbestos Personal Injury Claimants for Entry of an Order Granting Leave, Standing, and Authority to Investigate, Commence, Prosecute, and to Settle Certain Causes of Action* [Main Case Dkt. #1121] (the “**Standing Order**”).

Defendants deny that Plaintiff requested derivative standing to assert constructive fraudulent transfer claims in the *Motion of the Official Committee of Asbestos Personal Injury Claimants for Entry of an Order Granting Leave, Standing, and Authority to Investigate, Commence, Prosecute, and to Settle Certain Causes of Action* [Main Case Dkt. #848] (the “**Standing Motion**”), deny that Plaintiff was properly granted derivative standing to assert constructive fraudulent transfer claims in the Standing Order, affirmatively allege that the Current Asbestos Claims are disputed, contingent, and unliquidated claims, and deny the remaining allegations of paragraph 15 of the Complaint.

16. With respect to the allegations of paragraph 16 of the Complaint, Defendants admit that TTGH is a Delaware corporation with its principal place of business located at 800-E Beaty Street, Davidson, North Carolina 28036 and deny the remaining allegations of paragraph 16 of the Complaint.

17. With respect to the allegations of paragraph 17 of the Complaint, Defendants admit that TT HoldCo is a Delaware corporation with its principal place of business located at 800-E Beaty Street, Davidson, North Carolina 28036 and deny the remaining allegations of paragraph 17 of the Complaint.

18. With respect to the allegations of paragraph 18 of the Complaint, Defendants admit that TTC is a Delaware limited liability company with its principal place of business located at 800-E Beaty Street, Davidson, North Carolina 28036 and deny the remaining allegations of paragraph 18 of the Complaint.

19. With respect to the allegations of paragraph 19 of the Complaint, Defendants admit that Trane Inc. is a Delaware corporation and deny the remaining allegations of paragraph 19 of the Complaint.

20. With respect to the allegations of paragraph 20 of the Complaint, Defendants admit that TUI Holdings is a Delaware corporation with its principal place of business located at 800-E Beaty Street, Davidson, North Carolina 28036 and deny the remaining allegations of paragraph 20 of the Complaint.

21. With respect to the allegations of paragraph 21 of the Complaint, Defendants admit that TUI is a Delaware corporation with its principal place of business located at 800-E Beaty Street, Davidson, North Carolina 28036 and deny the remaining allegations of paragraph 21 of the Complaint.

22. With respect to the allegations of paragraph 22 of the Complaint, Defendants admit that Murray Holdings is a Delaware limited liability company with its principal place of business located at 800-E Beaty Street, Davidson, North Carolina 28036 and deny the remaining allegations of paragraph 22 of the Complaint.

23. With respect to the allegations of paragraph 23 of the Complaint, Defendants admit that the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the Western District of North Carolina on the Petition Date and deny the remaining allegations of paragraph 23 of the Complaint.

24. With respect to the allegations of paragraph 24 of the Complaint, Defendants admit that on the Petition Date, the Debtors commenced an adversary proceeding and requested a temporary restraining order and sought a preliminary injunction of asbestos lawsuits against certain third parties and deny the remaining allegations of paragraph 24 of the Complaint.

25. With respect to the allegations of paragraph 25 of the Complaint, Defendants admit that on the Petition Date, the Debtors filed the *Motion for an Order Directing the Joint*



*Administration of Their Chapter 11 Cases* [Main Case Dkt. #25] and deny the remaining allegations of paragraph 25 of the Complaint.

26. With respect to the allegations of paragraph 26 of the Complaint, Defendants admit that since the Petition Date, the Debtors have continued in possession of their property and have managed their businesses, as debtors in possession, pursuant to Sections 1107(a) and 1108 of the Bankruptcy Code, admit that no trustee or examiner has been appointed in the Debtors' chapter 11 cases, and deny the remaining allegations of paragraph 26 of the Complaint.

27. Defendants admit the allegations of paragraph 27 of the Complaint.

28. With respect to the allegations of paragraph 28 of the Complaint, Defendants admit that the Debtors filed a *Motion for Partial Summary Judgment that all Actions Against the Protected Parties to Recover Aldrich/Murray Asbestos Claims are Automatically Stayed by Section 362 of the Bankruptcy Code* [Adv. Pro. No. 20-03041, Dkt. #90] (the “**Summary Judgment Motion**”), affirmatively allege that the Summary Judgment Motion speaks for itself, incorporate the entirety of the Summary Judgment Motion as if set forth in full herein, respectfully refer the Court to the Summary Judgment Motion for its meaning, effect, and import, and deny the remaining allegations of paragraph 28 of the Complaint.

29. Defendants admit the allegations of paragraph 29 of the Complaint.

30. Defendants admit the allegations of paragraph 30 of the Complaint.

31. With respect to the allegations of paragraph 31 of the Complaint, Defendants admit that the Court entered the Standing Order on April 14, 2022, deny that Plaintiff requested or could have been granted standing to assert constructive fraudulent transfer claims, deny that Plaintiff identified any colorable claims in the Standing Motion for which it should have been granted standing, and deny the remaining allegations of paragraph 31 of the Complaint.

32. With respect to the allegations of paragraph 32 of the Complaint, Defendants admit that:

- Ingersoll Rock Drill Company commenced operations in 1871 and eventually took the name Ingersoll-Sargent Drill Company;
- Ingersoll-Sargent Drill Company merged with Rand Drill Company in 1905, and the resulting entity, Ingersoll-Rand Company, was a provider of industrial equipment and technology; and
- Ingersoll-Rand Company produced pumps and compressors that, in some cases, incorporated asbestos-containing component parts manufactured and designed by third parties.

Defendants deny the remaining allegations of paragraph 32 of the Complaint.

33. With respect to the allegations of paragraph 33 of the Complaint, Defendants admit that in 2002, IRNJ engaged in a transaction pursuant to which Ingersoll-Rand plc (“**IR plc**”) (now known as Trane Technologies plc (“**Trane plc**”)) incorporated in Bermuda, admit that in June 2008, IR plc acquired heating ventilation and air conditioning supplier Old TUI (f/k/a American Standard Companies, Inc.) and its affiliates, and such acquisition included certain asbestos-related liabilities of Old TUI, admit that in 2009, IR plc reincorporated in Ireland and IRNJ remained incorporated in New Jersey as a subsidiary of IR plc, admit that by the close of 2019, IR plc held more than \$20.5 billion in assets, had revenue totaling \$13 billion, and had a market capitalization of approximately \$31 billion, and deny the remaining allegations of paragraph 33 of the Complaint.

34. With respect to the allegations of paragraph 34 of the Complaint, Defendants admit that the Debtors’ records currently reflect that they were named as defendants in roughly 65,000 asbestos-related lawsuits throughout the United States as of the Petition Date, admit that the

Debtors' predecessors historically paid approximately \$95 million per year for asbestos-related settlement and defense costs in the period prior to the Corporate Restructuring, admit that the Debtors' predecessors have paid nearly \$2 billion in asbestos-related indemnity and defense costs, and deny the remaining allegations of paragraph 34 of the Complaint.

35. With respect to the allegations of paragraph 35 of the Complaint, Defendants admit that:

- they anticipate asbestos claims to be asserted against the Debtors in the future;
- asbestos diseases may have long latency periods; and
- as reported in its 10-K for the year ending December 31, 2019 (the "**2019 10-K**"), IR plc estimated current and future asbestos liabilities to be \$547.4 million in total and \$243.4 million net of probable asbestos-related insurance recoveries as of December 31, 2019.

Defendants deny the remaining allegations of paragraph 35 of the Complaint.

36. With respect to the allegations of paragraph 36 of the Complaint, Defendants admit that:

- portions of IRNJ's and Old TUI's asbestos-related defense and indemnity costs were reimbursed pursuant to certain insurance and/or coverage-in-place agreements; and
- IR plc tracked insurance recoveries and expenses related to the Asbestos Liabilities.

Defendants deny the remaining allegations of paragraph 36 of the Complaint.

37. With respect to the allegations of paragraph 37 of the Complaint, Defendants admit that IR plc projected that current and future Asbestos Liabilities of IRNJ and Old TUI exceeded projected asbestos-related insurance recoveries by \$243.4 million as of December 31, 2019 and deny the remaining allegations of paragraph 37 of the Complaint.

38. Defendants deny the allegations of paragraph 38 of the Complaint.

39. With respect to the allegations of paragraph 39 of the Complaint, Defendants admit that Trane plc is capable of fully satisfying its obligations to creditors, affirmatively allege that the Debtors are capable of fully satisfying their obligations to creditors, including the Asbestos Liabilities, and deny the remaining allegations of paragraph 39 of the Complaint.

40. With respect to the allegations of paragraph 40 of the Complaint, Defendants admit that:

- IR plc separated its industrial division and combined it with Gardner Denver Holdings Inc. (“**Gardner Denver**”) through a transfer of assets known as a Reverse Morris Trust transaction (the “**RMT Transaction**”);
- certain documents related to the RMT Transaction were dated as of April 30, 2019, including an Agreement and Plan of Merger by and among IR plc, Ingersoll Rand Industrial, Gardner Denver and a wholly-owned subsidiary of Gardner Denver, and including a Separation and Distribution Agreement by and between IR plc and Ingersoll Rand Industrial;
- the RMT Transaction closed on February 29, 2020;
- IR plc received \$1.9 billion in cash and its shareholders received \$6.9 billion in Gardner Denver stock as part of the RMT transaction; and
- IR plc retained the legacy asbestos liabilities for certain product lines transferred to Gardner Denver.

Defendants affirmatively allege that the RMT Transaction had no connection to the IRNJ Divisional Merger or the Old TUI Divisional Merger and deny the remaining allegations of paragraph 40 of the Complaint.

41. With respect to the allegations of paragraph 41 of the Complaint, Defendants admit that:

- IR plc's shareholders own 50.1% of Gardner Denver; and
- Gardner Denver shareholders retained a 49.9% equity interest in Gardner Denver.

Defendants deny the remaining allegations of paragraph 41 of the Complaint.

42. With respect to the allegations of paragraph 42 of the Complaint, Defendants affirmatively allege that, on March 2, 2020, Gardner Denver changed its name to Ingersoll-Rand Inc. and IR plc changed its name to Trane plc, and deny the remaining allegations of paragraph 42 of the Complaint.

43. With respect to the allegations of paragraph 43 of the Complaint, Defendants admit that:

- IRNJ implemented the IRNJ Divisional Merger, and Old TUI implemented the Old TUI Divisional Merger;
- various individuals, including David Regnery, Ray Pittard, and Chris Kuehn, participated in decisions related to the Corporate Restructuring; and
- the Debtors stated in their informational brief that IRNJ and Old Trane engaged in the Corporate Restructuring to facilitate a resolution of the Asbestos Liabilities, including through a potential Section 524(g) trust, without subjecting the entire business enterprise to chapter 11 bankruptcy proceedings.

Defendants deny the remaining allegations of paragraph 43 of the Complaint.

44. With respect to the allegations of paragraph 44 of the Complaint, Defendants admit that:

- the internal name adopted for considering and planning the potential implementation of the Corporate Restructuring was Project Omega;
- Amy Roeder suggested the name Project Omega;
- Evan Turtz became general counsel of IR plc on April 3, 2019 and currently serves as general counsel for Trane plc;
- Mr. Turtz contacted outside counsel in the spring of 2019, following which the planning for a potential transaction began; and
- in-house counsel and outside counsel were involved in Project Omega.

Defendants affirmatively allege the planning and implementation for the potential Corporate Restructuring was not publicly disclosed because IRNJ and Old TUI did not, in the ordinary course of business, share material, non-public information concerning contemplated corporate transactions with all of their employees or third parties while such transactions were under consideration, and deny the remaining allegations of paragraph 44 of the Complaint.

45. Defendants deny the allegations of paragraph 45 of the Complaint.

46. With respect to the allegations of paragraph 46 of the Complaint, Defendants admit that knowledge of and involvement in Project Omega was kept to a small number of employees as a matter of standard company protocol and deny the remaining allegations of paragraph 46 of the Complaint.

47. With respect to the allegations of paragraph 47 of the Complaint, Defendants admit that certain employees were asked to sign nondisclosure agreements before working on Project

Omega, affirmatively allege that, as a matter of standard corporate policy, employees working on potentially material, non-public transactions are asked to sign nondisclosure agreements, and deny the remaining allegations of paragraph 47 of the Complaint.

48. With respect to the allegations of paragraph 48 of the Complaint, Defendants admit that:

- the number of initial employees with knowledge of Project Omega was limited;
- the number of employees with knowledge of Project Omega increased as additional assistance and expertise was needed; and
- an internal document stating “Plaintiffs lawyers the most at-risk group as relates to the transaction” exists, affirmatively allege such document speaks for itself, incorporate the entirety of such document as if set forth in full herein, and respectfully refer the Court to that document for its meaning, effect, and import.

Defendants deny the remaining allegations of paragraph 48 of the Complaint.

49. With respect to the allegations of paragraph 49 of the Complaint, Defendants admit that, in accordance with standard corporate policy, knowledge of and involvement in Project Omega was kept to a small number of employees, including Michael Lamach, then-CEO of IR plc, and deny the remaining allegations of paragraph 49 of the Complaint.

50. With respect to the allegations of paragraph 50 of the Complaint, Defendants admit that Project Omega meetings were held from the summer of 2019 through the implementation of the Corporate Restructuring on May 1, 2020, admit that in-house and outside counsel, in addition to non-attorney employees, were present for many of the meetings, and deny the remaining allegations of paragraph 50 of the Complaint.

51. With respect to the allegations of paragraph 51 of the Complaint, Defendants admit that certain employees incorrectly referred to potential future entities arising from the Corporate Restructuring as “debtors” and deny the remaining allegations of paragraph 51 of the Complaint.

52. With respect to the allegations of paragraph 52 of the Complaint, Defendants admit that, following the Corporate Restructuring, the Debtors’ boards considered four options to address the Debtors’ legacy Asbestos Liabilities and deny the remaining allegations of paragraph 52 of the Complaint.

53. With respect to the allegations of paragraph 53 of the Complaint, Defendants admit that:

- Evan Turtz testified that he was not aware of a workflow stream document created for a reorganization process other than the one consummated, affirmatively allege Mr. Turtz’s deposition testimony speaks for itself, incorporate the entirety of such testimony as if set forth in full herein, and respectfully refer the Court to that testimony for its meaning, effect, and import;
- Project Omega team members planned for a potential bankruptcy prior to the Corporate Restructuring;
- an individual’s meeting notes with the header “OMEGA Comms plan” incorrectly state “We will isolate the asbestos liabilities into stand alone entities and will take the entities bankrupt,” affirmatively allege such document speaks for itself, incorporate the entirety of such document as if set forth in full herein, and respectfully refer the Court to that document for its meaning, effect, and import;
- prior to the Petition Date, certain documents incorrectly referred to Aldrich and Murray as “debtor entities” or “bankrupt entities,” affirmatively allege such documents speak



for themselves, incorporate the entirety of such documents as if set forth in full herein, and respectfully refer the Court to those documents for their meaning, effect, and import;

- an email exists stating “hit the data/information jackpot” in reference to *Bestwall* chapter 11 case filings, and Project Omega team members circulated standard bankruptcy forms; and
- Project Omega team members discussed the possibility of merging 200 Park and ClimateLabs back into TTC and TUI if the Debtors’ boards elected to commence bankruptcy proceedings to address the Debtors’ Asbestos Liabilities.

Defendants deny the remaining allegations of paragraph 53 of the Complaint.

54. With respect to the allegations of paragraph 54 of the Complaint, Defendants admit that IRNJ and Old TUI implemented the Corporate Restructuring, admit the Corporate Restructuring involved a series of transactions between April 30, 2020 and May 1, 2020, including the IRNJ Divisional Merger and the Old TUI Divisional Merger, effectuated in full compliance with Chapter 10, Subchapter A of the Texas Business Organizations Code (the “TBOC”), and deny the remaining allegations of paragraph 54 of the Complaint.

55. Defendants deny the allegations of paragraph 55 of the Complaint.

56. With respect to the allegations of paragraph 56 of the Complaint, Defendants admit that IRNJ and Old TUI effectuated the Corporate Restructuring in the spring of 2020, admit that the Corporate Restructuring included the IRNJ Divisional Merger and the Old TUI Divisional Merger effectuated in full compliance with Chapter 10, Subchapter A of the TBOC, and deny the remaining allegations of paragraph 56 of the Complaint.

57. Defendants admit the allegations of paragraph 57 of the Complaint.

58. Defendants admit the allegations of paragraph 58 of the Complaint.

59. Defendants admit the allegations of paragraph 59 of the Complaint.

60. With respect to the allegations of paragraph 60 of the Complaint, Defendants admit that, on May 1, 2020, IRNJ merged into Old TTC, leaving Old TTC as the surviving entity and making it the successor by merger to IRNJ, admit that IRNJ held certain legacy asbestos liabilities before merging into Old TTC, and deny the remaining allegations of paragraph 60 of the Complaint.

61. With respect to the allegations of paragraph 61 of the Complaint, Defendants admit that, on May 1, 2020, in full compliance with Chapter 10, Subchapter A of the TBOC, IRNJ effectuated a divisional merger resulting in IRNJ ceasing to exist and the creation of TTC and Aldrich as Texas limited liability companies wholly owned by TT HoldCo, and deny the remaining allegations of paragraph 61 of the Complaint.

62. With respect to the allegations of paragraph 62 of the Complaint, Defendants admit that, pursuant to the IRNJ Divisional Merger, the assets and liabilities of IRNJ were allocated between Aldrich and TTC as follows:

- Aldrich received (a) \$26.2 million in cash; (b) a 100 percent equity interest in 200 Park; (c) various confidential insurance coverage-in-place agreements and related insurance rights; (d) all contracts of IRNJ related to its asbestos-related litigation, including settlement agreements, services contracts, and engagement and retention contracts; (e) causes of action that relate to the assets and liabilities allocated to Aldrich; (f) records exclusively relating to the assets and liabilities allocated to Aldrich; (g) privileges related to these matters; and (h) rights and benefits under the uncapped Aldrich Funding Agreement; and

- TTC received more than 95% of IRNJ's assets.

Defendants deny the remaining allegations of paragraph 62 of the Complaint.

63. With respect to the allegations of paragraph 63 of the Complaint, Defendants admit that:

- pursuant to the IRNJ Divisional Merger and related documents implementing the Corporate Restructuring, Aldrich became solely responsible for the IRNJ Asbestos Liabilities and the defense of those claims; and
- the divisional merger support agreement to which Aldrich is a party provides, among other things, that Aldrich will indemnify and hold harmless TTC, TUI, and their affiliates for any losses, liabilities or other damages relating to claims against them in respect of Aldrich's assets or liabilities.

Defendants affirmatively allege that the assets and financial resources allocated to Aldrich as part of the IRNJ Divisional Merger, including the Aldrich Funding Agreement and insurance assets, were at such time, and remain to date, sufficient for Aldrich to pay its liabilities, including the Asbestos Liabilities, in full and deny the remaining allegations of paragraph 63 of the Complaint.

64. With respect to the allegations of paragraph 64 of the Complaint, Defendants admit that, on May 1, 2020, TTC converted to a Delaware limited liability company and Aldrich converted to a North Carolina limited liability company, admit that TTC and Murray were Texas entities for less than 24 hours, and deny the remaining allegations of paragraph 64 of the Complaint.

65. Defendants deny the allegations of paragraph 65 of the Complaint because the diagrams contained therein do not fully depict the corporate enterprise's organizational structure

before or after the Corporate Restructuring and, instead, refer the Court to the document bearing Bates number Trane\_00000147 for a complete depiction.

66. With respect to the allegations of paragraph 66 of the Complaint, Defendants admit that, since the Corporate Restructuring, TTC has continued the business operations of IRNJ allocated to it as part of the Corporate Restructuring, admit that TTC continues to pay its undisputed creditors in the ordinary course of business, and deny the remaining allegations of paragraph 66 of the Complaint.

67. Defendants deny the allegations of paragraph 67 of the Complaint.

68. Defendants admit the allegations of paragraph 68 of the Complaint.

69. With respect to the allegations of paragraph 69 of the Complaint, Defendants admit that, on May 1, 2020, Old TUI converted from a Delaware corporation to a Texas corporation, admit that, in full compliance with Chapter 10, Subchapter A of the TBOC, Old TUI effectuated a divisional merger resulting in Old TUI ceasing to exist and the creation of TUI and Murray as Texas limited liability companies, admit Murray became wholly-owned by Murray Holdings and Murray Holdings is wholly-owned by TUI, and deny the remaining allegations of paragraph 69 of the Complaint.

70. With respect to the allegations of paragraph 70 of the Complaint, Defendants admit that, pursuant to the Old TUI Divisional Merger, the assets and liabilities of Old TUI were allocated between Murray and TUI as follows:

- Murray received (a) \$16.1 million in cash; (b) a 100 percent equity interest in ClimateLabs; (c) various confidential insurance coverage-in-place agreements and related insurance rights; (d) all contracts of Old TUI related to its asbestos-related litigation, including settlement agreements, services contracts, and engagement and

retention contracts; (e) causes of action that relate to the assets and liabilities allocated to Murray; (f) records exclusively relating to the assets and liabilities allocated to Murray; (g) privileges related to these matters; and (h) rights and benefits under the uncapped Murray Funding Agreement; and

- TUI received more than 95% of Old TUI's assets.

Defendants deny the remaining allegations of paragraph 70 of the Complaint.

71. With respect to the allegations of paragraph 71 of the Complaint, Defendants admit that:

- pursuant to the Old TUI Divisional Merger and related documents implementing the Corporate Restructuring, Murray became solely responsible for the Old TUI Asbestos Liabilities and the defense of those claims; and
- the divisional merger support agreement to which Murray is a party provides, among other things, that Murray will indemnify and hold harmless TTC, TUI, and their affiliates for any losses, liabilities or other damages relating to claims against them in respect of Murray's assets or liabilities.

Defendants affirmatively allege that the assets and financial resources allocated to Murray as part of the Old TUI Divisional Merger, including the Murray Funding Agreement and insurance assets, were at such time, and remain to date, sufficient for Murray to pay its liabilities, including the Asbestos Liabilities, in full and deny the remaining allegations of paragraph 71 of the Complaint.

72. With respect to the allegations of paragraph 72 of the Complaint, Defendants admit that, on May 1, 2020, TUI converted to a Delaware corporation and Murray converted to a North Carolina limited liability company, admit that TUI and Murray were Texas entities for less than 24 hours, and deny the remaining allegations of paragraph 72 of the Complaint.

73. Defendants deny the allegations of paragraph 73 of the Complaint because the diagrams contained therein do not fully depict the corporate enterprise's organizational structure before or after the Corporate Restructuring and, instead, refer the Court to the document bearing Bates number Trane\_00000137 for a complete depiction.

74. With respect to the allegations of paragraph 74 of the Complaint, Defendants admit that, since the Corporate Restructuring, TUI has continued the business operations of Old TUI allocated to it as part of the Corporate Restructuring, admit TUI continues to pay its undisputed, unsecured creditors in the ordinary course of business, and deny the remaining allegations of paragraph 74 of the Complaint.

75. Defendants deny the allegations of paragraph 75 of the Complaint.

76. With respect to the allegations of paragraph 76 of the Complaint, Defendants admit that:

- consideration and planning for the potential implementation of the Corporate Restructuring was not disclosed to asbestos claimants because IRNJ and Old TUI, in the ordinary course of business, did not share material, non-public information concerning contemplated corporate transactions with all of their employees or third parties while such transactions were under consideration; and
- the Corporate Restructuring provided the Debtors with flexibility to address their Asbestos Liabilities, including commencement of Section 524(g) bankruptcy cases.

Defendants deny the remaining allegations of paragraph 76 of the Complaint.

77. With respect to the allegations of paragraph 77 of the Complaint, Defendants deny knowledge and information sufficient to form a belief with respect to the allegations related to unidentified agreements and deny the remaining allegations of paragraph 77 of the Complaint.

78. With respect to the allegations of paragraph 78 of the Complaint, Defendants deny knowledge and information sufficient to form a belief with respect to the allegations related to unidentified agreements and individuals and deny the remaining allegations of paragraph 78 of the Complaint.

79. With respect to the allegations of paragraph 79 of the Complaint, Defendants admit that:

- outside counsel participated in drafting certain agreements in connection with the Corporate Restructuring; and
- the boards of managers of Aldrich and Murray, acting by written consent, both when those entities were Texas entities and when those entities were North Carolina entities, adopted certain resolutions relating to the Funding Agreements, the Support Agreements (as defined below), and the Secondment Agreement (as defined below).

Defendants deny knowledge and information sufficient to form a belief with respect to the allegations of paragraph 79 of the Complaint insofar as they reference other agreements not specifically identified therein and deny the remaining allegations of paragraph 79 of the Complaint.

80. Defendants deny the allegations of paragraph 80 of the Complaint.

81. Defendants deny knowledge and information sufficient to form a belief with respect to the allegations of paragraph 81 of the Complaint.

82. With respect to the allegations of paragraph 82 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein, respectfully refer the Court to the Funding Agreements for their meaning, effect, and import, and

deny knowledge and information sufficient to form a belief as to the remaining allegations of paragraph 82 of the Complaint.

83. With respect to the allegations of paragraph 83 of the Complaint, Defendants admit that:

- TT HoldCo and Old TTC initially entered into the Aldrich Funding Agreement;
- TT HoldCo subsequently assigned to TTC, and TTC assumed, the obligations as payor under the Aldrich Funding Agreement;
- the Aldrich Funding Agreement was amended and restated to reflect the divisional merger, assignment to TTC, TTC's conversion to a Delaware limited liability company, and Aldrich's conversion to a North Carolina limited liability company; and
- the Aldrich Funding Agreement was subsequently amended and restated as of June 15, 2020.

Defendants affirmatively allege the Aldrich Funding Agreement speaks for itself, incorporate the entirety of such Agreement as if set forth in full herein, respectfully refer the Court to the Aldrich Funding Agreement for its meaning, effect, and import, and deny the remaining allegations of paragraph 83 of the Complaint.

84. With respect to the allegations of paragraph 84 of the Complaint, Defendants admit that:

- TUI Holdings and Old TUI initially entered into the Murray Funding Agreement;
- TUI Holdings subsequently assigned to TUI, and TUI assumed, the obligations as payor under the Murray Funding Agreement;



- the Murray Funding Agreement was amended and restated to reflect the divisional merger, assignment to TUI, TUI's conversion to a Delaware corporation, and Murray's conversion to a North Carolina limited liability company; and
- the Murray Funding Agreement was subsequently amended and restated as of June 15, 2020.

Defendants affirmatively allege the Murray Funding Agreement speaks for itself, incorporate the entirety of such Agreement as if set forth in full herein, respectfully refer the Court to the Murray Funding Agreement for its meaning, effect, and import, and deny the remaining allegations of paragraph 84 of the Complaint.

85. With respect to the allegations of paragraph 85 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein, respectfully refer the Court to the Funding Agreements for their meaning, effect, and import, and deny the remaining allegations of paragraph 85 of the Complaint

86. With respect to the allegations of paragraph 86 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein, respectfully refer the Court to the Funding Agreements for their meaning, effect, and import, and deny the remaining allegations of paragraph 86 of the Complaint.

87. With respect to the allegations of paragraph 87 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein,

respectfully refer the Court to the Funding Agreements for their meaning, effect, and import, and deny the remaining allegations of paragraph 87 of the Complaint.

88. With respect to the allegations of paragraph 88 of the Complaint, Defendants admit that:

- the Funding Agreements are between affiliated entities;
- the Funding Agreements were initially drafted prior to the creation of TTC, TUI, Aldrich, and Murray; and
- no asbestos claimants were consulted regarding the initial forms of the Funding Agreements.

Defendants affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein, respectfully refer the Court to the Funding Agreements for their meaning, effect, and import, and deny the remaining allegations of paragraph 88 of the Complaint.

89. With respect to the allegations of paragraph 89 of the Complaint, Defendants admit that the Debtors' employees are seconded from TTC, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein, respectfully refer the Court to the Funding Agreements for their meaning, effect, and import, and deny the remaining allegations of paragraph 89 of the Complaint.

90. With respect to the allegations of paragraph 90 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein, respectfully refer the Court to the Funding Agreements for their meaning, effect, and import, and deny the remaining allegations of paragraph 90 of the Complaint.

91. With respect to the allegations of paragraph 91 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein, respectfully refer the Court to the Funding Agreements for their meaning, effect, and import, and deny the remaining allegations of paragraph 91 of the Complaint.

92. With respect to the allegations of paragraph 92 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein, respectfully refer the Court to the Funding Agreements for their meaning, effect, and import, and deny the remaining allegations of paragraph 92 of the Complaint.

93. With respect to the allegations of paragraph 93 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein, respectfully refer the Court to the Funding Agreements for their meaning, effect, and import, and deny the remaining allegations of paragraph 93 of the Complaint.

94. With respect to the allegations of paragraph 94 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein, respectfully refer the Court to the Funding Agreements for their meaning, effect and import, and deny the remaining allegations of paragraph 94 of the Complaint.

95. With respect to the allegations of paragraph 95 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein,

respectfully refer the Court to the Funding Agreements for their meaning, effect and import, and deny the remaining allegations of paragraph 95 of the Complaint.

96. With respect to the allegations of paragraph 96 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein, respectfully refer the Court to the Funding Agreements for their meaning, effect and import, and deny the remaining allegations of paragraph 96 of the Complaint.

97. With respect to the allegations of paragraph 97 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein, respectfully refer the Court to the Funding Agreements for their meaning, effect and import, and deny the remaining allegations of paragraph 97 of the Complaint.

98. With respect to the allegations of paragraph 98 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein, respectfully refer the Court to the Funding Agreements for their meaning, effect, and import, and deny the remaining allegations of paragraph 98 of the Complaint.

99. With respect to the allegations of paragraph 99 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein, respectfully refer the Court to the Funding Agreements for their meaning, effect, and import, and deny the remaining allegations of paragraph 99 of the Complaint.

100. Defendants deny the allegations of paragraph 100 of the Complaint.

101. Defendants deny the allegations of paragraph 101 of the Complaint.

102. Defendants admit the allegations of paragraph 102 of the Complaint.

103. With respect to the allegations of paragraph 103 of the Complaint, Defendants admit that Section 3 of the Amended and Restated Divisional Merger Support Agreement, dated as of May 1, 2020, between TTC and Aldrich (the “**Aldrich Support Agreement**”) contains an indemnification provision, affirmatively allege that the Aldrich Support Agreement speaks for itself, incorporate the entirety of such Agreement as if set forth in full herein, respectfully refer the Court to the Aldrich Support Agreement for its meaning, effect, and import, and deny the remaining allegations of paragraph 103 of the Complaint.

104. With respect to the allegations of paragraph 104 of the Complaint, Defendants admit that Section 3 of the Amended and Restated Divisional Merger Support Agreement, dated as of May 1, 2020, between TUI and Murray (the “**Murray Support Agreement**,” and together with the Aldrich Support Agreement, the “**Support Agreements**”) contains an indemnification provision, affirmatively allege that the Murray Support Agreement speaks for itself, incorporate the entirety of such Agreement as if set forth in full herein, respectfully refer the Court to the Murray Support Agreement for its meaning, effect, and import, and deny the remaining allegations of paragraph 104 of the Complaint.

105. Defendants deny the allegations of paragraph 105 of the Complaint.

106. Defendants deny the allegations of paragraph 106 of the Complaint.

107. Defendants deny the allegations of paragraph 107 of the Complaint.

108. With respect to the allegations of paragraph 108 of the Complaint, Defendants admit the existence of the Funding Agreements, affirmatively allege that the Funding Agreements speak for themselves, incorporate the entirety of such Agreements as if set forth in full herein,

respectfully refer the Court to the Funding Agreements for their meaning, effect, and import, and deny the allegations of paragraph 108 of the Complaint.

109. With respect to the allegations of paragraph 109 of the Complaint, Defendants admit that three of TTC's employees were seconded to the Debtors pursuant to the Amended and Restated Secondment Agreement between TTC and the Debtors, dated as of May 1, 2020 (the "**Secondment Agreement**"), one seconded employee subsequently retired, thereby reducing the number of seconded employees to two, affirmatively allege that the Secondment Agreement speaks for itself, incorporate the entirety of such Agreement as if set forth in full herein, respectfully refer the Court to the Secondment Agreement for its meaning, effect, and import, and deny the remaining allegations of paragraph 109 of the Complaint.

110. With respect to the allegations of paragraph 110 of the Complaint, Defendants admit the existence of Chapter 10, Subchapter A of the TBOC, affirmatively allege the TBOC speaks for itself, incorporate the entirety of the TBOC as if set forth in full herein, respectfully refer the Court to the TBOC for its meaning, effect, and import, affirmatively allege that the Divisional Mergers fully complied with the TBOC, and deny the remaining allegations of paragraph 110 of the Complaint.

111. Defendants deny the allegations of paragraph 111 of the Complaint.

112. With respect to the allegations of paragraph 112 of the Complaint, Defendants admit that IRNJ and Old TUI were named as defendants in asbestos-related lawsuits, admit that IRNJ and Old TUI used their assets to pay their undisputed liabilities, admit that planning and implementation of the Corporate Restructuring began in 2019 and continued to May 2020, and deny the remaining allegations of paragraph 112 of the Complaint.

113. With respect to the allegations of paragraph 113 of the Complaint, Defendants admit that the Divisional Mergers were effectuated pursuant to and in full compliance with the TBOC and deny the remaining allegations of paragraph 113 of the Complaint.

114. With respect to the allegations of paragraph 114 of the Complaint, Defendants admit that Evan Turtz proposed the individuals who serve as officers of the Debtors or as members of the Debtors' boards of managers, including individuals who hold positions with entities affiliated with Trane plc, admit that certain individuals serving as the Debtors' officers or board members were involved in Project Omega and attended Project Omega meetings, and deny the remaining allegations of paragraph 114 of the Complaint.

115. With respect to the allegations of paragraph 115 of the Complaint, Defendants admit that:

- Aldrich's board of managers members are (i) Manlio Valdes (who served until his retirement as President of the Debtors, director and President of 200 Park and ClimateLabs, and Vice President Project Management, The Americas, Trane Commercial HVAC at TTC), (ii) Amy Roeder (who serves as Chief Financial Officer and Treasurer of the Debtors, director and Chief Financial Officer of 200 Park and ClimateLabs, and Finance-Director—Information Technology & Legal at TTC and TUI), and (iii) Robert Zafari (who served as Senior Vice President for Ingersoll-Rand Company and Ingersoll-Rand Global Holding Company Limited);
- Murray's board of managers members are (i) Mr. Valdes, (ii) Ms. Roeder, and (iii) Marc Dufour (who served as Director of Club Car Limited, and President and Chief Executive Officer of Club Car, LLC); and
- Mr. Zafari and Mr. Dufour are retired.

Defendants deny the remaining allegations of paragraph 115 of the Complaint.

116. With respect to the allegations of paragraph 116 of the Complaint, Defendants admit that:

- Allan Tananbaum serves as Chief Legal Officer and Secretary of the Debtors and Deputy General Counsel of TTC;
- Ray Pittard serves as Vice President and Chief Restructuring Officer of the Debtors, admit that he served as the Transformation Office Leader at the time of the Corporate Restructuring, and affirmatively allege Mr. Pittard currently holds the title of Executive Vice President, Supply Chain, Engineering and Information Technology of Trane plc; and
- Robert H. Sands is seconded to the Debtors for 90% of his time and holds the position of associate general counsel for product litigation at TTC.

Defendants deny the remaining allegations of paragraph 116 of the Complaint.

117. With respect to the allegations of paragraph 117 of the Complaint, Defendants admit that outside and in-house counsel attended the Debtors' board meetings held between May 1, 2020 and June 17, 2020, admit that officers who hold positions with the Debtors and entities affiliated with Trane plc attended those board meetings, and deny the remaining allegations of paragraph 117 of the Complaint.

118. With respect to the allegations of paragraph 118 of the Complaint, Defendants admit that:

- certain individuals who attended the Debtors' board meetings knew of and participated in Project Omega;



- Amy Roeder gave Project Omega its name and attended Project Omega meetings since July 2019;
- Manlio Valdes received updates on Project Omega in December 2019;
- Allan Tananbaum participated in Project Omega meetings and planning in July 2019;
- Ray Pittard participated in the planning for Project Omega; and
- the Debtors obtain services from TTC pursuant to certain services agreements.

Defendants deny the remaining allegations of paragraph 118 of the Complaint.

119. Defendants deny the allegations of paragraph 119 of the Complaint.

120. Defendants deny the allegations of paragraph 120 of the Complaint.

121. With respect to the allegations of paragraph 121 of the Complaint, Defendants admit that:

- the Debtors' boards of managers met nine times between May 1, 2020 and June 18, 2020; and
- the Debtors' boards of managers considered at least four options to address the Asbestos Liabilities.

Defendants deny the remaining allegations of paragraph 121 of the Complaint.

122. With respect to the allegations of paragraph 122 of the Complaint, Defendants admit that:

- lawyers and non-lawyers attended the meetings of the Debtors' boards of managers held between May 1, 2020 and June 17, 2020;
- Allan Tananbaum, the Debtors' Chief Legal Officer, chaired the Debtors' board meetings;

- the board meetings were attended by outside and in-house counsel, including Evan Turtz and Sara Walden Brown; and
- outside counsel prepared initial drafts of the board meeting minutes which were then reviewed and edited, when necessary, by Mr. Tananbaum.

Defendants deny the remaining allegations of paragraph 122 of the Complaint.

123. With respect to the allegations of paragraph 123 of the Complaint, Defendants admit that:

- the Debtors' boards considered how best to address the Asbestos Liabilities;
- at the board meetings, the Debtors' boards of managers were presented with and considered four options to address the Asbestos Liabilities; and
- the four options presented to and considered by the Debtors' boards of managers consisted of (i) a status quo approach where the Debtors would continue to defend asbestos claims in the tort system, (ii) a structural optimization strategy entailing additional corporate reorganization intended to optimize the ability to manage asbestos liabilities, (iii) the purchase of an insurance product that would vest in a third party the responsibility for addressing the Debtors' Asbestos Liabilities, and (iv) chapter 11 bankruptcy filings with the goal of establishing and funding a Section 524(g) trust.

Defendants deny the remaining allegations of paragraph 123 of the Complaint.

124. With respect to the allegations of paragraph 124 of the Complaint, Defendants admit that:

- the Debtors' boards of managers evaluated fully the four options to address the Asbestos Liabilities over the course of several board meetings; and

- the Debtors' boards of managers independently reached a decision to file chapter 11 bankruptcy petitions on June 17, 2020.

Defendants deny the remaining allegations of paragraph 124 of the Complaint.

125. With respect to the allegations of paragraph 125 of the Complaint, Defendants admit Evan Turtz testified that he was not aware of a workflow stream document created for a reorganization process other than the one consummated, affirmatively allege that Mr. Turtz's deposition testimony speaks for itself, incorporate the entirety of such testimony as if set forth in full herein, respectfully refer the Court to that testimony for its meaning, effect, and import, and deny the remaining allegations of paragraph 125 of the Complaint.

126. With respect to the allegations of paragraph 126 of the Complaint, Defendants admit that:

- Project Omega team members prudently planned for bankruptcy filings in the event the Debtors' boards of managers independently resolved that the Debtors should file chapter 11 bankruptcy petitions to address the Asbestos Liabilities;
- Amy Roeder circulated standard bankruptcy forms as part of the contingency planning process; and
- Project Omega team members discussed the possibility of merging 200 Park and ClimateLabs back into TTC and TUI if the Debtors' boards elected to pursue bankruptcy proceedings to address the Debtors' Asbestos Liabilities through a Section 524(g) trust.

Defendants deny the remaining allegations of paragraph 126 of the Complaint.

127. Defendants deny the allegations of paragraph 127 of the Complaint.

128. With respect to the allegations of paragraph 128 of the Complaint, Defendants admit that Allan Tananbaum testified he preferred the option of the Debtors filing chapter 11 bankruptcies with the goal of establishing and funding a Section 524(g) trust, affirmatively allege Mr. Tananbaum's deposition testimony speaks for itself, incorporate the entirety of such testimony as if set forth in full herein, respectfully refer the Court to that testimony for its meaning, effect, and import, affirmatively allege that the May 15, 2020 joint board meeting minutes speak for themselves, incorporate the entirety of such joint board meeting minutes as if set forth in full herein, respectfully refer the Court to the May 15, 2020 joint board meeting minutes for their meaning, effect, and import, and deny the remaining allegations of paragraph 128 of the Complaint.

129. With respect to the allegations of paragraph 129 of the Complaint, Defendants affirmatively allege that the May 22, 2020 joint board meeting minutes speak for themselves, incorporate the entirety of such joint board meeting minutes as if set forth in full herein, respectfully refer the Court to the May 22, 2020 joint board meeting minutes for their meaning, effect, and import, and deny the remaining allegations of paragraph 129 of the Complaint.

130. With respect to the allegations of paragraph 130 of the Complaint, Defendants admit that Manlio Valdes testified that he believed it was "a probability" the "Trane entities would end up paying less money to claimants if bankruptcies were filed by Aldrich and Murray," affirmatively allege Mr. Valdes' deposition testimony speaks for itself, incorporate the entirety of such testimony as if set forth in full herein, respectfully refer the Court to that testimony for its meaning, effect, and import, and deny the remaining allegations of paragraph 130 of the Complaint.

131. With respect to the allegations of paragraph 131 of the Complaint, Defendants affirmatively allege that the June 5, 2020 joint board meeting minutes speak for themselves, incorporate the entirety of such joint board meeting minutes as if set forth in full herein, respectfully refer the Court to the June 5, 2020 joint board meeting minutes for their meaning, effect, and import, and deny the remaining allegations of paragraph 131 of the Complaint.

132. Defendants admit the allegations of paragraph 132 of the Complaint.

133. With respect to the allegations of paragraph 133 of the Complaint, Defendants admit the existence of the alleged electronic messages, affirmatively allege that such messages speak for themselves, incorporate the entirety of such messages as if set forth in full herein, respectfully refer the Court to those messages for their meaning, effect, and import, and deny the remaining allegations of paragraph 133 of the Complaint.

134. With respect to the allegations of paragraph 134 of the Complaint, Defendants admit that the Debtors filed their respective chapter 11 bankruptcy petitions on the Petition Date and deny the remaining allegations of paragraph 134 of the Complaint.

135. With respect to the allegations of paragraph 135 of the Complaint, Defendants admit that the Debtors' records currently reflect that they were named as defendants in roughly 65,000 asbestos-related lawsuits throughout the United States as of the Petition Date, affirmatively allege that the Asbestos Liabilities were allocated to the Debtors pursuant to the Corporate Restructuring and in full compliance with Texas law, and deny the remaining allegations of paragraph 135 of the Complaint.

136. With respect to the allegations of paragraph 136 of the Complaint, Defendants admit that they are not debtors in a bankruptcy proceeding, admit that Defendants continue paying

their undisputed creditors in the ordinary course of business, and deny the remaining allegations of paragraph 136 of the Complaint.

137. Defendants deny the allegations of paragraph 137 of the Complaint.

138. Defendants deny the allegations of paragraph 138 of the Complaint.

139. Defendants deny the allegations of paragraph 139 of the Complaint.

140. Defendants deny the allegations of paragraph 140 of the Complaint.

141. Defendants deny the allegations of paragraph 141 of the Complaint.

142. Defendants deny the allegations of paragraph 142 of the Complaint.

143. Defendants deny the allegations of paragraph 143 of the Complaint.

144. With respect to the allegations of paragraph 144 of the Complaint, Defendants admit that:

- the Debtors' boards of managers consist of current and former employees of the affiliates of Trane plc;
- Manlio Valdes (i) serves as a member of both Debtors' boards of managers, (ii) was the Debtors' President, (iii) was President and a director of 200 Park and ClimateLabs, and (iv) was Vice President of Project Management, The Americas, Trane Commercial HVAC for TTC;
- Amy Roeder serves as (i) a member of both Debtors' boards of managers, (ii) a director of 200 Park and ClimateLabs, (iii) Chief Financial Officer and Treasurer for both the Debtors, and (iv) Finance-Director—Information Technology & Legal at TTC;
- Allan Tananbaum is the Chief Legal Officer and Secretary for both Debtors and Deputy General Counsel-Product Litigation at TTC;

- Ray Pittard serves as Vice President and Chief Restructuring Officer of the Debtors and was the Transformation Office Leader at the time of the Corporate Restructuring, and affirmatively allege Mr. Pittard currently holds the title of Executive Vice President, Supply Chain, Engineering and Information Technology of Trane plc; and
- the Debtors obtain services from TTC employees pursuant to the Secondment Agreement.

Defendants deny the remaining allegations of paragraph 144 of the Complaint.

145. Defendants deny the allegations of paragraph 145 of the Complaint.

146. Defendants deny the allegations of paragraph 146 of the Complaint.

147. Defendants deny the allegations of paragraph 147 of the Complaint.

148. Defendants deny the allegations of paragraph 148 of the Complaint.

149. Defendants deny the allegations of paragraph 149 of the Complaint.

150. Defendants repeat and reallege their responses to the allegations of paragraphs 1 through 149 of the Complaint as if set forth in full herein.

151. With respect to the allegations of paragraph 151 of the Complaint, Defendants affirmatively allege Section 548 of the Bankruptcy Code speaks for itself, incorporate the entirety of such statute as if set forth in full herein, respectfully refer the Court to Section 548 for its meaning, effect, and import, and deny any remaining allegations of paragraph 151 of the Complaint.

152. With respect to the allegations of paragraph 152 of the Complaint, Defendants affirmatively allege Section 550 of the Bankruptcy Code speaks for itself, incorporate the entirety of such statute as if set forth in full herein, respectfully refer the Court to Section 550 for its

meaning, effect, and import, and deny any remaining allegations of paragraph 152 of the Complaint.

153. With respect to the allegations of paragraph 153 of the Complaint, Defendants admit that the Debtors' records currently reflect that they were named as defendants in roughly 65,000 asbestos-related lawsuits throughout the United States as of the Petition Date and deny the remaining allegations of paragraph 153 of the Complaint.

154. With respect to the allegations of paragraph 154 of the Complaint, Defendants deny knowledge and information sufficient to form a belief with respect to the allegations related to unidentified transfers and "insiders" and deny the remaining allegations of paragraph 154 of the Complaint.

155. With respect to the allegations of paragraph 155 of the Complaint, Defendants admit that the Debtors' records currently reflect that they were named as defendants in roughly 65,000 asbestos-related lawsuits throughout the United States as of the Petition Date, admit that, pursuant to standard corporate policy, IRNJ and Old TUI did not provide notice of the Corporate Restructuring to third parties prior to internal approval and implementation of the Corporate Restructuring, admit that, pursuant to standard corporate policy, certain employees were asked to sign nondisclosure agreements before working on the Corporate Restructuring, and deny the remaining allegations of paragraph 155 of the Complaint.

156. With respect to the allegations of paragraph 156 of the Complaint, Defendants deny knowledge and information sufficient to form a belief with respect to the allegation related to a purported unidentified transfer of substantially all of IRNJ's and Old TUI's assets and deny the remaining allegations of paragraph 156 of the Complaint.



157. With respect to the allegations of paragraph 157 of the Complaint, Defendants admit that, prior to the Corporate Restructuring, many thousands of claims had been filed, were pending, or threatened against IRNJ and Old TUI and deny the remaining allegations of paragraph 157 of the Complaint.

158. Defendants deny the allegations of paragraph 158 of the Complaint.

159. Defendants deny the allegations of paragraph 159 of the Complaint.

160. Defendants repeat and reallege their responses to the allegations of paragraphs 1 through 159 of the Complaint as if set forth in full herein.

161. With respect to the allegations of paragraph 161 of the Complaint, Defendants affirmatively allege Section 544 of the Bankruptcy Code speaks for itself, incorporate the entirety of such statute as if set forth in full herein, respectfully refer the Court to Section 544 for its meaning, effect, and import, and deny any remaining allegations of paragraph 161 of the Complaint.

162. With respect to the allegations of paragraph 162 of the Complaint, Defendants affirmatively allege Section 550 of the Bankruptcy Code speaks for itself, incorporate the entirety of such statute as if set forth in full herein, respectfully refer the Court to Section 550 for its meaning, effect, and import, and deny any remaining allegations of paragraph 162 of the Complaint.

163. With respect to the allegations of paragraph 163 of the Complaint, Defendants affirmatively allege the Texas Uniform Fraudulent Transfer Act (“TUFTA”) and TBOC speak for themselves, incorporate the entirety of such Acts as if set forth in full herein, respectfully refer the Court to the TUFTA and TBOC for their meaning, effect, and import, and deny any remaining allegations of paragraph 163 of the Complaint.

164. With respect to the allegations of paragraph 164 of the Complaint, Defendants affirmatively allege the Delaware Uniform Fraudulent Transfer Act (“**DUFTA**”) and New Jersey Uniform Fraudulent Transfer Act (“**NJUFTA**”) speak for themselves, incorporate the entirety of such Acts as if set forth in full herein, respectfully refer the Court to the DUFTA and NJUFTA for their meaning, effect, and import, and deny any remaining allegations of paragraph 164 of the Complaint.

165. With respect to the allegations of paragraph 165 of the Complaint, Defendants affirmatively allege the North Carolina Uniform Voidable Transactions Act (“**NCUVTA**,” and together with the TUFTA, DUFTA, and NJUFTA, the “**State Statutes**”) speaks for itself, incorporate the entirety of such Act as if set forth in full herein, respectfully refer the Court to the NCUVTA for its meaning, effect, and import, and deny any remaining allegations of paragraph 165 of the Complaint.

166. With respect to the allegations of paragraph 166 of the Complaint, Defendants affirmatively allege the State Statutes speak for themselves, incorporate the entirety of such Acts as if set forth in full herein, respectfully refer the Court to the State Statutes for their meaning, effect, and import, and deny any remaining allegations of paragraph 166 of the Complaint.

167. With respect to the allegations of paragraph 167 of the Complaint, Defendants admit that, prior to the Corporate Restructuring, IRNJ and Old TUI were defendants in many thousands of asbestos-related actions and deny the remaining allegations of paragraph 167 of the Complaint.

168. With respect to the allegations of paragraph 168 of the Complaint, Defendants deny knowledge and information sufficient to form a belief with respect to the allegations related to

unidentified transfers and “insiders” and deny the remaining allegations of paragraph 168 of the Complaint.

169. With respect to the allegations of paragraph 169 of the Complaint, Defendants admit that prior to the Corporate Restructuring, IRNJ and Old TUI had been named in many thousands of actions that were pending or threatened at the time of the Corporate Restructuring, admit that, pursuant to standard corporate policy, IRNJ and Old TUI did not provide notice of the Corporate Restructuring to third parties prior to internal approval and implementation of the Corporate Restructuring, admit that, pursuant to standard corporate policy, certain employees were asked to sign nondisclosure agreements before working on the Corporate Restructuring, and deny the remaining allegations of paragraph 169 of the Complaint.

170. With respect to the allegations of paragraph 170 of the Complaint, Defendants deny knowledge and information sufficient to form a belief with respect to the allegation related to a purported unidentified transfer of substantially all of IRNJ’s and Old TUI’s assets and deny the remaining allegations of paragraph 170 of the Complaint.

171. Defendants deny the allegations of paragraph 171 of the Complaint.

172. With respect to the allegations of paragraph 172 of the Complaint, Defendants admit that, prior to the Corporate Restructuring, IRNJ and Old TUI had been sued or threatened with asbestos-related lawsuits and deny the remaining allegations of paragraph 172 of the Complaint.

173. Defendants deny the allegations of paragraph 173 of the Complaint.

174. Defendants deny the allegations of paragraph 174 of the Complaint.

175. Defendants repeat and reallege their responses to the allegations of paragraphs 1 through 174 of the Complaint as if set forth in full herein.

176. With respect to the allegations of paragraph 176 of the Complaint, Defendants affirmatively allege Sections 548 and 550 of the Bankruptcy Code speak for themselves, incorporate the entirety of such statutes as if set forth in full herein, respectfully refer the Court to Sections 548 and 550 for their meaning, effect, and import, and deny any remaining allegations of paragraph 176 of the Complaint.

177. Defendants deny the allegations of paragraph 177 of the Complaint.

178. Defendants repeat and reallege their responses to the allegations of paragraphs 1 through 177 of the Complaint as if set forth in full herein.

179. With respect to the allegations of paragraph 179 of the Complaint, Defendants affirmatively allege Section 544 of the Bankruptcy Code speaks for itself, incorporate the entirety of such statute as if set forth in full herein, respectfully refer the Court to Section 544 for its meaning, effect, and import, and deny any remaining allegations of paragraph 179 of the Complaint.

180. With respect to the allegations of paragraph 180 of the Complaint, Defendants affirmatively allege Section 550 of the Bankruptcy Code speaks for itself, incorporate the entirety of such statute as if set forth in full herein, respectfully refer the Court to Section 550 for its meaning, effect, and import, and deny any remaining allegations of paragraph 180 of the Complaint.

181. With respect to the allegations of paragraph 181 of the Complaint, Defendants affirmatively allege the TUFTA, DUFTA, and NJUFTA speak for themselves, incorporate the entirety of such Acts as if set forth in full herein, respectfully refer the Court to the TUFTA, DUFTA, and NJUFTA for their meaning, effect, and import, and deny any remaining allegations of paragraph 181 of the Complaint.

182. With respect to the allegations of paragraph 182 of the Complaint, Defendants affirmatively allege the NCUVTA speaks for itself, incorporate the entirety of such Act as if set forth in full herein, respectfully refer the Court to the NCUVTA for its meaning, effect, and import, and deny any remaining allegations of paragraph 182 of the Complaint.

183. Defendants deny the allegations of paragraph 183 of the Complaint.

184. Defendants deny the allegations of paragraph 184 of the Complaint.

185. Defendants deny knowledge and information sufficient to form a belief as to the allegations of paragraph 185 of the Complaint.

186. Defendants deny knowledge and information sufficient to form a belief as to the allegations of paragraph 186 of the Complaint.

#### **REMAINING ALLEGATIONS**

Defendants deny (i) any and all remaining allegations in the Complaint, and (ii) any and all allegations in the headings, subheadings, and footnotes of the Complaint.

#### **RESPONSE TO PRAYER FOR RELIEF**

Plaintiff's prayer for relief constitutes argument or conclusions of law to which Defendants need not respond. Defendants affirmatively allege that Plaintiff is not entitled to any of the relief requested in the Complaint.

#### **RESERVATION OF RIGHTS**

Defendants expressly reserve their right to amend and/or supplement this Answer as necessary.

#### **AFFIRMATIVE DEFENSES**

Defendants assert the following Affirmative Defenses to all Counts of the Complaint and reserve the right to amend this Answer to assert other and further Defenses when and if, in the course of their investigation, discovery, or preparation for trial, it becomes appropriate. By

designating these matters as “Defenses,” Defendants do not suggest, admit, or concede that Plaintiff does not bear the burden of proof as to such matters or that such matters do not constitute elements of Plaintiff’s *prima facie* case against Defendants.

**FIRST AFFIRMATIVE DEFENSE**

The Complaint fails to state a claim upon which relief can be granted.

**SECOND AFFIRMATIVE DEFENSE**

Plaintiff lacks standing to pursue the claims alleged in the Complaint because it has not suffered an injury-in-fact given (1) the amount of the Current Asbestos Liabilities is disputed and undetermined, (2) the Debtors’ current assets and financial resources exceed the estimated Current Asbestos Liabilities, and (3) the Debtors possess sufficient assets and financial resources to pay all of the Current Asbestos Liabilities in full. As a result, the Court lacks subject matter jurisdiction over Plaintiff’s claims.

**THIRD AFFIRMATIVE DEFENSE**

Plaintiff’s claims are not ripe because (1) the amount of the Current Asbestos Liabilities is disputed and undetermined, (2) the Debtors’ current assets and financial resources are sufficient to pay the Debtors’ estimated Current Asbestos Liabilities in full, and (3) even if the actual amount of the Current Asbestos Liabilities exceeds the amount of the estimated Current Asbestos Liabilities, the Debtors possess sufficient assets and financial resources to pay all of the Current Asbestos Liabilities in full. As a result, the Court lacks subject matter jurisdiction over Plaintiff’s claims.

**FOURTH AFFIRMATIVE DEFENSE**

Plaintiff’s claims are barred, and Plaintiff is not entitled to recover any property or the value of such property under 11 U.S.C. § 550, because holders of the Current Asbestos Claims have not suffered any damages as a result of the conduct alleged in the Complaint. The Debtors

possess sufficient assets and financial resources to pay all of the Current Asbestos Liabilities in full.

#### **FIFTH AFFIRMATIVE DEFENSE**

Plaintiff's constructive fraudulent transfer claims are barred because Plaintiff did not request from the Court standing to assert constructive fraudulent transfer claims. Defendants did not receive notice of, or have an opportunity to be heard with respect to, any request by Plaintiff to prosecute constructive fraudulent transfer claims on behalf of the Debtors' estates.

#### **SIXTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred because the Complaint does not identify a transfer of the Debtors' interest in property or an obligation incurred by the Debtors that Plaintiff seeks to avoid. The transfers made to the Non-Debtor Affiliates as part of the Corporate Restructuring were not transfers of property in which the Debtors held any interest.

#### **SEVENTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred because the Corporate Restructuring did not hinder, delay, or defraud asbestos claimants. At all times, Defendants and the Debtors acted in good faith, in compliance with applicable law, and with no intent to hinder, delay, or defraud asbestos claimants.

#### **EIGHTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred because the Complaint does not plead with particularity the presence of any of the badges of fraud to create the inference that the Corporate Restructuring constitutes an intentional fraudulent transfer.

#### **NINTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred because the Debtors received reasonably equivalent value in exchange for the Current Asbestos Liabilities given that the assets and financial resources allocated to the Debtors as part of the Corporate Restructuring including, without limitation, the uncapped

Funding Agreements, provide the Debtors with the ability to timely pay all of their liabilities in full. Thus, the Debtors (i) were not rendered insolvent, (ii) were not left with an unreasonably small amount of assets in relation to their liabilities, and (iii) did not incur Asbestos Liabilities beyond their ability to pay as they become due.

#### **TENTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred because the Complaint fails to allege facts supporting the imposition of liability on Defendants pursuant to alter ego or successor liability theories.

#### **ELEVENTH AFFIRMATIVE DEFENSE**

Plaintiff is not entitled to any remedy or other relief in connection with its fraudulent transfer claims because the holders of the Current Asbestos Claims have not suffered any actual damages as a result of the Corporate Restructuring. Defendants are not the initial transferees of any property in which the Debtors held any interest and are not the entities for whose benefit any such transfer was made. To the extent any Defendant may be an immediate or mediate transferee of an initial transfer of such property, Plaintiff is not entitled to any recovery from such Defendant pursuant to 11 U.S.C. § 550(b).

#### **TWELFTH AFFIRMATIVE DEFENSE**

Plaintiff's demand for punitive damages is barred because it does not constitute a proper remedy for a fraudulent transfer claim under the Bankruptcy Code.

#### **THIRTEENTH AFFIRMATIVE DEFENSE**

Plaintiff's claims are barred, waived, or estopped by the inequitable conduct and/or unclean hands of those parties it represents.

#### **FOURTEENTH AFFIRMATIVE DEFENSE**

Plaintiff's claims under Section 544(b)(1) of the Bankruptcy Code are barred because Plaintiff fails to allege the existence of "a creditor holding an unsecured claim that is allowable



under section 502” of the Bankruptcy Code with the ability to avoid any challenged transfer under applicable law, and no such creditor exists.

**FIFTEENTH AFFIRMATIVE DEFENSE**

Plaintiff’s claims under Section 548(a)(1)(A) of the Bankruptcy Code are barred because Plaintiff fails to allege any challenged transfer was made with the actual intent to hinder, delay, or defraud any entity to which Aldrich or Murray (i) was indebted on the date of any such transfer, or (ii) became indebted after the date of any such transfer, and no such intent or entity exists.

Dated: September 9, 2022

Respectfully submitted,

/s/ Scott P. Vaughn

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*Counsel to Defendants*

CERTIFICATE OF SERVICE

I hereby certify that the foregoing was served on all parties who have made an appearance through the Court's CM/ECF system.

This 9<sup>th</sup> day of September, 2022.

*/s/ Scott P. Vaughn*  
Scott P. Vaughn

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