

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re

ALDRICH PUMP LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-30608 (JCW)

(Jointly Administered)

OFFICIAL COMMITTEE OF ASBESTOS
PERSONAL INJURY CLAIMANTS on behalf of
the estates of Aldrich Pump LLC and Murray Boiler
LLC,

Plaintiff,

Adv. Pro. No. 22-03029

v.

TRANE TECHNOLOGIES PLC, INGERSOLL-
RAND GLOBAL HOLDING COMPANY
LIMITED, TRANE TECHNOLOGIES HOLDCO
INC., TRANE TECHNOLOGIES COMPANY
LLC, TRANE INC., TUI HOLDINGS INC.,
TRANE U.S. INC., MURRAY BOILER
HOLDINGS LLC, SARA BROWN, RICHARD
DAUDELIN, MARC DUFOUR, HEATHER
HOWLETT, CHRISTOPHER KUEHN, MICHAEL
LAMACH, RAY PITTARD, DAVID REGNER, Y,
AMY ROEDER, ALLAN TANANBAUM, EVAN
TURTZ, MANILO VALDES, and ROBERT
ZAFARI

Defendants.

NOTICE OF FILING UNREDACTED COMPLAINT

PLEASE TAKE NOTICE that the undersigned counsel for the Official Committee of
Personal Injury Asbestos Claimants (the "Plaintiff") hereby respectfully files this Notice (the

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



“Notice”) of Filing Unredacted Complaint. In support of the Notice, the Plaintiff respectfully states as follows:

1. On June 18, 2022, the Plaintiff filed the Complaint [Doc. 1] with certain provisions therein redacted. The Plaintiff also filed a *Motion to File Confidential Information Under Seal* [Doc. 2] (the “Motion to Seal”) related to the redactions in the Complaint.

2. Subsequent to the filing of the Complaint and Motion to Seal, counsel for the Plaintiff was informed by counsel for the Debtors and counsel to non-debtor affiliates of the Debtors that the redacted provision in the Complaint do not need to be redacted as confidential. The Plaintiff therefore withdrew the Motion to Seal.

3. Accordingly, attached hereto is an unredacted version of the Complaint.

Dated: February 13, 2023

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**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
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In re

ALDRICH PUMP LLC, *et al.*,¹

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Defendants.

Chapter 11

Case No. 20-30608 (JCW)

(Jointly Administered)

Adv. Pro. No. _____

COMPLAINT

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

On behalf of the estates of the debtors, Aldrich Pump LLC (“Aldrich”) and Murray Boiler LLC (“Murray,” and together with Aldrich, the “Debtors”), the Official Committee of Asbestos Personal Injury Claimants (the “Committee” or “Plaintiff”), by and through its undersigned attorneys, for its Complaint in the above-captioned action against defendants Trane Technologies plc (“Trane plc”), Ingersoll-Rand Global Holding Company Limited (“IRGH”), Trane Technologies HoldCo Inc. (“TT HoldCo”), Trane Technologies Company LLC (“New TTC”), Trane Inc., TUI Holdings Inc. (“TUI Holdings”), Trane U.S. Inc. (“New Trane”), Murray Boiler Holdings LLC (“Murray Holdings,” and together with Trane plc, IRGH, TT HoldCo, New TTC, TUI Holdings, and New Trane, the “Corporate Defendants”), Sara Brown, Richard Daudelin, Marc Dufour, Heather Howlett, Christopher Kuehn, Michael Lamach, Ray Pittard, David Regnery, Amy Roeder, Allan Tananbaum, Evan Turtz, Manilo Valdes, and Robert Zafari (Defendants Brown, Daudelin, Dufour, Howlett, Kuehn, Lamach, Pittard, Regnery, Roeder, Tananbaum, Turtz, Valdes, and Zafari collectively referred to herein as the “Individual Defendants” and, together with the Corporate Defendants, “Defendants”), alleges² the following:

NATURE OF THE ACTION

1. This action arises from a series of self-dealing transactions by the Trane Organization³ and individuals acting in concert to evade their obligations to asbestos victims. The transactions were conceived, crafted and implemented, and engaged in by Defendants and various other entities to avoid the full extent of the asbestos liabilities facing Ingersoll-Rand and Old Trane (defined below). As more fully described herein, Defendants sought to defraud asbestos claimants

² Certain allegations set forth herein concern matters that are solely within Defendants’ knowledge or control and are therefore made upon information and belief.

³ The “Trane Organization” refers to Trane Technologies plc (formerly known as Ingersoll-Rand plc) and its subsidiaries and affiliates, including the Corporate Defendants and their predecessors.

by implementing two divisional mergers, purportedly in compliance with Texas law, to divide entities within the Trane Organization so as to separate the Trane Organization's valuable assets and non-asbestos liabilities from its asbestos liabilities, and filing bankruptcies to hinder, delay and defraud asbestos victims.

2. One divisional merger was undertaken to divide the former Ingersoll-Rand Company ("Ingersoll-Rand")⁴ to:

- a. Create Aldrich, a shell company with no employees or operations of its own, to which Ingersoll-Rand allocated all of Ingersoll-Rand's asbestos liabilities and approximately 1% of its assets;
- b. Create Trane Technologies Company LLC ("New TTC"), to which Ingersoll-Rand allocated approximately 99% of Ingersoll-Rand's assets, profitable operations, and non-asbestos liabilities;
- c. Cause Aldrich to enter into certain one-sided corporate agreements that benefited the Corporate Defendants and other entities within the Trane Organization to the detriment of Aldrich and its asbestos creditors; and
- d. File a pre-planned bankruptcy petition for Aldrich on June 18, 2020, just 49 days after Aldrich's formation (collectively, the "Ingersoll-Rand Corporate Restructuring").

⁴ As explained below, shortly before the divisional merger, Ingersoll-Rand merged with and into Trane Technologies Company LLC ("Old TTC"), a limited liability company formed by Defendant TT HoldCo, and thus was known at the time of the divisional merger as Trane Technologies Company LLC (Old TTC).

3. On the same day, the former Trane U.S. Inc. (“Old Trane”⁵) undertook its own divisional merger to:

- a. Create Murray, a shell company with no employees or operations of its own, to which Old Trane allocated all of Old Trane’s asbestos liabilities and approximately 2% of its assets;
- b. Create Trane U.S. Inc. (“New Trane”), to which Old Trane allocated approximately 98% of Old Trane’s assets, profitable operations, and non-asbestos liabilities;
- c. Cause Murray to enter into certain one-sided corporate agreements that benefited the Corporate Defendants and other entities within the Trane Organization to the detriment of Murray and its asbestos creditors; and
- d. File a pre-planned bankruptcy petition for Murray on June 18, 2020, just 49 days after Murray’s formation (collectively, the “Old Trane Corporate Restructuring,” and together with the Ingersoll-Rand Corporate Restructuring, the “Corporate Restructuring”).⁶

3. These corporate transactions and the resulting bankruptcies are commonly referred to as the “Texas Two-Step,” an attorney-designed strategy to (i) create separate “good” companies with all the assets and non-asbestos liabilities and “bad” companies with all the asbestos liabilities, and (ii) file bankruptcy petitions for the “bad” companies and use the bankruptcy process to hinder, delay and defraud the claims of asbestos victims. The Texas Two-Step has been perpetrated in

⁵ “Old Trane” refers to the entity named Trane U.S. Inc. prior to the May 1, 2020, Corporate Restructuring. “New Trane” refers to the entity named Trane U.S. Inc. that was created as part of the May 1, 2020, Corporate Restructuring.

⁶ The corporate transactions are more fully described in, *inter alia*, the *Declaration of Ray Pittard in Support of First Day Pleadings*, dated June 18, 2020 (ECF No. 27), and in the *Findings of Fact and Conclusions of Law Regarding Order: (I) Declaring That the Automatic Stay Applies to Certain Actions Against Non-Debtors, (II) Preliminarily Enjoining Such Actions, and (III) Granting in Part Denying in Part the Motion to Compel*, Adv. Proc. 20-03041 (JCW), dated August 23, 2021 (ECF No. 308). References to “ECF No.” shall refer to documents filed in the base case bankruptcy fashioned *In re Aldrich Pump LLC*, No. 20-30608 (JCW) (Bankr. W.D.N.C.).

several cases, including *In re Bestwall LLC*, No. 17-31795 (Bankr. W.D.N.C.) (“*Bestwall*”), *In re DBMP LLC*, No. 20-30080 (Bankr. W.D.N.C.) (“*DBMP*”), and *In re LTL Management, LLC*, Case No. 21-30589 (MBK) (Bankr. D. N.J. 2022).

4. The Texas Two-Step violates the fundamental purpose of applicable state law and the Bankruptcy Code. The “principal purpose of bankruptcy is straightforward: to grant a fresh start to the honest but unfortunate debtor,”⁷ who has “placed the rectitude of [its] prior dealings before the Court,”⁸ and prohibits “the use of the bankruptcy court, a court of equity, to further a fraudulent purpose.”⁹ Here, the Debtors admittedly were *created* and allocated all of the Trane Organization’s asbestos liabilities to exploit the bankruptcy process by commencing an adversary proceeding to enjoin all asbestos actions against the entire Trane Organization and use bankruptcy’s estimation process to reduce asbestos claims and obtain a release of such liabilities without subjecting the entire Trane Organization to the bankruptcy regime. These Debtors can hardly be described as “honest but unfortunate.”

5. By engaging in the Corporate Restructuring (the term used by the Debtors to describe what is more commonly referred to as the Texas Two-Step), approving the one-sided agreements, and authorizing the filings of the chapter 11 petitions, the Individual Defendants who serve or served as officers and managers of the Debtors,¹⁰ who held dual, and often multiple, roles at entities within the Trane Organization that had interests adverse to those of Aldrich and Murray,

⁷ *Bosiger v. U.S. Airways, Inc.*, 510 F.3d 442, 448 (4th Cir. 2007) (quoting *Marrama v. Citizens Bank of Mass.*, 549 U.S. 365, 367 (2007)) (remaining citations and internal quotation marks omitted).

⁸ *Brown v. Felsen*, 442 U.S. 127 (1979) (citing *Local Loan Co. v. Hunt*, 292 U.S. 234, 244 (1934)).

⁹ *Connell v. Coastal Cable T.V., Inc. (In re Coastal Cable T.V., Inc.)*, 709 F.2d 762, 764 (1st Cir. 1983) (court raising, *sua sponte*, whether the bankruptcy court had jurisdiction over the matter, as “[t]he record suggests that . . . this case may run afoul of certain very basic bankruptcy principles,” including, without limitation, the prohibition on “the use of the bankruptcy court, a court of equity, to further a fraudulent purpose”).

¹⁰ These Defendants include Defendants Roeder, Valdes, Zafari, Tananbaum, Pittard, and Dufour.

thus rendering them hopelessly conflicted, acted in breach of the fiduciary duties they owed to an insolvent Aldrich and Murray and/or their creditors. Rather than taking into account and treating equally the interests of all of Aldrich's and Murray's creditors, the Individual Defendants abdicated their roles as corporate fiduciaries of Aldrich's and Murray's asbestos creditors and instead acted solely in the interests of the affiliate and parent companies of Aldrich and Murray (including the Corporate Defendants) by, among other things, engaging in the Corporate Restructuring and ensuing bankruptcies to avoid or reduce liabilities of the Debtors' most vulnerable creditor population—asbestos victims and their beneficiaries—in contravention of applicable law.

6. These Individual Defendants (*i.e.*, the Debtors' officers and managers) did not act alone in their wrongdoing. Other entities within the Trane Organization (including the Corporate Defendants), and the officers and directors of these other Trane Organization entities (including the remaining Individual Defendants), aided and abetted the breaches of fiduciary duties that resulted from the Corporate Restructuring by planning, directing, and implementing the Corporate Restructuring.

7. In addition, Defendants acted in concert and conspired on a fraudulent scheme that was designed to strip the valuable assets of Ingersoll-Rand and Old Trane from their significant asbestos liabilities and file bankruptcy petitions for the entities laden with those asbestos liabilities (Aldrich and Murray) in order to hinder and delay payment of those liabilities, and to use the bankruptcy claims process to delay and seek to avoid or reduce recoveries to asbestos victims and abridge or even eradicate their rights.

8. The divisional mergers—step one in the two-part dance—were essential to Defendants' scheme, as they allowed the Trane Organization (other than Aldrich and Murray) to

continue to operate outside of bankruptcy while taking advantage of the bankruptcy process with respect to asbestos claims.

9. The bankruptcies of Aldrich and Murray were an equally essential component—step-two—of Defendants’ scheme, as the bankruptcies permitted Defendants to gain leverage against asbestos victims—many of whom are gravely ill or dying—and their families, estates, and heirs. Aldrich’s and Murray’s bankruptcies have stayed, and continue to stay, all pending litigation (and also cut off related defense costs for Defendants) and delay payments to asbestos victims and their families, estates, and heirs for years. In addition, asbestos victims and their families, estates, and heirs are subjected to the bankruptcy claims process and estimation so as to delay and deprive asbestos victims of due process and reduce or eliminate recoveries to asbestos victims.

10. In addition, each of the transactions described herein simultaneously created Aldrich and Murray and rendered them insolvent, as each set of transactions was completed for less than reasonably equivalent value. Defendants agreed and conspired to commit unlawful acts, including to fraudulently separate the assets of Ingersoll-Rands and Old Trane from their asbestos liabilities, breach fiduciary duties owed to an insolvent Aldrich and Murray and/or their creditors, aid and abet those breaches, violate applicable law, and otherwise defraud Aldrich’s and Murray’s creditors.

JURISDICTION AND VENUE

11. This is a proceeding arising under or relating to the bankruptcy petitions filed by Aldrich and Murray under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). See *In re Aldrich Pump LLC*, No. 20-30608 (JCW) (Bankr. W.D.N.C. June 18, 2020); *In re Murray Boiler LLC*, No. 20-30609 (JCW) (Bankr. W.D.N.C. June 18, 2020). As a result, this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334(b).

12. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

PARTIES

I. DEBTORS AND PLAINTIFF

13. Aldrich Pump LLC 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, and with its principal place of business located at 800-E Beatty Street, Davidson, North Carolina 28036, and is a debtor whose bankruptcy is pending in this Court.

14. Murray Boiler LLC 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, and with its principal place of business located at 800-E Beatty Street, Davidson, North Carolina 28036, and is a debtor whose bankruptcy is pending in this Court.

15. Plaintiff Official Committee of Asbestos Personal Injury Claimants is a statutory committee of creditors appointed by this Court pursuant to an Order dated July 7, 2020 (ECF No. 147), that (i) is comprised of individuals who assert present or pending claims against the Debtors for personal injury or wrongful death arising from, or attributable to, exposure to asbestos or asbestos-containing products, and (ii) has been granted standing to commence this action on behalf of the estates of the Debtors pursuant to an order dated April 14, 2022 (ECF No. 1121).

II. CORPORATE DEFENDANTS

16. Defendant Trane Technologies plc is an Irish corporation with its principal place of business located at 170/175 Lakeview Drive, Airside Business Park, Swords, Co. Dublin, Ireland.

17. Defendant Ingersoll-Rand Global Holding Company Limited (referred to herein as IRGH) is a Delaware company with its principal place of business located at 800-E Beatty Street, Davidson, North Carolina, 28036.

18. Defendant Trane Technologies HoldCo. Inc. (referred to herein as TT HoldCo) is a Delaware corporation with its principal place of business located at 800-E Beaty Street, Davidson, North Carolina, 28036.

19. Defendant Trane Technologies Company LLC (referred to herein as New TTC) is a Delaware limited liability company with its principal place of business located at 800-E Beaty Street, Davidson, North Carolina 28036.

20. Defendant Trane Inc. is a Delaware corporation with its principal place of business located at One Centennial Avenue, Piscataway, New Jersey 08854.

21. Defendant TUI Holdings Inc. (referred to herein as TUI Holdings) is a Delaware corporation with its principal place of business located at 800-E Beaty Street, Davidson, North Carolina, 28036.

22. Defendant Trane U.S. Inc. (referred to herein as New Trane) is a Delaware corporation with its principal place of business located at 800-E Beaty Street, Davidson, North Carolina 28036.

23. Defendant Murray Boiler Holdings LLC (referred to herein as Murray Holdings) is a Delaware limited liability company with its principal place of business located at 800-E Beaty Street, Davidson, North Carolina, 28036.

III. INDIVIDUAL DEFENDANTS

24. Defendant Sara Brown was at all relevant times Assistant Secretary at TT HoldCo, New TTC, TUI Holdings, New Trane, Murray Holdings, 200 Park, Inc. ("200 Park"), and ClimateLabs LLC ("ClimateLabs").

25. Defendant Richard Daudelin was at all relevant times a director at TT HoldCo, Trane Inc., TUI Holdings, New Trane, Murray Holdings, and Trane Holding Limited and

Treasurer at TT HoldCo, New TTC, TUI Holdings, New Trane, Murray Holdings, 200 Park, and ClimateLabs. In addition, Defendant Daudelin previously was Treasurer at Ingersoll-Rand.

26. Defendant Marc Dufour was at all relevant times a manager at Murray.

27. Defendant Heather Howlett was at all relevant times Vice President and Chief Accounting Officer at Trane plc.

28. Defendant Christopher Kuehn was at all relevant times a director at IRGH, a manager at New TTC, Senior Vice President and Chief Financial Officer at Trane plc and New TTC, and a Vice President at New Trane. In addition, Defendant Kuehn previously was a director at Ingersoll-Rand and Vice President and Chief Accounting Officer at Ingersoll-Rand plc.

29. Defendant Michael Lamach was at all relevant times a director at Trane plc, IRGH, and New TTC, and Chairman and Chief Executive Officer of Trane plc and New TTC. In addition, Defendant Lamach previously was a director at Ingersoll-Rand and Ingersoll-Rand plc and Chief Executive Officer at Ingersoll-Rand plc.

30. Defendant Ray Pittard was at all relevant times Vice President and Chief Restructuring Officer for Aldrich and Murray and Transformation Office Leader at Trane plc.

31. Defendant David Regnery was at all relevant times President and Chief Operating Officer at Trane plc and New TTC. In addition, Defendant Regnery previously was President and Chief Operating Officer at Ingersoll-Rand plc.

32. Defendant Amy Roeder was at all relevant times a manager and Chief Financial Officer and Treasurer at Aldrich and Murray, a director and Chief Financial Officer at 200 Park and ClimateLabs, and a Finance Director-Information Technology & Legal at New TTC.

33. Defendant Allan Tananbaum was at all relevant times Chief Legal Officer and Secretary at Aldrich and Murray and Deputy General Counsel-Product Litigation at New TTC.

34. Defendant Evan Turtz was at all relevant times Senior Vice President and General Counsel at Trane plc; a director and Senior Vice President, General Counsel, and Secretary at IRGH; a director and President and Secretary at TT HoldCo; a director and Senior Vice President, General Counsel and Secretary Assistant Treasurer at New TTC; a director and Vice President and Secretary at Trane Inc.; a director and President and Secretary at TUI Holdings; a director and Vice President and Secretary at New Trane; a manager and President and Secretary at Murray Holdings; a director and President and Secretary at Trane Holding Limited; a Vice President and Secretary at 200 Park; and a Vice President and Secretary at ClimateLabs. In addition, Defendant Turtz previously was Senior Vice President, General Counsel, and Secretary at Ingersoll-Rand plc; a director and Senior Vice President, General Counsel, and Secretary at Ingersoll-Rand; and President and Secretary at Ingersoll-Rand HoldCo Inc.

35. Defendant Manilo Valdes was at all relevant times a manager and President at Aldrich and Murray; a director and president at 200 Park and Climate Labs; and Vice President Product Management, The Americas, Trane Commercial HVAC at New TTC.

36. Defendant Robert Zafari was at all relevant times a manager at Aldrich.

PROCEDURAL BACKGROUND

37. On June 18, 2020 (the "Petition Date"), Debtors Aldrich and Murray 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. *See In re Aldrich Pump LLC*, No. 20-30608 (JCW) (Bankr. W.D.N.C. June 18, 2020); *In re Murray Boiler LLC*, No. 20-30609 (JCW) (Bankr. W.D.N.C. June 18, 2020).

38. Also on the Petition Date, Debtors commenced an adversary proceeding and requested a temporary restraining order and sought a preliminary injunction of asbestos lawsuits

nationwide against the Corporate Defendants, their affiliates, and others. *See Aldrich Pump LLC and Murray Boiler LLC v. Those Parties Listed on Appendix A to Complaint and John and Jane Does 1-1000*, Adv. Pro. No. 20-03041 (JCW) (Bankr. W.D.N.C. June 18, 2020) (the “Preliminary Injunction Adversary Proceeding”).

39. The Debtors also filed on the Petition Date a *Motion for an Order Directing the Joint Administration of Their Chapter 11 Cases* (ECF No. 3), which the Court granted on June 25, 2020, *see Order Directing the Joint Administration of the Debtors’ Chapter 11 Cases* (ECF No. 114).

40. Since the Petition Date, the Debtors have continued in possession of their property and have managed their business, as debtors in possession, pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee or examiner has been appointed in the chapter 11 case.

41. On June 30, 2020, the Bankruptcy Administrator filed a motion to appoint an official committee of asbestos personal injury claimants (ECF No. 126), which the Court granted as modified in an Order dated July 7, 2020 (ECF No. 147).

42. On January 25, 2021, 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. Proc. 20-03041 ECF No. 90), arguing that all estate claims, including fraudulent transfer, alter ego and successor liability claims against the Defendants and others are subject to the automatic stay pursuant to section 362(a)(3) of the Bankruptcy Code because they are property of the estate (the “Summary Judgment Motion”).

43. On August 23, 2021, the Court issued its *Findings of Fact and Conclusions of Law Regarding Order: (I) Declaring That the Automatic Stay Applies to Certain Actions Against Non-*

Debtors, (II) Preliminarily Enjoining Such Actions, and (III) Granting in Part Denying in Part the Motion to Compel (Adv. Proc. 20-03041 ECF No. 308) (the “Findings and Conclusions”).

44. That same day, on August 23, 2021, the Court also granted the Debtors’ Summary Judgment Motion and entered an *Order Declaring that the Automatic Stay Applies to Certain Actions Against Non-Debtors, Preliminarily Enjoining Such Actions, and Granting in Part and Denying in Part the Motion to Compel* (Adv. Proc. 20-03041 ECF No. 307).

45. On April 14, 2022, the Court granted Plaintiff standing to commence this Adversary Proceeding on behalf of the estates of the Debtors (ECF No. 1121) so as to assert claims with respect to, arising from, or otherwise related to the Corporate Restructuring and the transactions and decisions that led to the filing of bankruptcy petitions for Aldrich and Murray.

FACTUAL ALLEGATIONS

I. CORPORATE BACKGROUND AND HISTORY OF ASBESTOS LIABILITIES

A. Corporate History

46. Ingersoll Rock Drill Company commenced operations in 1871 and eventually took the name Ingersoll-Sargent Drill Company. Merging with Rand Drill Company in 1905, the resulting entity—Ingersoll-Rand Company (“Ingersoll-Rand”)—became a global provider of industrial equipment and technology. As part of its business, Ingersoll-Rand historically produced pumps and compressors that used asbestos-containing products such as gaskets and packing bought from suppliers.

47. In 2002, Ingersoll-Rand engaged in a tax-shelter transaction in which the company’s ultimate parent, Ingersoll-Rand plc (“IR plc”) (now known as Trane Technologies plc), incorporated in Bermuda. In June 2008, IR plc acquired heating ventilation and air conditioning (“HVAC”) supplier Trane U.S. Inc. (formerly known as American Standard Companies, Inc.) and

its affiliates (collectively, “Old Trane”), as well as the additional asbestos liabilities stemming from Old Trane’s asbestos-containing boilers and HVAC components. In 2009, IR plc reincorporated in Ireland. Ingersoll-Rand remained incorporated in New Jersey as a subsidiary of IR plc. By the close of 2019, IR plc held more than \$20.5 billion in assets, had revenue totaling over \$13 billion, and had a market capitalization of approximately \$31 billion.

B. Source of Asbestos Liabilities

48. According to the Debtors, as of the Petition Date Ingersoll-Rand and Old Trane were defendants in roughly 100,000 lawsuits filed throughout the United States seeking compensation for asbestos-induced personal injury or wrongful death.¹¹ The Debtors’ predecessors historically paid approximately \$95 million per year for asbestos-related settlements and defense costs. In total, Ingersoll-Rand and Old Trane have paid nearly \$2 billion in asbestos-related indemnity and defense costs.

49. Moreover, because asbestos diseases have long latency periods, those exposed may not show symptoms of disease, such as mesothelioma, for 40 years or longer. As a result, claims against the Debtors for their predecessors’ asbestos torts will continue to accrue into the future. As of December 31, 2019, IR plc itself projected the current and future asbestos liabilities of Ingersoll-Rand and Old Trane to be at least \$547 million.

50. While defending and settling asbestos lawsuits, Ingersoll-Rand and Old Trane used insurance proceeds, including those received under settlements or certain “coverage-in-place” agreements, to fund or offset the defense and indemnity costs of their asbestos liabilities. IR plc tracked the net annual “earnings” and “losses” related to asbestos liabilities by totaling the asbestos

¹¹ See, e.g., Schedules of Assets and Liabilities for Aldrich Pump LLC Case No. 20-30608 (ECF No. 207); Schedules of Assets and Liabilities for Murray Boiler LLC Case No. 20-30609 (ECF No. 19).

insurance receivables in a given year and subtracting the amounts it paid in asbestos defense and indemnity costs. According to this metric, IR plc suffered net losses related to resolving asbestos claims of \$11.9 million in 2017 and \$56.5 million in 2018. However, in 2019, settlements were reached with several insurance carriers related to asbestos claims. As a result, in 2019, IR plc saw net *earnings* of over \$68 million related to asbestos liabilities.

51. Despite this substantial cash infusion from insurance recoveries and paying all of its liabilities as they became due, the Trane Organization knew there would be continuing asbestos liabilities, and IR plc projected that asbestos liabilities would substantially exceed probable future insurance recoveries. In fact, at the end of 2019, IR plc projected that the current and future asbestos liabilities of Ingersoll-Rand and Old Trane would surpass their total projected insurance recoveries by almost \$240 million.

52. In an attempt to reduce or forestall such payments to current and future asbestos claimants (and even to eliminate them entirely as to some asbestos claimants) and curtail the rights of claimants, Defendants and their professionals devised and implemented a scheme to “restructure” Ingersoll-Rand and Old Trane. The scheme included using the bankruptcy process to delay, eliminate, or reduce Ingersoll-Rand’s and Old Trane’s asbestos liabilities to the detriment of the victims and their rights to pursue and/or recover on account of such claims, including recovery in full on claims available to asbestos claimants under applicable non-bankruptcy law.

C. The “Reverse Morris Trust” Transaction

53. Although fully able to satisfy its obligations to those individuals who contracted mesothelioma and other asbestos-induced cancers, IR plc decided to engage in a series of corporate transactions intended to end the Trane Organization’s continuing involvement in asbestos personal-injury lawsuits and to shield assets from asbestos claimants. Messrs. Lamach, Kuehn,

and Turtz were each involved in the decision to engage in the Corporate Restructuring. By many accounts, Mr. Turtz “ran” Project Omega and “chaired” Project Omega’s weekly meetings and updates. Like Mr. Turtz, Mr. Tananbaum was also heavily involved in Project Omega, including meetings and project planning as early as July 2019.

54. The first step took place prior to the Corporate Restructuring described more fully below and involved IR plc spinning off its valuable industrial division to Gardner Denver Inc. (“Gardner Denver”) through a tax-free transfer of assets known as a “Reverse Morris Trust” transaction (the “RMT Transaction”). The RMT Transaction was signed on April 30, 2019, and closed on February 29, 2020, with Gardner Denver providing \$1.9 billion in cash and \$6.9 billion in Gardner Denver stock to Ingersoll-Rand in exchange for the industrial division. As part of the RMT Transaction, Ingersoll-Rand transferred to Gardner Denver two businesses with legacy asbestos liabilities, “materials handling” and “power tools,” but retained the asbestos liabilities arising from those businesses.

55. Upon the closing of the RMT Transaction, Ingersoll-Rand distributed the Gardner Denver stock to its ultimate parent, IR plc, giving IR plc a controlling equity interest in Gardner Denver. The effect was to separate businesses that resulted in nearly \$7 billion of cash from the asbestos liabilities that were related to those businesses. IR plc and its shareholders ended up owning 50.1% of Gardner Denver while the former shareholders of Gardner Denver kept the remaining 49.9% of shares in Gardner Denver.

56. On March 1, 2020, Gardner Denver changed its name to Ingersoll-Rand Inc., and IR plc changed its name to Trane Technologies plc (“Trane plc”).

II. PROJECT OMEGA: THE SCHEME BEHIND THE CORPORATE RESTRUCTURING

57. The second phase of the scheme to end the Trane Organization’s involvement in asbestos personal-injury lawsuits and to shield assets from asbestos claimants employed a series of carefully planned and executed transactions, referred to herein as the “Corporate Restructuring,” that included the formation of the Debtors, Aldrich and Murray; the chapter 11 filings; and the related Preliminary Injunction Adversary Proceeding. The principal participants involved in the decisions by Ingersoll-Rand and Old Trane to engage in the Corporate Restructuring included, among others, Defendants Regnery, Pittard, and Kuehn, each of whom held various positions at Defendants and/or their affiliates. Ingersoll-Rand and Old Trane stated that they engaged in the Corporate Restructuring “[t]o facilitate their ability to respond to the asbestos claims against them, including through a potential section 524(g) resolution” in bankruptcy “without subjecting their entire enterprises to chapter 11.”¹²

58. The planning and implementation of the Corporate Restructuring was done in secret and within Ingersoll-Rand and Old Trane bore the codename “Project Omega.” The project was named “Omega” by Amy Roeder, a finance director within Ingersoll-Rand, to signify the “end” of the enterprise’s asbestos liabilities. The genesis of Project Omega has been attributed to the general counsel of Ingersoll-Rand, Evan Turtz, who is currently general counsel of Defendant Trane plc, the Debtors’ ultimate parent holding company. After Mr. Turtz became Ingersoll-Rand’s general counsel on April 4, 2019, he received and read a brief filed in *Bestwall*, another currently pending asbestos chapter 11 case. Mr. Turtz thought a bankruptcy resolution for the asbestos claims against Ingersoll-Rand and Old Trane “would potentially be interesting.” Shortly

¹² Informational Brief of Aldrich Pump LLC and Murray Boiler LLC, *In re Aldrich Pump LLC*, No. 20-30608 (JCW) (Bankr. W.D.N.C. June 18, 2020) (ECF No. 5) at 33, 34-35.

thereafter, in the spring of 2019, Mr. Turtz contacted outside bankruptcy counsel to assist with the project, and Project Omega was launched beginning around June of 2019. Thus, from its inception, Project Omega was an attorney-created and implemented strategy.

59. Ingersoll-Rand, Old Trane and their affiliates began taking steps to prepare for the planned bankruptcy prior to June 2019, when outside bankruptcy counsel had been previously retained by the Trane Organization.

60. Project Omega was a highly secretive endeavor. It was not openly discussed or otherwise disclosed by the company, and the vast majority of employees within the Trane Organization were not even aware of the Corporate Restructuring until it had already occurred.

61. Before employees could work on Project Omega, they were required to sign nondisclosure agreements to keep the project under a veil of secrecy, even within the Trane Organization. In addition to others, upon information and belief, all Individual Defendants executed nondisclosure agreements in order to be permitted to work on Project Omega.

62. The number of employees privy to Project Omega was initially limited and relatively small—initially as few as seven people, four of whom were in-house counsel (including Mr. Turtz, Mr. Tananbaum, and Ms. Brown)—but grew as Project Omega took shape and required the involvement of additional personnel. This secrecy appears to have been driven not just by company protocol, but to hide the scheme to isolate asbestos liabilities from asbestos claimants until completed, as internal communications before the Corporate Restructuring described “Plaintiffs [*sic*] lawyers [*as*] the most at-risk group as it relates to the transaction.”

63. Although knowledge of the project was kept to a relatively small number of employees, Project Omega had the attention and involvement of executives at the highest levels

of the organization, including the chief executive officer of IR plc (now Trane plc), Michael Lamach.

64. As time progressed, meetings among Project Omega team members took place with increasing frequency and included weekly “all hands” team meetings chaired by then-IR plc’s general counsel, Mr. Turtz (now Defendant Trane plc’s general counsel). At all of these meetings both in-house lawyers (including Mr. Turtz and Ms. Brown), and outside counsel were present, regardless of subject matter. Indeed, the close and almost ubiquitous involvement of attorneys in Project Omega underscores how Project Omega was driven not by business people, but by lawyers, and was part of the scheme to try to cloak the conversations regarding Project Omega in privilege in connection with efforts to maintain the veil of secrecy of the divisional mergers and plans for bankruptcy.

65. In connection with the planning and implementation of the Corporate Restructuring, Project Omega team members were instructed to pay careful attention to prior divisional merger cases commenced by the Debtors’ bankruptcy counsel—namely, the *Bestwall*, and *DBMP* bankruptcy cases, and to become familiar with *In re Garlock Sealing Technologies LLC*, No. 10-31607 (Bankr. W.D.N.C.) (“*Garlock*”). Indeed, as early as October 2019—months before the Debtors were even formed—employees within the Trane Organization—including Ms. Roeder—referred to the future Aldrich and Murray entities as “debtors.”

66. Project Omega was launched to address the asbestos liabilities of Ingersoll-Rand and Old Trane. Although board meeting minutes and individuals within the Trane Organization claim that the bankruptcy filings by Aldrich and Murray that would occur after completion of the Corporate Restructuring were just one of four “options” under consideration to deal with the asbestos liabilities, documents—or at least the documents that were not authored or edited by

counsel and thus withheld under claims of privilege—and testimonial evidence show that bankruptcy and pursuit of a section 524(g) trust was not just *an* “option” but rather the *only* “option” being pursued and the sole objective of Project Omega.

67. For example:

a. Mr. Turtz has stated that he was not aware of any Project Omega “workflow stream document” pertaining to any non-bankruptcy “options.”

b. Project Omega team members expected and planned for a long-term bankruptcy prior to the Corporate Restructuring, which they estimated would last for five or more years.

c. An internal document entitled “OMEGA Comms plan” explicitly states as of March 5, 2020: “We will isolate the Asbestos liabilities into stand alone entities and will take the entities bankrupt.”

d. Prior to the Petition Date, Aldrich and Murray were regularly referred to in Project Omega documents as “debtor entities” or “bankrupt entities.”

e. Prior to the Corporate Restructuring, Project Omega team members discussed Project Omega “stay[ing] all asbestos matters related to IR and Trane” and the timing of the “sub bankruptcy.”

f. Ms. Roeder emailed others stating that she “hit the data/information jackpot” when locating the website containing the *Bestwall* chapter 11 case filings. Ms. Roeder also circulated standard bankruptcy forms to other Project Omega team members that would have to be completed and filed after the chapter 11 filings.

g. Long before the Petition Date, Project Omega team members explicitly discussed plans to merge the Debtors’ operating subsidiaries, 200 Park and

ClimateLabs, back into New TTC and New Trane after the Debtors' bankruptcies concluded.

68. Ultimately, the boards of Ingersoll-Rand and Old Trane determined to move forward with the Corporate Restructuring. This was effectuated between April 30, 2020 and May 1, 2020 through a series of transactions, discussed more fully below, including two divisional mergers purportedly in compliance with Chapter 10, Subchapter A of the Texas Business Organization Code—a key component of Project Omega that was needed to effectuate the bankruptcies. As set forth below, the divisional mergers solely intended to obtain a clean isolation of asbestos liabilities from assets and non-asbestos liabilities.

69. The entire purpose of the Corporate Restructuring and eventual bankruptcy filings was to reduce liabilities for the Trane Organization (including, among others, the Corporate Defendants) by staying all asbestos-related litigation and using estimation proceedings to obtain a final asbestos liability determination (which would be the obligation of two new entities—Aldrich and Murray—stripped of virtually all assets) for less than the tort system, at the expense of asbestos victims and their rights as they existed prior to the Corporate Restructuring. That final liability bill, in turn, would be the responsibility of the newly created entities—Aldrich and Murray—which would be virtually bereft of assets. At all relevant times, the purpose and intent of Project Omega was the splitting of the Ingersoll-Rand and Old Trane legal entities through the Corporate Restructuring so as to isolate the asbestos liabilities of the Trane Organization from its assets and to delay, eliminate, and/or reduce Ingersoll-Rand's and Old Trane's asbestos liability obligations to the detriment of the victims and their rights to recover on account of such claims.

III. IMPLEMENTING THE CORPORATE RESTRUCTURING

70. After months of planning in secret the Corporate Restructuring and the intended chapter 11 filings, Ingersoll-Rand and Old Trane—with the knowledge and under the direction of Defendants Trane plc, IRGH, Trane Inc., and the Individual Defendants—engaged in the planned series of transactions in the spring of 2020 to carry out Defendants’ scheme to isolate Ingersoll-Rand’s and Old Trane’s asbestos liabilities and delay indefinitely or eliminate entirely the process of dealing with asbestos claimants through the tort system. The transactions were intended to divide Ingersoll-Rand and Old Trane and establish two new entities saddled with all of their asbestos liabilities—the Debtors, Aldrich and Murray—and two other entities encompassing virtually all of their assets and non-asbestos liabilities—New TTC and New Trane.

A. The Ingersoll-Rand/Old TTC Divisional Merger

71. After months of planning the Corporate Restructuring, on March 26, 2020, Ingersoll-Rand reserved the corporate name “Aldrich Pump LLC” in North Carolina.

72. On April 30, 2020, Ingersoll-Rand’s then direct parent, Defendant IRGH, incorporated Defendant TT HoldCo in Delaware and contributed its stock in Ingersoll-Rand to TT HoldCo. The Certificate of Incorporation of TT HoldCo was signed by Mr. Turtz in his capacity as Senior Vice President, General Counsel and Secretary of IRGH.

73. Also on April 30, 2020, Defendant TT HoldCo, in turn, formed Trane Technologies Company LLC (“Old TTC”) as a Texas limited liability company. The Certificate of Formation of Old TTC was signed by Mr. Turtz in his capacity as President and Secretary of TT HoldCo.

74. The next day, May 1, 2020, at 9:00 a.m. (CT), Ingersoll-Rand, the holder of substantial asbestos liabilities, was merged into Old TTC, leaving Old TTC as the surviving entity. The Agreement and Plan of Merger and Certificates of Merger for New Jersey and Texas were

executed for both entities by Mr. Turtz in his capacity as Senior Vice President, General Counsel and Secretary of both Ingersoll-Rand and Old TTC. Old TTC thus became the successor by merger to Ingersoll-Rand.

75. That same day, May 1, 2020, at 10:00 a.m. (CT), Old TTC effected a divisional merger purportedly in compliance with Texas law, resulting in the dissolution of Old TTC and the formation of (i) Defendant New TTC and (ii) Aldrich as Texas limited liability companies wholly owned by Defendant TT HoldCo. The Plan of Divisional Merger, Certificate of Divisional Merger of Trane Technologies Company LLC, Certificates of Formation of Aldrich and New TTC, and other relevant documents were signed by Mr. Turtz in his capacity as Senior Vice President, General Counsel and Secretary of Trane Technologies Company LLC.

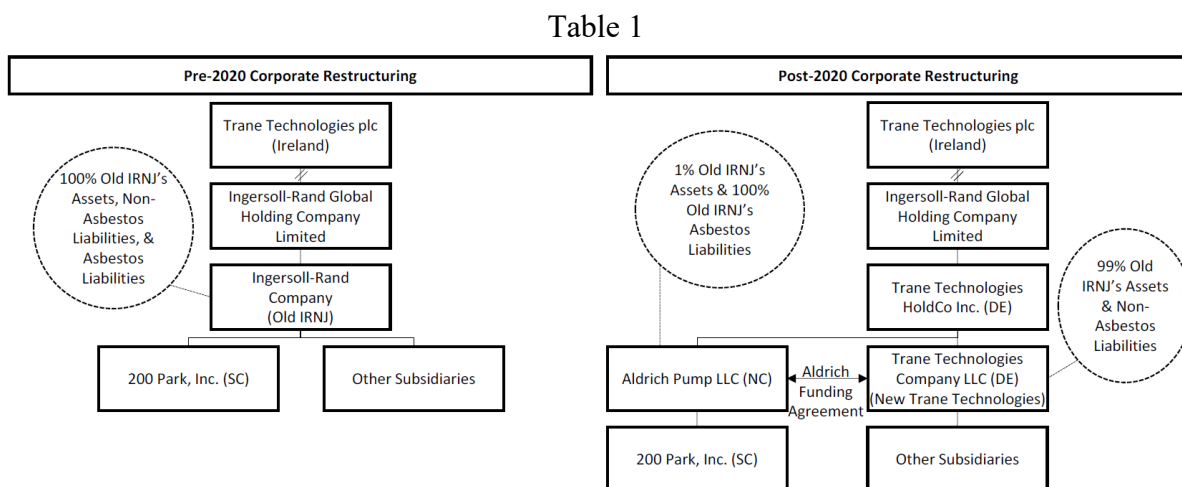
76. Under the Plan of Divisional Merger, New TTC received approximately 99% of Old TTC's assets, while the remaining 1% of the assets were allocated to Aldrich. Specifically, Aldrich received \$26.2 million in cash, all equity interests in a relatively small operating subsidiary known as 200 Park, Inc. ("200 Park"), and rights to Ingersoll-Rand's asbestos-related insurance coverage. No operating business was received by Aldrich apart from its equity interest in the 200 Park subsidiary.

77. Against these inadequate assets, the Corporate Restructuring purported to allocate all of Ingersoll-Rand's asbestos liabilities to Aldrich and also purported to obligate Aldrich to indemnify New TTC and all other non-debtor affiliates against, and hold them harmless from, "all Losses" related to those liabilities, including future losses due to asbestos liabilities of New Trane and its other non-debtor affiliates.

78. Later that same day, May 1, 2020, at 11:00 a.m. (CT), New TTC converted to a Delaware limited liability company, and Aldrich converted to a North Carolina limited liability

company. The necessary documents effectuating these conversions were signed by Defendants Mr. Turtz in his capacity as Senior Vice President, General Counsel, and Secretary of New TTC and Ms. Roeder in her capacity as Chief Financial Officer and Treasurer of Aldrich. As a result of these rapid corporate transactions, New TTC and Aldrich were Texas entities for less than 24 hours.

79. The following table summarizes the organizational structure before and after the Corporate Restructuring:



80. Since the completion of the Corporate Restructuring, New TTC, as part of the overall Trane Organization, has continued with the business operations once conducted by Ingersoll-Rand. New TTC also continues to pay its non-asbestos creditors in the ordinary course of business.

81. In contrast to New TTC, Aldrich does not have any employees or ongoing business operations and has few assets. As a result of the divisional merger, Aldrich was rendered insolvent, with no ability on its own to meet its existing liabilities to asbestos victims. Indeed, its only potentially relevant asset was an agreement, which is discussed below, in which New TTC agreed to pay Aldrich's liabilities under limited circumstances. In other words, Aldrich was created to

file for bankruptcy and yet remain entirely beholden to Defendants, who hold all the assets (and therefore all of the cards) with respect to any recovery for asbestos victims.

B. The Old Trane Divisional Merger

82. Following nearly the same process and timeline as the Ingersoll-Rand/Old TTC divisional merger outlined above, Old Trane also effectuated a divisional merger. Prior to the Corporate Restructuring, Old Trane reserved the corporate name “Murray Boiler LLC” in North Carolina. On April 30, 2020, Old Trane formed ClimateLabs LLC (“ClimateLabs”) as a North Carolina limited liability company and Defendant Murray Holdings as a Delaware limited liability company.

83. The Articles of Organization of Climate Labs and the Certificate of Formation of Murray Holdings were signed by Mr. Turtz in his capacity as Vice President and Secretary of Old Trane. In addition, Old Trane’s direct parent, Defendant Trane Inc., formed Defendant TUI Holdings as a Delaware corporation and contributed its stock in Old Trane to TUI Holdings. The Certificate of Incorporation of TUI Holdings and Stock Power contributing the stock of Old Trane to TUI Holdings were signed by Mr. Turtz in his capacity as Vice President and Secretary of Trane Inc.

84. The next day, May 1, 2020, at 9:00 a.m. (CT), Old Trane converted from a Delaware corporation to a Texas corporation. The necessary documents effectuating this conversion were signed by Mr. Turtz in his capacity as Vice President and Secretary of Old Trane. The same day, at 10:00 a.m. (CT), Old Trane effected a divisional merger purportedly in compliance with Texas law, resulting in the dissolution of Old Trane and the formation of (i) Defendant New Trane as a Texas corporation and (ii) Murray as a Texas limited liability company. The Plan of Divisional Merger, Certificate of Divisional Merger of Trane U.S. Inc.,

Certificates of Formation of Murray and New Trane, and other relevant documents were signed by Mr. Turtz in his capacity as Vice President and Secretary of Trane U.S. Inc. As a result, Murray became a wholly-owned subsidiary of Defendant Murray Holdings, which in turn is wholly owned by Defendant New Trane—a wholly-owned subsidiary of Defendant TUI Holdings.

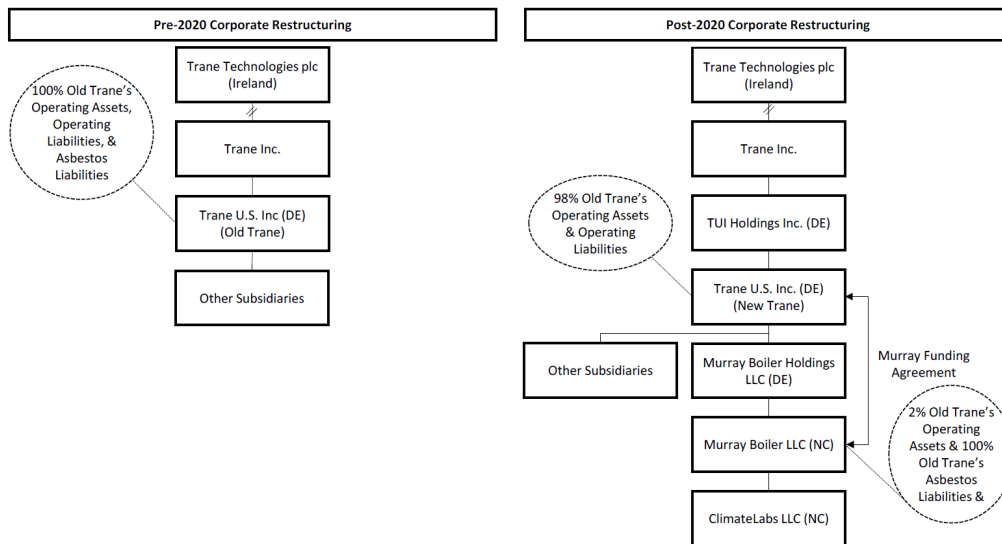
85. Under the plan of divisional merger, New Trane received approximately 98% of Old Trane’s assets, while the remaining 2% of the assets were allocated to Murray. Specifically, Murray received \$16.1 million in cash, all equity interests in ClimateLabs, and rights to Old Trane’s asbestos-related insurance coverage. No operating business was received by Murray apart from its ClimateLabs subsidiary.

86. Against these inadequate assets, the Corporate Restructuring purported to allocate all of Old Trane’s asbestos liabilities to Murray and also purported to obligate Murray to indemnify New Trane and all other non-debtor affiliates against, and hold them harmless from, “all Losses” related to those liabilities, including future losses due to asbestos liabilities of New Trane and its other non-debtor affiliates.

87. Later that same day, May 1, 2020, at 11:00 a.m. (CT), New Trane converted to a Delaware corporation, and Murray converted to a North Carolina limited liability company. The necessary documents effectuating these conversions were signed by Ms. Roeder in her capacity as Chief Financial Officer and Treasurer of Murray and Mr. Turtz in his capacity as President and Secretary of Murray Holdings and Vice President and Secretary of New Trane. As a result of these rapid corporate transactions, New Trane and Murray were Texas entities for less than 24 hours.

88. The following table summarizes the organizational structure before and after the Corporate Restructuring:

Table 2



89. Since the completion of the Corporate Restructuring, New Trane, as part of the overall Trane Organization, continued with the business operations once conducted by Old Trane. New Trane also continues to pay its (non-asbestos) creditors in the ordinary course of business.

90. In contrast to New Trane, Murray does not have any employees or ongoing business operations and has few assets. As a result of the divisional merger, Murray was rendered insolvent, with no ability on its own to meet its existing and future liabilities to asbestos victims. Indeed, its only potentially relevant asset was an agreement, which is discussed below, in which New Trane agreed to pay Murray’s liabilities under limited circumstances. In other words, Murray was created to file for bankruptcy and yet remain entirely beholden to Defendants, who hold all the assets (and therefore all of the cards) with respect to any recovery for asbestos victims.

91. Thus, as a result of the Ingersoll-Rand/Old TTC and Old Trane divisional mergers (collectively, the “Divisional Mergers”) summarized above, in a matter of hours and without notice to any of their asbestos creditors, Ingersoll-Rand and Old Trane separated virtually all of their business operations, assets, and employees from their asbestos liabilities, transferring those

liabilities to Debtors Aldrich and Murray. This enabled Ingersoll-Rand and Old Trane to achieve their goal of placing their asbestos liabilities in bankruptcy without the entire Trane Organization filing for chapter 11.

IV. INTERCOMPANY AGREEMENTS

92. As part of the implementation of the Corporate Restructuring, Debtors, New TTC, New Trane, and various non-debtor affiliates entered into several agreements, all of which were dated “as of” April 30, 2020, or May 1, 2020, the two days on which the Trane Organization executed the Divisional Mergers.

93. All of these agreements were between affiliated companies, and thus were not the result of any arm’s length negotiation over their terms. Indeed, Mr. Tananbaum, Chief Legal Officer and Secretary at Aldrich and Murray and a Finance Director-Information Technology & Legal at New TTC, has acknowledged that there were no arm’s length negotiations with respect to the agreements. In addition, individuals who authorized the execution of or signed the agreements—including Mr. Daudelin—have acknowledged that they had no understanding at the time of what they were signing.

94. Moreover, the agreements involving Aldrich and Murray were not even negotiated by them; rather, they were drafted by outside counsel to the Trane Organization (and now counsel to the Debtors) prior to the Corporate Restructuring and bankruptcies, belying any notion that Aldrich’s and Murray’s bankruptcies were merely an option considered by the prepetition Debtors; instead, Aldrich and Murray were always intended to be debtors as part of a pre-ordained essential component of Project Omega.

95. Mr. Turtz was directly involved in appointing the Debtors boards of managers. First in Texas, and subsequently in North Carolina, the Debtors’ boards of managers executed

unanimous consents to approve the intercompany agreements, including the Funding Agreements, the Support Agreements, and the Secondment Agreements (all defined below). These agreements were all previously drafted and approved without any real substantive amendments or modifications at the time the Debtors first executed them.

96. As explained further below, various Individual Defendants—namely, Defendants Daudelin, Turtz, Roeder, and Valdes—executed these agreements in their roles as officers and/or directors/managers of the relevant entities. In addition, a number of these Individual Defendants—namely, Defendants Lamach, Roeder, Valdes, Zafari, Dufour, Kuehn, Turtz, Kurland, and Daudelin—also executed various unanimous written consents approving the agreements and certain subsequent assignments of the agreements in their roles for the entities involved.

97. Taken together, the agreements make clear that Aldrich and Murray lack the basic characteristics of independent corporate entities and were created purely to enable the Trane Organization to eliminate or seek to reduce the corporate family’s obligations to present and future asbestos victims and hinder, delay, or defraud them of their ability to obtain recoveries on their claims.

98. The most relevant agreements are described below.

A. The Funding Agreements

99. There are two funding agreements at issue: (i) one entered into by New TTC (as payor) and Aldrich (as payee) (the “Aldrich Funding Agreement”); and (ii) one entered into by New Trane (as payor) and Murray (as payee) (the “Murray Funding Agreement,” and together with the Aldrich Funding Agreement, the “Funding Agreements”).

100. The Aldrich Funding Agreement was initially entered into on May 1, 2020 by Defendant TT HoldCo and Old TTC, with Old TTC (Trane Technologies Company LLC (TX)) as

the payee and TT HoldCo as the payor. The Aldrich Funding Agreement was executed for Old TTC by Mr. Daudelin (as Old TTC's Treasurer) and for TT HoldCo by Mr. Turtz (as TT HoldCo's President and Secretary). Immediately following the divisional merger, TT HoldCo assigned to New TTC, and New TTC assumed from TT HoldCo, the obligations as payor under the Aldrich Funding Agreement, such that the Aldrich Funding Agreement became an agreement between Aldrich, as payee, and New TTC, as payor. The Aldrich Assignment and Assumption Agreement was executed for TT HoldCo by Mr. Turtz (as TT HoldCo's President and Secretary), for New TTC by Mr. Daudelin (as New TTC's Treasurer), and for Aldrich by Ms. Roeder (as Aldrich's Chief Financial Officer and Treasurer). Also on May 1, 2020, following the Aldrich divisional merger, the Aldrich Funding Agreement was amended and restated to reflect the divisional merger, the post-divisional merger assignment, and New TTC's conversion from a Texas to a Delaware limited liability company and Aldrich's conversion from a Texas to a North Carolina limited liability company, and thus to reflect the names of the parties to the agreement at the conclusion of the Corporate Restructuring. The Amended and Restated Aldrich Funding Agreement was executed for New TTC by Mr. Daudelin (as New TTC's Treasurer) and for Aldrich by Ms. Roeder (as Aldrich's Chief Financial Officer and Treasurer). The Aldrich Funding Agreement was later amended and restated a second time as of June 15, 2020. Once again, the Second Amended and Restated Aldrich Funding Agreement was executed for New TTC by Mr. Daudelin (as New TTC's Treasurer) and for Aldrich by Ms. Roeder (as Aldrich's Chief Financial Officer and Treasurer). In addition, various Individual Defendants—including Messrs. Lamach, Roeder, Valdes, Zafari, Kuehn, Turtz, Kurland, and Daudelin—executed a number of unanimous written consents in lieu of board meetings approving the Aldrich Funding Agreement, its subsequent assignment, and its restatements and amendments on behalf of their respective entities.

101. The Murray Funding Agreement was initially entered into on May 1, 2020, by Defendant TUI Holdings and Old Trane, with Old Trane (Trane U.S. Inc. (TX)) as the payee and TUI Holdings as the payor. The Murray Funding Agreement was executed for Old Trane by Mr. Daudelin (as Old Trane's Treasurer) and for TUI Holdings by Mr. Turtz (as TUI Holdings' President and Secretary). Immediately following the divisional merger, TUI Holdings assigned to New Trane, and New Trane assumed from TUI Holdings, the obligations as payor under the Murray Funding Agreement, such that the Murray Funding Agreement became an agreement between Murray, as payee, and New Trane, as payor. The Murray Assignment and Assumption Agreement was executed for TUI Holdings by Mr. Turtz (as TUI Holdings' President and Secretary), for New Trane by Mr. Daudelin (as New Trane's Treasurer), and for Murray by Ms. Roeder (as Murray's Chief Financial Officer and Treasurer). Also on May 1, 2020, following the Murray divisional merger, the Murray Funding Agreement was amended and restated to reflect the divisional merger, the post-divisional merger assignment, and New Trane's conversion from a Texas to a Delaware corporation and Murray's conversion from a Texas to a North Carolina limited liability company, and thus to reflect the names of the parties to the agreement at the conclusion of the Corporate Restructuring. The Amended and Restated Murray Funding Agreement was executed for New Trane by Mr. Daudelin (as New Trane's Treasurer) and for Murray by Ms. Roeder (as Murray's Chief Financial Officer and Treasurer). The Murray Funding Agreement was later amended and restated a second time as of June 15, 2020. Once again, the Second Amended and Restated Murray Funding Agreement was executed for New Trane by Mr. Daudelin (as New Trane's Treasurer) and for Murray by Ms. Roeder (as Murray's Chief Financial Officer and Treasurer). In addition, various Individual Defendants—including Defendants Roeder, Valdes, Dufour, Turtz, Kurland, and Daudelin—executed a number of unanimous written consents in lieu

of board meetings approving the Murray Funding Agreement, its subsequent assignment, and its restatements and amendments on behalf of their respective entities.

102. The Funding Agreements provide, among other things, that New TTC and New Trane will transfer funds to Aldrich and Murray, respectively, to pay any “Permitted Funding Use.” The term “Permitted Funding Use” includes (i) the costs of administering the Debtors’ chapter 11 cases, (ii) amounts necessary to satisfy each Debtor’s “Asbestos Related Liabilities” in connection with funding a § 524(g) trust, and (iii) the Debtors’ indemnification obligations to New TTC, New Trane, and the other non-debtor affiliates under any agreement provided for in the plans of divisional mergers that governed the Divisional Mergers.

103. Under the Funding Agreements, New TTC and New Trane are obligated to pay the chapter 11 administrative expenses and Debtors’ indemnification obligations only if the cash distributions from 200 Park (in the case of Aldrich) or ClimateLabs (in the case of Murray) are insufficient to pay those expenses and obligations in full. In addition, New TTC and New Trane are each obligated to fund a § 524(g) trust only if their respective Debtor’s “other assets are insufficient to fund amounts necessary or appropriate to satisfy . . . Asbestos Related Liabilities in connection with the funding of such trust.”

104. The Funding Agreements¹³ are plagued by numerous flaws. First, the Funding Agreements are not unconditional promises to pay all of Aldrich’s and Murray’s asbestos liabilities. New TTC’s and New Trane’s obligations under their respective Funding Agreements

¹³ For clarity, the relevant Funding Agreements for purposes of this Complaint and Plaintiff’s claims are the Funding Agreements in effect at the time of the Corporate Restructuring, the May 1, 2020, Amended and Restated Funding Agreements. *See* DEBTORS_00003256 (Amended and Restated Funding Agreement between Trane Technologies Company LLC (DE) (New TTC) and Aldrich Pump LLC (NC), dated as of May 1, 2020); DEBTORS_00001582 (Amended and Restated Funding Agreement between Trane U.S. Inc. (New Trane) and Murray Boiler LLC, dated as of May 1, 2020).

do not extend to the other non-debtor affiliates that are beneficiaries of the Support Agreements, which are discussed below.

105. Second, the Funding Agreements were made between related parties—New TTC and Aldrich, and New Trane and Murray—and their terms were specifically dictated by Ingersoll-Rand and Old Trane in designing the agreements before Aldrich and Murray even existed (and, thus, Aldrich and Murray could not have had a say as to their terms). Asbestos victims were not consulted with regard to the terms of the Funding Agreements, nor did New TTC, New Trane, Aldrich, or Murray make any effort to negotiate the agreements given that as noted above, the companies did not exist when these “agreements” were first drafted.

106. Third, only the Debtors are permitted to enforce the terms of the Funding Agreements, notwithstanding the fact that their provisions were ostensibly intended to inure to the benefit of third-party asbestos victims. Given that all of Aldrich’s and Murray’s employees are seconded employees of New TTC, they are hardly likely to ever take any action contrary to New TTC’s and the other Defendants’ wishes, including enforcing the Funding Agreements on behalf of the Debtors against New TTC and New Trane.

107. Fourth, the Funding Agreements do not prevent New TTC and New Trane from layering on debt that would be senior in priority to their obligations to the Debtors under the Funding Agreements.

108. Fifth, nothing in the Funding Agreements requires New TTC and New Trane to provide financial statements to the Debtors that are audited or contain information at a level that provides details on account balances and material transactions (*e.g.*, footnotes to financial statements).

109. Sixth, New TTC and New Trane are not required to provide payments that “exceed the aggregate amount necessary” for the Debtors to fund all “Permitted Funding Uses,” thus giving New TTC and New Trane unfettered discretion to determine what is “necessary” and the ability to reduce payments if either disagrees with the use of funds.

110. Seventh, the Funding Agreements provide no dispute resolution mechanism if a funding request by a Debtor is denied.

111. Eighth, the Funding Agreements do not prevent New TTC and New Trane from engaging in additional divisional mergers, and they explicitly allow New TTC and New Trane to engage in consolidations and mergers, and to transfer “all or substantially all” of their assets, which would leave Aldrich and Murray (and their creditors) with no source of recovery under the Funding Agreements.

112. Ninth, there are no mechanisms in the Funding Agreements to ensure that New TTC and New Trane will have sufficient assets to perform under them.

113. Tenth, nothing in the Funding Agreements limits or prohibits dividends, or other distributions of value, by New TTC or New Trane to equity holders, potentially including their full value.

114. Eleventh, the Debtors’ rights under their respective Funding Agreements may not be assigned without the prior written consent of New TTC (in the case of the Aldrich Funding Agreement) or New Trane (in the case of the Murray Funding Agreement). Therefore, the Funding Agreements could not be assigned to a trust under a creditor plan and that plan could not be funded unless New TTC and/or New Trane approve of that plan.

115. Twelfth, and most importantly, the Funding Agreements require, as a precondition to funding a section 524(g) trust, that a confirmed chapter 11 plan provide New TTC or New Trane, as applicable, “with all the protections of section 524(g) of the Bankruptcy Code.”

116. And finally, the Funding Agreements have “Automatic Termination” provisions (added in the June 15, 2020 amendments and restatements) whereby New TTC’s and New Trane’s respective funding obligations automatically cease “on the effective date of a Section 524(g) Plan.” This means that the Funding Agreements could never serve as post-effective-date “evergreen” sources of funding that section 524(g) contemplates. The combination of this provision along with the anti-assignment provision and the provision requiring that a confirmed chapter 11 plan provide New TTC or New Trane with all the protections of section 524(g), impair, if not effectively disable, the Committee’s ability and right, once exclusivity expires or is terminated, to propose a competing section 524(g) plan that would rely on the Funding Agreements as part of the means of implementing such plan. In short, although the Funding Agreements may provide funding for a plan, they will do so only if New TTC and New Trane favor that plan, and that favor is dependent on these entities receiving permanent injunctive relief from the Aldrich and Murray asbestos claims—whether they are entitled to it or not.

117. As a result of the Corporate Restructuring, including the bankruptcies, asbestos creditors—who, prior to the Corporate Restructuring, would have the ability to enforce judgments against all of Ingersoll-Rand’s and Old Trane’s assets—were stripped of their ability to lay direct claim to New TTC’s and New Trane’s assets and were instead made dependent on the willingness of Aldrich’s and Murray’s conflicted personnel to press Aldrich’s and Murray’s rights under their respective Funding Agreement for the benefit of asbestos creditors and to the detriment of Aldrich’s and Murray’s corporate parents and related entities (including the Corporate

Defendants). Aldrich and Murray lack the ability on their own to pay asbestos claims for which they assumed responsibility as part of the Corporate Restructuring.

118. It is indisputable that, despite the limited, flawed, and contingent rights provided under the Funding Agreements, Aldrich and Murray were rendered insolvent as a result of the Corporate Restructuring. The Funding Agreements do not provide any funding for recoveries to asbestos claimants unless New TTC or New Trane agree to provide such funding and, of course, New TTC and/or New Trane control the beneficiaries of the Funding Agreements. The restrictions on transferability, conditions and limitation on funding and uncertainties of collectability together greatly diminish the supposed value of the Funding Agreements. As a result, the Funding Agreements are of little value to asbestos claimants, and Aldrich and Murray were rendered insolvent as a result of the Corporate Restructuring. Moreover, because the Funding Agreements at best provide recoveries for expenses related to Aldrich's and Murray's bankruptcies and, under the limited circumstances set forth herein, for asbestos victims, the Funding Agreements do not provide Aldrich and Murray with reasonably equivalent value to the obligations that were allocated to and assumed by Aldrich and Murray in the Corporate Restructuring.

B. The Support Agreements

119. As part of the divisional mergers, the Debtors and New TTC and New Trane entered into: (i) the Divisional Merger Support Agreement between New TTC and Aldrich (the "Aldrich Support Agreement"); and (ii) the Divisional Merger Support Agreement between New Trane and Murray (the "Murray Support Agreement," and, together with the Aldrich Support Agreement, the "Support Agreements"). The Support Agreements were entered into as of May 1, 2020. The Aldrich Support Agreement was executed for New TTC by Mr. Daudelin (as New TTC's Treasurer) and for Aldrich by Ms. Roeder (as Aldrich's Chief Financial Officer and Treasurer).

The Murray Support Agreement was executed for New Trane by Mr. Daudelin (as New Trane’s Treasurer) and for Murray by Ms. Roeder (as Murray’s Chief Financial Officer and Treasurer). Later, on May 1, 2020, the Support Agreements were subsequently amended and restated following Aldrich’s and Murray’s conversions to North Carolina limited liability companies and New TTC’s and New Trane’s conversions to Delaware limited liability companies. Once again, the amended and restated Support Agreements were executed by Mr. Daudelin (for New TTC and New Trane) and Ms. Roeder (for Aldrich and Murray).

120. Among other things, the Aldrich Support Agreement requires Aldrich to “indemnify and hold harmless [New] TTC *and each of its affiliates* (each of which is an express third party beneficiary . . .) from and against” all asbestos-related “Losses” and “Proceedings” to which New TTC and its affiliates “may become subject.”¹⁴

121. The Murray Support Agreement has a nearly identical provision requiring it to indemnify and hold harmless New Trane “*and each of its affiliates*” from and against all asbestos-related “Losses” and “Proceedings” to which New Trane and its affiliates “may become subject.”¹⁵

122. Having been assigned all of Ingersoll-Rand’s asbestos liabilities through the Corporate Restructuring and only 1% of all assets of Ingersoll-Rand, Aldrich has no independent ability to honor its indemnification obligations to New TTC.

123. Similarly, having been assigned all of Old Trane’s asbestos liabilities through the Corporate Restructuring and only 2% of all assets of Old Trane, Murray has no independent ability to honor its indemnification obligations to New Trane.

¹⁴ Aldrich Support Agreement § 3 (emphasis added).

¹⁵ Murray Support Agreement § 3 (emphasis added).

124. Entry into the Support Agreements combined with having been allocated all of Defendants' pending asbestos claims immediately rendered Aldrich and Murray insolvent. As set forth above, among other things, the Funding Agreements provide funding to Aldrich and Murray for these asbestos liabilities only if there is a section 524(g) plan that provides all Trane Organization entities with protection from all asbestos liabilities. As a result, the Funding Agreements do not come close to satisfying the liabilities assumed by Aldrich and Murray.

125. Making matters worse, these payments could be funded with money borrowed from the new sibling (in the case of Aldrich) or parent (in the case of Murray). If the cash distributions from 200 Park are insufficient to allow Aldrich to pay its indemnification obligations to New TTC and its affiliates, the Aldrich Funding Agreement provides that New TTC will provide the funds to Aldrich so that Aldrich, in turn, may indemnify New TTC or any other affiliate. A substantially similar provision is contained in the Murray Funding Agreement that enables Murray, in the event of insufficient cash distributions from ClimateLabs, to receive funding from New Trane so that Murray may, in turn, indemnify New Trane and any other affiliate. In other words, the Support Agreements' indemnity provisions, when coupled with the Funding Agreements, create, at best, a potential circular transfer of funds between the Debtors and New TTC/New Trane.

C. The Secondment Agreements

126. Intending that Aldrich and Murray would have no employees of their own, Ingersoll-Rand and Old Trane created a "Secondment Agreement" among the as yet to be formed Aldrich, Murray, and New TTC. The Secondment Agreement was entered into as of May 1, 2020 among New TTC, Aldrich, and Murray, and was executed for Defendant New TTC by Mr. Daudelin (as New TTC's Treasurer), for Aldrich by Ms. Roeder (as Aldrich's Chief Financial Officer and Treasurer), and for Murray by Mr. Valdes (as Murray's President). As with other

intercompany agreements, the Secondment Agreement was subsequently amended and restated to reflect New TTC's conversion from a Texas to Delaware limited liability company and Aldrich's and Murray's conversion from Texas to North Carolina limited liability companies. The amended and restated Secondment Agreement was once again executed by the same Individual Defendants—Mr. Daudelin, Ms. Roeder, and Mr. Valdes—for their respective entities.

127. Pursuant to the Secondment Agreement, three of New TTC's employees (all attorneys) would be "loaned," or seconded, to the Debtors to work as employees. With the retirement of one of the seconded attorneys (Phyllis Morey), the number of seconded employees was reduced to two: Mr. Tananbaum, the Debtors' chief legal officer, and Robert H. Sands, an in-house attorney.

V. THE DIVISIONAL MERGERS AND THE INTERCOMPANY AGREEMENTS VIOLATED APPLICABLE LAW

128. The Corporate Restructuring and the various agreements described above that were executed in connection with the Corporate Restructuring violated applicable law including, without limitation, applicable fraudulent transfer laws and provisions of the Texas Business Organizations Code (the "TBOC"). Under the TBOC, a plan of divisional merger must include "the manner and basis of allocating each liability and obligation of each organization that is a party to the merger . . . among one or more of the surviving or new organizations." TBOC § 10.0001. When the divisional merger takes effect "all liabilities and obligations of each organization that is a party to the merger are allocated to one or more of the surviving or new organizations in the manner provided by the plan of merger." *Id.* § 10.008(a). Although Texas law allows for the allocation of liabilities to the surviving entities, such allocation cannot "abridge any right or rights of any creditor under existing laws." *Id.* § 10.901.

129. Because the plans of divisional merger and the various intercompany agreements described above have a material adverse effect on the rights of asbestos victims as creditors, the Divisional Mergers and the various intercompany agreements entered into in connection with the Divisional Mergers are in violation of TBOC § 10.901. The Texas divisional merger statute does not enable an entity to abridge rights against the predecessor entity, which in this case is Ingersoll-Rand/Old TTC and Old Trane. In addition, the Texas divisional merger statute does not permit New TTC and New Trane to divest themselves of their obligations to asbestos victims.

130. Prior to the Corporate Restructuring, Ingersoll-Rand/Old TTC and Old Trane and their affiliated entities were defendants in many thousands of asbestos-related actions and used the assets available at Ingersoll-Rand/Old TTC and Old Trane to pay obligations arising out of those actions as and when such debts came due. However, beginning in 2019 and continuing into the spring of 2020, Defendants conceived of and implemented the Corporate Restructuring, which contemplated and eventually resulted in the bankruptcy filings of two entities with only limited assets and to which all existing and future asbestos-related claims against Ingersoll-Rand/Old TTC and Old Trane had been assigned. The purpose of these corporate machinations was to curtail the rights of existing and future asbestos claimants to directly pursue and recover the full extent of their claims. The transfers occurring as a result of the Corporate Restructuring were effectuated by and among insiders, including Defendants, among others.

131. The Corporate Restructuring was purportedly effectuated pursuant to the Divisional Mergers under the TBOC. However, Divisional Mergers cannot “abridge any right or rights of any creditor under existing laws.” TBOC § 10.901. In this manner, the Corporate Restructuring and resulting Aldrich and Murray bankruptcies abridged the rights of Ingersoll-Rand/Old TTC’s and Old Trane’s asbestos claimants, thereby violating TBOC § 10.901.

VI. POST-CORPORATE RESTRUCTURING RUN-UP TO CHAPTER 11 FILING

A. Trane Organization Insiders Associated with the Debtors

132. The conflicts and lack of a fair process by Aldrich's and Murray's "independent" managers tainted the Corporate Restructuring and Aldrich's and Murray's decisions to file bankruptcies, all of which were not entirely fair to Aldrich and Murray and their creditors.

133. Following the completion of the two Divisional Mergers, the Debtors' officers and boards of managers ensured that Aldrich and Murray would complete the scheme embarked on by the Trane Organization and file for bankruptcy. To ensure that the scheme was completed, current and former executives and employees within the Trane Organization were hand-selected and strategically positioned by Trane plc's senior leadership (including Mr. Turtz) to hold board and/or officer positions with the Debtors, while maintaining their high-level positions within the Trane Organization. In addition, upon information and belief, these individuals are compensated by these non-debtor affiliate entities, and, upon information and belief, have been and will continue to be compensated by these non-debtor affiliated entities. These very same individuals were also intimately involved with Project Omega and continued to attend Project Omega meetings notwithstanding their appointed roles with the Debtors, and thus ensured that Aldrich and Murray would complete the scheme embarked on by the Trane Organization and file for bankruptcy.

134. For example, Aldrich's Board of Managers (the "Aldrich Board") consists of Individual Defendants Manlio Valdes (who also serves as President of the Debtors and is also a director and President of 200 Park and Climate Labs, and Vice President Project Management, The Americas, Trane Commercial HVAC, at New TTC), Amy Roeder (who also serves as Chief Financial Officer and Treasurer of the Debtors; is a director and Chief Financial Officer of the Debtors' subsidiaries, 200 Park and ClimateLabs; and is also the Finance-Director—Information

Technology & Legal at New TTC and at New Trane), and Robert Zafari. Murray's Board of Managers (the "Murray Board" and, together with the Aldrich Board, the "Debtor Boards") consists of Individual Defendants Valdes, Roeder, and Marc Dufour. As noted above, Individual Defendants Roeder and Valdes are employed by non-debtor affiliates within the Trane Organization. Although neither Mr. Zafari nor Mr. Dufour is currently employed by an entity within the Trane Organization, each is a retired employee of an entity within the Trane Organization.

135. In addition, for both Debtors, Mr. Tananbaum serves as Chief Legal Officer and Secretary (while also serving as Deputy General Counsel-Product Litigation at New TTC), and Mr. Pittard serves as Vice President and Chief Restructuring Officer (while also serving as Transformation Office Leader at Trane plc). Moreover, in addition to being an in-house attorney seconded to the Debtors, Mr. Sands holds the position of associate general counsel for product litigation at New TTC.

136. Aldrich and Murray board meetings to authorize the filing of Aldrich's and Murray's bankruptcies were attended by Ingersoll-Rand's and Old Trane's outside counsel, which is now Aldrich's and Murray's bankruptcy counsel, and officers wearing multiple, conflicting hats for both the Debtors and other entities within the Trane Organization, including Defendants Tananbaum, Pittard, Turtz, and Brown, among others.

137. Most if not all of these individuals were aware of and involved in Project Omega from the outset. For example, Ms. Roeder was involved in and very knowledgeable about Project Omega from at or near its inception—indeed, she gave Project Omega its name—and attended Project Omega meetings since July 2019. Similarly, Mr. Valdes was actively involved with Project Omega and received confidential project updates as early as December 2019, and was selected to

work for the Debtors because of his high position within the Trane Organization. Mr. Tananbaum was involved in Project Omega meetings and project planning as early as July 2019. Similarly, Mr. Pittard can also be traced to early Project Omega planning.

138. In addition, the Debtors continue to receive various corporate services (and the services of their other officers) through services agreements with New TTC.

B. The Eventual Filings of Aldrich's and Murray's Bankruptcy Petitions Were the Only Reasons Ingersoll-Rand/Old TTC and Old Trane Engaged in the Corporate Restructuring and Were an Integral Part of the Scheme to Hinder, Delay, and Defraud Asbestos Creditors

139. Aldrich's and Murray's filings of bankruptcy petitions were an integral part of Defendants' scheme to hinder, delay, or defraud asbestos creditors and curtail their rights to recover on the full extent of their claims, and actions taken in breach of the fiduciary duties owed to an insolvent Aldrich and Murray and/or their creditors and, thus, the estates, and were not entirely fair. The Corporate Restructuring was specifically designed and implemented to effectuate bankruptcy filings that would solely impact holders of asbestos-related personal injury claims caused by exposure to Ingersoll-Rand's and Old Trane's asbestos-containing products without necessitating the filing of the entire Trane Organization, thereby attempting to shield the assets apportioned to New TTC and New Trane from asbestos creditors while not subjecting those assets, or the claims of any other creditors of the go-forward Trane Organization, to Bankruptcy Court oversight.

140. The Debtor Boards did not make independent, good-faith decisions to file the Debtors' bankruptcy petitions; instead, in complete abdication of the Individual Defendants' fiduciary duties owed to an insolvent Aldrich and Murray and/or their asbestos creditors, it was the determination of Defendants that provided clear directive and instruction to effectuate the Corporate Restructuring and file the bankruptcy petitions.

141. The intended purpose of the bankruptcies was and is to deprive claimants of their rights to due process and a jury trial, and attempt to reduce or eliminate the Trane Organization's liability to untold numbers of current and future asbestos personal injury claimants. Defendants intended to use the bankruptcy process to hinder and delay recoveries to asbestos creditors and abridge their rights to recover on the full extent of their claims.

142. In the 49 days between their formation on May 1, 2020 and their chapter 11 filings on June 18, 2020, the Debtor Boards comprised of the Individual Defendants met nine times (five joint meetings and two separate meetings for each board), purportedly to consider "options" to address the asbestos liabilities.

143. As with the Project Omega meetings prior to the Corporate Restructuring, lawyers attended and drove the deliberations of each Debtor's board of managers. Mr. Tananbaum, the Debtors' chief legal officer, chaired all board meetings even though he was not formally a member of either board. Board meetings were also attended by other in-house attorneys as well as outside counsel. Mr. Turtz (counsel for Defendant Trane plc), along with an in-house lawyer, Ms. Sara Brown, also participated in every meeting held by the Debtor Boards acting as resources in the room. The minutes of the board meetings were initially drafted by outside counsel and then reviewed and edited, when necessary, by Mr. Tananbaum. As with the Project Omega meetings, the extensive presence of counsel at board meetings has given the Debtors a platform for cloaking their board "deliberations" under a veil of privilege.

144. Defendants maintain that the central issue facing the Debtor Boards was determining how best to address the Debtors' asbestos liabilities, including both the tens of thousands of pending claims against the companies and the future claims expected to be filed over the next three decades or more. As such, Defendants claim that, starting with their joint meeting

on May 15, 2020, the Debtor Boards were presented with and proceeded to consider four “options” to address these asbestos liabilities:

- i) “Status quo” approach where Aldrich and Murray would continue to defend the Aldrich and Murray asbestos claims in the tort system;
- ii) “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 Aldrich and Murray asbestos claims; and
- iv) Chapter 11 bankruptcy filings by Aldrich and Murray with the goal of establishing and funding a section 524(g) trust.

145. Although Defendants claim that, over the course of several meetings, the Debtor Boards evaluated these four options and independently reached a decision to file the bankruptcy petitions only on the evening of June 17, 2020, the night before the Debtors filed for bankruptcy, these claims are entirely unsupported by evidence, which makes clear that bankruptcy was always the only option and thus a foregone conclusion.

146. For example, Mr. Turtz has stated that he was not aware of any Project Omega “workflow stream document” pertaining to any non-bankruptcy “options.”

147. Project Omega team members expected and planned for a long-term bankruptcy prior to the Corporate Restructuring, one which they estimated would last for five or more years. Ms. Roeder circulated to other Project Omega team members standard bankruptcy forms that would have to be completed and filed after the chapter 11 filings. And long before the Petition Date, Project Omega team members—including Messrs. Kuehn and Regnery—explicitly

discussed plans to merge the Debtors' operating subsidiaries, 200 Park and ClimateLabs, back into New TTC and New Trane after the Debtors' bankruptcies concluded.

148. The Aldrich and Murray board meeting minutes similarly display—in breach of the fiduciary duties owed by the Individual Defendants to an insolvent Aldrich and Murray and/or their creditors—serious consideration only of bankruptcy, with all affirmative steps leading to the Debtors' eventual chapter 11 filings. Indeed, the minutes of the Aldrich and Murray board meetings were used as a means of “creating” a “record” that the four options had been duly considered.

149. For example, during the May 15, 2020, joint meeting of the Debtor Boards, “Mr. Tananbaum reviewed options available to the [Debtors] with respect to the resolution of current and future asbestos claims,” with a special emphasis on “section 524(g) of Bankruptcy Code [*sic*].”¹⁶ By that date, Mr. Tananbaum had already made up his mind that he preferred bankruptcy over the other alleged alternatives.

150. A week later, at the May 22, 2020, joint meeting of the Debtor Boards, Mr. Tananbaum and other lawyers (including Mr. Turtz) led a discussion regarding the “mechanics and limitations” of the non-bankruptcy options.¹⁷

151. Mr. Valdes, a member of both boards, has admitted that after the May 29, 2020, joint meeting of the Debtor Boards he thought it was “a probability” that the Trane entities would end up paying less to asbestos claimants in bankruptcy.

¹⁶ May 15, 2020, Minutes of Joint Meeting of Boards of Managers at 4 (DEBTORS_00050787 at DEBTORS_00050790).

¹⁷ May 22, 2020, Minutes of Joint Meeting of Boards of Managers at 4 (DEBTORS_00050791 at DEBTORS_00050794).

152. On June 5, 2020, Mr. Tananbaum informed the Debtor Boards that, while they were not currently being asked to take any action, “he anticipated management of the [Debtors] would soon ask the Boards to authorize the [Debtors] to file chapter 11 bankruptcy and pursue final resolution of their current and future asbestos claims using 524(g) of the Bankruptcy Code.”¹⁸

153. On June 17, 2020, the Aldrich and Murray boards unanimously approved resolutions authorizing the Debtors to file chapter 11.

154. Thus, the Debtor Boards’ purported deliberations and resolutions fully support the conclusion that the Debtors’ bankruptcy filings were a foregone conclusion from the start of Project Omega and not independent decisions by the Debtor Boards after actual consideration of genuine alternative options. Indeed, on May 27, 2020, Rolf Paeper, a Project Omega member, asked why the bankruptcy filings had been delayed because the Trane entities were “pushing to do that in less than 30 [*sic*] days...”¹⁹ In response, Eric Hankins, another Project Omega member, wrote: “[W]e can’t push, it has to be an independent [Board] decision.”²⁰ Mr. Paeper replied, expressing his skepticism of each board’s independence by putting the word “independant” [*sic*] in scare quotes.²¹

155. On June 18, 2020, a mere 49 days after the Corporate Restructuring was implemented, the Debtors filed their respective chapter 11 petitions in the United States Bankruptcy Court for the Western District of North Carolina.

156. As of the Petition Date, more than 100,000 asbestos-related claims and associated lawsuits were pending on court dockets against Ingersoll-Rand, Old Trane, and their affiliates.

¹⁸ June 5, 2020, Minutes of Joint Meeting of Boards of Managers at 4 (DEBTORS_00050802 at DEBTORS_00050805).

¹⁹ TRANE_00007527 (May 27, 2020, electronic chat between E. Hankins and R. Paeper).

²⁰ TRANE_00007527 (May 27, 2020, electronic chat between E. Hankins and R. Paeper).

²¹ TRANE_00007527 (May 27, 2020, electronic chat between E. Hankins and R. Paeper).

Through the Corporate Restructuring, liability associated with such lawsuits has been purportedly transferred to the Debtors.

157. In sum, from the outset, the primary objective of the Corporate Restructuring was to allow the Corporate Defendants (and other entities within the Trane Organization other than Aldrich and Murray) to operate outside of bankruptcy while subjecting asbestos creditors to the stay imposed by section 362 of the Bankruptcy Code and a preliminary injunction that would deprive such creditors of any recovery unless or until they consent to a chapter 11 plan of reorganization that resolves Aldrich's and Murray's asbestos liabilities for a fraction of what the Trane Organization was paying outside of bankruptcy. Defendants were well aware of the *Garlock* asbestos estimation trial, and that a similar estimation had been sought in *Bestwall*, and their goal in directing, authorizing and engaging in the Corporate Restructuring and filing of chapter 11 bankruptcy petitions was to gain leverage against asbestos victims and their families. In addition, asbestos victims and their families would be subjected to the bankruptcy claims process and estimation, all as part of an effort to seek to reduce recoveries to a fraction of what they might recover if not for the bankruptcy. Meanwhile Defendants could continue to operate outside of bankruptcy and timely pay their non-asbestos creditors in the ordinary course.

158. Defendants' corporate transactions were part of an overall wrongful scheme intended to defraud asbestos victims and their families and curtail their rights to pursue and recover on their claims. The Corporate Restructuring and eventual bankruptcies of Aldrich and Murray had a material, negative effect on the ability of current and future asbestos claimants to recover on their claims. Among other things, the Corporate Restructuring and resulting bankruptcies were intended to eliminate and/or divest the Trane Organization of its obligations to asbestos claimants through the creation of Aldrich and Murray and allocation of all of the asbestos liabilities to those

entities without direct access to the assets of Ingersoll-Rand and Old Trane that were apportioned to New TTC and New Trane, respectively, in violation of applicable law including, without limitation, Section 10.901 of the TBOC and applicable state and federal fraudulent transfer laws.

159. In engaging in the Corporate Restructuring and authorizing the filing of the chapter 11 petitions, the Individual Defendants who serve or served as officers and managers of the Debtors²²—who held overlapping roles at other entities within the overall Trane Organization (which had interests adverse to those of Aldrich and Murray and their creditors) and thus were hopelessly conflicted—acted in breach of their fiduciary duties. By saddling Aldrich and Murray with hundreds of millions of dollars in asbestos liabilities and no meaningful assets, and attempting to reduce exponentially their asbestos liabilities by jamming them through the bankruptcy process, the Individual Defendants entirely abdicated their roles as corporate fiduciaries of an insolvent Aldrich and Murray, respectively, and/or their creditors. The Individual Defendants instead acted solely in the interests of Aldrich’s and Murray’s affiliates and parent companies (including the Corporate Defendants) to the detriment of Aldrich and Murray and their creditors.

160. The breaches of fiduciary duties committed by the Individual Defendants that serve or served as officers and managers of the Debtors were substantially aided and abetted by other entities within the Trane Organization (including the Corporate Defendants) and the officers and directors of these other entities (including the Individual Defendants).

161. Moreover, Defendants agreed and conspired on the multi-step scheme of the Corporate Restructuring, which was designed to fraudulently strip Ingersoll-Rand’s and Old Trane’s valuable assets from their significant asbestos liabilities and place the entities laden with those asbestos liabilities, Aldrich and Murray, into bankruptcy in order to fraudulently reduce or

²² See, *supra*, n.10.

delay payment of the Trane Organization's obligations to asbestos victims, delay any payments to be made to asbestos victims as a result of those liabilities, and resolve the asbestos liabilities for less than what would result from continuing to litigate asbestos claims in the tort system. By doing so, Defendants intended to benefit the Trane Organization at the expense of its asbestos creditors. Defendants agreed and conspired to commit unlawful acts, including to fraudulently separate Ingersoll-Rand's and Old Trane's assets from their asbestos liabilities, breach fiduciary duties owed to an insolvent Aldrich and Murray and/or their creditors, and otherwise defraud Aldrich's and Murray's creditors. Defendants knowingly and intentionally participated in the scheme.

COUNT I
Breach of Fiduciary Duty
(Against Defendants Valdes, Roeder, Zafari, Dufour, Tananbaum, and Pittard)

162. Plaintiff repeats and incorporates the allegations set forth in this Complaint as though fully set forth herein.

163. Defendants Valdes, Roeder, Zafari, Tananbaum, and Pittard (referred to herein as the "Aldrich Individual Defendants") are all officers and/or managers of Aldrich.

164. Defendants Valdes, Roeder, Dufour, Tananbaum, and Pittard (referred to herein as the "Murray Individual Defendants") are all officers and/or managers of Murray.

165. As Aldrich's officers and managers, Defendants Valdes, Roeder, Zafari, Tananbaum, and Pittard each owed fiduciary duties to Aldrich and/or, for the reasons set forth below, its creditors, including the highest obligation of care, loyalty, and good faith in managing and administering Aldrich's affairs and the interests of Aldrich's creditors.

166. As Murray's officers and managers, Defendants Valdes, Roeder, Dufour, Tananbaum, and Pittard each owed fiduciary duties to Murray and/or, for the reasons set forth

below, its creditors, including the highest obligation of care, loyalty, and good faith in managing and administering Murray's affairs and the interests of Murray's creditors.

167. Aldrich and Murray were rendered insolvent as a result of the Corporate Restructuring. Because Aldrich and Murray were insolvent or were rendered insolvent by the Corporate Restructuring, fiduciary duties to Aldrich and Murray from the Aldrich Individual Defendants and the Murray Individual Defendants (respectively) run to the benefit of Aldrich's and Murray's creditors—the asbestos claimants. Once—as here—a director's fiduciary duties to creditors arise, a director is generally prohibited from taking advantage of his or her intimate knowledge of the corporate affairs and his or her position of trust for his or her own benefit and to the detriment of the creditors to whom he or she owes the duties, and the director must treat all creditors of the same class equally by making any payments to such creditors on a pro rata basis.

168. As fiduciaries to an insolvent Aldrich and Murray and/or their creditors, the Aldrich Individual Defendants and the Murray Individual Defendants were required to consider the interests of Aldrich's and Murray's creditors and treat the asbestos claimants equally to the interests of Aldrich's and Murray's parents and affiliates and not to engage in conduct that benefited Aldrich's and Murray's parents and affiliates to the detriment of Aldrich and Murray and their creditors. As set forth below and throughout this Complaint, the Aldrich Individual Defendants and the Murray Individual Defendants failed to do just that and, thus, breached their fiduciary duties.

169. The duty of care required the Aldrich Individual Defendants and the Murray Individual Defendants to apprise themselves of all information relevant to their decisions and to carefully and critically consider that information. As set forth below and throughout this Complaint—including, particularly and without limitation, by failing to carefully or critically

consider the information provided, instead making choices to benefit solely other entities within the Trane Organization to the detriment of Aldrich and Murray and their creditors—the Individual Defendants failed to uphold their duty of care and thus breached their duty of care.

170. The duty of loyalty required the Aldrich Individual Defendants and the Murray Individual Defendants to act with undivided and unselfish loyalty to the corporation and/or—given Aldrich’s and Murray’s insolvencies—its creditors, and to exercise proper oversight and avoid self-dealing transactions with respect to an insolvent Aldrich and Murray, unless those transactions met the standard of entire fairness. As set forth below and throughout this Complaint, the Aldrich Individual Defendants and Murray Individual Defendants failed to do so and thus breached their duty of loyalty.

171. A director or officer acts in breach of the duty of good faith where the fiduciary (i) intentionally acts with a purpose other than that of advancing the best interests of the corporation or, in this case, the insolvent corporation’s creditors; (ii) acts with the intent to violate applicable positive law; or (iii) intentionally fails to act in the face of a known duty to act, demonstrating a conscious disregard for his or her duties. As set forth below and throughout this Complaint, the Aldrich Individual Defendants and the Murray Individual Defendants breached their duty of good faith.

172. Prior to the Corporate Restructuring, Ingersoll-Rand and Old Trane and their affiliated entities were defendants in many thousands of asbestos-related actions, and paid any obligations owed to asbestos claimants as and when such debts came due directly from the assets of Ingersoll-Rand and Old Trane. However, Defendants implemented the Corporate Restructuring and filed bankruptcy petitions for Aldrich and Murray, the entities assigned all of Ingersoll-Rand’s and Old Trane’s, respectively, asbestos liabilities. Aldrich and Murray have only limited assets

for the purpose of curtailing the rights of existing and future asbestos claimants to pursue and recover on the full amount of their claims. The transfers occurring as a result of the Corporate Restructuring were effectuated by and among insiders, namely, Defendants, among others.

173. The Corporate Restructuring was purportedly effectuated pursuant to the two Divisional Mergers under the TBOC. The TBOC provides, however, that the TBOC, and therefore any merger effectuated thereunder, “does not . . . abridge any right or rights of any creditor under existing laws.” TBOC § 10.901.

174. As set forth herein, among other things, Defendants abridged the rights of Ingersoll-Rand’s and Old Trane’s asbestos claimants by eliminating and/or divesting the Trane Organization of its asbestos obligations through the creation of Aldrich and Murray and allocation of all of the asbestos liabilities of Ingersoll-Rand and Old Trane and their affiliates to Aldrich and Murray. Thus, the Corporate Restructuring and resulting Aldrich and Murray bankruptcies abridged the rights of Ingersoll-Rand’s and Old Trane’s asbestos claimants, thereby violating TBOC § 10.901.

175. Moreover, while serving as officers and/or managers of Aldrich and/or Murray, the Aldrich Individual Defendants and Murray Individual Defendants also simultaneously held positions at other entities within the Trane Organization and thus had interests which conflicted with those of Aldrich and Murray and/or their creditors. As a result of the Aldrich Individual Defendants’ and the Murray Individual Defendants’ dual and sometimes multiple roles at other entities within the Trane Organization and their involvement in Project Omega since its inception, the Aldrich Individual Defendants and the Murray Individual Defendants were hopelessly conflicted and unable to fairly, independently, and adequately consider the interests of Aldrich’s and Murray’s creditors. As such, each of the Aldrich Individual Defendants and Murray Individual Defendants, in breach of their fiduciary duties of care, loyalty, and good faith owed to an insolvent

Aldrich and/or Murray and/or their creditors, respectively, abdicated their roles as corporate fiduciaries to Aldrich's and Murray's creditors and instead acted solely in the interest of Aldrich's and Murray's affiliates and parent companies, including the Corporate Defendants. Indeed, the very agreements that Aldrich and Murray entered into in connection with the Corporate Restructuring—approved and executed for Aldrich and Murray by several of the Aldrich Individual Defendants and Murray Individual Defendants—were between insiders, lacked any meaningful negotiation, and were driven by the upper management of Aldrich's and Murray's parent companies for the benefit of other entities within the Trane Organization, including the Corporate Defendants, and to the detriment of Aldrich's and Murray's creditors. In addition, in a December 4, 2019 email—before the Divisional Mergers and bankruptcies—addressed to Mr. Valdes, Mr. Paeper expressed skepticism of the Debtor Boards' independence, writing that “Trane maintains equity ownership and control of the board of the bankrupt and operating entities.”²³ The Aldrich Individual Defendants and Murray Individual Defendants thus breached the fiduciary duties owed to Aldrich's and Murray's creditors, respectively when they participated in the Corporate Restructuring and ultimately authorized Aldrich's and Murray's bankruptcies, without genuinely considering any other options, to the detriment of Aldrich and Murray and/or their creditors and to the benefit of Aldrich's and Murray's affiliates and parents, including the Corporate Defendants.

176. More specifically, the Aldrich Individual Defendants and Murray Individual Defendants abdicated and disregarded their roles as corporate fiduciaries of Aldrich and/or Murray, respectively, and/or their creditors and instead acted solely in the interests of Aldrich's

²³ Dec. 4, 2019 email from R. Paeper to M. Valdes (cc: D. Simmons, L. Knapp) re: “Omega Update – Confidential (TRANE_00006711) (emphasis in original).”

and Murray's affiliates and parent companies (including the Corporate Defendants) by, among other things:

a. Putting the interests of the Corporate Defendants above the interests of Aldrich's and Murray's creditors.

b. Entering into the intercompany agreements discussed above that primarily benefit Aldrich's and Murray's affiliates and not Aldrich's and Murray's creditors without engaging in any arm's length negotiations. In fact, at the time these agreements were drafted, Aldrich and Murray did not exist. The intercompany agreements are not arm's length contracts. They were "negotiated" by Old TTC and TT HoldCo (with respect to Aldrich) and Old Trane and TUI Holdings (with respect to Murray) for application to companies that did not exist at the time the agreements were "negotiated." As these intercompany agreements were all negotiated before Aldrich and Murray even existed, it is impossible that the Aldrich Individual Defendants and Murray Individual Defendants (most of whom at the time also held positions at other entities within the Trane Organization) sought to consider the interests of Aldrich's and Murray's creditors, respectively.

c. Requiring Aldrich and Murray, through the Support Agreements, to indemnify New TTC "and each of its affiliates" (in the case of Aldrich) and New Trane "and each of its affiliates" (in the case of Murray) and hold them harmless against all asbestos-related "Losses" or "Proceedings" to which New TTC and its affiliates (in the case of Aldrich) and New Trane and its affiliates (in the case of Murray) "may become subject."²⁴ Incongruously, Aldrich, which received all of Ingersoll-Rand's asbestos liabilities and few of its assets, is charged with protecting its sister company that inherited almost all of Ingersoll-Rand's assets, its operations and

²⁴ Aldrich Agreement § 3; Murray Support Agreement § 3.

its employees, from Ingersoll-Rand's asbestos liabilities. Similarly, Murray, which received all of Old Trane's asbestos liabilities and few of its assets, is charged with protecting its parent company that inherited almost all of Old Trane's assets, its operations and its employees, from Old Trane's asbestos liabilities.

d. Despite holding several meetings of Aldrich's and Murray's boards of managers where the Debtor Boards purportedly reviewed "potential strategic options for addressing current and future asbestos claims,"²⁵ making no real effort to evaluate other possible options that might respect the interests of Aldrich's and Murray's creditors and by approving the bankruptcy filings without having the benefit of independent financial and legal advice on behalf of Aldrich and Murray, as bankruptcy filings by Aldrich and Murray were always the only option realistically considered and the sole reason for the Corporate Restructuring.

e. Failing to exercise independent judgment in reaching the decision to file bankruptcy petitions for Aldrich and Murray and instead simply rubber-stamping those decisions made by the Trane Organization following board meetings that were nothing more than mere formalities, thus embarking on a course intended to harm Aldrich's and Murray's asbestos creditors by obtaining final asbestos liability bills that would be far less than what would have been owed outside of bankruptcy.

f. Approving self-dealing Corporate Restructuring transactions and approving the bankruptcies of Aldrich and Murray to gain leverage over Aldrich's and Murray's creditors. As a result, the Corporate Restructuring was not entirely fair to Aldrich and Murray and their creditors.

²⁵ See, e.g., May 15, 2020, Minutes of Joint Meeting of Boards of Managers at 2 (DEBTORS_00050787).

177. The Aldrich Individual Defendants and the Murray Individual Defendants not only lacked independence but acted with gross negligence, with malice, with reckless indifference, and/or in bad faith, and thus engaged in willful and wanton conduct when they entered into the Corporate Restructuring and related intercompany agreements and ultimately authorized Aldrich's and Murray's bankruptcies in breach of their fiduciary duties owed to an insolvent Aldrich and Murray and/or their creditors.

178. The conduct of the Aldrich Individual Defendants and the Murray Individual Defendants in engaging in the Corporate Restructuring, entering into the intercompany agreements, and saddling Aldrich with Ingersoll-Rands's asbestos liabilities and Murray with Old Trane's asbestos liabilities cannot be attributed to any rational business purpose as to Aldrich and Murray and/or Aldrich's and Murray's creditors.

179. The Aldrich Individual Defendants and Murray Individual Defendants consciously and/or recklessly disregarded the fact that they were acting in a manner adverse to the interests of Aldrich's and Murray's creditors, respectively.

180. The conduct of the Aldrich Individual Defendants and the Murray Individual Defendants summarized above, among others, constituted breaches of their fiduciary duties, including but not limited to their duties of loyalty, care, and good faith, and was not entirely fair.

181. As a direct and proximate result of the Aldrich Individual Defendants' and Murray Individual Defendants' breaches of their fiduciary duties to Aldrich and Murray, respectively, Aldrich, Murray and/or their creditors suffered significant damages in an amount to be proven at trial.

COUNT II

**Aiding and Abetting and/or Knowing Participation in Breach of Fiduciary Duty
(Against Defendants Trane plc, IRGH, TT HoldCo, New TTC, Trane Inc., TUI
Holdings, New Trane, Murray Holdings, Brown, Daudelin, Howlett, Kuehn,
Lamach, Regnery, and Turtz)**

182. Plaintiff repeats and incorporates the allegations set forth in this Complaint as though fully set forth herein.

183. Defendants Trane plc, IRGH, TT HoldCo, New TTC, Trane Inc., TUI Holdings, New Trane, Murray Holdings, Brown, Daudelin, Howlett, Kuehn, Lamach, Regnery, and Turtz are collectively referred to as the “Aiding and Abetting Defendants.”

184. As described above, the Aldrich Individual Defendants and the Murray Individual Defendants breached their fiduciary duties owed to an insolvent Aldrich and Murray and/or their creditors.

185. The Aiding and Abetting Defendants knew that the Aldrich Individual Defendants and the Murray Individual Defendants owed fiduciary duties to Aldrich and Murray and/or their creditors and were breaching those duties in connection with the Corporate Restructuring and bankruptcy filings, thereby inflicting significant harm upon Aldrich and Murray and their creditors.

186. The Aiding and Abetting Defendants colluded in and aided and abetted those breaches of fiduciary duties and the Aiding and Abetting Defendants were active and knowing participants in and substantially assisted and/or encouraged those breaches of fiduciary duties in a variety of ways set forth throughout this Complaint. As such, by directing and knowingly participating in the breaches of fiduciary duties by the Aldrich Individual Defendants and the Murray Individual Defendants, the Aiding and Abetting Defendants are liable for aiding and

abetting and/or knowing participation in breaches of fiduciary duties owed to Aldrich and Murray and/or their creditors.

187. For example, the Aiding and Abetting Defendants conceived, designed, and structured—and/or participated in conceiving, designing, and structuring—all aspects of the Corporate Restructuring and did so in a way that was not in the best interests of Aldrich and Murray and/or their creditors, but in the best interests of Aldrich’s and Murray’s parent companies and affiliates.

188. The Aiding and Abetting Defendants exerted dominion and control over the Individual Defendants, Aldrich, and Murray in connection with the Corporate Restructuring and bankruptcy filings in such a way as to harm Aldrich and Murray and/or their asbestos creditors and assisted the Individual Defendants in facilitating and/or causing the Corporate Restructuring and bankruptcy filings to the detriment of Aldrich and Murray and/or their creditors.

189. Most if not all of the Individual Defendants either at the time of the Corporate Restructuring and bankruptcy filings or previously held similar positions at affiliate entities within the Trane Organization, including at some or all of the Corporate Defendants. As such, it is clear that the Aiding and Abetting Defendants dominated and controlled the Debtor Boards, and thus knowingly participated and substantially assisted in the Aldrich Individual Defendants’ and Murray Individual Defendants’ breaches of fiduciary duties owed to Aldrich and Murray and/or their creditors, respectively.

190. Moreover, as explained above, the Debtors’ bankruptcy filings were always the sole reason for engaging in the Corporate Restructuring. The decision to file the bankruptcies was not made by the Aldrich Individual Defendants and Murray Individual Defendants after exercising their good faith, independent judgment and acting in the best interests of Aldrich and Murray

and/or their creditors, respectively; rather, it was made and directed by the Aiding and Abetting Defendants for the benefit of the Trane Organization and to the detriment of Aldrich and Murray and/or their asbestos creditors, which the Aldrich Individual Defendants and Murray Individual Defendants, respectively, obediently followed.

191. In addition, TT HoldCo, New TTC, TUI Holdings, and New Trane as well as various Individual Defendants who authorized and/or executed the agreements (including Messrs. Lamach, Turtz, Daudelin, Kurland, and Kuehn) knowingly participated in and substantially assisted the Aldrich Individual Defendants' and Murray Individual Defendants' breaches of fiduciary duties by entering into and amending and restating the various intercompany agreements discussed above to bind Aldrich and Murray, respectively, as part of the overall fraudulent Corporate Restructuring scheme. The intercompany agreements are not arm's length contracts. They were "negotiated" after the first step of the Corporate Restructuring by the predecessors to the Debtors and their parents, for application to four companies that did not exist at the time of the "negotiations." The intercompany agreements were then assumed, revised, and ratified by Aldrich and Defendant New TTC, and Murray and Defendant New Trane, through signatories who held positions with both entities and/or their parent.

192. Given the insider relationships and conflicts of interest, the legal enforceability of these agreements vis-à-vis third parties is doubtful. Thus, by "negotiating" and subsequently amending and restating these intercompany agreements to bind Aldrich and Murray to contracts that benefited parent corporations and affiliates of Aldrich and Murray, to the detriment of Aldrich and Murray and/or their creditors, Defendants TT HoldCo, New TTC, TUI Holdings, and New Trane as well as various Individual Defendants who are signatories to the agreements (including

Messrs. Lamach, Turtz, Daudelin, Kurland, and Kuehn) aided and abetted the Individual Defendants' breaches of fiduciary duties.

193. The actions of the Aiding and Abetting Defendants in knowingly participating and substantially assisting in the Aldrich Individual Defendants' and the Murray Individual Defendants' breaches of fiduciary duties summarized above and throughout this Complaint were undertaken with gross negligence, with malice, with reckless indifference, and/or in bad faith, and thus constitute willful and wanton conduct.

194. As a direct and proximate result of the Aldrich Individual Defendants' and the Murray Individual Defendants' breaches of their fiduciary duties, as aided and abetted by the Aiding and Abetting Defendants, Aldrich and Murray and/or their creditors suffered significant damages in an amount to be proven at trial.

COUNT III
Civil Conspiracy
(Against All Defendants)

195. Plaintiff repeats and incorporates the allegations set forth in this Complaint as though fully set forth herein.

196. The essential elements of a civil conspiracy are (i) an agreement between two or more persons to do an unlawful act, (ii) intentional participation in the plan or purpose, (iii) an overt act in furtherance of the conspiracy, and (iv) causation and damages.

197. As set forth above, Defendants—including (i) key entities within the Trane Organization and (ii) a core group of individuals who held board and/or officer positions at various entities within the Trane Organization, and who were bound together by overlapping corporate positions and shared financial interests—controlled every significant aspect of the Trane Organization's overall strategic direction in connection with asbestos liabilities.

198. Beginning in 2019, Defendants considered engaging in the steps that would become the Corporate Restructuring in an attempt to evade the full amount of Ingersoll-Rand's and Old Trane's asbestos liabilities and hinder or foreclose the ability of asbestos victims to receive compensation for the harm they had suffered at Ingersoll-Rand's and Old Trane's hands.

199. At that time, Defendants agreed and conspired to engage in the multi-step Corporate Restructuring scheme to separate Ingersoll-Rand's and Old Trane's assets from their asbestos liabilities for the sole purpose of effectuating bankruptcy filings by two newly created entities, Aldrich and Murray, without subjecting the entire Trane Organization to chapter 11 and with the ultimate objective of fraudulently reducing their obligations to asbestos victims by obtaining a final asbestos liability bill for less than what would result in the tort system.

200. Defendants agreed and conspired to commit unlawful acts, including without limitation (i) fraudulently separating Ingersoll-Rand's and Old CertainTeed's valuable assets from their asbestos liabilities; (ii) breaching fiduciary duties owed to an insolvent Aldrich and Murray and/or their creditors; (iii) entering into the intercompany agreements discussed above, which were agreed upon by interested insiders and not negotiated at "arm's length" (or at all); and (iv) otherwise defrauding Aldrich and Murray and/or their asbestos creditors and abridging their rights in violation of applicable law, including, but not limited to, TBOC § 10.901. Defendants each knowingly and intentionally participated in the scheme.

201. Defendants performed numerous overt acts designed to further and carry out their conspiracy. Those overt acts include the steps undertaken to plan and implement the Corporate Restructuring as set forth throughout this Complaint, including, but not limited to, the following:

a. cloaking Project Omega in a veil of secrecy by requiring employees to execute nondisclosure agreements;

b. reserving the corporate names “Aldrich Pump LLC” and “Murray Boiler LLC” in North Carolina in March 2020 and forming TT HoldCo, Old TTC, ClimateLabs, Murray Holdings, and TUI Holdings as a precursor to engaging in the Corporate Restructuring;

c. engaging in the divisional mergers purportedly in compliance with Texas law pursuant to the Corporate Restructuring plan, which fraudulently separated Ingersoll-Rand’s and Old Trane’s assets and asbestos liabilities;

d. converting various entities to and from various jurisdictions (Delaware, Texas, and North Carolina) in a short time span for the sole purpose of effectuating the Corporate Restructuring and filing chapter 11 bankruptcy petitions in a jurisdiction perceived by Defendants as favorable;

e. purporting to “negotiate,” entering into, and amending and restating the intercompany agreements, none of which was done at arm’s length;

f. causing Aldrich and Murray to hold various meetings of the Debtor Boards to purportedly consider alternatives for resolving asbestos litigation, when in reality those meetings were mere formalities because bankruptcy filings by Aldrich and Murray were always the only option and the sole reason for the Corporate Restructuring;

g. creating and purporting to consider four “options” for dealing with asbestos liabilities, when in reality Aldrich’s and Murray’s filings of bankruptcy petitions were always the only option and the sole reason for the Corporate Restructuring and was not a decision made independently by the Debtor Boards but by the Trane Organization; and

h. preparing the necessary pleadings and documentation and causing Aldrich and Murray to file chapter 11 bankruptcy petitions and commencing an adversary proceeding and

seeking a preliminary injunction of asbestos lawsuits nationwide against Defendants Trane plc, IRGH, TT Hold Co, New TTC, TUI Holdings, New Trane, Murray Holdings, and their affiliates.

202. As a direct and proximate result of Defendants' overt acts in furtherance of the conspiracy set forth above and herein, and Defendants' overall scheme and agreement to fraudulently separate Ingersoll-Rand's and Old Trane's assets from their asbestos liabilities, breach fiduciary duties owed to an insolvent Aldrich and Murray and/or their creditors, enter into and amend and restate the intercompany agreements, and otherwise defraud Aldrich and Murray and/or their asbestos creditors, the Aldrich and Murray estates have been damaged in an amount to be proven at trial.

JURY DEMAND

203. Plaintiff demands a jury trial on all issues so triable.

RESERVATION OF RIGHTS

204. Plaintiff intends to conduct further investigation and discovery in relation to the Corporate Restructuring (including the Debtors' bankruptcies) and there are ongoing discovery disputes with various parties, including Defendants. Plaintiff therefore expressly reserves the right to bring additional claims, including, without limitation, claims discovered as a result of Plaintiff's ongoing efforts to obtain additional information from Defendants and parties affiliated with Defendants related to the Corporate Restructuring and resulting bankruptcies of Aldrich and Murray.

PRAYER FOR RELIEF

WHEREFORE, Plaintiff demands judgment in its favor against each of the Defendants:

A. Awarding monetary damages against each of the Defendants, jointly and severally, in a sum to be determined at trial together with pre-judgment and post-judgment interest thereon, for the benefit of the Debtors, the Debtors' estates and the Debtors' creditors;

B. Awarding punitive damages for the benefit of the Debtors, the Debtors' estates and the Debtors' creditors, and post-judgment interest thereon;

C. Awarding Plaintiff's attorneys' fees and the costs and disbursements of this action;
and

D. Granting such other and further relief, sounding in law or in equity, as the Court may deem just and proper.

[signature page to follow]

Respectfully submitted,

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