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Proposed Counsel for Debtor and Debtor in Possession

UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

	:
In re:	: Cha
	:
HOPEMAN BROTHERS, INC.,	: Cas
	:
Debtor.	:
	:

Chapter 11

Case No. 24-32428 (____)

MOTION OF THE DEBTOR FOR ENTRY OF AN ORDER (I) AUTHORIZING THE LISTING OF ADDRESSES OF COUNSEL FOR PERSONAL INJURY CLAIMANTS IN THE CREDITOR MATRIX IN LIEU OF CLAIMANTS' ADDRESSES; (II) APPROVING NOTICE PROCEDURES FOR SUCH CLAIMANTS; <u>AND (III) GRANTING RELATED RELIEF</u>

Hopeman Brothers, Inc., the debtor and debtor in possession in the above-captioned chapter

11 case (the "Debtor"), respectfully represents as follows in support of this motion (the "Motion"):

RELIEF REQUESTED

- 1. The Debtor hereby seeks entry of an order:
 - (a) authorizing the listing of addresses of counsel for personal injury claimants in the creditor matrix in lieu of claimants' addresses;
 - (b) approving notice procedures for such claimants; and
 - (c) granting related relief.
- 2. A proposed form of order granting the relief requested herein is annexed hereto as

Exhibit A (the "Proposed Order").



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JURISDICTION AND VENUE

3. The United States Bankruptcy Court for the Eastern District of Virginia (the "<u>Court</u>") has jurisdiction over this matter pursuant to 28 U.S.C. § 1334 and the *Standing Order of Reference from the United States District Court for the Eastern District of Virginia*, dated August 15, 1984. This is a core proceeding pursuant to 28 U.S.C. § 157, and the Court may enter a final order consistent with Article III of the United States Constitution. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

4. The bases for the relief requested herein are section 105(a) of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "<u>Bankruptcy Code</u>"), rule 2002(m) of the Federal Rules of Bankruptcy Procedure (the "<u>Bankruptcy Rules</u>"), and rule 1007-1(H) of the Local Rules of the United States Bankruptcy Court for the Eastern District of Virginia (the "<u>Bankruptcy Local Rules</u>").

BACKGROUND

5. On June 30, 2024 (the "<u>Petition Date</u>"), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in this Court commencing this chapter 11 case.

6. The Debtor continues to manage its business as debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code. No trustee, examiner, or statutory committee has been appointed in this chapter 11 case.

7. Additional information regarding the Debtor's business and the circumstances leading to the commencement of this chapter 11 case is set forth in detail in the *Declaration of Christopher Lascell in Support of Chapter 11 Petition and First Day Pleadings of Hopeman Brothers, Inc.* (the "<u>First Day Declaration</u>"), filed contemporaneously herewith and incorporated herein by reference.

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ASBESTOS PERSONAL INJURY CLAIMANTS

8. In 1979, the Debtor received its first claim alleging personal injury as a result of alleged exposure to asbestos fibers contained in marine interior materials included within the joiner packages provided by the Debtor (this asbestos-related claim, along with any and all others asserted against the Debtor, are collectively referred to herein as the "<u>Asbestos-Related Claims</u>").

9. Since that time, claimants asserting Asbestos-Related Claims (the "<u>Claimants</u>") have asserted more than 126,000 Asbestos-Related Claims against the Debtor. These Asbestos-Related Claims include both lawsuits and out-of-court claims asserted through agreed procedures put in place with several law firms pursuant to administrative agreements.

10. While the pace of the filing of Asbestos-Related Claims has slowed, the Asbestos-Related Claims filed against the Debtor from January 2015 through May 2024 still exceeded 5,000 claims.

11. As of June 23, 2024, over 2,700 unresolved Asbestos-Related Claims have been asserted against Hopeman.

12. Prepetition, Special Claims Services, Inc. ("<u>SCS</u>") tracked the Asbestos-Related Claims by maintaining a database that has the names, but not the addresses, of the Claimants. Although SCS's database does not have the Claimants' addresses, it does have addresses for Claimants' respective counsel of record, through which all communications regarding the Asbestos-Related Claims and the various pending lawsuits have been and are being conducted.

13. Throughout the course of this chapter 11 case, various notices, mailings, and other communications must be sent to the Claimants. To ensure that the Claimants receive proper and timely notice of filings and critical events in this chapter 11 case, the Debtor seeks to establish the notice procedures hereinafter described in this Motion.

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BASIS FOR RELIEF

14. The Debtor proposes to provide notice to Claimants by listing the addresses of the respective counsel of record for Claimants in the Debtor's creditor matrix in lieu of the Claimants' addresses and serve all notices, mailings, and other communications that are required to be served on the Claimants to the Claimants' respective counsel of record in the manner required pursuant to applicable noticing procedures in effect in this chapter 11 case (the "<u>Claimants Notice</u> <u>Procedures</u>").

15. Pursuant to section 105(a) of the Bankruptcy Code, the Court may "issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of the [Bankruptcy Code]." 11 U.S.C. § 105(a). Further, the Court may "enter orders designating the matters in respect to which, the entity to whom, and the form and manner in which notices shall be sent except as otherwise provided by [the Bankruptcy Rules]." Fed. R. Bankr. P. 2002(m). For notice to be proper, it must be "reasonably calculated, under all the circumstances, to apprise interested parties of the pendency of the action and afford them an opportunity to present their objections." *Mullane v. Cent. Hanover Bank & Tr. Co.*, 339 U.S. 306, 314 (1950) (describing notice required to satisfy due process).

16. Courts overseeing asbestos Chapter 11 cases, including courts in the Fourth Circuit, have routinely approved procedures resembling the Claimants Notice Procedures. *See, e.g., In re Aldrich Pump LLC*, No. 20-30608 (JCW) [Docket No. 112] (Bankr. W.D.N.C. June 25, 2020); *In re ON Marine Services Company LLC*, No. 20-20007 (CMB) [Docket No. 55] (Bankr. W.D. Penn. Jan. 28, 2020); *In re Maremont Corp.*, No. 19-10118 (KJC) [Docket No. 28] (Bankr. D. Del. Jan. 23, 2019); *In re Bestwall LLC*, No. 17-31795 (LTB) [Docket No. 67] (Bankr. W.D.N.C. Nov. 8, 2017); *In re Kaiser Gypsum Company, Inc.*, No. 16-31602 (JCW) [Docket No. 79] (Bankr. N.D.

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Ill. Sept. 21, 2015); *In re Rapid-Am. Corp.*, No. 13-10687 (SMB) [Docket No. 22] (Bankr. S.D.N.Y. Mar. 13, 2013).

17. In the above-referenced cases, numerous asbestos claims were asserted against the debtors prior to filing for relief under chapter 11 of the Bankruptcy Code. The debtors did not have, and could not reasonably obtain, the names and addresses of each claimant. To relieve the debtors of that burden, courts approved the debtors' service of all notices, mailings, and other bankruptcy-related communications to the claimants' counsel of record in lieu of notifying each claimant individually.

18. Courts have found that such procedures provide adequate and appropriate notice when, as is proposed here, the notices were sent to the attorneys who represented the creditors in prepetition litigation (or threatened litigation) against the debtor. See In re Garlock Sealing Techs LLC, 2017 WL 2539412, at *15 (W.D.N.C. June 12, 2017) (finding that all asbestos claimants had been afforded due process by the debtors providing notice of the debtors' plan and confirmation hearing to the claimants' attorneys, rather than to the claimants); In re Residential Capital, LLC, 2015 WL 2256683, at *7 (Bankr. S.D.N.Y. May 11, 2015) (notice to a creditor's attorney was proper where the attorney represented the creditor in a state court action with a sufficient nexus to the bankruptcy case); In re Rice, 2010 WL 749814 at *3 (Bankr. E.D.N.C. Mar. 1, 2010) (following "the majority of courts addressing the issue" in holding that (a) an attorney who represented creditors with respect to a prepetition judgment against the debtor continued to serve as the creditors' agent in bankruptcy proceedings concerning that same judgment and (b) notice to that attorney regarding bankruptcy proceedings therefore constituted sufficient notice to the creditors); In re WorldCom, 2005 WL 3875192 at *2-3 (Bankr. S.D.N.Y. Oct. 27, 2005) (notice to a creditor's attorney is binding on that creditor where the attorney was retained in a state court matter with

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sufficient knowledge of and nexus to the bankruptcy case); *In re Linzer*, 264 B.R. 243, 249 (Bankr. E.D.N.Y. 2001) (notice would have been appropriate to creditor's non-bankruptcy counsel if timely sent; the nonbankruptcy counsel was the authorized agent of the creditor); *In re Savage*, 167 B.R. 22, 26 (Bankr. S.D.N.Y. 1994) (notice to a creditor's attorney is binding on that creditor if the attorney was retained to collect the debt scheduled in the bankruptcy case).

19. Courts reason such procedures are appropriate because even though the attorney who receives the notices may not be a bankruptcy specialist, a licensed attorney is deemed to have sufficient training to discover the appropriate law and rules that govern the bankruptcy process. *See In re Linzer*, 264 B.R. at 249 (finding that the creditor's non-bankruptcy counsel was an authorized agent of the creditor where they received notice via a copy of a mailing, because the non-bankruptcy counsel is expected to possess general knowledge of bankruptcy law).

20. Accordingly, the Debtor requests that the Court grant the relief requested in this Motion. Establishing the Claimants Notice Procedures in this chapter 11 case will not only provide Claimants with proper and timely notice but also ease the Debtor's administrative burden of sending notices to thousands of Claimants, resulting in more cost-effective notice procedures to the benefit of the Debtor's estate and creditors.

NOTICE

21. Notice of this Motion will be given to: (a) the Office of the United States Trustee for the Eastern District of Virginia; (b) the 20 law firms with the largest number of asbestos personal injury claims currently pending against the Debtor; (c) the 20 law firms that represent clients with, collectively, the largest unpaid settlement amounts; (d) counsel to the Chubb Settling Insurers; and (e) all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002. The Debtor submits that, under the circumstances, no other or further notice is required.

NO PRIOR REQUEST

22. No previous request for the relief sought herein has been made by the Debtor to this

or any other court.

WHEREFORE, the Debtor respectfully requests that the Court enter the Proposed Order,

granting the relief requested in this Motion and such other and further relief as may be just and

proper.

Dated: June 30, 2024 Richmond, Virginia

> /s/ Henry P. (Toby) Long, III Tyler P. Brown (VSB No. 28072) Henry P. (Toby) Long, III (VSB No. 75134) **HUNTON ANDREWS KURTH LLP** Riverfront Plaza, East Tower 951 East Byrd Street Richmond, Virginia 23219 Telephone: (804) 788-8200 Facsimile: (804) 788-8218 Email: tpbrown@HuntonAK.com hlong@HuntonAK.com

- and –

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<u>Exhibit A</u>

Proposed Order

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Proposed Counsel for Debtor and Debtor in Possession

UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

:

:

In re:	
HOPEMAN BROTHERS, INC.,	
Debtor.	

Chapter 11

Case No. 24-32428 ()

ORDER (I) AUTHORIZING THE LISTING OF ADDRESSES OF COUNSEL FOR PERSONAL INJURY CLAIMANTS IN THE CREDITOR MATRIX IN LIEU OF CLAIMANTS' ADDRESSES; (II) APPROVING NOTICE PROCEDURES FOR SUCH CLAIMANTS; AND (III) GRANTING RELATED RELIEF

Upon the motion (the "<u>Motion</u>")¹ of the above-captioned debtor in the above-captioned chapter 11 case (the "<u>Debtor</u>") for entry of an order (this "<u>Order</u>") (i) authorizing the listing of addresses of counsel for personal injury claimants in its creditor matrix in lieu of claimants' addresses; (ii) approving notice procedures for such claimants; and (iii) granting related relief, all as more fully set forth in the Motion; and the Court having reviewed the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein in accordance with 28 U.S.C. § 1334 and the *Standing Order of Reference from the United States District Court for the Eastern District of Virginia*, dated August 15, 1984; and the Court having found that this is a core

¹ Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

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proceeding pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Motion has been given and that no other or further notice is necessary; and upon the record herein; and after due deliberation thereon; and the Court having determined that there is good and sufficient cause for the relief granted in this order, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Motion is granted.

2. Pursuant to section 105(a) of the Bankruptcy Code, the Debtor is authorized to list in its creditor matrix the addresses of the Claimants' counsel of record in lieu of the Claimants' addresses, which listing shall satisfy the Debtor's obligations with respect to the Claimants pursuant to Bankruptcy Rule 1007(a)(1). Notwithstanding entry of this Order, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by any party.

3. Pursuant to section 105(a) of the Bankruptcy Code and 2002(m) of the Bankruptcy Rules, the Claimants Notice Procedures provide for sufficient notice to the Claimants with respect to all matters relating to this chapter 11 case and are hereby approved. The Debtor or its agent shall serve all notices and other communications that are required to be served on the Claimants to the Claimants' respective counsel of record in the manner required pursuant to applicable noticing procedures in effect in this chapter 11 case.

4. The requirement under Local Rule 9013-1(F) to file a memorandum of law in connection with the Motion is waived.

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- 5. The Debtor is authorized to take all actions necessary or appropriate to implement the relief granted in this Order in accordance with the Motion.
 - 6. The Court shall retain jurisdiction with respect to all matters arising from or related

to the implementation and/or interpretation of this Order.

Dated: _____, 2024 Richmond, Virginia

UNITED STATES BANKRUPTCY JUDGE

WE ASK FOR THIS:

/s/ Henry P. (Toby) Long, III

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-and-

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Proposed Counsel for the Debtor and Debtor in Possession

CERTIFICATION OF ENDORSEMENT UNDER LOCAL BANKRUPTCY RULE 9022-1(C)

I hereby certify that the foregoing proposed order has been endorsed by or served upon all necessary parties.

/s/ Henry P. (Toby) Long, III