Docket #0720 Date Filed: 05/12/2025

CHOATE, HALL & STEWART LLP
Douglas R. Gooding (admitted *pro hac vice*)
Jonathan D. Marshall (admitted *pro hac vice*)
2 International Place
Boston, MA 02110
Telephone: (617) 248-5000
Email: dgooding@choate.com
Email: jmarshall@choate.com

Co-Counsel to Liberty Mutual Insurance Company

KAUFMAN & CANOLES, P.C.
Douglas M. Foley (VSB No. 34364)
Two James Center
1021 E. Cary Street, Suite 1400
Richmond, Virginia 23219
Telephone: (804) 771-5746
Facsimile: (888) 360-9092
Email: dmfoley@kaufcan.com

Co-Counsel to Liberty Mutual Insurance Company

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION

In re:	**Chapter 11**
HOPEMAN BROTHERS, INC.,	**Case No. 24-32428 (KLP)**
Debtor.	REDACTED
	Re: Dkt. Nos. 689, 690, 691

LIBERTY MUTUAL INSURANCE COMPANY'S OBJECTION TO THE JOINT MOTION OF THE DEBTOR AND OFFICIAL COMMITTEE OF UNSECURED CREDITORS FOR ENTRY OF AN ORDER (I) SCHEDULING A COMBINED HEARING TO APPROVE THE DISCLOSURE STATEMENT AND CONFIRM THE PLAN; (II) CONDITIONALLY APPROVING THE DISCLOSURE STATEMENT; (III) ESTABLISHING OBJECTION DEADLINES; (IV) APPROVING THE FORM AND MANNER OF NOTICE; (V) APPROVING THE SOLICITATION AND TABULATION PROCEDURES; AND (VI) GRANTING RELATED RELIEF

Liberty Mutual Insurance Company ("Liberty") hereby files this objection (this "Objection") to the *Joint Motion of the Debtor and Official Committee of Unsecured Creditors for Entry of an Order (I) Scheduling a Combined Hearing to Approve the Disclosure Statement and Confirm the Plan; (II) Conditionally Approving the Disclosure Statement (III) Establishing Objection Deadlines; (IV) Approving the Form and Manner of Notice; (V) Approving the Solicitation and Tabulation Procedures; and (VI) Granting Related Relief* [Dkt. No. 691] (the

"Disclosure Statement Motion"). In support of this Objection, Liberty respectfully states as follows:

Jurisdiction and Venue

1. This Court 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 Virgini*a, dated August 15, 1984. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution.

2. Venue is proper before the Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Background

3. On June 30, 2024, Hopeman Brothers, Inc. ("Hopeman" or the "Debtor") filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtor continues to manage its business as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

I. Liberty's Claim.

4. On September 12, 2024, this Court entered an Order establishing November 4, 2024, as the general bar date for the filing of proofs of claim for claims other than asbestos-related personal injury claims ("Asbestos Claims") and those belonging to governmental entities.

5. Liberty Mutual timely filed Claim No. 10, asserting a partially contingent and unliquidated unsecured claim in the amount of $317,254.89 (the "Claim"). The Claim is based on Hopeman's liability for damages associated with its failure to honor its defense obligations as set forth in the Indemnification Agreement (as defined herein).

6. Decades before this chapter 11 filing, Liberty issued certain prepetition primary layer and excess insurance policies (collectively, the "Liberty Policies") under which Hopeman and/or certain Hopeman affiliates, predecessors and successors are named insureds, including

Wayne Manufacturing Corporation (a wholly owned subsidiary of Hopeman that dissolved in 1985) ("Wayne").

7. On March 21, 2003, Hopeman[1] and Liberty entered into the *Settlement Agreement and Release Between Hopeman Brothers, Inc. and Liberty Mutual Insurance Company* (the "Settlement Agreement") and the *Indemnification and Hold Harmless Agreement Between Hopeman Brothers, Inc. and Liberty Mutual Insurance Company* (the "Indemnification Agreement", together with the Settlement Agreement, the "2003 Agreements").

8. Among other things, the 2003 Agreements performed four functions relevant to this Objection:

- [redacted] As Hopeman acknowledges, the Liberty Trust funds were exhausted prepetition. *See* Claim Objection at ¶ 24.
- [redacted]
- [redacted]
- [redacted]

9. On April 30, 2025, the Debtor filed the *Objection of Hopeman Brothers, Inc. to Claim No. 10 of Liberty Mutual Insurance Company* [Dkt. No. 639] (the "Claim Objection"). In the Claim Objection, the Debtor asserts that Liberty does not have a valid and enforceable Claim

[1] The definition of "Hopeman" in the 2003 Agreements includes Wayne.

against Hopeman. *See* Claim Objection at ¶ 49. Liberty disagrees and plans to file a motion pursuant to Rule 3018(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") requesting this Court to temporarily allow the Claim for voting purposes.

In light of the fact that Hopeman has agreed to extend the deadline for Liberty to respond to the Claim Objection by sixteen days until May 30, 2025, and to adjourn consideration of the Claim Objection until the omnibus hearing scheduled on June 18, 2025, Liberty will respond to the Claim Objection at the appropriate time. However, certain elements of Liberty's response are germane to this Objection:

11. Despite that obligation, Hopeman now seeks approval of a settlement with certain holders of Asbestos Claims (collectively, the "Asbestos Claimants"), which settlement is designed to *maximize* the possibility that Asbestos Claims will be asserted against Liberty.[2] Hopeman has breached and continues to breach its contractual obligations through its conduct and recent filings

[2] Liberty incorporates in full the arguments set forth in *Liberty Mutual Insurance Company's Response and Reservation of Rights With Respect To Debtor's Motion to Approve Stipulated Order Approving Settlement of Appeal of Insurance Settlement Order and Granting Limited Relief from Third Interim Stay Order*, filed substantially contemporaneously herewith.

in this chapter 11 case. Liberty is entitled to assert a claim for damages stemming from Hopeman's ongoing breach. Those damages are reflected in the partially-liquidated Claim. Therefore, Liberty is a creditor of Hopeman's estate with standing to "raise," "appear" and "be heard" on "any issue" under Section 1109(b) of the Bankruptcy Code. 11 U.S.C. § 1109(b).

12. Even if Liberty were not a creditor of Hopeman's estate — which it is — the Plan is centered around permitting the Settlement Trust (as defined herein) and Asbestos Claimants to pursue Non-Settling Asbestos Insurers[3] in the tort system. Despite Hopeman having granted Liberty a full and unqualified release over twenty years ago, the Plan specifically names Liberty as a Non-Settling Asbestos Insurer. *See* Plan at § 1.80. The Supreme Court, in its recent decision in *Truck Insurance Exchange v. Kaiser Gypsum Co., Inc.*, unanimously affirmed that Truck Insurance, the primary liability insurer of the debtor (which was also facing asbestos liability), had standing as a party in interest to object to the proceedings. *See* 144 S. Ct. 1414, 1423 (2024). The Supreme Court's decision boiled down to pecuniary interest — *i.e.*, when a proposed action in a bankruptcy case "allows a party to put its hands into other people's pockets, the ones with the pockets are entitled to be fully heard and to have their legitimate objections addressed." *See id.* at 1426-28. To be clear, Liberty contends (and Asbestos Claimants dispute) that there is no insurance coverage remaining under any of the Liberty Policies, a fact that Hopeman has acknowledged. *See* Disclosure Statement at § IV.F ("As a result of such agreements and payments, all of the primary layer and excess insurance that Hopeman purchased from LMIC was released by Hopeman"). But, by improperly labeling Liberty as a Non-Settling Asbestos Insurer, the Plan proposes to put the hands of the Settlement Trust and the Asbestos Claimants in Liberty's pockets. Liberty therefore is entitled to be heard regarding the Plan.

[3] Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

II. The Plan and Disclosure Statement.

13. On April 29, 2025, the Debtor filed the *Plan of Reorganization of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code* [Dkt. No. 689] (the "Plan"), the accompanying *Disclosure Statement with Respect to the Plan of Reorganization of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code* [Dkt. No. 690] (the "Disclosure Statement"), and the Disclosure Statement Motion.

14. The deadline to object to conditional approval of the Disclosure Statement is May 10, 2025 (which deadline was automatically extended to May 12, 2025 pursuant to Fed. R. Bankr. P. 9006(a)(1)(C), as the deadline fell on a day that was not a business day). The Debtor requests a hearing on adequacy of the Disclosure Statement and confirmation of the Plan to be scheduled on June 23, 2025, at 11:00 a.m. (the "Combined Hearing").

15. Broadly, the Plan proposes to (i) channel Asbestos Claims to a trust created pursuant to Section 524(g) of the Bankruptcy Code (the "Settlement Trust"), (ii) fund the Settlement Trust primarily with proceeds of insurance settlements, (iii) make distributions from the Settlement Trust to Asbestos Claimants whose Asbestos Claims are not covered by insurance, and (iv) resolve Asbestos Claims allegedly covered by insurance through the tort system, by allowing the Trustee and the Asbestos Claimants to prosecute lawsuits against Non-Settling Asbestos Insurers. *See* Plan at §§ 8.12, 8.13, 8.16.

Preliminary Statement

16. The Debtor requests this Court approve a period of less than two months total between the filing of the Disclosure Statement and the proposed Combined Hearing. Although there may be some unusual scenarios where a truncated timeline that combines the Court's consideration of the plan and disclosure statement is appropriate under the circumstances, this is not one of them.

17. Hopeman has not operated in over two decades. This company is not a "melting ice cube" that must exit from chapter 11 quickly in order to give itself the best chance to get back on its feet. The sole purpose of this case is for Hopeman to attempt to monetize its remaining insurance coverage for the benefit of Asbestos Claimants. Hopeman's desire to minimize administrative expense and exit the chapter 11 process prior to June 30, 2025 is not sufficient "cause" to justify this Court granting the extraordinary relief of shortening the notice periods required by Bankruptcy Rule 2002(b), particularly when Hopeman voluntarily chose to avail itself of the chapter 11 process and its attendant costs, expenses, and Bankruptcy Rules.

18. Now that Hopeman has come to an agreement with the Official Committee of Unsecured Creditors (the "Committee") and Huntington Ingalls Industries, Inc. ("HII"), it represents to this Court that the impact to parties' due process rights from such a shortened timeline is "minimal." Disclosure Statement Motion at ¶¶ 24-25. However, as set forth herein, the impact to Liberty's due process rights is far from minimal: it is significant. [redacted] Liberty is improperly classified as a Non-Settling Asbestos Insurer under the Plan, which may encourage parties to bring Asbestos Claims against Liberty in the tort system (thereby forcing Liberty to respond to Asbestos Claims that lack merit and without Hopeman's contractually-mandated indemnification). *See* Plan at § 1.80.

19. Liberty provides herein a non-exhaustive list of issues that Liberty has identified with the Plan and Disclosure Statement, which Liberty requires sufficient time to review, evaluate and potentially take discovery on. The shortened confirmation schedule is intended to deprive Liberty of its due process right to have adequate time to review the Plan and test its conclusions and assumptions, including by examining the circumstances under which the Plan came to fruition.

Relief Requested

20. Liberty respectfully requests this Court (i) deny the Disclosure Statement Motion and (ii) require the Debtor to submit an appropriate confirmation schedule with sufficient time to conduct necessary discovery that (a) separates the hearings on the Disclosure Statement and the Plan and (b) extends the timeline set forth in the Disclosure Statement Motion by at least 60 days, as is standard under the Bankruptcy Rules (particularly in a complex, mass tort case).

Basis for Relief Requested

I. A Combined Hearing and Expedited Confirmation Schedule is Extraordinary Relief that is Atypical in Mass Tort Cases.

21. In support of its request to shorten the Bankruptcy Rules' mandatory notice periods and schedule a Combined Hearing, Hopeman states that "[c]ourts have shortened the notice requirements and approved similar expedited schedules under appropriate circumstances." *See id.* at ¶ 26. Hopeman cites the following cases as support for its argument:

- *In re Guitar Center, Inc.*, Case No. 20-34656 (KRH) [Dkt. No. 82] (Bankr. E.D. Va. Nov. 23, 2020) — music retailer
- *In re Deluxe Entm't Servs. Grp. Inc.*, Case No. 19-23774 (RDD) [Dkt. No. 38] (Bankr. S.D.N.Y. Oct. 9, 2019) — video services company
- *In re Weatherford Int'l PLC*, Case No. 19-33694 (DRJ) [Dkt. No. 89] (Bankr. S.D. Tex. July 2, 2019) — oilfield technology services company
- *In re Monitronics Int'l, Inc.*, Case No. 19-33650 (DRJ) [Dkt. No. 92] (Bankr. S.D. Tex. July 2, 2019) — parent company of a home security company
- *In re Fullbeauty Brands Holdings Corp.*, Case No. 19-22185 (RDD) [Dkt. No. 49] (Bankr. S.D.N.Y. Feb. 7, 2019) — clothing company
- *In re Sungard Availability Servs. Cap., Inc.*, Case No. 19-22915 (RDD) [Dkt. No. 45] (Bankr. S.D.N.Y. May 2, 2019) — technology company

22. Not a single one of the above cases is a mass tort case, much less a case that requests the Court grant an injunction pursuant to the specialized requirements of Section 524(g). None of these debtors faced potential liability from a multitude of individual tort claimants, as Hopeman

does. One recent mass tort case, *In re Red River Talc, LLC*, did hold a combined disclosure statement and plan hearing — however, *Red River* presented unique circumstances. *Red River* was Johnson & Johnson's third attempt to rid itself of talc liability through bankruptcy, and Red River solicited the talc claimants' votes prepetition on a prepackaged plan. *See In re Red River Talc LLC*, No. 24-90505, 2025 Bankr. LEXIS 853, *10 (Bankr. S.D. Tex. Mar. 31, 2025). The bankruptcy court ultimately denied confirmation of that case. *See id.* at *201. Furthermore, all parties that participated in the confirmation process were afforded several months to serve plan-related discovery in advance of the plan objection deadline and the combined hearing.

23. Each of the cases Hopeman cites is a "prepackaged" bankruptcy case, meaning that these companies received support from their major creditor constituencies prior to the bankruptcy filing or otherwise left their creditors unimpaired. In such a scenario, an expedited confirmation timeline could be justified depending upon the circumstances. However, this is not a prepackaged bankruptcy case. Since filing a plan on the first day of this chapter 11 proceeding, Hopeman has spent the case battling those constituents with which it now seeks to settle. The Plan that purports to embody these resolutions is materially different than the plan that Hopeman originally asked this Court to consider. And, as noted herein, the Plan is designed to impair the rights of creditors who played no role in constructing it, including the Non-Settling Asbestos Insurers.

24. The Debtor requests this Court approve a period of less than two months total between the filing of the Disclosure Statement and the proposed Combined Hearing. *See* Disclosure Statement Motion at ¶ 1(f). Such a timeline requires the Court to substantially shorten the notice periods set forth in Bankruptcy Rule 2002(b). Bankruptcy Rule 2002(b) requires, among other things, that parties in interest are entitled to (i) 28 days' notice of the Disclosure Statement

objection deadline and (ii) 28 days' notice of the Plan objection deadline and confirmation hearing. Fed. R. Bankr. P. 2002(b).

25. Bankruptcy Rule 2002(b) — along with the other Bankruptcy Rules setting forth notice that must be given to parties before an order affecting their rights can be entered — is intended to protect the constitutional due process rights of parties in interest to a bankruptcy case. *See, e.g.*, *Banks v. Sallie Mae Serv. Corp. (In re Banks)*, 299 F.3d 296, 302 (4th Cir. 2002) ("Where the Bankruptcy Code and Bankruptcy Rules specify the notice required prior to entry of an order, due process generally entitles a party to receive the notice specified before an order binding the party will be afforded preclusive effect"); *Olson L.L.C. v. Frederico (In re Grumman Olson Indus.)*, 467 B.R. 694, 706 (S.D.N.Y. 2012) ("The notice requirements of bankruptcy law are 'founded in fundamental notions of procedural due process'") (citation omitted). These mandatory notice periods may only be shortened "for cause." Fed. R. Bankr. P. 9006(c)(1). As set forth more fully herein, such "cause" is not present in this case.

26. Hopeman touts the fact that the Plan has the support of the Committee and HII and, as such, "the impact of due process rights of the parties is minimal." Disclosure Statement Motion at ¶¶ 24-25. However, Hopeman has only settled with a subset of Asbestos Claimants. Although the Committee represents the interests of current Asbestos Claimants, claimants can (and often do) disagree with committees who are appointed to represent their interests. Moreover, Asbestos Claimants are not the only parties in interest in this case. The Disclosure Statement Motion conspicuously omits any mention of the Non-Settling Asbestos Insurers, although the goal of obtaining insurance proceeds from the Non-Settling Asbestos Insurers (including Liberty, even though Liberty contends that no such proceeds remain under the Liberty Policies) is integral to the Plan's functioning.

27. Hopeman has presented ***zero*** justification explaining why the Non-Settling Asbestos Insurers' due process rights are not impacted by the proposed shortened timeline. On February 24, 2025, Liberty requested to be included in the mediation among the Debtor, the Committee, HII, and the Chubb Insurers,[4] but its request was denied. Instead, Liberty learned about the Plan, and is being asked to respond, on the same expedited timeline that all other parties have been afforded. Liberty deserves an opportunity to test, among other things, whether the process for negotiating and proposing the Plan was done in good faith and whether, as Hopeman represented before this Court on May 6, 2025, the Plan is truly "insurance neutral." If, as Liberty suspects, Hopeman agreed to the Asbestos Claimants' demands to design a Plan that threatens to substantially increase Liberty's exposure by creating an avenue for Asbestos Claimants to assert non-meritorious Asbestos Claims against Liberty in the tort system, in breach of Hopeman's contractual obligations to Liberty as described herein, then the Plan cannot be confirmed. *See In re Global Indus. Techs.*, 645 F.3d 201, 212 (3d Cir. 2011) (a plan is not insurance neutral where it "materially alter[s] the quantum of liability that the insurers would be called to absorb" or where it increases "the pre-petition liability exposure").

28. Although the Non-Settling Asbestos Insurers' due process rights may frustrate Hopeman's goal of quickly confirming its Plan, such inconvenience does not make those rights any less legitimate or capable of being disregarded in the face of an objection from Liberty. As set forth below, approving the Disclosure Statement Motion on this expedited timeline threatens to prejudice the Non-Settling Asbestos Insurers' rights, along with the rights of other parties in interest.

[4] As defined in the *Order Authorizing Mediation of Chubb Insurers Settlement Motion* [Dkt. No. 443].

II. The Proposed Timeline Will Prejudice Parties In Interest.

29. This is a complex bankruptcy case with nuanced issues that do not lend themselves to an expedited timeline. Below are several non-exclusive examples of issues that Liberty has identified with the Plan, some of which likely will require discovery.

30. First, Hopeman's attempt to "acquire a low-cost, income-generating business or an interest in such a business" prior to or on the Effective Date of the Plan is a thinly veiled attempt to fit a square peg into a round hole. *See Settlement Term Sheet for § 524(g) Plan of Hopeman Brothers, Inc.* [Dkt. No. 609-B] at § C(4). The Fourth Circuit has held that a discharge under § 1141 is available only where there is a "*continuation of a pre-petition business*" following confirmation. *In re Grausz*, 63 F. App'x 647, 650 (4th Cir. 2003) (emphasis in original). It is undisputed that the Debtor has no prepetition business, as it has existed "solely to defend and, when appropriate, settle [Asbestos Claims] for the past twenty-two years." Disclosure Statement at § IV.B. Therefore, the question of whether Hopeman is even eligible to prosecute and confirm its Plan is a gating issue which this Court should permit a reasonable amount of time to resolve through briefing. It would be a waste of judicial resources to grant the Disclosure Statement Motion and allow the parties to proceed to confirmation, only to have the Court determine that Hopeman is ineligible to prosecute its Plan. Additionally, parties in interest are entitled to take discovery regarding the process whereby Hopeman came to embrace the Plan that is structured around Section 524(g) of the Bankruptcy Code after having represented to the Court that its ability to prosecute such a plan was far from certain.[5]

[5] In Hopeman's first disclosure statement, Hopeman stated that "[t]he fact that the Debtor no longer maintains any business operations suggests that . . . any attempt to propose an alternative plan containing different terms for any of these parties may not be confirmable and could delay and/or dilute distributions to creditors." *See Disclosure Statement with Respect to the Plan of Liquidation of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code* [Dkt. No. 57] at § V.C.

31. Second, despite the fact that Liberty settled with Hopeman twenty-two years ago and paid significant consideration in exchange for Hopeman's irrevocable release and discharge of rights, claims, and actions against Liberty, Liberty is classified as a Non-Settling Asbestos Insurer under the Plan. That classification invites Asbestos Claimants to assert Asbestos Claims against Liberty in the tort system despite Liberty having reached a settlement with Hopeman which provides that [redacted] *See* Plan at §§ 1.80, 8.12, 8.13; Trust Distribution Procedures ("TDP") at § 5.2(a). Liberty has made clear its view that insurance coverage is unavailable to any Asbestos Claimant as a consequence of the 2003 Agreements, and that Hopeman's participation in orchestrating a Plan that targets Liberty breaches Hopeman's contractual obligations to Liberty. The Disclosure Statement does not adequately disclose these substantial coverage issues with respect to Liberty.[6]

32. Third, the Plan purports to assign Hopeman's rights in insurance policies issued by Non-Settling Asbestos Insurers to the Settlement Trust. *See* Plan at § 8.3(b). The insurance assignment in the Plan purports to transfer Hopeman's rights in the Asbestos Insurance Policies, including the Liberty Policies, to the Settlement Trust. However, Liberty contends that the Plan cannot transfer Hopeman's rights in the Liberty Policies because Hopeman ***has*** no such rights. It is black-letter law that a bankruptcy court may exercise jurisdiction over — and by extension, a plan may affect — only property of a debtor's estate, which is defined by Section 541 of the Bankruptcy Code. *See* 11 U.S.C. § 541(a)(1). And it is axiomatic that a debtor's property rights neither expand nor contract by happenstance of bankruptcy. *See, e.g.*, *Mission Prod. Holdings v.*

[6] So-called "extracontractual" claims (*i.e.*, claims for bad faith refusal to settle) are included among the claims that Asbestos Claimants and the Settlement Trust can bring against the Non-Settling Asbestos Insurers pursuant to Sections 8.12 and 8.13 of the Plan. The Disclosure Statement fails to disclose that no extracontractual claims against Liberty can exist because Liberty has had no duty to settle claims against Hopeman [redacted] In any event, Hopeman (the insured) released Liberty from all liability, including any liability for purported extracontractual claims.

Tempnology, LLC, 587 U.S. 370, 381 (2019). [redacted] *See* Disclosure Statement at § IV.F. The Disclosure Statement ignores the fact that, by purporting to transfer property that Liberty contends does not belong to the Debtor, the Plan fails to comply with the Bankruptcy Code. At a minimum, Liberty is entitled to seek discovery from Hopeman to determine what exactly Hopeman believes it is assigning to the Settlement Trust and how that purported assignment may impact Liberty's rights.

33. Fourth, the Plan inappropriately classifies Liberty's Claim. As explained herein, Liberty has asserted a Claim for over $314,000 that should properly be categorized as an Indirect Asbestos Claim to be asserted against, and paid by, the Settlement Trust. However, the Claim, which will only grow as defense costs increase, is improperly classified as an Unsecured Claim.[7] Were Liberty's Claim properly classified (along with similar claims by other Non-Settling Asbestos Insurers), there would be less funds available for distribution to Asbestos Claimants, which they should be made aware of.

34. Beyond the issues with the Plan that Liberty identified — which make the disclosures set forth in the Disclosure Statement wholly inadequate — the proposed timeline simply does not allow parties adequate time to review and, if appropriate, file objections to matters that are highly relevant to approval of the Disclosure Statement and confirmation of the Plan. Set forth below are three, non-exhaustive examples:

- The Debtor proposes to file the Plan Supplement on June 6, 2025, which is only one week before Plan confirmation objections are due on June 13, 2025. Until that time, parties in interest will not know the identities of the Asbestos Trustee or the Post-Effective Date Future Claimants' Representative. These individuals are responsible for critical functions under the Plan and the TDP. Their backgrounds, experience, and ability to perform their duties go straight to the heart of the Plan's feasibility. However, their identities will be kept secret until just before Plan confirmation.

[7] The Plan provides that insurers are not eligible to assert Indirect Asbestos Claims. *See* Plan at § 1.9.

- Ten calendar days prior to the Confirmation Hearing, the "Asbestos Claimants Committee shall nominate the six (6) individuals who will serve on the Asbestos Trust Advisory Committee." Ten days prior to the Confirmation Hearing is June 13 — the Plan objection deadline. Thus, parties in interest will have **no** opportunity to review, vet, or object to the members of the Asbestos Trust Advisory Committee, which has consent and/or consultation rights on various functions to be performed by the Asbestos Trustee and the Future Claimants' Representative.
- The Disclosure Statement Motion is silent regarding the proposed Confirmation Order. It is unclear when parties in interest will have a chance to review the proposed Confirmation Order and the findings of fact and conclusions of law contained therein.
- Although the Plan provides for Hopeman to make an "Asbestos Trust Contribution" of some amount to the Settlement Trust, it does disclose what that amount may be. It is impossible to determine if the Plan is feasible, as required under the Bankruptcy Code, when the Debtor's sole contribution to the Settlement Trust is undisclosed. *See* Plan at § 1.23.

35. Hopeman provided only ten calendar days[8] for parties to object to conditional approval of the Disclosure Statement. Although the timeline for Plan objections is (slightly) longer, providing parties in interest time to object does not satisfy their due process rights if the parties are missing critical information during that time period.

III. Hopeman's Stated Justifications for the Condensed Timeline are Inadequate.

36. Hopeman sets forth only two reasons why the extraordinary relief of a Combined Hearing is necessary: (i) it will mitigate the estate's administrative expenses, and (ii) the expiration of the extension of the automatic stay to third parties expires on June 30, 2025 (the "Stay Period"). *See* Disclosure Statement Motion at ¶¶ 16-17. Neither reason provides the requisite "cause" to grant the Disclosure Statement Motion and impair Liberty's due process rights. *See, e.g.*, *In re Sandra Cotton, Inc.*, 65 B.R. 153, 156 (Bankr. W.D.N.Y. 1986) ("The flexibility written into Bankruptcy Rule 9006 to reduce the time for notice should be sparingly invoked and may be

[8] The deadline was extended to twelve calendar days pursuant to Fed. R. Bankr. P. 9006(a)(1)(C).

invoked only for cause shown. . . . Administrative convenience does not justify an abbreviated notice.").

37. First, this case is not the proverbial "melting ice cube" in which a company must exit from chapter 11 as quickly as possible in order to preserve value for stakeholders and give itself the best chance to get back on its feet. There is no remaining value to be preserved. In a situation such as this, the priority should be on ensuring due process under the Bankruptcy Code and Bankruptcy Rules.

38. Additionally, Hopeman voluntarily chose to avail itself of the chapter 11 bankruptcy process, knowing that chapter 11 cases are frequently accompanied by significant expense and delay. Given that decision, Hopeman cannot now use these costs as a sword to justify depriving parties of their due process rights.

39. Finally, Hopeman notes that it has "faced opposition" each time that it has sought to extend the Stay Period. *See* Disclosure Statement Motion at ¶¶ 16-17. Hopeman conveniently fails to mention that the parties who have most vociferously opposed this relief are the Committee, HII, and certain Asbestos Claimants represented by the Roussel & Clement firm: the very parties with which Hopeman has now settled. *See, e.g.*, *Opposition and Objection to Motion of the Debtor for Entry of Interim and Final Orders Extending the Automatic Stay to Stay Asbestos-Related Actions Against Non-Debtor Defendants* [Dkt. No. 86], *Huntington Ingalls Industries, Inc.'s Preliminary Objection and Reservation of Rights Regarding Motion of Debtor for Entry of Interim and Final Orders Extending Automatic Stay to Stay Asbestos-Related Actions Against Non-Debtor Defendants* [Dkt. No. 135]; *Limited Objection of the Official Committee of Unsecured Creditors to the Debtor's Motion For Extension of the Automatic Stay to Enjoin Asbestos-Related Actions Against Non-Debtor Defendants* [Dkt. No. 141]. Even if these parties (or others) did object to a

further extension of the Stay Period, this Court would have ample cause to extend the Stay Period to preserve the "status quo" while the Plan is pending.

40. In short, the circumstances do not justify the extraordinary relief requested in the Disclosure Statement Motion. No parties would be prejudiced by an extension of the timeline, which would allow ***all*** parties in interest to participate meaningfully and have a chance to review relevant information before it is approved by this Court.

WHEREFORE, Liberty respectfully requests that this Court (i) deny the Disclosure Statement Motion and (ii) require the Debtor to submit an appropriate confirmation schedule with sufficient time to conduct necessary discovery that (a) separates the hearings on the Disclosure Statement and the Plan and (b) extends the timeline set forth in the Disclosure Statement Motion by at least 60 days, and (iii) grant any other relief as is just and proper.

Date: May 12, 2025

Respectfully submitted,
/s/ Douglas M. Foley

Douglas M. Foley (Bar No. 34364)
KAUFMAN & CANOLES, P.C.
Two James Center
1021 E. Cary St., Suite 1400
Richmond, VA 23219
Telephone: (804) 771-5746
Facsimile: (888) 360-9092
Email: dmfoley@kaufcan.com

– and –

Douglas R. Gooding (admitted *pro hac vice*)
Jonathan D. Marshall (admitted *pro hac vice)*
CHOATE, HALL & STEWART LLP
Two International Place
Boston, MA 02110
Telephone: (617) 248-5000
Emails: dgooding@choate.com
Jmarshall@choate.com

Co-Counsel for Liberty Mutual Insurance Company

CERTIFICATE OF SERVICE

I hereby certify that on May 8, 2025, a true copy of the foregoing was filed with the Clerk of the Court using the CM/ECF system, which will send a notification of electronic filing (NEF) to all creditors and parties in interest.

/s/ Douglas M. Foley