Case 24-32428-KLP Doc 807 Filed 05/28/25 Entered 05/28/25 10:30:41 Dec Main Document Fayer 01:44 Docket #0807 Date Filed: 05/28/2025

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# UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

	:
In re:	: Chapter 11
HOPEMAN BROTHERS, INC.,	: : Case No. 24-32428 (KLP)
	:
Debtor.	:
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#### **NOTICE OF OBJECTION TO CLAIM AND NOTICE OF HEARING**

**PLEASE TAKE NOTICE** that on May 28, 2025, Hopeman Brothers, Inc., the debtor and debtor in possession in the above-captioned chapter 11 case and defendant in this adversary proceeding (the "<u>Debtor</u>") filed the following objection (the "<u>Objection</u>") with the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division (the "<u>Court</u>"): *Objection of the Debtor to Proof of Claim Filed by DIANE FARRIS, ESTATE OF JOHN GALLO as Asbestos Personal Injury Claim That Was Improperly Filed in the Chapter 11 Case.* 

**PLEASE TAKE FURTHER NOTICE** that a copy of the Objection may be obtained at no charge at https://www.veritaglobal.net/hopeman or for a fee at <u>https://ecf.vaeb.uscourts.gov</u>.

# PLEASE TAKE FURTHER NOTICE that <u>your rights may be affected</u>. You should read the Objection carefully and discuss it with your attorney, if you have one in the chapter 11 case. If you do not have an attorney, you may wish to consult one.

**PLEASE TAKE FURTHER NOTICE** that pursuant to Rule 1075-1 of the Local Bankruptcy Rules (the "Local Bankruptcy Rules"), the Court has adopted the "Procedures for Complex Chapter 11 Cases in the Eastern District of Virginia" (the "<u>Case Management Procedures</u>"), which prescribe the manner in which objections must be filed and served and when hearings will be conducted. A copy of the Case Management Procedures is available by visiting https://www.vaeb.uscourts.gov/vaeb-local-rules.



**PLEASE TAKE FURTHER NOTICE** that if you do not want the Court to grant the relief requested in the Objection, or if you want the Court to consider your views on the Objection, then, by **June 27, 2025** (the "<u>Response Deadline</u>"), you or your attorney must:

File with the Court, either electronically or at the address shown below, a written response to the Objection pursuant to Rule 9013-1(H) of the Local Rules of the United States Bankruptcy Court for the Eastern District of Virginia and the Case Management Procedures. If you mail your written response to the Court for filing, you must mail it early enough so the Court will **receive** it on or before the Response Deadline.

UNDER LOCAL BANKRUPTCY RULE 3007-1, UNLESS A WRITTEN RESPONSE IN OPPOSITION IS FILED AND SERVED WITHIN 30 DAYS OF SERVICE OF THIS OBJECTION, THE COURT MAY DEEM ANY OPPOSITION WAIVED, TREAT THE OBJECTION AS CONCEDED, AND ENTER AN ORDER GRANTING THE REQUESTED RELIEF WITHOUT A HEARING

Clerk of the Court United States Bankruptcy Court 701 East Broad Street, Suite 4000 Richmond, Virginia 23219

In accordance with the Case Management Procedures, you must also serve a copy of your written response on the Debtor so that the response is received on or before the Response Deadline.

Attend the hearing before the Honorable Keith L. Phillips, United States Bankruptcy Judge, at <u>1:00 p.m. (prevailing Eastern Time) on July 17, 2025</u>, in Courtroom 5100 of the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division, 701 East Broad Street, 5<sup>th</sup> Floor, Richmond, Virginia 23219.

**PLEASE TAKE FURTHER NOTICE** that you should consult the Case Management Procedures before filing any written response to the Objection.

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Dated: May 28, 2025 Richmond, Virginia

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

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Attorneys for Debtor and Debtor in Possession

# UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

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In re:

**HOPEMAN BROTHERS, INC.,** 

Debtor.

Chapter 11

Case No. 24-32428 (KLP)

# OBJECTION OF THE DEBTOR TO PROOF OF CLAIM FILED BY DIANE FARRIS, ESTATE OF JOHN GALLO AS ASBESTOS PERSONAL INJURY <u>CLAIM THAT WAS IMPROPERLY FILED IN THE CHAPTER 11 CASE</u>

Hopeman Brothers, Inc., the debtor and debtor in possession in the above-captioned chapter 11 case (the "<u>Debtor</u>")<sup>1</sup>, respectfully represents as follows in support of this objection (the "Objection"):

**RELIEF REQUESTED** 

1. The Debtor hereby seeks entry of an order, substantially in the form attached hereto as <u>Exhibit A</u> (the "<u>Proposed Order</u>"), disallowing and expunging Claim No. 17 (the "<u>Claim</u>") filed by DIANE FARRIS, ESTATE OF JOHN GALLO (the "<u>Claimant</u>") solely for purposes of this chapter 11 case because it is an Asbestos Personal Injury Claim that will be assumed by and

<sup>&</sup>lt;sup>1</sup> Capitalized terms used herein but not otherwise defined herein shall have the meaning ascribed to them in the Plan (defined below).

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channeled to the Asbestos Personal Injury Trust in accordance with the proposed *Amended Plan* of *Reorganization of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code* [Docket No. 766] (the "<u>Plan</u>").

#### JURISDICTION AND VENUE

2. 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 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.

3. The bases for the relief requested herein are sections 105(a) and 502 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the "<u>Bankruptcy Code</u>").

#### **BACKGROUND**

4. On June 30, 2024, the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code in this Court commencing this chapter 11 case. The Debtor continues to manage its business as a debtor in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.<sup>2</sup>

5. On July 22, 2024, the Debtor filed its Motion of the Debtor for Entry of an Order (I) Establishing Bar Dates for Submitting Proofs of Non-Asbestos Claim; (II) Approving Procedures for Submitting Proofs of Non-Asbestos Claim; (III) Approving Notice Thereof; (IV) Approving a Tailored Proof of Non-Asbestos Claim Form; and (V) Granting Related Relief

<sup>&</sup>lt;sup>2</sup> Additional information regarding the Debtor 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.* [Docket No. 8], which is fully incorporated herein by reference.

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[Docket No. 74] (the "<u>Non-Asbestos Bar Date Motion</u>"), asking this Court, to among other things, establish bar dates for submitting non-asbestos claims.

6. As explained in the Non-Asbestos Bar Date Motion, claimants holding Asbestos Personal Injury Claims do not have to submit proofs of claim evidencing their Asbestos Personal Injury Claims during the pendency of this chapter 11 case in accordance with the filing deadlines the Debtor sought to establish through the Bar Date Motion. Rather, holders of Asbestos Personal Injury Claims will be addressed by the Asbestos Personal Injury Claim Trust and any applicable documents and provisions in the Plan. Consequently, because this Court will never have occasion to adjudicate the Asbestos Personal Injury Claims, there is no practical reason for such claimants to file proof of their Asbestos Personal Injury Claims as part of the claims process in this chapter 11 case.

7. On September 12, 2024, this Court entered its Order approving the Non-Asbestos Bar Date Motion that, among other things, established, November 4, 2024, as the general bar date for the filing of proofs of claim for claims *other than Asbestos Personal Injury Claims*. *See* Docket No. 193, ¶ 5. Furthermore, this Order expressly provides that any person or entity who holds an Asbestos Personal Injury Claim against the Debtor does not need to file any proof of claim in this chapter 11 case. *See id.* at ¶ 8.

8. On May 21, 2025, the Debtor and the Official Committee of Unsecured Creditors appointed in this chapter 11 case (the "<u>Committee</u>") jointly filed the Plan and the *Disclosure Statement with Respect to the Amended Plan of Reorganization of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code* [Docket No. 767] (the "<u>Disclosure Statement</u>").

9. Consistent with the Debtor's representations in the Non-Asbestos Bar Date Motion, the Plan is intended to resolve the Asbestos Personal Injury Claims against the Debtor in an

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efficient and equitable manner. The Plan incorporates a settlement (the "<u>524(g) Settlement</u>") between the Debtor, Committee and Huntington Ingalls Industries, Inc. The basic terms of the Settlement are set forth in a term sheet filed with the Bankruptcy Court on March 7, 2025. *See* Docket No. 609, <u>Exhibit B</u>. The centerpiece of the 524(g) Settlement and Plan is the establishment of a trust under section 524(g) of the Bankruptcy Code (as defined in the Plan, the "<u>Asbestos Personal Injury Trust</u>") and an injunction that will channel the Asbestos Personal Injury Claims to the Asbestos Personal Injury Trust. As agreed in the 524(g) Settlement, and as provided for in the Plan, the Debtor will transfer its remaining insurance coverage and cash to that trust to allow for resolution of the thousands of Asbestos Personal Injury Claims pending against the Debtor after the Effective Date of the Plan.

10. On May 21, 2025, this Court entered its Order (1) Scheduling a Combined Hearing to Approve the Disclosure Statement and Confirm the Plan; (11) Conditionally Approving the Disclosure Statement; (111) Establishing Objection Deadlines; (1V) Approving the Form and Manner of Notice; (V) Approving the Solicitation and Tabulation Procedures; and (VI) Granting Related Relief [Docket No. 781], among other things, (i) approving solicitation procedures regarding votes to accept the Plan, including votes from holders of Asbestos Personal Injury Claims, and (ii) scheduling a combined hearing on the adequacy of the Disclosure Statement and confirmation of the Plan for July 1, 2025.

#### **BASIS FOR RELIEF**

11. After careful review, the Debtor has determined that the Claim filed by Claimant is an Asbestos Personal Injury Claim.

12. Because Asbestos Personal Injury Claims will be channeled to and assumed by the Asbestos Personal Injury Trust and then addressed in accordance with the Asbestos Personal Injury

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Claim Trust Procedures and any applicable documents and provisions in the Plan, the Debtor submits it is necessary and appropriate to disallow and expunge the Claim for purposes of this chapter 11 case.

13. The allowance of the Claim in the chapter 11 case serves no practical purpose, and failure to disallow and expunge the Claim for purposes of this chapter 11 case would duplicate the claims resolution process for Asbestos Personal Injury Claims set forth in the Asbestos Personal Injury Claim Trust Procedures and the Plan.

14. The relief sought in this Objection, however, shall have no impact on the Claimant's Asbestos Personal Injury Claim and shall be without prejudice to the Claimant's rights to (i) subsequently file its Asbestos Personal Injury Claim in this chapter 11 case if the Court sets a bar date for Asbestos Personal Injury Claims, (ii) vote on the Plan in accordance with the solicitation procedures proposed in the Solicitation Procedures Motion, and (iii) pursue its Asbestos Personal Injury Claim against the Asbestos Personal Injury Trust and in accordance with the applicable provisions of the Plan.

15. Furthermore, this Objection is without prejudice to the rights of the Asbestos Personal Injury Trust or any other appropriate party to object and/or contest the Claimant's Asbestos Personal Injury Claim.

16. For all the foregoing reasons, the Claim should be disallowed and expunged for purposes of this chapter 11 case.

#### **NOTICE**

17. Notice of this Objection will be given pursuant to Local Rule 1075-1 and the procedures set forth in Article II of the "Procedures for Complex Cases in the Eastern District of

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Virginia." The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

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

relief sought in the Objection and such other relief as this Court determines just and proper.

Dated: May 28, 2025 Richmond, Virginia

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

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# <u>Exhibit A</u>

# **Proposed Order**

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Counsel for Debtor and Debtor in Possession

# UNITED STATES BANKRUPTCY COURT EASTERN DISTRICT OF VIRGINIA RICHMOND DIVISION

In re:	: Chapter 11
HOPEMAN BROTHERS, INC.,	: : Case No. 24-32428 (KLP)
	:
Debtor.	:
	:

# ORDER DISALLOWING PROOF OF CLAIM FILED BY DIANE FARRIS, ESTATE OF JOHN GALLO AS ASBESTOS PERSONAL INJURY CLAIM THAT WAS IMPROPERLY FILED IN THE CHAPTER 11 CASE

Upon the objection (the "<u>Objection</u>")<sup>1</sup> of the above-captioned debtor in the abovecaptioned chapter 11 case (the "<u>Debtor</u>") for entry of an order (this "<u>Order</u>") disallowing and expunging Claim No. 17 (the "<u>Claim</u>") filed by DIANE FARRIS, ESTATE OF JOHN GALLO (the "<u>Claimant</u>") solely for purposes of this chapter 11 case because it is asbestos-related personal injury claim that will be assumed by and channeled to the Asbestos Personal Injury Trust in accordance with the proposed *Amended Plan of Reorganization of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code* [Docket No. 766] (the "<u>Plan</u>"); and the Court having jurisdiction to consider the Objection 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* 

<sup>&</sup>lt;sup>1</sup> Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Objection.

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*District of Virginia*, dated August 15, 1984; and the Court having found that this is a core 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 Objection in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that proper and adequate notice of the Objection 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 relief requested in the Objection is hereby SUSTAINED.

2. The Claim is disallowed and expunged solely for purposes of this chapter 11 case because it is an Asbestos Personal Injury Claim that will be assumed by and channeled to the Asbestos Personal Injury Trust in accordance with the proposed Plan.

3. This Order shall have no impact on the Claimant's Asbestos Personal Injury Claim and shall be without prejudice to the Claimant's rights to (i) subsequently file its Asbestos Personal Injury Claim in this chapter 11 case if the Court sets a bar date for Asbestos Personal Injury Claims, (ii) vote on the Plan in accordance with the solicitation procedures proposed in the Solicitation Procedures Motion, and (iii) pursue its Asbestos Personal Injury Claim against the Asbestos Personal Injury Trust and in accordance with the applicable provisions of the Plan.

4. Furthermore, this Order is without prejudice to the rights of the Asbestos Personal Injury Trust or any other appropriate party to object and/or contest the Claimant's Asbestos Personal Injury Claim.

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5. The Debtor and the Debtor's claims and noticing agent are authorized to take all actions necessary to implement the relief granted in this Order in accordance with the Objection.

6. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation or enforcement of this Order.

Dated: \_\_\_\_\_, 2025 Richmond, Virginia

UNITED STATES BANKRUPTCY JUDGE

WE ASK FOR THIS:

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

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Counsel for the Debtor and Debtor in Possession

# CERTIFICATION OF ENDORSEMENT UNDER BANKRUPTCY LOCAL 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 Henry P. (Toby) Long, III