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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 (KLP)**
:
:
:
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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 “Debtor”) filed the following objection (the “Objection”) with the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division (the “Court”): *Objection of the Debtor to Proof of Claim Filed by Zurich American Insurance Company.*

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 <https://ecf.vaeb.uscourts.gov>.

PLEASE TAKE FURTHER NOTICE that your rights may be affected. 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 “Case Management Procedures”), 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>.



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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 “Response Deadline”), 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 **1:00 p.m. (prevailing Eastern Time) on July 17, 2025**, in Courtroom 5100 of the United States Bankruptcy Court for the Eastern District of Virginia, Richmond Division, 701 East Broad Street, 5th 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

Tyler P. Brown (VSB No. 28072)

Henry P. (Toby) Long, III (VSB No. 75134)

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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:

HOPEMAN BROTHERS, INC.,

Debtor.

:
: **Chapter 11**
:
: **Case No. 24-32428 (KLP)**
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:
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**OBJECTION OF THE DEBTOR TO PROOF OF CLAIM
FILED BY ZURICH AMERICAN INSURANCE COMPANY**

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 objection (the “Objection”):

RELIEF REQUESTED

1. The Debtor hereby seeks entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), disallowing and expunging Claim No. 2 (the “Claim”) filed by Zurich American Insurance Company (the “Claimant”) because the Claim seeks indemnification, reimbursement, and/or contribution from the Debtor on a contingent liability for which the Claimant also is liable.

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 “Bankruptcy Code”).

BACKGROUND

4. On June 30, 2024 (the “Petition Date”), 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.¹

5. On September 12, 2024, this Court entered its *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* [Docket No. 193] (the “Non-Asbestos Bar Date Order”). Among other things, the Non-Asbestos Bar Date Order provides that, established, November 4, 2024, as the general bar date for the filing of proofs of claim for claims, other than asbestos personal injury claims, that arose before the Petition Date. *See* Docket No. 193, ¶ 5.

¹ 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.

6. On October 14, 2025, the Claimant filed the Claim asserting a contingent claim, in an unliquidated amount, for reimbursement, contribution or indemnification arising under insurance policies it issued to the Debtor for the period of January 1, 2020, through January 1, 2021 (the “Policies”).

BASIS FOR RELIEF

7. The Claim seeks on a contingent basis, indemnification, reimbursement and/or contribution, in an unliquidated amount, from the Debtor in the event that the Claimant satisfies some or all of the alleged potential liability to third parties under the Policies. As such, the Claim is a contingent claim for reimbursement or contribution under section 502(e)(1)(B) of the Bankruptcy Code and must be disallowed.

8. Section 502(e)(1)(B) of the Bankruptcy Code provides, in relevant part, that the court shall disallow any claim for reimbursement or contribution of an entity that is liable with the debtor to the extent that “such claim for reimbursement or contribution is contingent as of the time of allowance or disallowance of such claim for reimbursement or contribution.” 11 U.S.C. § 502(e)(1)(B).

9. Courts have recognized two purposes behind section 502(e)(1)(B). First, it prevents “redundant recoveries on identical claims.” *In re Hemingway Transp.*, 993 F.2d 915, 924 (1st Cir. 1993). Second, it promotes the timely administration and distribution of the debtor’s estate. *Sorenson v. Drexel Burnham Lambert Group, Inc. (In re Drexel Burnham Lambert Group, Inc.)*, 146 B.R. 92, 97 (S.D.N.Y. 1992); *see also In re GCO Servs. LLC*, 324 B.R. 459, 466 (Bankr. S.D.N.Y. 2005) (Section 502(e)(1)(B) is designed to “prevent contingent, unresolved indemnification or contribution claims from delaying the consummation of a plan of reorganization or a final distribution in a liquidating case.”).

10. “Three elements must be satisfied in order for a claim to be disallowed pursuant to 11 U.S.C. § 502(e)(1)(B): (1) the claim must be contingent; (2) the claim must be for reimbursement [or contribution]; and (3) the debtor and the claimant must be co-liable on the claim.” *In re Fuel Barons, Inc.*, 488 B.R. 783, 786-87 (Bankr. N.D. Ga. 2013); *see also In re Chemtura Corp.*, 436 B.R. 286, 29 (Bankr. S.D.N.Y. 2010); *In re Touch Am. Holdings, Inc.*, 381 B.R. 95, 107 (Bankr. D. Del. 2008); *Drexel Burnham*, 148 B.R. at 985; *In re Am. Cont’l Corp.*, 119 B.R. 216, 218 (D. Ariz. 1990). The Claim satisfies each of these three elements and, therefore, must be dismissed.

11. First, the Claim acknowledges that it is contingent. Courts have consistently interpreted the phrase “contingent as of the time of allowance or disallowance” in section 502(e)(1)(B) of the Bankruptcy Code to include the situation where the claimant has not yet satisfied the liability for which it is asserting a claim against the debtor. *See Fuel Barons*, 488 B.R. at 789; *Touch Am. Holdings*, 381 B.R. at 107-08; *In re Pacor, Inc.*, 110 B.R. 686, 689 (E.D. Pa. 1990); *see also In re Microwave Products of America, Inc.*, 118 B.R. 566, 573 (Bankr. W.D. Tenn. 1990) (disallowing surety’s contingent claim, but allowing surety to retain its lien). Upon information and belief, the Claimant has not satisfied any fixed liability related to the Claim.

12. Second, the Claim expressly asserts a claim for reimbursement or contribution. *See In re Wedtech Corp.*, 85 B.R. 285, 287 (“The use of the word ‘reimbursement’ in the statute . . . is a broad word which encompasses whatever claims a co-debtor has which entitled him to be made whole for monies he has expended on account of a debtor for which he and the debtor are both liable.”); *see also In re Regal Cinemas, Inc.*, 393 F.3d 674, 680 (6th Cir. 2004) (“Analytically, indemnity is the same as reimbursement.”); *In re RNI Wind Down*, 369 B.R. 174, 181 (Bankr. D. Del. 2007) (“Courts have consistently held that ‘the concept of reimbursement includes

indemnity.”); *In re The Charter Co.*, 81 B.R. 644, 647 (M.D. Fla. 1987) (“Regardless of the label attached to the [co-debtor’s indemnification claims for environmental liability], section 502(e)(1)(B) provides for their disallowance.”); *see also Chase Manhattan Bank, N.A. v. Francini*, No. 91 Civ. 2515 (MBM), 1991 WL 161359, at *4 (S.D.N.Y. Aug. 16, 1991) (explaining that § 502(e)(1)(A) “reflects a policy that a surety’s claim for reimbursement or contribution is entitled to no better status than the claim of the creditor assured by such surety”) (quotation marks omitted); *In re Early & Daniel Indus., Inc.*, 104 B.R. 963, 967 (Bankr. S.D. Ind. 1989) (“Case law interpreting section 502(e) . . . supports this Court’s interpretation that a claim for reimbursement or contribution under 502(e) is contingent, and not allowable, except to the extent that the surety or codebtor has actually paid the underlying claim.”).

13. Third, the Claimant is co-liaible with the Debtor with respect to the underlying claims. “The phrase ‘liable with the debtor’ has been interpreted to be broad enough to encompass any type of liability shared with the debtor.” *In re McCoy*, 355 B.R. 69, 75 (Bankr. N.D. Ill. 2006); *Drexel Burnham*, 148 B.R. at 985; *In re Baldwin-United Corp.*, 55 B.R. 885, 890 (Bankr. S.D. Ohio 1985). Thus, section 502(e)(1)(B) “does not require that the claims must be based on the same legal theory or that the claimant and debtor must be subject to a common legal proceeding.” *Fuel Barons*, 488 B.R. at 787 (holding that debtor and creditor were co-liaible under indemnity for damages and defense costs). The Claim is based upon the claim or potential claim of an underlying plaintiff, under which both the Claimant and the Debtor may be found liable.

14. Accordingly, because the Claim meets all three requirements for disallowance under section 502(e)(1)(B) of the Bankruptcy Code, it must be disallowed and expunged.

15. The Debtor reserves the right to object to the Claim on any and all additional factual and legal grounds to the extent the Claim is not disallowed as requested herein.

NOTICE

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

NO PRIOR REQUEST

17. No prior request for the relief sought in this Objection has been made to this or any other Court in connection with these chapter 11 cases.

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.

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Dated: May 28, 2025
Richmond, Virginia

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

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Counsel for the Debtor and Debtor in Possession

Exhibit A

Proposed Order

HUNTON ANDREWS KURTH LLP

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**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:

HOPEMAN BROTHERS, INC.,

Debtor.

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Chapter 11

Case No. 24-32428 (KLP)

**ORDER DISALLOWING AND EXPUNGING PROOF OF CLAIM
FILED BY ZURICH AMERICAN INSURANCE COMPANY**

Upon the objection (the “Objection”)¹ of the above-captioned debtor in the above-captioned chapter 11 case (the “Debtor”) for entry of an order (this “Order”) disallowing and expunging Claim No. 2 (the “Claim”) filed by Zurich American Insurance Company (the “Claimant”) on the grounds that the Claim seeks indemnification, reimbursement, and/or contribution, in an unliquidated amount, from the Debtor on a contingent liability for which the Claimant also is liable; 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 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

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

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.
3. 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.
4. 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

Tyler P. Brown (VSB No. 28072)

Henry P. (Toby) Long, III (VSB No. 75134)

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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