

HUNTON ANDREWS KURTH LLP

Joseph P. Rovira (admitted *pro hac vice*)
Catherine A. Rankin (admitted *pro hac vice*)
600 Travis Street, Suite 4200
Houston, Texas 77002
Telephone: (713) 220-4200

HUNTON ANDREWS KURTH LLP

Tyler P. Brown (VSB No. 28072)
Henry P. (Toby) Long, III (VSB No. 75134)
Riverfront Plaza, East Tower
951 East Byrd Street
Richmond, Virginia 23219
Telephone: (804) 788-8200

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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:
:
:

**THIRD MOTION OF THE DEBTOR FOR ENTRY OF AN ORDER
EXTENDING THE EXCLUSIVITY PERIODS TO FILE AND SOLICIT A PLAN**

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. By this Motion, the Debtor hereby seeks entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), further extending (a) the period during which the Debtor has the exclusive right to file a Chapter 11 plan (the “Exclusive Filing Period”) through and including October 24, 2025, and (b) the period during which the Debtor has the exclusive right to solicit a plan (the “Exclusive Solicitation Period,” and together with the Exclusive Filing Period,



the “Exclusivity Periods”) through and including December 19, 2025, without prejudice to the Debtor’s right to seek further extensions of the Exclusivity Periods.

JURISDICTION AND VENUE

2. The United States Bankruptcy Court for the Eastern District of Virginia (the “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 section 1121 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532 (the “Bankruptcy Code”) and rule 9006(b)(1) of the Federal Rules of Bankruptcy Procedure.

BACKGROUND

A. The Chapter 11 Case

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 July 22, 2024, the Office of the United States Trustee for the Eastern District of Virginia appointed an official committee of unsecured creditors [Docket No. 69] (the “Committee”).

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.

B. The Exclusivity Periods

6. The Debtor's initial Exclusive Filing Period was to expire on October 28, 2024, and the Debtor's initial Exclusive Solicitation Period was set to expire on December 27, 2024.

7. On November 13, 2024, the Court entered its *Order (I) Extending the Exclusivity Periods to File and Solicit a Plan and (II) Granting Related Relief* [Docket No. 321], extending (a) the Exclusive Filing Period through February 25, 2025, and (b) the Exclusive Solicitation Period through April 28, 2025. *See* Docket No. 359.

8. On February 19, 2025, the Debtor filed the *Second Motion of the Debtor for Entry of an Order (I) Extending the Exclusive Periods to File and Solicit a Plan and (II) Granting Related Relief* [Docket No. 577] (the "Second Motion to Extend Exclusivity Periods"), seeking to extend (a) the Exclusive Filing Period through May 25, 2025, and (b) the Exclusive Solicitation Period through July 25, 2025. As explained therein, cause existed to grant the Second Motion to Extend Exclusivity Periods because the Debtor, Committee and other parties actively were engaged in Court-ordered judicial mediation, including negotiations over a potential exit strategy for the Debtor.

9. On March 11, 2025, this Court entered its Order granting the Second Motion to Extend Exclusivity Periods. *See* Docket No. 623.

10. The mediation resulted in an agreement between the Debtor, the Committee, and Huntington Ingalls Industries, Inc. ("HII"), signed on March 7, 2025. A copy of the *Settlement Term Sheet for § 524(g) Plan of Hopeman Brothers, Inc.* (the "524(g) Term Sheet") was filed with the Court that day at Docket No. 609 and entered into evidence at the omnibus hearing held on March 10, 2025.

11. The 524(g) Term Sheet, *inter alia*, sets forth the essential terms on which the Debtor and the Committee agreed to resolve the Debtor's liability for asbestos-related claims, including that the Debtor and the Committee agreed to jointly prosecute a Chapter 11 plan that would create a trust pursuant to section 524(g) of the Bankruptcy Code, and the Debtor would transfer its remaining insurance coverage and cash to that trust to allow for resolution of the thousands of asbestos claims against the Debtor after the effective date of the contemplated plan

12. In accordance with the 524(g) Term Sheet, on April 29, 2025 and in advance of the expiration of the Exclusive Filing Period, the Debtor and Committee filed the following this Court:

- *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 Approve 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* [Docket No. 691] (the "Solicitation Procedures Motion").
- *Plan of Reorganization of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code* [Docket No. 689] (as amended by the *Amended Plan of Reorganization of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code* [Docket No. 766], the "Plan").
- *Disclosure Statement with Respect to the Plan of Reorganization of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code* [Docket No. 690] (as amended by 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 "Disclosure Statement").

13. The Plan incorporates the terms of the 524(g) Term Sheet.

14. On May 21, 2025, the Court entered its Order [Docket No. 782] (the "Solicitation Procedures Order") approving the Solicitation Procedures Motion. Among other things, the Solicitation Procedures Order, (a) approved the solicitation procedures with respect to the Plan and (b) scheduled a combined hearing (the "Combined Hearing") for July 1, 2025, at 10:00 a.m.

(prevailing Eastern Time) to consider final approval of the Disclosure Statement and confirmation of the Plan.

15. As evidenced by the *Vote Certification* filed with the Court contemporaneously with this Motion, the only classes entitled to vote on the Plan overwhelmingly voted in favor of the Plan as follows:

Class 3 Claimants. The Debtor received 1 acceptance out of 1 vote from holders of Class 3 General Unsecured Claims, with Class 3 claimants who voted in favor of the Plan holding Claims in the amount of \$7,005.44 for voting purposes only, such acceptances being 100 percent in number and 100 percent in amount of all ballots received from holders of Class 3 General Unsecured Claims entitled to vote on the Plan;

Class 4 Claimants. The Debtor received 2,409 acceptances out of 2,416 votes from holders of Class 4 Channeled Asbestos Claims, with Class 4 claimants who voted in favor of the Plan holding Claims in the amount of \$2,409.00 for voting purposes only, such acceptances being 99.71 percent in number and 99.71 percent in amount of all ballots received from holders of Class 4 Channeled Asbestos Claims;

16. The only parties that filed timely objections to the Plan are current or former insurers of the Debtor (the “Objecting Insurers”). See Chubb Insurers Objection [Docket Nos. 958, 959 and 960]; Liberty’s Objection [Docket Nos. 954 and 961]; Travelers Insurers Objection [Docket Nos. 944 and 949]; Hartford’s Objection [Docket No. 942].

17. With the consent of the Objecting Insurers and in accordance with the Solicitation Procedures Order, the Combined Hearing was adjourned to August 25, 2025, at 10:00 a.m. See Docket No. 972. Accordingly, unless the Court approves the relief requested herein, the Exclusivity Periods are set to expire prior to the Combined Hearing. As set forth in more detail below, the Debtor, therefore, is filing this Motion to preserve the Exclusivity Periods while it attempts to obtain confirmation of its filed and solicited Chapter 11 plan.

18. Pursuant to the procedures set forth in Article VI.H of the “Procedures for Complex Chapter 11 Cases in the Eastern District of Virginia” (the “Complex Case Procedures”): “[I]f a motion to extend time to take any action is filed before the expiration period prescribed in the Bankruptcy Code, the Bankruptcy Rules, or the Local Bankruptcy Rules, the time for taking the action is automatically extended until the Court rules on the motion. An automatic extension under this rule does not require the issuance or entry of an order extending the time.”

19. As a result, upon the filing of this Motion, the Exclusivity Periods will be extended until the Court acts on this Motion without the necessity of a bridge order.

BASIS FOR RELIEF

20. The Bankruptcy Code establishes an initial period of 120 days after the commencement of a Chapter 11 case in which a debtor has the exclusive right to file a Chapter 11 plan. 11 U.S.C. § 1121(b). Further, the Bankruptcy Code provides that if a debtor files a plan within that 120-day period, it has a 180-day period from the petition date to solicit acceptance of its plan. 11 U.S.C. § 1121(c)(3); *see also* 7 Collier on Bankruptcy ¶ 1121.04 (16th ed. 2019) (providing that if the Debtor files a plan within the exclusivity period, no other party may file a plan).

21. Under section 1121(d)(1) of the Bankruptcy Code, the Court may extend the Exclusivity Periods “for cause.” However, the Exclusive Filing Period “may not be extended beyond a date that is 18 months after the [petition] date” and the Exclusive Solicitation Period “may not be extended beyond a date that is 20 months after the [petition] date.” 11 U.S.C. § 1121(d)(2).

22. Although the Bankruptcy Code does not define the term “cause” for purposes of section 1121(d), or establish formal criteria for an extension of the Exclusivity Periods, the

legislative history indicates that “cause” should be interpreted in such a way as “to allow the debtor to reach an agreement.” H.R. Rep. No. 95-595, at 231-32 (1978), as reprinted in 1978 U.S.C.C.A.N. 5963, 6191.

23. The exclusivity periods established by section 1121 of the Bankruptcy Code are intended to give a debtor an adequate opportunity to address necessary operational matters at the outset of its Chapter 11 case, to resolve significant issues with various creditors and to negotiate an effective Chapter 11 plan with its creditors without the deterioration and disruption that might be caused by the filing of competing plans. *See In re Newark Airport/Hotel L.P.*, 156 B.R. 444, 451 (Bankr. D.N.J.) *aff’d*, 155 B.R. 93 (D.N.J. 1993) (noting that Chapter 11 provisions are designed to enable a debtor to remain in control for some period of time, thereby making Chapter 11 an attractive alternative to financially troubled companies); *In re Texaco, Inc.*, 81 B.R. 806, 809 (Bankr. S.D.N.Y. 1988) (Section 1121 “was intended that at the outset of a Chapter 11 case a debtor should be given the unqualified opportunity to negotiate a settlement and propose a plan of reorganization without interference from creditors and other interests”). *In re Perkins*, 71 B.R. 294, 297-98 (W.D. Tenn. 1987) (noting that section 1121 is designed to give the debtor time to reach an agreement with its creditors regarding a Chapter 11 plan).

24. The decision to extend a debtor’s exclusivity periods is committed to the bankruptcy court’s sound discretion, guided by the facts and circumstances of each case. *See, e.g., First Am. Bank of N.Y. v. S.W. Gloves and Safety Equip., Inc.*, 64 B.R. 963, 965 (D. Del. 1986). Courts consider a variety of factors in determining whether “cause” exists to warrant an extension of the exclusivity periods, including: (a) the size and complexity of the case, (b) the debtor’s progress in resolving issues facing the estate and (c) whether an extension of time will harm the debtor’s creditors. *See, e.g., Quality Inns Int’l, Inc. v. L.B.H. Associates Ltd. P’Ship*, Nos. 89-2443

to 89-2445, 1990 WL 116762, at *2 (4th Cir. July 26, 1990); *In re McLean Indus., Inc.*, 87 B.R. 830, 834 (Bankr. S.D.N.Y. 1987) (citations omitted); *see also In re Dow Corning Corp.*, 208 B.R. 661, 664-65 (Bankr. E.D. Mich. 1997) (citing *In re Express One Int'l, Inc.*, 194 B.R. 98, 100 (Bankr. E.D. Tex. 1996)). The existence of good faith progress and the need for additional time to continue such progress is a particularly significant factor in establishing cause for extending the exclusivity periods under section 1121(d) of the Bankruptcy Code. *See Jasik v. Conrad (In re Jasik)*, 727 F.2d 1379, 1382-83 (5th Cir. 1984); *Express One Int'l, Inc.*, 194 B.R. at 101; *McLean*, 87 B.R. at 834; *In re Pine Run Trust, Inc.*, 67 B.R. 432, 435 (Bankr. E.D. Pa. 1986).

25. Applying the factors discussed above to the facts of this case clearly demonstrates that cause exists to grant the extension requested herein. The size and complexities of the Debtor's case alone justifies extending the Exclusivity Periods. Claimants have asserted over 126,000 asbestos-related claims against the Debtor, and, as of the Petition Date, almost 2,700 unresolved asbestos-related claims were outstanding. The sheer number of claims the Debtor is attempting to resolve through this case necessarily makes this case large and complex.

26. Moreover, as evidenced by the success of the meditation and the fact that the Debtor and Committee are jointly prosecuting the Plan that is scheduled to be considered by this Court at the Combined Hearing on August 25, the Debtor has made substantial progress since the Petition Date in resolving the issues facing the estate.

27. The Debtor also is not seeking an extension of the Exclusivity Periods as a leverage tactic, and creditors will not be prejudiced by extending the Exclusivity Periods. Namely, as set forth above, the Plan has the overwhelming support of creditors. The Debtor contemplates that following the August 25 Combined hearing, this Court will file a report and recommendation that then will require District Court approval. Alternatively, if this Court does not recommend approval

of the Plan to the District Court, the Debtor will need sufficient time after the August 25 Combined Hearing to negotiate with the Committee and other parties-in-interest to file and pursue a confirmable Chapter 11 plan. Providing the Debtor with such time is important because the Debtor is the only party that is duty-bound to formulate a plan that takes into account the interest of the estate and all its constituents. *See Smart World Techs., LLC v. Juno Online Servs., Inc. (In re Smart World Techs., LLC)*, 423 F.3d 166, 174 (2d Cir. 2005) (stating that Congress vested administration of the Chapter 11 estate solely in the hands of the debtor-in-possession).

28. Accordingly, the Debtor is seeking an extension of the Exclusivity Periods to provide sufficient time for District Court review and approval of the Plan or, if this Court is not willing to recommend approval of the Plan to the District Court, for the Debtor to propose a consensual plan and solicit acceptances of such plan without the deterioration and disruption that might be caused by the filing of competing plans by non-debtor parties.

29. Allowing the Exclusivity Periods to terminate at this premature point, however, would be contrary to the goal of developing and obtaining confirmation of consensual plan. *See In re Mid-State Raceway, Inc.*, 323 B.R. 63, 68 (Bankr. N.D.N.Y. 2005) (“[E]xclusivity is intended to promote an environment in which . . . a consensual plan may be negotiated.”) (citation omitted).

30. For the foregoing reasons, the Debtor submits sufficient “cause” exists to extend the Exclusivity Periods as requested herein. The Debtor’s requested extension of the Exclusivity Periods also does not exceed the 18-month limitation for the Exclusive Filing Period or the 20-month limitation for the Exclusive Solicitation Period.

31. Courts in this district have granted similar relief. *See, e.g., In re Toys “R” US, Inc.*, Case No. 17-34665 (Bankr. E.D. Va. Aug. 8, 2018) (KLP) (granting a second extension of the exclusivity period for an additional approximately 120 days); *In re Health Diagnostic Lab., Inc.*,

Case No. 15-32919 (KRH) (Bankr. E.D. Va. Mar. 1, 2016) (granting a second extension of the exclusivity period for an additional approximately 120 days); *In re James River Coal Company*, Case No. 14-31848 (KRH) (Bankr. E.D. Va. Sept. 3, 2015) (granting fourth extension of exclusive filing and solicitation periods to 18 months and 20 months, respectively, from petition date); *In re Bear Island Paper Co., L.L.C.*, Case No. 10-31202 (DOT) (Bankr. E.D. Va. June 17, 2011) (granting fifth extension of exclusive filing and solicitation periods to 18 months and 20 months, respectively, from petition date); *In re Canal Corp. f/k/a Chesapeake Corp.*, Case No. 08-36642 (DOT) (Bankr. E.D. Va. Apr. 21, 2010) (granting fifth extension of exclusive filing and solicitation periods to 18 months and 20 months, respectively, from petition date).

NOTICE

32. Notice of this Motion will be given pursuant to Bankruptcy Local Rule 1075-1 and the procedures set forth in Article II of the Complex Case Procedures. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

WHEREFORE, the Debtor respectfully requests that the Court enter the Proposed Order extending the Exclusivity Periods and granting related relief as this Court determines just and proper.

Dated: July 25, 2025
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 -

Joseph P. Rovira (admitted *pro hac vice*)
Catherine A. Rankin (admitted *pro hac vice*)
HUNTON ANDREWS KURTH LLP
600 Travis Street, Suite 4200
Houston, TX 77002
Telephone: (713) 220-4200
Facsimile: (713) 220-4285
Email: josephrovira@HuntonAK.com
crankin@HuntonAK.com

Counsel for the Debtor and Debtor in Possession

Exhibit A

Proposed Order

HUNTON ANDREWS KURTH LLP

Joseph P. Rovira (admitted *pro hac vice*)
Catherine A. Rankin (admitted *pro hac vice*)
600 Travis Street, Suite 4200
Houston, Texas 77002
Telephone: (713) 220-4200

HUNTON ANDREWS KURTH LLP

Tyler P. Brown (VSB No. 28072)
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951 East Byrd Street
Richmond, Virginia 23219
Telephone: (804) 788-8200

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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:
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THIRD ORDER EXTENDING EXCLUSIVITY PERIODS

Upon the motion (the “Motion”)¹ of the above-captioned debtor in the above-captioned chapter 11 case (the “Debtor”) for entry of an order (this “Order”) extending the Exclusivity Periods, all as more fully set forth in 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 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 the Court having found that the

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

relief requested in the Motion is in the best interests of the Debtor and its estate, creditors, and other parties in interest; 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 relief requested in the Motion is hereby granted.
2. The Exclusive Filing Period is extended through and including October 24, 2025
3. The Exclusive Solicitation Period is extended through and including December 19, 2025.
4. The relief granted in this Order is without prejudice to the Debtor's right to seek further extensions of the Exclusivity Periods.
5. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.
6. The Court retains exclusive 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)

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 -

Joseph P. Rovira (admitted *pro hac vice*)

Catherine A. Rankin (admitted *pro hac vice*)

HUNTON ANDREWS KURTH LLP

600 Travis Street, Suite 4200

Houston, TX 77002

Telephone: (713) 220-4200

Facsimile: (713) 220-4285

Email: josephrovira@HuntonAK.com

crankin@HuntonAK.com

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