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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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:
:
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**MOTION FOR AUTHORITY TO DISBURSE FUNDS PAID TO
THE DEBTOR PURSUANT TO THE CERTAIN INSURER
SETTLEMENT AGREEMENT TO PAY FEES AND EXPENSES OF
KURTZMAN CARSON CONSULTANTS, LLC DBA VERITA GLOBAL**

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 REQUESTED¹

1. The Debtor hereby seeks entry of an order, substantially in the form attached hereto as Exhibit A (the “Proposed Order”), authorizing the Debtor to disburse funds paid to the Debtor and currently held in a segregated Debtor-in-Possession bank account, pursuant to the Certain Settling Insurers Settlement Approval Order, to pay unpaid fees and expenses incurred by

¹ Capitalized terms used but not otherwise defined in the “Relief Requested” section shall have the meanings set forth below.



Kurtzman Carson Consultants, LLC dba Verita Global's ("Verita"), the Debtor's Court appointed claims and noticing agent, in the amount of \$177,746.56 (the "Unpaid Fees and Expenses"). In addition, the Court should authorize the Debtor to pay from the Segregated Account all additional amounts that come due to Verita in accordance with Verita's Retention Order.

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 363(b) 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.²

A. Verita's Fees and Expenses

5. On July 2, 2024, this Court entered an Order [Docket No. 34] ("Verita's Retention Order"), approving the Debtor's retention of Verita as its claims and noticing agent for the above-captioned chapter 11 case.

² 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. Pursuant to Verita's Retention Order, the "Debtor is authorized to compensate Verita in accordance with the terms of the Services Agreement upon receipt of reasonably detailed invoices setting forth the services provided by Verita and the rates charged for each, and to reimburse Verita for all reasonable and necessary expenses it may incur, upon the presentation of appropriate documentation, without the need for Verita to file fee applications or otherwise seek Court approval for compensation of its services and reimbursement of its expenses." *See* Verita's Retention Order, ¶ 6. Verita's Retention Order further requires Verita to serve monthly invoices on counsel for the Debtor, the United States Trustee, and any party-in-interest who specifically requests service of such invoices. *See id.* ¶ 7.

7. Verita has served monthly invoices, in accordance with Verita's Retention Order, setting forth the Unpaid Fees and Expenses incurred by Verita for the months of August, September and October 2025.

8. The Debtor believes the Unpaid Fees and Expenses are reasonable and necessary. Accordingly, pursuant to Verita's Retention Order, the Debtor is authorized to pay the Unpaid Fees and Expenses to Verita without filing fee applications or otherwise seeking Court approval. *See id.* ¶ 6.

B. Certain Settling Insurers Settlement Payment

9. On July 10, 2024, the Debtor filed the *Motion of the Debtor for Entry of an Order (I) Approving the Settlement Agreement and Release Between the Debtor and Certain Settling Insurers; (II) Approving the Sale of Certain Insurance Policies; (III) Issuing an Injunction Pursuant to the Sale of Certain Insurance Policies; and (IV) Granting Related Relief* [Docket No. 53] (the "Certain Settling Insurers Motion"), asking this Court to approve the *Settlement Agreement and Release* (the "Settlement Agreement"), annexed as Exhibit A to the Certain

Settling Insurers Motion, between the Debtor and the Certain Settling Insurers³ that monetizes the policies issued to the Debtor by the Certain Settling Insurers in the aggregate amount of \$18,395,011 (the “Certain Settling Insurers Settlement Payment”).

10. As set forth in section 2.2 of the Settlement Agreement, the Certain Settling Insurers Settlement Payment is to be used and disbursed “for the resolution of Asbestos Claims asserted against Hopeman, for administrative costs in the Bankruptcy Case, or as otherwise authorized by the Bankruptcy Code and Bankruptcy Rules or by Bankruptcy Court order.”

11. On December 19, 2024, this Court entered its Order approving the Certain Settling Insurers Motion [Docket No. 442] (the “Certain Settling Insurers Settlement Approval Order”). Paragraph 14 of the Certain Settling Insurers Settlement Approval Order provides that “[t]he Debtor shall hold all funds paid to it under this Order in a segregated Debtor-in-Possession bank account and may only disburse funds from that account upon further Order of the Court.”

12. In accordance with the Certain Settling Insurers Settlement Approval Order, the Debtor opened Citizens Bank Account No. 2363 (the “Segregated Account”) to hold the Certain Settling Insurers Settlement Payment upon its receipt by the Debtor.

13. On July 10, 2025, the full amount of the Certain Settling Insurers Settlement Payment was received by the Debtor and is being held in the Segregated Account.

14. The Debtor sought and obtained from this Court entry of an Order [Docket No. 1135] (the “Professional Fee Disbursement Order”) authorizing the Debtor to pay approved fees and expenses to retained professionals in accordance with this Court’s *Order (I) Establishing*

³ “Certain Settling Insurers” means, collectively, Continental Casualty Company, Fidelity & Casualty Company, Lexington Insurance Company, Granite State Insurance Company, the Insurance Company of the State of Pennsylvania, National Union Fire Insurance Company of Pittsburgh, PA, and General Reinsurance Corporation.

Procedures for Interim Compensation and Reimbursement of Expenses of Professionals and (II) Granting Related Relief [Docket No. 162] (the “Interim Compensation Procedures Order”).

15. Because neither the Professional Fee Disbursement Order nor the Interim Compensation Procedures Order authorize the Debtor to pay Verita’s fees and expenses, the Debtor seeks the relief requested herein.

BASIS FOR RELIEF

16. Section 363(b)(1) of the Bankruptcy Code provides, in relevant part, that debtors “after notice and a hearing, may use, sell or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). “Section 363(b) gives the court broad flexibility in tailoring its orders to meet a wide variety of circumstances.” *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989); *see also In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 155 (D. Del. 1999) (“Section 363(b) should be interpreted liberally to provide a bankruptcy judge with ‘substantial freedom to tailor his orders to meet differing circumstances’ and to avoid ‘shackling the judge with unnecessarily rigid rules.’”) (citations omitted). A court may authorize a debtor to use estate property upon a finding that such use is supported by sound business reasons. *See, e.g., In re On-Site Sourcing, Inc.*, 412 B.R. 817, 823 (Bankr. E.D. Va. 2009) (“The rule we adopt requires that a judge determining a § 363(b) application expressly find from the evidence presented before him at the hearing a good business reason to grant such an application.”) (quoting *In re Lionel Corp.*, 722 F.2d 1063, 1070–71 (2d Cir. 1983)); *see also In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986). Once a debtor articulates a reasonable basis for its business decisions, “courts will generally not entertain objections to the debtor’s conduct.” *Id.* There is a presumption that “when making business decisions, the directors of a corporation act on an informed basis, in good faith, and in the honest belief that the action taken was in the best

interests of the estate.” *Poth v. Russey*, 281 F.Supp. 2d 814, 826 (E.D. Va. 2003) (citing *Dellastations v. Williams*, 242 F.3d 191, 195–96 (4th Cir. 2001); see also *In re Integrated Res., Inc.*, 147 B.R. 650, 656 (S.D.N.Y. 1992) (quoting *Smith v. Van Gordom*, 488 A.2d 858, 872 (Del. 1985)).

17. When applying the “business judgment” standard, courts show great deference to a debtor’s business decisions. See, e.g., *Lubrizol Enterprises, Inc. v. Richmond Metal Finishers, Inc.*, 756 F.2d 1043, 1047 (4th Cir. 1985) (stating that a debtor’s business judgment must “be accepted by courts unless it is shown that the bankrupt’s decision was one taken in bad faith or in gross abuse of the bankrupt’s retained business discretion”). Hence, if a transaction satisfies the business judgment rule, it should be approved pursuant to section 363(b) of the Bankruptcy Code.

18. Moreover, section 105 of the Bankruptcy Code provides that “[t]he court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” 11 U.S.C. § 105(a).

19. Here, in accordance with the Certain Settling Insurers Settlement Order, the funds from the Certain Settling Insurers Settlement Payment are being held in the Segregated Account and may only be disbursed upon further Order of this Court. The Debtor is authorized by Verita’s Retention Order to pay the Unpaid Fees and Expenses to Verita without seeking this Court’s approval, and is required by the Settlement Agreement to use the Certain Settling Insurers Settlement Payment to, among other things, pay administrative costs in this bankruptcy case.

20. Accordingly, the Debtor submits that authorizing the Debtor to disburse funds from the Segregated Account to comply with its obligation to pay the Unpaid Fees and Expenses to Verita is supported by sound business reasons.

NOTICE

21. Notice of this Motion 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.

WHEREAS, the Debtor requests that the Court enter the Proposed Order granting the relief sought in the Motion and such other relief as this Court determines just and proper.

Dated: December 2, 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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Counsel for Debtor and Debtor in Possession

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

In re:

HOPEMAN BROTHERS, INC.,

Debtor.

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: **Chapter 11**
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**ORDER AUTHORIZING THE DEBTOR TO DISBURSE FUNDS PAID
TO THE DEBTOR PURSUANT TO THE CERTAIN INSURER
SETTLEMENT AGREEMENT TO PAY FEES AND EXPENSES OF
KURTZMAN CARSON CONSULTANTS, LLC DBA VERITA GLOBAL**

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”) authorizing the Debtor to disburse funds paid to the Debtor and held in the Segregated Account, pursuant to the Certain Settling Insurers Settlement Approval Order, to pay unpaid fees and expenses incurred by Kurtzman Carson Consultants, LLC dba Verita Global’s (“Verita”), the Debtor’s Court appointed claims and noticing agent, in the amount of \$177,746.56 (the “Unpaid Fees and Expenses”); 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*

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

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 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 a sound business reason 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 Debtor is authorized to disburse funds held in the Segregated Account to pay the Unpaid Fees and Expenses to Verita.
3. In addition, the Debtor is authorized to disburse funds held in the Segregated Account to pay all additional fees and expenses of Verita in accordance with Verita's Retention Order.
4. The Debtor is authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Motion.
5. 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:

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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