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**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF VIRGINIA  
RICHMOND DIVISION**

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

**HUNTINGTON INGALLS  
INDUSTRIES, INC.'S RESPONSE IN OPPOSITION TO  
OBJECTIONS TO THE PROPOSED FINDINGS OF FACT  
AND CONCLUSIONS OF LAW REGARDING CONFIRMATION  
OF THE MODIFIED AMENDED PLAN OF REORGANIZATION OF  
HOPEMAN BROTHERS, INC. UNDER CHAPTER 11 OF THE BANKRUPTCY  
CODE AND APPROVING ADEQUACY OF THE DISCLOSURE STATEMENT.**

Huntington Ingalls Industries, Inc. (“**HI**”), by and through undersigned counsel and pursuant to Federal Rule of Bankruptcy Procedure 9033, hereby responds (the “**Response**”) to *The Chubb Insurers’ Objections to Proposed Findings of Fact and Conclusions of Law Regarding Confirmation of the Modified Amended Plan of Reorganization of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code and Approving Adequacy of the Disclosure Statement* [ECF



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No. 1314], *Liberty Mutual Insurance Company's Objection and Joinder to the Bankruptcy Court's Proposed Findings of Fact and Conclusions of Law Regarding Confirmation of the Modified Amended Plan of Reorganization of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code and Approving Adequacy of the Disclosure Statement* [ECF No. 1313], and *Travelers' Objections to the Bankruptcy Court's Proposed Findings of Fact and Conclusions of Law Regarding Confirmation of the Modified Amended Plan of Reorganization of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy code and Approving Adequacy of the Disclosure Statement* [ECF No. 1312] (collectively the “**Insurer Objections**”) as follows:

### **RESPONSE**

The Bankruptcy Court spotted it well: Liberty Mutual Insurance Company is engaged in “gamesmanship to absolve itself of all liability without meeting the requirements of a third-party release.” Report and Recommendation on Motions to Dismiss, *Liberty Mut. Ins. Co. v. Hopeman Bros., Inc. (In re Hopeman Bros., Inc.)*, No. 25-03020-KLP, ECF No. 101 at 14. The Insurer Objections—which are the only objections to confirmation—are no different.

HII is not a “Plan Proponent” as defined in the *Modified Amended Plan of Reorganization of Hopeman Brothers, Inc. under Chapter 11 of the Bankruptcy Code*, dated August 21, 2025 [ECF No. 1141] (the “**Plan**”). See Plan Art. I.A.1.88 (defining “Plan Proponents” as the Debtor and Official Committee of Unsecured Creditors). Nor is it a fiduciary of the Chapter 11 Estate. HII will leave the bulk of the defense of confirmation to counsel for those parties, and hereby joins in the *Plan Proponents' Response to Objecting Insurers' Objections to Proposed Findings of Fact and Conclusions of Law Regarding Confirmation of the Modified Amended Plan of Reorganization of Hopeman Brothers, Inc. Under Chapter 11 of the Bankruptcy Code and Approving Adequacy*

of the Disclosure Statement [ECF No. 1335] (the “**Plan Proponents’ Response**”).<sup>1</sup> However, HII writes separately because it is uniquely situated.

HII is the largest military shipbuilding company in the United States and is regularly named as a co-defendant alongside the above-captioned debtor (the “**Debtor**”) and non-debtor Wayne Manufacturing Corporation (“**Wayne**”) in asbestos-related actions in Louisiana. HII has asserted and may assert contribution claims premised on virile share liability against the Debtor and Wayne under applicable state law. HII is therefore unique in this confirmation dispute—it is not an insurance company, nor is it an estate fiduciary, nor is it a natural person allegedly suffering an asbestos personal injury or the representative thereof. But HII *is* an unsecured creditor of this bankruptcy estate that has been concerned with the gamesmanship of certain of the Debtor’s insurers throughout the pendency of this bankruptcy case.

This bankruptcy began as a vehicle for the Debtor’s insurers to escape liability. The Debtor sought voluntary relief under Chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”) on June 30, 2024. On that very same day, the Debtor filed the *Motion of the Debtor for Entry of Interim and Final Orders Extending the Automatic Stay to Stay Asbestos-Related Actions Against Non-Debtor Defendants* [ECF No. 7] (the “**Stay Motion**”) and the *Motion of the Debtor for Entry of an Order (I) Approving the Settlement Agreement and Release Between the Debtor and the Chubb Insurers; (II) Approving the Assumption of the Settlement Agreement and Release Between the Debtor and the Chubb Insurers; (III) Approving the Sale of Certain Insurance Policies; (IV) Issuing an Injunction Pursuant to the Sale of Certain Insurance Policies; and (V) Granting Related Relief* [ECF No. 9] (the “**Chubb Settlement Motion**”). Less than two weeks

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<sup>1</sup> HII reserves any and all rights, claims, and defenses with regard to any liability asserted against HII.

later, 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; (IV [sic]) Issuing an Injunction Pursuant to the Sale of Certain Insurance Policies; and (V) Granting Related Relief* [ECF No. 53] (the “**Resolute Settlement Motion**” and, together with the Chubb Settlement Motion, the “**Insurer Settlement Motions**”) and the *Motion of the Debtor for Entry of an Order (I) Establishing Procedures to Schedule Hearings to Consider the Insurer Settlement Motions; (II) Approving the Form and Manner of Notice Thereof; and (III) Granting Related Relief* [ECF No. 54] (the “**Procedures Motion**”).

The Stay Motion sought to extend the protection of the automatic stay contained in Section 362 of the Bankruptcy Code to non-Debtors, including insurance companies such as Liberty Mutual Insurance Company, who was the Debtor’s primary insurer. *See* Stay Motion, ¶ 15 (“As is relevant to this Motion, as of the Petition Date, the Direct Action Lawsuits are pending in Louisiana and these actions include asbestos-related claims asserted either by the plaintiff or a co-defendant against, the Debtor and an Insurer that provided primary insurance coverage to the Debtor and Wayne[.]”).

The Insurer Settlement Motions sought, *inter alia*, to sell certain Debtor insurance policies back to their issuing insurers “free and clear” under Section 363(f) of the Bankruptcy Code. *See* Chubb Settlement Motion ¶¶ 33-46; Resolute Settlement Motion ¶¶ 33- 43. They also sought to enjoin future lawsuits premised on those policies (e.g., direct action lawsuits) from being filed against the purchasing insurers. *Id.* In short, the Chubb Settlement Motion and Resolute Settlement Motion sought non-consensual third-party releases. The Debtor stated such relief was the “lynchpin” of its bankruptcy case. Chubb Settlement Motion, ¶ 2. And the Procedures Motion betrayed there may be similar motions to come. *See* Procedures Motion, ¶ 1 (seeking relief for

“any other motions [in addition to the Chubb Settlement Motion and the Resolute Settlement Motion] to be filed by the Debtor during the pendency of this chapter 11 case seeking Court approval of settlement agreements entered into between the Debtor and the various insurance companies . . . that issued the Debtor insurance policies related to the Debtor’s asbestos-related liabilities”).

HII’s concern with insurer gamesmanship led it to object to the Insurer Settlement Motions on the grounds that, *inter alia*, such buyback was an impermissible non-consensual third-party release under the Supreme Court’s recent decision in *Harrington v. Purdue Pharma L.P.*, 603 U.S. 204 (2024). *See* Huntington Ingalls Industries, Inc.’s Objection to the Insurance 9019 Motions, ECF No. 404, ¶ 13 (“Not only has the Debtor failed to meet its burden of proof under Rule 9019, the relief sought in the 9019 Motions violates Supreme Court precedent set forth in *Harrington v. Purdue Pharma L.P.*, 144 S. Ct. 2071 (2024).”). The Bankruptcy Court disagreed and approved the Resolute Settlement Motion.<sup>2</sup> HII—not the Official Committee of Unsecured Creditors—appealed. Notice of Appeal of Huntington Industries, Inc., ECF No. 454. To date, HII believes it would have prevailed on appeal, given at least one United States Circuit Court has held that free-and-clear insurance buybacks are impermissible under *Purdue*.<sup>3</sup> *In re Boy Scouts of Am.*, 137 F.4th 126, 170 (3d Cir. 2025) (“If proposed today, the Plan would be unconfirmable in the wake of *Purdue* and the . . . Claimants could not have their claims released without their consent.”).

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<sup>2</sup> The Chubb Settlement Motion remains pending.

<sup>3</sup> Indeed, Judge Rendell of the Third Circuit suggested the approval of the Resolute Settlement Motion in this case “relegate[d] the Supreme Court’s holding in *Purdue* to a mere plan-drafting guide.” *In re Boy Scouts of Am.*, 137 F.4th 126, 174-65 (3d Cir. 2025) (Rendell, J. concurring) (“Indeed, today’s decision [declining to reach the merits for procedural reasons] relegates the Supreme Court’s holding in *Purdue* to a mere plan-drafting guide—perhaps the Sackler family should have purchased the estate’s fraudulent conveyance claims in addition to the nonconsensual third-party releases and called it a § 363 sale. *See Hopeman Bros.*, 667 B.R. at 108.”).

Nevertheless, HII, along with other parties in interest, negotiated a settlement resulting in HII dismissing its appeal so that cash obtained from approval of the Resolute Settlement Motion may enter the bankruptcy estate and allow this bankruptcy case to veer away from the patently impermissible path it had traveled. The Plan before the Court for confirmation is the result of that course-correction, and the Insurer Objections seek to torpedo the Plan in the hopes that the Debtor will be forced to go back to peddling non-consensual third party releases on their behalf. They cannot be allowed to do so. For the reasons set forth in the Plan Proponents' Response, the Plan should be confirmed.

### **CONCLUSION**

For the foregoing reasons, and for those set forth in the Plan Proponents' Response,<sup>4</sup> HII respectfully requests that the Plan be confirmed and any objections to confirmation be overruled.

Dated: December 12, 2025  
Richmond, Virginia

Respectfully submitted,

/s/ K. Elizabeth Sieg

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**CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on this 12th day of December 2025, a true and correct copy of the foregoing was served via the Court's electronic case filing system (CM/ECF) to all parties registered to receive such notice in the above-captioned case.

/s/ K. Elizabeth Sieg  
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