Docket #3273 Date Filed: 08/03/2026

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re:	Chapter 11
ALDRICH PUMP LLC, *et al.*,[1]	Case No. 20-30608 (LMJ)
Debtors.	(Jointly Administered)

PRE-TRIAL BRIEF OF OFFICIAL COMMITTEE OF ASBESTOS PERSONAL INJURY CLAIMANTS OF ALDRICH PUMP LLC AND MURRAY BOILER LLC

Glenn C. Thompson (Bar No. 37221)
Robert A. Cox, Jr. (Bar No. 21998
HAMILTON STEPHENS STEELE + MARTIN, PLLC
525 North Tryon Street, Suite 1400
Charlotte, North Carolina 28202
Telephone: (704) 344-1117
Facsimile: (704) 344-1483
Email: gthompson@lawhssm.com
rcox@lawhssm.com

Kevin C. Maclay (admitted *pro hac vice*)
James P. Wehner (admitted *pro hac vice*)
Kevin M. Davis (admitted *pro hac vice*)
Katelin C. Zendeh (admitted *pro hac vice*)
Jeanna R. Koski (admitted *pro hac vice*)
Wendy J. Barnett (admitted *pro hac vice*)
CAPLIN & DRYSDALE, CHARTERED
1200 New Hampshire Avenue NW, 8th Floor
Washington, DC 20036
Telephone: (202) 862-5000
Facsimile: (202) 429-3301
Email: kmaclay@capdale.com
jwehner@capdale.com
kdavis@capdale.com
kzendeh@capdale.com
jkoski@capdale.com
wbarnett@capdale.com

Natalie D. Ramsey (admitted *pro hac vice*)
Rachel Jaffe Mauceri(admitted *pro hac vice*)
John L. Cordani (admitted *pro hac vice*)
Victor R. Salgado (*pro hac vice* pending)
Annecca H. Smith (admitted *pro hac vice*)
ROBINSON & COLE LLP
1201 N. Market Street, Suite 1406
Wilmington, Delaware 19801
Telephone: (302) 516-1700
Facsimile: (302) 516-1699
Email: nramsey@rc.com
rmauceri@rc.com
jcordani@rc.com
vsalgado@rc.com
amith@rc.com

Counsel to the Official Committee of Asbestos Personal Injury Claimants

[1] The Debtors are the following entities (the last four digits of the Debtors' taxpayer identification numbers follow in parentheses): Aldrich Pump LLC (2290) and Murray Boiler LLC (0679). The Debtors' address is 800-E Beaty Street, Davidson, North Carolina 28036.

2030608260803000000000006

TABLE OF CONTENTS

Introduction 1

I. The Debtors' Corporate History and Bankruptcy Filing 2

A. The Texas Two-Steps 2

B. The Debtors' Asbestos Liabilities 3

1. The Debtors' History of Liability 3

2. Asbestos Litigation Against the Debtors 4

II. The Framework for Estimation 5

III. The Committee's Estimate of Tort Liability Is Grounded in Fact and Standard Methodologies 9

A. Expert Witnesses 9

1. Andrew J. Sackett, J.D., Ph.D. 9

2. Yvette Austin 9

B. Using a Well-Known and Standard Methodology, Dr. Sackett Estimates the Present and Future Asbestos Liability of the Debtors' Predecessors Had They Never Filed for Bankruptcy 10

1. Pending Claims Liability 10

2. Future Claims Liability 11

C. Dr. Sackett Makes Reasonable Adjustments to Avoid Undercounting Liability Due to Limitations of the Existing Data 13

1. Dr. Sackett's Estimation Accounts for "Unknown Disease" Claims 13

2. Dr. Sackett Identifies and Analyzes Tolled Claims 14

3. Dr. Sackett Anticipates the Impact of Potential Jury Verdicts 15

D. Dr. Sackett Brings the Nominal Estimates to Net Present Value 16

IV. The Debtors' and FCR's Experts' Opinions Are Flawed 19

A. Similar Errors Discredit Both Dr. Mullin's and Mr. McKnight's Estimates 19

1. Dr. Mullin's and Dr. McKnight's Multiple Changing Estimates Demonstrate Their Own Unreliability 19

2. Dr. Mullin and Mr. McKnight Both Improperly Assume Claim Values Will Decrease Over Time 21

(a) McKnight Improperly Adjusts Settlement Values Downward Over Time Due to Claimant Age and Ignores Other Factors 21

(b) Dr. Mullin Suppresses Settlement Values by Projecting from an Unrepresentative Dataset 22

3. Dr. Mullin and Mr. McKnight's Inflation and Discounting Choices Both Contrive Unreasonably High Real Discount Rates 24

(a) Dr. Mullin Selects an Extremely High and Inappropriate Discount Rate and a Low Inflation Rate 24

(b) McKnight Applies an Unrealistically High Real Discount Rate Using Discount Rate Drawn from 2025 with Inflation Data that Excludes Recent Inflation Trends 26

4. Both Dr. Mullin and Mr. McKnight Improperly Exclude Potential Pending Claims 27

B. Dr. Mullin and Mr. McKnight's Additional Errors 28

1. Dr. Mullin Utilizes an Incidence Model that Lacks Empirical Support and Artificially Reduces His Liability Estimate Without Justification 28

2. Mr. McKnight Inappropriately Segregates Claims Resolved Off-Complaint 29

3. Mr. McKnight's Chosen Calibration Period Artificially Deflates Average Settlement Values for Claims Against Murray 31

4. Mr. McKnight's Opinions Regarding the Level of Funding Needed for a Trust Established to Resolve the Debtors' Liabilities are Irrelevant 32

C. The Debtors' Rebuttal Expert Denise Neumann Martin Offers No Meaningful Critiques 33

1. Dr. Martin's Claim that Dr. Sackett Did Not Apply "the Accepted Methodology" Lacks Merit 33

2. Dr. Martin Misrepresents the Varied Approaches to "Unknown Disease" Claims and Disregards Historical Context 33

3. Treatment of Long-Pending Claims 36

4. Discount Rate 36

Conclusion 37

TABLE OF AUTHORITIES

Page(s)

Cases

In re Armstrong World Indus.,
348 B.R. 111 (D. Del. 2006) 8

Bittner v. Borne Chem. Co.,
691 F.2d 134 (3d Cir. 1982) 6, 7

In re Eagle-Picher Indus., Inc.,
189 B.R. 681 (Bankr. S.D. Ohio 1995) 7

In re Federal-Mogul Glob. Inc.,
330 B.R. 133 (D. Del. 2005) ..... *passim*

In re Garlock Sealing Techs., LLC,
504 B.R. 71 (Bankr. W.D.N.C. 2014) 18, 35

Grogan v. Gardner,
498 U.S. 279 (1991) 6

In re Kaiser Gypsum Co.,
135 F.4th 185 (4th Cir. 2025) 32

In re Nifong,
No. 08-80034C-7D, 2008 WL 2203149 (Bankr. M.D.N.C. May 27, 2008) 6

Owens Corning v. Credit Suisse First Bos.,
322 B.R. 719 (D. Del. 2005) 7, 8

Raleigh v. Illinois Department of Revenue,
530 U.S. 15 (2000) 6

Sexton v. Dreyfus,
219 U.S. 339 (1911) (Holmes, J.) 18

In re Specialty Products Holding Corp.,
No. 10-11780-JKF, 2013 WL 2177694 (Bankr. D. Del. May 20, 2013) 8, 11, 17, 18

Travelers Cas. & Sur. Co. of Am. v. Pac. Gas & Elec. Co.,
549 U.S. 443 (2007) 6

In re UNR Indus., Inc.,
45 B.R. 322 (N.D. Ill. 1984) 6

In re Waterman S.S. Corp.,
63 B.R. 435 (Bankr. S.D.N.Y. 1986) 6

Williams, Sr. v. Placid Oil Co.,
No. 76,787-B, 2016 WL 2606530 (La. Dist. Ct. Apr. 29, 2016) 4

Statutes

11 U.S.C. § 502(b) 17, 18

11 U.S.C. § 502(c) 1, 5

11 U.S.C. § 524(g) 3, 6, 32, 37

28 U.S.C. § 157(b)(2)(B) 5

28 U.S.C. § 1411(a) 6

Other Authorities

Fed. R. Bankr. P. 3018(a) 1

Trane Technologies Declares Quarterly Dividend, TRANE TECHNOLOGIES (June 5, 2026), https://investors.tranetechnologies.com/news-and-events/news-releases/news-release-details/2026/Trane-Technologies-Declares-Quarterly-Dividend-96eae42f5/default.aspx 3

Trane Technologies Increases Annual Dividend by 12 Percent, TRANE TECHNOLOGIES (Feb. 9, 2023), https://investors.tranetechnologies.com/news-and-events/news-releases/news-release-details/2023/Trane-Technologies-Increases-Annual-Dividend-by-12-Percent/default.aspx 3

William J. Nicholson, George Perkel & Irving J. Selikoff, *Occupational Exposure to Asbestos: Population at Risk and Projected Mortality 1980-2030* 11

The Official Committee of Asbestos Personal Injury Claimants (the "**Committee**") hereby submits this pre-trial brief on estimating the value of asbestos personal injury claims against Aldrich Pump, LLC ("**Aldrich**") and Murray Boiler LLC ("**Murray**") (together, the "**Debtors**"), pursuant to 11 U.S.C. § 502(c) and Fed. R. Bankr. P. 3018(a) and to the orders of this Court described herein.

INTRODUCTION[2]

The Committee estimates the net present value of the Debtors' liability for mesothelioma personal injury claims had neither entity filed for bankruptcy at $1.82 billion. Liability for other asbestos-related personal injury claims—those involving other diseases—will be the subject of a separate submission per the Court's direction.

This pre-trial brief summarizes the results, methodologies and opinions of the Committee's experts, which will be addressed more fully at the hearing on estimation. The Committee's case will show the number and value of mesothelioma claims pending at the Petition Date,[3] and the estimated number of mesothelioma claims that will be filed in the future. These estimates are valued in accordance with the tort system history and quantified by widely recognized methodologies used in other asbestos bankruptcy estimations, as well as in other contexts involving estimation of mass tort claims.

This brief also introduces some of the significant critiques of the Debtors' and FCR's expert estimates of the Debtors' tort system liability.

---

[2] Capitalized terms used in the Preliminary Statement but not yet defined shall have the meanings ascribed *infra*.

[3] June 18, 2020.

I. THE DEBTORS' CORPORATE HISTORY AND BANKRUPTCY FILING

A. The Texas Two-Steps

1. As this Court has recognized,[4] this bankruptcy was a voluntary, purposefully constructed mechanism to remove profitable, longstanding asbestos defendants Ingersoll Rand and Trane from the reach of state court proceedings by people those companies' products injured and killed. The Debtors were formed as a repository for asbestos claims, trapping claimants in these bankruptcy proceedings while the remainder of the thriving Trane enterprise walked away

2. Although Aldrich's and Murray's predecessors had each been operating for over a century, the Debtors were created and existed only briefly prior to the filing of these cases. Formed in May 2020 via "Texas Two-Step"—a maneuver that is the subject of separate litigation in this case—the creation of the Debtors allowed Trane Technologies, plc ("**Trane**"), a multi-billion dollar publicly traded company, to ship two of its subsidiaries off to Texas just long enough to isolate the asbestos claims against those entities through twin divisive mergers (together, the "**Divisive Mergers**"). Trane Technologies Company LLC ("**Old IRNJ**")[5] deposited its asbestos liabilities with Aldrich, while simultaneously directing valuable operating assets into Trane Technologies Company LLC ("**New Trane Technologies**"). Simultaneously, the former Trane U.S. Inc. ("**Old Trane**") handed its asbestos liabilities off to Murray, while its more valuable operating assets found their home with Trane U.S. Inc. ("**New Trane**," and together with New Trane Technologies, the "**New Trane Entities**").

---

[4] *See* Findings of Fact and Conclusions of Law Regarding Order: (I) Declaring that the Automatic Stay Applies to Certain Actions Against Non-Debtors, (II) Preliminarily Enjoining Such Actions, and (III) Granting in Part Denying in Part the Motion to Compel, at 6, Adv. Pro. 20-03041, Dkt. No. 308 ("**PI Findings and Conclusions**").

[5] In 2008, Ingersoll-Rand acquired Trane Inc., and on March 2, 2020, Ingersoll-Rand changed its name to Trane Technologies Company LLC through a Reverse Morris Trust, a form of divisive merger that permits a company to spin off undesirable assets and liability into a new entity without incurring tax obligations on gains arising from the sale of those assets.

3. After the New Trane Entities received substantially all of the meaningful assets and business operations of Old IRNJ and Old Trane, each "moved" to Delaware and continued manufacturing and selling commercial and residential HVAC units. Each is a cash-rich, highly successful business in its own right, contributing to a parent entity whose net revenue, net profit, and shareholder distributions continue to increase year over year.[6] Each seeks the benefit of a channeling injunction to the extent these cases result in section 524(g) trusts to which each of them contributes.

4. Under these circumstances, there is no equitable reason to lowball liability as the Debtors attempt to here. This proceeding should not amount to another step in the disenfranchisement of people injured and killed by products the Debtors' predecessors manufactured.

B. The Debtors' Asbestos Liabilities

1. The Debtors' History of Liability

5. Aldrich's predecessors manufactured (or acquired entities that manufactured), sold and distributed products such as pumps, condensers, turbines, and compressors, which were sold

[6] Trane's most recent quarterly report indicated strong results for the second quarter of 2026, including reported quarterly revenues of $6.353.5 billion (and mid-year revenues of $11.322.9 billion), an increase of approximately $607 million compared to the first quarter of 2025 (and $888 million over the first half of 2026). Trane Technologies plc, Form 10-Q for the Quarterly Period Ended June 30, 2026 (July 30, 2026). Its most recent annual report reflected annual revenues of $21.322 billion for the year ending December 31, 2025, an increase of approximately $1.484 billion, or 7.5% percent, over 2024. Trane Technologies plc, Annual Report (Form 10-K) (Feb. 5, 2026); Trane Technologies plc, 2026 Notice and Proxy Statement (Apr. 5, 2026). Indeed, since March 2020, Trane has raised the quarterly dividend by more than 98%, and Trane has paid consecutive quarterly cash dividends on its common shares since 1919 and annual dividends since 1910. News Release, *Trane Technologies Declares Quarterly Dividend*, TRANE TECHNOLOGIES (June 5, 2026), https://investors.tranetechnologies.com/news-and-events/news-releases/news-release-details/2026/Trane-Technologies-Declares-Quarterly-Dividend-96eae42f5/default.aspx (also announcing a quarterly dividend of $1.05 per ordinary share, or $4.20 when annualized). *Cf.* News Release, *Trane Technologies Increases Annual Dividend by 12 Percent*, TRANE TECHNOLOGIES (Feb. 9, 2023), https://investors.tranetechnologies.com/news-and-events/news-releases/news-release-details/2023/Trane-Technologies-Increases-Annual-Dividend-by-12-Percent/default.aspx (announcing that Trane would increase its annual dividend by 12%, from $0.67 to $0.75 per share quarterly, and from $2.68 to $3.00 per share annualized). *See also* Order Denying Motions to Dismiss, at 14, Dkt. No. 2047 (noting that, in the 2020-2022 period alone, the non-debtor affiliates (1) produced over $42.5 billion in revenues, (2) repurchased over $2.5 billion in stock, and (3) paid over $1.6 billion in dividends).

under brand names such as Cameron Steam Pump (acquired in the early 1900s), the Aldrich Pump Company (acquired in 1961), and Ingersoll-Rand Company. This equipment, often located on U.S. Navy ships or in industrial facilities and other commercial buildings, used asbestos-containing materials in insulation, gaskets, and packing.[7] Aldrich's predecessors also manufactured and sold heavy drilling and mining equipment with asbestos-containing components.[8]

6. Murray's predecessors, including Trane and American Standard, Inc., manufactured numerous products containing asbestos, including climate control (HVAC) equipment, industrial fans, boilers, furnaces, radiators, valves and steam traps, as well as railroad and mining equipment.[9] As with the Ingersoll Rand products, these products contained asbestos in components such as insulation, gaskets and packing.[10]

2. Asbestos Litigation Against the Debtors

7. Although Old Trane and IRNJ claim to have ceased using asbestos-containing materials and components by the mid-1980s, each had, and their successors Aldrich and Murray now have, significant asbestos-related liabilities for both compensatory and punitive damages resulting from the manufacture and sale of their products, as well as the resale of third-party manufactured asbestos-containing products, and the use of asbestos products in their facilities (i.e., premises liability). The Debtors' predecessors have been defendants in asbestos litigation since

---

[7] *See, e.g.*, *Williams, Sr. v. Placid Oil Co.*, No. 76,787-B, 2016 WL 2606530, at *16 (La. Dist. Ct. Apr. 29, 2016) ("take home" case in which a verdict was entered against Old IRNJ involving exposure to asbestos from insulation used on compressors supplied by Old IRNJ at a worksite, where "Ingersoll-Rand admitted through its corporate witnesses that its specifications required external areas of the compressors be insulated with asbestos," and testimony was given that: "asbestos insulation, required by the Ingersoll-Rand specifications . . . was released through the vibrations of the machines into the air creating the dust seen by the workers"; "the compressors vibrated twenty-four hours a day, seven days a week"; and "vibration is the main culprit with insulation on the compressors and would produce very significant dust . . . It was foreseeable to Ingersoll-Rand that workers working in the compressor room would be around turbo-chargers with asbestos.").

[8] *See* Ex. A, Order Approving Personal Injury Questionnaire and Granting Related Relief, Dkt. No. 1246 ("**PIQ Order**").

[9] *See id.* at 38-40 (listing products that could have resulted in asbestos exposure).

[10] Informational Br., at 9, Dkt. No. 5.

the mid-1980s and have spent nearly $2.0 billion in indemnity and defense costs with respect to more than nearly 300,000 personal injury lawsuits relating to asbestos exposure.[11] The Debtors, which were formed in April 2020 and never manufactured anything (whether asbestos-containing or otherwise), succeeded to these liabilities solely because of the twin Divisive Mergers. As of June 18, 2020, there were approximately 100,000 asbestos claims pending, including approximately 8,200 mesothelioma claims.[12]

II. THE FRAMEWORK FOR ESTIMATION

8. The present Phase I proceeding is designed to produce an estimate that will stimulate discussion about potential resolutions of these cases among the parties.[13] It is not, and cannot be, a final word on the value of any asbestos claim or set of claims. An estimate pursuant to section 502(c) is not a finding regarding the validity or amount of any individual claim.[14]

9. Indeed, the Bankruptcy Court is limited in its ability to resolve bankruptcy asbestos personal injury claims. Under 28 U.S.C. § 157(b)(2)(B), "liquidation or estimation of contingent or unliquidated personal injury tort or wrongful death claims against the estate for purposes of distribution in a case under title 11" are not core proceedings that may be decided by a bankruptcy court. The cases are clear that a bankruptcy court may not hear proceedings to liquidate or estimate personal injury tort or wrongful death claims for the purpose of determining the distribution

---

[11] *See* PI Findings and Conclusions ¶¶ 31, 33, 35.

[12] Informational Brief 30. The Debtors remained in active litigation concerning over 60% of these cases, with the remainder pending on inactive dockets in various jurisdictions or designated inactive by counsel. *Id.* at n.46; *see also* Hr'g Tr. 24:22-25, May 5, 2021 (Mr. Tananbaum testimony).

[13] These proceedings follow extensive motion practice regarding the propriety, scope, and nature of estimation proceedings here. *See, e.g.*, Debtors' Mot. for Estimation of Prepetition Asbestos Claims, Dkt. No. 833; FCR's Resp. to Debtors' Mot. for Estimation of Prepetition Asbestos Claims, Dkt. No. 888; Committee's Obj. to Debtors' Mot. for Estimation of Prepetition Asbestos Claims, Dkt. No. 892; Case Management Order, Dkt. No. 1302; First Am. Case Management Order, Dkt. No. 1804; Agreed Order Referencing FCR's Mot. Establish Protocol for Determining Representative Sample, Dkt. No. 2048; Order Suspending Deadlines Established by Agreed Case Management Order, Dkt. No. 2229; Second Am. Case Management Order, Dkt. No. 2656; Order Commencing Phase I of the Estimation Trial, Dkt. No. 3011 ("**Phase I Order**").

[14] *In re Federal-Mogul Glob. Inc.*, 330 B.R. 133, 154-55 (D. Del. 2005).

payable to such claimants.[15] Chapter 11 does not affect the Constitutional right to trial by jury that an individual has with regard to personal injury or wrongful death claims, like those that are the subject of this proceeding.[16]

10. It is a basic principle of bankruptcy law that, for bankruptcy purposes, state law governs the validity and amount of a claim. In *Raleigh v. Illinois Department of Revenue*,[17] the Supreme Court of the United States held that creditors' entitlements in bankruptcy arise from the underlying substantive law creating the debtor's obligation, subject to any qualifying or contrary provisions of the Bankruptcy Code.[18] The Supreme Court explained that the scope of a bankruptcy court's equitable power must be understood in light of the principle that "the validity of a claim is generally a function of underlying substantive law."[19]

11. How claims ultimately might be resolved by a section 524(g) trust should have no impact on the Phase I estimation process. As a practical matter, such a "trust" estimate is premature. Plans of reorganization that establish section 524(g) asbestos trusts contain detailed roadmaps and procedures specifying the operation of those asbestos trusts, including claims values to be paid, disease and exposure criteria for paying claims, funding levels and funding

---

[15] *See In re Waterman S.S. Corp.*, 63 B.R. 435, 436 (Bankr. S.D.N.Y. 1986); *In re UNR Indus., Inc.*, 45 B.R. 322, 324-25 (N.D. Ill. 1984). *Cf. In re Nifong*, No. 08-80034C-7D, 2008 WL 2203149, at *3 (Bankr. M.D.N.C. May 27, 2008) (lifting the stay after concluding that the "claims asserted against the Debtor that are claims under section 1983 are personal injury torts for purposes of section 157(b)(5) and that this court therefore lacks jurisdiction to adjudicate and liquidate those claims").

[16] 28 U.S.C. § 1411(a).

[17] 530 U.S. 15 (2000).

[18] *Id.* at 20 ("[T]he 'basic federal rule' in bankruptcy is that state law governs the substance of claims, Congress having 'generally left the determination of property rights in the assets of a bankrupt's estate to state law.'" (citations omitted) (quoting *Butner v. United States*, 440 U.S. 48, 54, 57 (1979))); *see also Travelers Cas. & Sur. Co. of Am. v. Pac. Gas & Elec. Co.*, 549 U.S. 443, 450-51 (2007) (quoting *Raleigh*, 530 U.S. at 20).

[19] *Raleigh*, 530 U.S. at 24; *see also Grogan v. Gardner*, 498 U.S. 279, 283-84 (1991) (While the issue of nondischargeability is a matter of federal law governed by the Bankruptcy Code, the "validity of a creditor's claim is determined by rules of state law."); *Bittner v. Borne Chem. Co.*, 691 F.2d 134, 135, 138 (3d Cir. 1982) (holding that, in estimating a claim, the "bankruptcy court should be guided by the applicable state law" and is "bound by the legal rules which may govern the ultimate value of the claim").

mechanisms, and a myriad of other details that affect what a particular real-life trust would pay. None of that yet exists here.[20]

12. Legally, as well, there is a disconnect between tort system estimates and trust estimates. As made clear in *Eagle-Picher*, the court is to estimate the dollar amount of the claims based upon the claimants' "right to payment":

> The first step in the present estimation process requires that we state what it is that we are estimating. The Bankruptcy Code at § 502(c) makes it clear that we are estimating claims, and the term "claim" is defined in the Bankruptcy Code at § 101(5)(A) for present purposes as a "right to payment." And turning again to § 502(c)(1), it is "contingent or unliquidated" claims, the value of which we are estimating. *This is to be distinguished from estimating the value which claimants might take in satisfaction of their claims through some bankruptcy mechanism such as a trust of the sort provided for at§ 524(g)*, and as contemplated in the present plan.[21]

Similarly, in *Owens Corning*, the U.S. District Court for the District of Delaware specifically rejected the argument that asbestos claims should be valued based on the amounts that may be paid by an asbestos trust post-bankruptcy and held that the value of asbestos-related claims is "necessarily" determined according to the state law that would apply had the debtor never entered bankruptcy.[22]

13. Finally, estimation, as its name connotes, is not an exact science.[23] It is a prediction about the future, which is an inherently approximate task. As courts repeatedly have observed, "since mathematical precision cannot be achieved in the prediction being undertaken, it is

---

[20] *See* Joint Plan, Dkt. No. 831.

[21] *In re Eagle-Picher Indus., Inc.*, 189 B.R. 681, 683 (Bankr. S.D. Ohio 1995) (emphasis added); *see also id.* at 691-92 (rejecting expert testimony that sought to value future claims using the amount a different trust paid claimants found in the debtor's claims database because the analysis was "simply not the same thing as estimating the value of future claims as of the filing date of the bankruptcy case" and rejecting a "trust approach" as having "nothing whatever to do with estimation of claims").

[22] *See Owens Corning v. Credit Suisse First Bos.*, 322 B.R. 719, 721-22 (D. Del. 2005).

[23] *See Federal-Mogul*, 330 B.R. at 155 ("[E]stimating future claims is more an imprecise art than a science, and that the best anyone can do is try to find an estimate that is not unreasonable." (citation omitted)); *see also Bittner*, 691 F.2d at 135 (estimation requires only "sufficient evidence on which to base a reasonable estimate").

important that we not pretend to have achieved mathematical accuracy."[24] Instead, the Court's objective is "to assess the parties' experts' estimations of the pending and future asbestos personal injury liability, and determine how well these estimations incorporate historical factors and account for changed circumstances in the asbestos litigation environment."[25] The difficulty of predicting the future counsels against wielding estimation as a tool to further harm claimants in service of a scheme like that engineered by the Debtors in these two-step cases.

14. Courts have developed a general framework for approaching estimation. The *Federal Mogul* court endorsed an approach to the estimation of future claims, noting the following factors: (1) the estimate should be mainly based upon the history of the company; (2) the total number of claims to be expected should be estimated; (3) the estimation of claims should categorize them by disease and occupation, as well as other factors; (4) evaluation of claims should be based upon settlement values for claims close to the filing date of the bankruptcy case; (5) a reasonable rate for indemnity increased with time must be determined so that a future value of filing date indemnity values can be comparable; (6) a lag time gleaned from the tort system must be determined in order that there is accuracy in projecting future values; and (7) a discount rate must be applied in order to bring the future nominal value of claims back to the filing date.[26] Dr. Sackett appropriately applies this framework in his estimation analysis.

---

[24] *Owens Corning*, 322 B.R. at 725. *See also id.* at 721 ("[W]e are dealing with uncertainties, and are attempting to make predictions which are themselves based upon predictions and assumptions."); *In re Specialty Products Holding Corp.*, No. 10-11780-JKF, 2013 WL 2177694, at *25 (Bankr. D. Del. May 20, 2013) (same) (citing *Owens Corning*); *In re Armstrong World Indus.*, 348 B.R. 111, 124 (D. Del. 2006) ("[T]he Court will not seek to analyze the estimations before it for mathematical precision, nor will it attempt to reach its own exact number.").

[25] *Armstrong*, 348 B.R. at 124.

[26] *Federal-Mogul*, 330 B.R. at 157.

III. THE COMMITTEE'S ESTIMATE OF TORT LIABILITY IS GROUNDED IN FACT AND STANDARD METHODOLOGIES

A. Expert Witnesses

1. Andrew J. Sackett, J.D., Ph.D.

15. The Committee will present the testimony of Dr. Andrew J. Sackett, J.D., Ph.D., President of Legal Analysis Systems ("**LAS**"), an expert on the valuation of asbestos personal injury liabilities. Dr. Sackett and LAS have been retained by other official committees to assist in forecasting asbestos liabilities, and Dr. Sackett is a regular consultant to bankruptcy trusts on issues relating to claiming rates, claims procedures, and other matters of asbestos litigation. His analytic methodologies rely on the Debtors' extensive database detailing the number, character, and disposition of claims; settlements and verdicts; published and validated epidemiological incidence models for mesothelioma; and established patterns and trends in claiming rates and settlement values to estimate the total amount of the Debtors' asbestos-related mesothelioma personal injury liabilities, for both present and future, as of the Petition Date.

16. Dr. Sackett's conclusion is that the net present value of the total pending and future asbestos-related mesothelioma claims against the Debtors in the tort system would be approximately $1.82 billion.

2. Yvette Austin

17. Yvette Austin will testify in rebuttal to the Debtors' and FCR's witnesses. Ms. Austin is Senior Managing Director and Chair of the Global Finance Practice of Compass Lexecon. She is a trained economist and has worked in the field for decades, gaining deep experience in estimating the number and value of mass tort claims in numerous contexts, including asbestos claims in bankruptcy.[27] She has undertaken estimates and valuations, analyses, written expert

[27] Austin Rebuttal Expert Rep. ¶ 2, Mar. 27, 2026 ("**Austin Rep.**").

reports and testified as an expert in asbestos bankruptcy cases. Ms. Austin will bring that depth of experience to bear in her testimony in these cases, offering critiques and explaining deficiencies in the analyses of Dr. Mullin and Mr. McKnight.

B. Using a Well-Known and Standard Methodology, Dr. Sackett Estimates the Present and Future Asbestos Liability of the Debtors' Predecessors Had They Never Filed for Bankruptcy

18. At trial, Dr. Sackett will assist the Court in estimating the Debtors' liability for current and future asbestos claims by applying a tort-system extrapolation grounded in the Debtors' predecessors' settlement and verdict history.

19. Dr. Sackett's estimate is an aggregation of the Debtors' pending and future claims using the established methodology for estimating asbestos tort liability. After calculating the base liability of both pending and future claims, Dr. Sackett adjusts his estimate to account for certain liabilities not captured due to specific facts applicable to these cases. He adjusts for (1) claims listed as "unknown disease"; (2) claims implicated by tolling agreements; and (3) additional liability that may arise from future jury verdicts.

1. Pending Claims Liability

20. Dr. Sackett's calculation follows a straightforward and widely accepted formula for estimating aggregate liability:

Present Liability = Number of Claims x Payment Rate x Average Settlement Value

21. To determine the number of pending claims, Dr. Sackett reviewed the Debtors' claims database produced in these cases and concluded that 3,689 pending mesothelioma claims currently exist against Aldrich and 3,149 pending mesothelioma claims currently exist against Murray.[28]

[28] Sackett Conformed Initial Expert Rep. 13 tbls. 3(a) & 3(b), Sep. 15, 2025 ("**Sackett Rep.**").

22. The "Payment Rate" is the share of resolved claims against the Debtors' predecessors that resulted in payment—i.e., paid resolved claims divided by all resolved claims. The "Average Settlement Value" is the average amount paid to settle those claims. Dr. Sackett multiplied the Debtor's pending claims by the applicable Payment Rate and Average Settlement Value. That calculation produced nominal tort-liability estimates for pending claims of $101.7 million for Aldrich and $61.8 million for Murray.[29]

2. Future Claims Liability

23. The standard method for calculating future asbestos claims liability must account for the fact that the number and timing of future claims against the Debtors is unknown. To estimate future claims, Dr. Sackett used the Nicholson method. The Nicholson method is the widely accepted benchmark in asbestos estimation proceedings for forecasting future asbestos-related disease incidence and translating that incidence into future claims.[30] The formula is the same as for present liability, except the number of claims must be calculated by multiplying the incidence of mesothelioma in the general population by their likelihood of bringing suit:

Future Liability = Incidence x Propensity to Sue x Payment Rate x Average Settlement Value

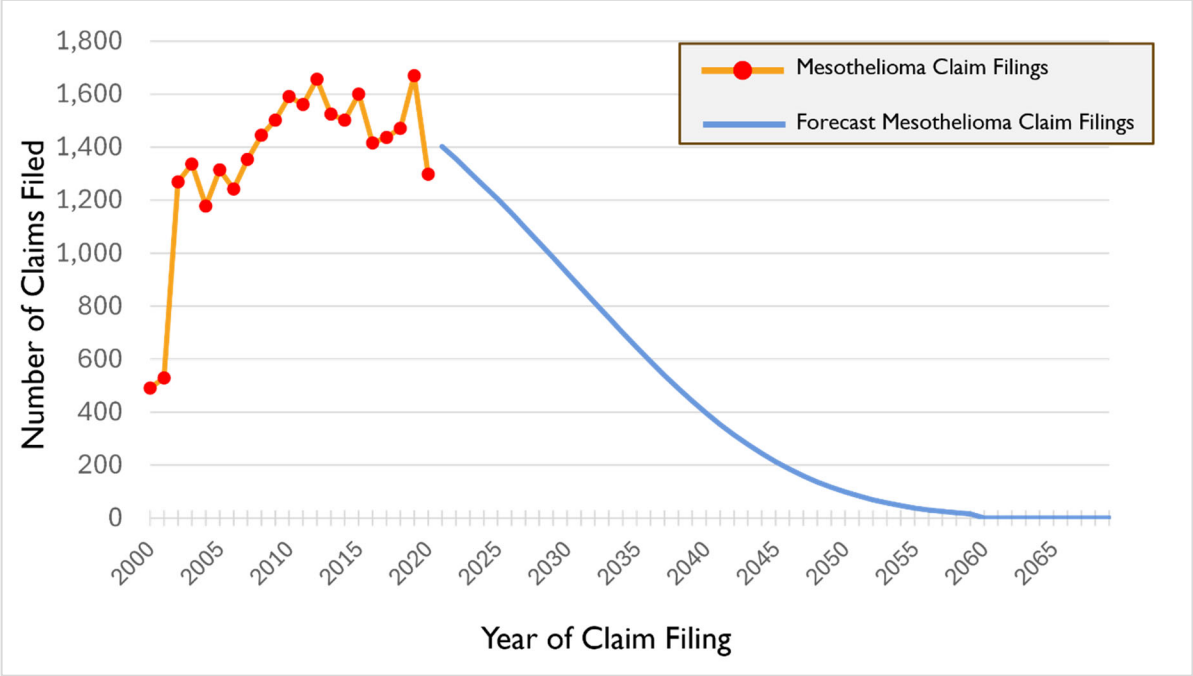
24. To apply this method, Dr. Sackett first obtained annual disease-incidence forecasts from the Nicholson curve. As is standard practice, Dr. Sackett used a revised Nicholson forecast that accounts for over forty years of new data showing lengthening life expectancies, rising recent

[29] *Id.* at 22 tbl. 6(a), 23 tbl. 6(b).

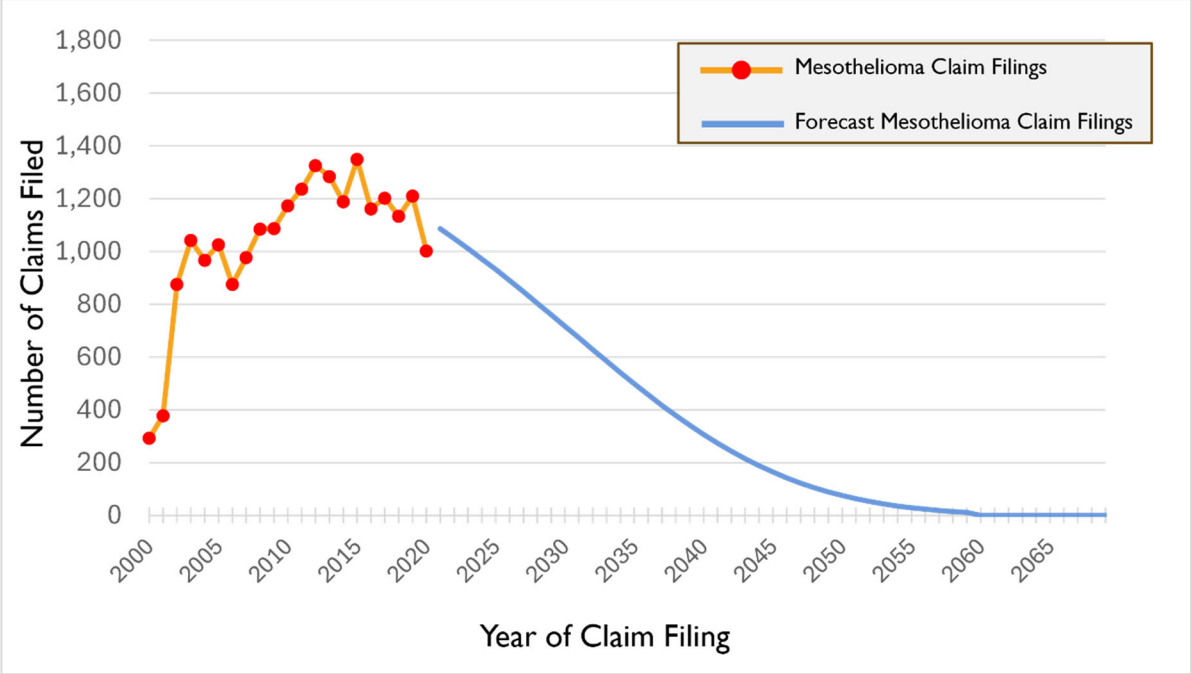
[30] The method is grounded in the 1982 work of William Nicholson, George Perkel, and Irving Selikoff, who estimated the population of workers exposed to asbestos and projected asbestos-related mortality over time. *See* William J. Nicholson, George Perkel & Irving J. Selikoff, *Occupational Exposure to Asbestos: Population at Risk and Projected Mortality 1980-2030*, 3 Am. J. of Indus. Med. 259-311 (1982). That work "is the most widely recognized reference in bankruptcy trust valuations [and] global settlement negotiations . . . ." *Specialty Prods.*, 2013 WL 2177694, at *11.

disease incidence, and longer exposure periods than existed at the time of the original Nicholson study.

Future Mesothelioma Claim Incidence: Aldrich



Future Mesothelioma Claim Incidence: Murray



25. Second, Dr. Sackett reviewed historical data for the Debtors' predecessors to calculate the propensity to sue for Aldrich and Murray. Propensity to sue is calculated by dividing (x) the number of claims for a specific injury filed during a prior period by (y) the total incidence of that injury during the same period. Using historical data from 2017 through 2019 (i.e., the calibration period), Dr. Sackett calculated a propensity to sue of 61.9% for Aldrich and 47.9% for Murray.[31] Third, he applied those propensity to sue values to the Nicholson curve and estimated future mesothelioma claims for the period 2020 through 2059 of 21,073 for Aldrich and 16,316 for Murray.[32]

26. After estimating the number of future claims, Dr. Sackett multiplies them by the same payment rate and average settlement values that he used in calculating the present claims liability. Dr. Sackett calculated a nominal future claims liability of $581 million for Aldrich and $320.3 million for Murray.[33]

C. Dr. Sackett Makes Reasonable Adjustments to Avoid Undercounting Liability Due to Limitations of the Existing Data

1. Dr. Sackett's Estimation Accounts for "Unknown Disease" Claims

27. There are claims recorded in the Debtors' database that do not list an asbestos disease and that remain unresolved ("**Open Unknown Disease Claims**"). The Open Unknown Disease Claims do not include claims marked "dismissed without prejudice" or generically "dismissed," which could theoretically be refiled; Dr. Sackett excluded all such claims from his

[31] Sackett Rep. ¶¶ 111-112. The calibration dataset included claims filed after 2013 and resolved during 2017 through 2019. Dr. Sackett selected 2017 to 2019 for calibration because it was relatively stable period that immediately preceded the bankruptcy filings and therefore best reflected the claims environment the Debtors would have faced going forward in the tort system. He excluded claims filed in or before 2013 due to the significant historical shifts in asbestos litigation still ongoing during that period, making them unrepresentative of the Debtors' likely future tort experience. *See* Sackett Dep. 119:17-120:13.

[32] Sackett Rep. 29 tbl. 8(a), 30 tbl. 8(b).

[33] Sackett Rep. 42 tbl. 9(a), 46 tbl. 11(a), less adjustment in Part VII.

estimate.[34] Consistently with the other portions of his estimate, Dr. Sackett applied the proportions of diseases (mesothelioma, lung cancer, other cancer, and nonmalignant) present in known claims to the Open Unknown Disease Claims.[35]

28. Taking into account Open Unknown Disease Claims, Dr. Sackett calculates the Debtors' nominal liability for Open Unknown Disease claims (present and future) as $43.8 million for Aldrich and $18 million for Murray.[36]

2. Dr. Sackett Identifies and Analyzes Tolled Claims

29. The Debtors' tort system history included a significant proportion of asbestos personal injury claims subject to settlement agreements between the Debtors' predecessors and certain plaintiff law firms that contained tolling provisions. The effect of these tolling provisions is that claims involving claimants represented by those plaintiff firms would not need to be filed within the ordinarily applicable limitation period. These agreements created a population of claims that may eventually be paid that are not reflected in the Debtors' claims database.

30. While each agreement functioned slightly differently, the general structure would be that a plaintiff's firm (collectively, "**Off-Complaint Firms**") would be paid for a certain dollar amount of claims per year against a particular defendant, without requiring filing of a complaint or naming of that defendant in the tort system. Such agreements are referred to colloquially as "off-complaint agreements." The parties would negotiate the resolution amounts for each claim, including, on some occasions, dismissal of claims. Claims not submitted for resolution in a year were subject to tolling agreements to permit them to be submitted in subsequent years notwithstanding any applicable statute of limitations. Only claims submitted for payment each

[34] Sackett Dep. 304:11-305:12, 281:17.

[35] *Id.* at 283:15-284:6.

[36] Table 15 in the Sackett Report provides the net present value of these totals. The nominal values cited can be found in the corresponding workpapers.

year appear in the Debtors' databases. This creates the potential for a "backlog" of claims that would have been filed and paid—and therefore would have appeared in the Debtors' database—but for the applicable off-complaint agreement.

31. For example, one law firm ("**Law Firm #1**") had a long-standing tolling agreement with the Debtors' predecessors. In the four years immediately preceding entry into the agreements, Law Firm #1 filed 12% of the claims against Aldrich's predecessor and 11% against Murray's predecessor. Following entry into the agreements, Law Firm #1's percentage filings dropped by 8% against Aldrich's predecessor and by 7% against Murray's predecessor. Having noted this discrepancy, Dr. Sackett turned to the PIQs to provide additional information not available in the Debtors' database. He found that claimants represented by Law Firm #1 had filed PIQs not associated with any claims present in the Debtors' database. The existence of these non-database claims, coupled with the fact that Law Firm #1 was consistently receiving payments at or around the limit of its agreement, led Dr. Sackett to conclude that Law Firm #1 had otherwise compensable claims it elected not to file during the tolling agreements.

32. To compensate for these claims' absence from the Debtors' claims database, Dr. Sackett adjusted the propensity to sue upwards, increasing his estimate of their aggregate liability. Dr. Sackett estimates the nominal liability for tolled claims (present and future) at $72.9 million for Aldrich and $55.6 million for Murray.[37]

3. Dr. Sackett Anticipates the Impact of Potential Jury Verdicts

33. The charge in this estimation was to consider the liabilities had the Debtors (or their predecessors) remained in the tort system. If that were the case, they would face approximately

[37] Table 16 in the Sackett Report provides the net present value of these totals. The nominal values cited can be found in the corresponding workpapers.

35 more years of ongoing claims.[38] In nearly four decades, it is reasonable to assume that Aldrich or Murray would take additional verdicts, whether for its several share or for the cumulative liability that period. To account for the possibility of future verdicts, Dr. Sackett forecasts three future jury verdicts per debtor.

34. Dr. Sackett distributed the jury verdicts throughout the future claims forecast to avoid skewing the values by lumping verdicts at the beginning or the end, where the net present value calculation would yield outsized effects. This distribution remains consistent with the Debtors' tort system history because it places the future verdicts within the timeline of future settlements that is extrapolated from the tort system history. Taking into account these verdicts, Dr. Sackett estimates the nominal future liability of the Debtors as $626.9 million for Aldrich and $366.2 million for Murray.[39]

D. Dr. Sackett Brings the Nominal Estimates to Net Present Value

35. Combining the nominal values of the present and future claims, and adjusting upwards for the Open Unknown Disease Claims, tolled claims, and predicted jury verdicts, Dr. Sackett calculates an aggregate nominal liability for the Debtors at $845.3 million for Aldrich and $501.6 million for Murray. The final step is to adjust these amounts to an aggregate net present value by inflating predicted future payments and discounting them back to the Petition Date.

36. Dr. Sackett used a conventional present-value methodology to express the Debtors' projected tort-system liabilities in dollars as of the Petition Date. His analysis proceeds in two steps. First, he projects the nominal amount of future claim payments by applying reasonable inflation assumptions to historical average settlement values. Second, he discounts those projected

[38] Dr. Sackett forecast claims for approximately 40 years beginning as of 2020.

[39] Sackett Rep. 42 tbl. 9(a), 46 tbl. 11(a).

payments back to June 18, 2020, using a blended risk-free rate derived from U.S. Treasury securities as of the Petition Date.[40] That approach is consistent with bankruptcy estimation practice, the statutory requirement that claims be valued as of the petition date under section 502(b), and estimation decisions recognizing the reasonableness of Treasury-based discounting.[41]

37. To forecast future claim payments, Dr. Sackett began with the same average settlement values that he obtained from his analysis of pending claims and then adjusted those values for inflation over the forecast period. He used actual inflation rates for the period from 2020 through 2025. For years after 2025, he applied a 3.2% annual inflation rate, which he derived from a blended application of three economic indicators that are relevant to asbestos claim values: (1) forecast Consumer Price Index growth of approximately 2.3% over the next 25 years; (2) historical Medical Care CPI, which has exhibited a 3.4% compound annual growth rate ("**CAGR**") over the prior 25 years; and (3) historical Employment Cost Index growth of 4.0% CAGR over the prior 25 years.[42] This blended inflation rate of 3.2% reasonably captures the fact that asbestos settlements are affected not only by general consumer inflation, but also by medical-cost and wage-related components that bear directly on personal-injury claim values.[43]

38. After inflating projected payments, Dr. Sackett converted those future dollars to net present value as of the Petition Date. He used a 1% discount rate because that reflects the risk-free rate of return reflected in U.S. Treasury securities as of June 18, 2020: 0.16% for 3-month Treasuries, 0.71% for 10-year Treasuries, and 1.47% for 30-year Treasuries.[44]

---

40 *Id.* ¶¶ 98-99.

41 *See Specialty Prods.*, 2013 WL 2177694, at *24-25 (adopting a discount rate from around the petition date); *Fed.-Mogul*, 330 B.R. at 164 (adopting a 30-year treasury rate as of the petition date).

42 Sackett Rep. ¶ 98 & n.31.

43 *See* Sackett Dep. 201:12-202:22; 205:8-207:2.

44 *See* U.S. Department of the Treasury, Daily Treasury Par Yield Curve Rates (June 18, 2020).

39. Selecting a discount rate that existed as of the Petition Date is appropriate under the law. Section 502(b) of the Bankruptcy Code directs the Court to determine the amount of claims "in lawful currency of the United States *as of the date of the filing of the petition*."[45] The petition date "fixes the moment when the affairs of the bankrupt are supposed to be wound up."[46] Courts have applied section 502(b)'s requirement by discounting future payments using a discount rate that existed around the time of the petition date.[47] For example, in *In re Specialty Products Holdings Corp.*, the court considered multiple competing proposed discount rates and chose a blended risk-free rate based on data from the day after the date of the petition.[48] And in *Federal-Mogul*, the court held that a risk-free discount rate must be chosen and that the estimate should utilize the 30-year US Treasury rate as of the petition date for the discount rate.[49]

40. Accordingly, Dr. Sackett's inflation and discount assumptions are methodologically sound. They use actual and market-based inputs and value claims as of the legally required date.

41. After adjusting the Debtors' nominal present and future liabilities to their net present value as of the Petition Date, Dr. Sackett calculates an aggregate net present value of

---

[45] 11 U.S.C. § 502(b) (emphasis added).

[46] *Sexton v. Dreyfus*, 219 U.S. 339 (1911) (Holmes, J.); *see also* DOUGLAS G. BAIRD, THE ELEMENTS OF BANKRUPTCY 84 (7th ed. 2022) (explaining that a key concept underlying the Bankruptcy Code is that, as of the petition date, each creditor's non-bankruptcy right to the debtor's estate is "transformed" into a bankruptcy claim).

[47] *See Specialty Prods.*, 2013 WL 2177694; *Fed.-Mogul*, 330 B.R. at 164; *In re Garlock Sealing Techs., LLC*, 504 B.R. 71 (Bankr. W.D.N.C. 2014).

[48] 2013 WL 2177694, at *24-25 (Bankr. D. Del. May 20, 2013). At the same time, the court acknowledged that a risk-free rate based on the U.S. Treasuries rates on the day of the petition was also reasonable. *Id.* Similarly, in *Garlock*, the court adopted the opinion of Dr. Charles E. Bates regarding discounting future claims to the petition date. *See* 504 B.R. at 97 (describing the discount rate selected as "appropriate and acceptable"). In Dr. Bates' expert report, he valued asbestos liabilities *as of the petition date* using a risk-free rate forecast that the Congressional Budget Office (the **"CBO"**) had been using continually *since before the petition date*. Debtors' Mot. Lim. Preclude Ops. Asserted by Committee's Experts on Discount Rates Ex. B, ¶¶ 233-234, Dkt. No. 3185.

[49] *Fed.-Mogul*, 330 B.R. at 164

mesothelioma liability for the Debtors at $1.14 billion for Aldrich and $678.7 million for Murray, for an aggregate total of $1.82 billion.[50]

IV. THE DEBTORS' AND FCR'S EXPERTS' OPINIONS ARE FLAWED

42. The Committee's Rebuttal Expert, Yvette Austin, will explain to the Court why both the Debtors and the FCR's estimates are incorrect and flawed. These criticisms include the following:

A. Similar Errors Discredit Both Dr. Mullin's and Mr. McKnight's Estimates

1. Dr. Mullin's and Dr. McKnight's Multiple Changing Estimates Demonstrate Their Own Unreliability

43. Collectively, Dr. Mullin and Mr. McKnight offer dozens of different, shifting estimates. Even limiting Dr. Mullin to estimates following some form of the tort extrapolation methodology,[51] he initially provided more than two-dozen estimates between $425 million and $750 million.[52] The backup materials to the Mullin Report included over 100 more options. His subsequent rebuttal report added 30 new scenarios using assumptions not presented in the initial report.[53] In these late-submitted variants, Dr. Mullin adopted some of the analysis of Mr. McKnight, achieving a kind of *de facto* coordination. Dr. Mullin did not in his reports identify what tort system estimation scenario is the most appropriate or why. Pressed in deposition, he did identify one estimate from his rebuttal report as his "best" estimate: $565 million - $625 million.[54] Why it took litigation to shake loose even that level of specificity is unexplained.

---

[50] *See* Sackett Rep. 43 tbl. 9(c), 47 tbl. 11(c), 53 tbl. 15, & 57 tbl. 16.

[51] The Debtors have represented to the Court and the Parties that Dr. Mullin's testimony will be limited to his estimates of $425 million to $750 million. Debtors' Opp'n to Committee's Mot. Lim. Exclude Certain Expert Test. Charles H. Mullin, Ph.D., at 6, Dkt. No. 3226.

[52] Mullin Corrected Initial Expert Rep. 58 fig. 29, ¶¶ 125, 133, Sep. 15, 2025 ("**Mullin Rep.**").

[53] Mullin Rebuttal Expert Rep., at C-1, Mar. 27, 2026 ("**Mullin Rebuttal Rep.**").

[54] Mullin Dep. 221:2-226-20 (stating that he preferred an estimate to use (1) his 10% non-asbestos containing product curve; (2) a three-year calibration period; and (3) either a discount rate of 6.1% or 4.5% depending on if the

44. Similarly, Mr. McKnight's multiple estimates show errors, a lack of consistency, and often, motivated reasoning. Mr. McKnight's Report estimated the Debtors' aggregate tort liability at $522 million to $531 million[55]—coincidentally just shy of the $545 million settlement amount the FCR agreed to with the Debtors.[56] Then, in his Rebuttal Report and deposition, Mr. McKnight effectively expanded his estimate range to have an upper bound of $675 million, covering an error in his initial reports and, conveniently, lining up better with Dr. Mullin's tort system opinion.[57]

45. This alteration occurred through Mr. McKnight's endorsement of the other expert's mesothelioma incidence forecasts. Mr. McKnight's initial incidence forecasts were fatally flawed, relying on outdated data to forecast future mesothelioma claims in much lower numbers than the incidence forecasts used by Dr. Sackett and Dr. Mullin.[58] In his Rebuttal Report and his deposition, however, Mr. McKnight noted the similarity between Dr. Mullin and Dr. Sackett's incidence forecasts, acknowledged their reasonableness, and reframed his original flawed forecast as a "lower bound."[59] He adopted a new estimate of $675 million by replacing his original incidence forecast with Dr. Mullin's and described it as "a good estimate of the upper bound."[60]

Court chose to use a risk-free rate of return or not); Debtors' Opp'n to Committee's Mot. Lim. Exclude Certain Expert Test. Charles H. Mullin, Ph.D., at 9, Dkt. No. 3226 ($565 million estimate utilizing the trust rate of return or a $625 million estimate based on the risk free rate of return).

55 Brattle Group Expert Rep. ¶ 115, Sep. 15, 2025 ("**McKnight Rep.**").

56 *See* FCR's Resp. to Debtors' Mot. for Estimation of Prepetition Asbestos Claims, at 3, Dkt. No. 888.

57 *See* Brattle Group Expert Rep. ¶¶ 31-34, Mar. 27, 2026 ("**McKnight Rebuttal Rep.**").

58 Mr. McKnight uses the KPMG-Nicholson model, which is over 30 years old, without any adjustment with more recent mesothelioma incidence data. Mr. McKnight justifies his original choice of incidence model because it limits the population of claimants to people directly occupationally exposed to asbestos. McKnight Dep. 114:3-10. But non-occupational exposures undeniably form a portion of the Debtors' liability, as the sole jury verdict against Aldrich was a non-occupational exposure case.

59 *See id.* at 113:22-144:23.

60 *Id.* at 114:11-17.

46. Dr. Mullin and Mr. McKnight, in short, offered dozens of estimates and in their rebuttal reports changed their analysis, achieving some level of alignment between the FCR's and Debtors' experts (and perhaps, for the FCR, to avoid the optics of advocating for an upper-bound estimate over $200 million less than Dr. Mullin's upper bound of $750 million). These changes do not reflect positively on the analytic integrity of the analyses. Nor can the multiplicity of estimates be shrugged off as "options" for the court. The experts' job is to provide a number or at least a narrow range, not to dump a menu of options on the Court.

2. Dr. Mullin and Mr. McKnight Both Improperly Assume Claim Values Will Decrease Over Time

47. Dr. Mullin and Mr. McKnight both contrive to drive the average settlement values in their analyses down through a dubious assumption that claim values, adjusted for inflation, will ***decline*** in the future.

(a) McKnight Improperly Adjusts Settlement Values Downward Over Time Due to Claimant Age and Ignores Other Factors

48. One factor significantly suppressing Mr. McKnight's estimate of the Debtors' liability is his insupportable projection that mesothelioma claim values will decrease over time based on an aging and fixed population. Mr. McKnight attempts to justify his approach by describing a regression analysis that shows age of claimant at filing is associated with a decrease in settlement values.[61] But Mr. McKnight's own regression analysis uncovered multiple other variables that have a significant association with claim values. That he only adjusts for age—the only input that can justify a significant downward adjustment—is telling. While asserting that age is supposedly the only factor that "we know for a fact will be changing with respect to the population,"[62] Mr. McKnight's own regression analysis demonstrates a significant positive

[61] McKnight Rep. ¶ 93.

[62] McKnight Dep. 161:12-15.

correlation between claim value and *year filed*, another variable that will change predictably in one direction over time in the way Mr. McKnight says claimant age will. Controlling for independent variables that impact settlement value, Mr. McKnight's analysis shows that average settlement values actually ***increased*** every year since 2015.[63] Mr. McKnight's choice to adjust downward for aging claimants without attempting to adjust for other factors that may change over time is inappropriate and biases his estimate.

(b) Dr. Mullin Suppresses Settlement Values by Projecting from an Unrepresentative Dataset

49. Similar to Mr. McKnight's, Dr. Mullin's analysis of average settlement value leads to the absurd result that predicts a person suffering from mesothelioma in 2045 will receive *less money* than a person suffering from mesothelioma today despite being forced to pay for medical bills, healthcare costs, and other living expenses at inflated 2045 prices. His "low NPV" scenarios rely on an unrepresentative dataset to assume that settlement values have declined and will continue to decline in value over time. The result of this assumption is that even after assuming a constant 2% inflation rate, the net effect is an assumed annual net ***decline*** in settlement values of 0.8% for Aldrich claims and 2.3% for Murray claims.[64]

50. As Ms. Austin will explain at trial, Dr. Mullin's theory that average settlement values have declined over time is not supported by the data. Dr. Mullin claims that Figure 47 (D-11) and Figure 48 (D-12) show a "linear" trend of declining settlement values over time.[65] However, Dr. Mullin's own charts facially fail to support this purported declining trend.

---

63 *Id.* ¶¶ 39-42.

64 Mullin Rep. ¶¶ 155, 156.

65 *Id.* ¶¶ 155-159.

Figure 47: CPI-adjusted average settlement value for Aldrich by year[177]

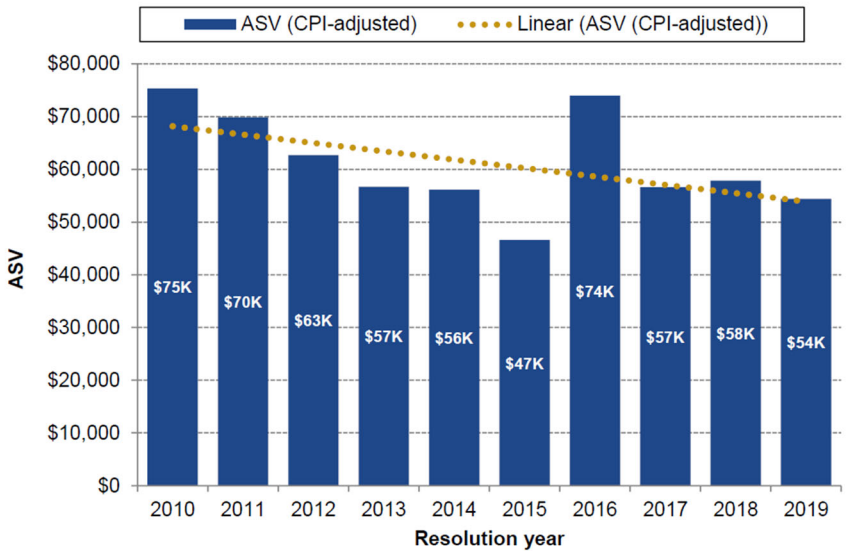
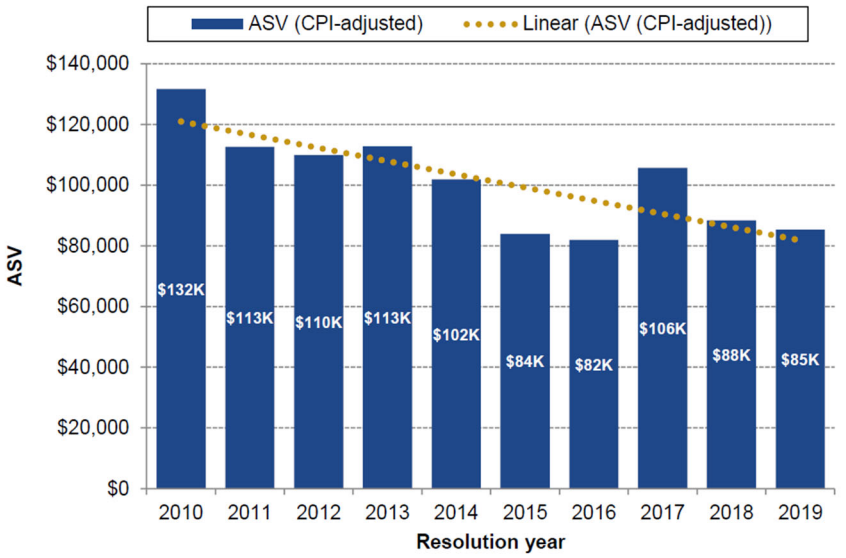


Figure 48: CPI-adjusted average settlement value for Murray by year



51. Figures 47 and 48 show a clear break in the "linear trend" in 2016 and 2017. Aldrich had its lowest average settlement value in 2015 ($47,000), but values spiked the very next year in 2016 ($74,000) and remained in the mid-$50,000 range between 2017 and 2019. If Dr. Mullin had considered the last five years of settlement history, he would have concluded that Aldrich's average settlement values have *increased* since 2015. Stated simply, Dr. Mullin's claim

that average settlement values have declined is based on a cherry-picked time period and an unsupported trendline that ignores the various changes in settlement values year-to-year.

52. Dr. Mullin's explanation for the supposed decline also strains credulity. He states that declining inflation-adjusted average settlement values "occurs generally across mesothelioma defendants" without providing any analysis in support.[66] Even if true, Dr. Mullin fails to explain observed trends in the Debtors' data, such as why values for Aldrich would fall to a low in 2015 but then rise more than 50% in 2016 and remain more than 10% higher than the 2015 lows in each year between 2017 and 2019. Moreover, Mr. McKnight's regression analysis demonstrates that, controlling for claim characteristics that affect settlement values, claim values were steadily rising from 2015 to 2019.[67]

3. Dr. Mullin and Mr. McKnight's Inflation and Discounting Choices Both Contrive Unreasonably High Real Discount Rates

53. As explained above, estimates of future payments should be discounted to a sum certain that, if invested on a case's petition date, would be estimated to provide for full payment of future claimants as their claims come due. The most appropriate method for doing so is to discount using a risk-free rate as was available at the petition date. Dr. Mullin does not use a risk-free rate at all, and Mr. McKnight contrives an unreasonably high real risk-free rate through his input choices.

(a) Dr. Mullin Selects an Extremely High and Inappropriate Discount Rate and a Low Inflation Rate

54. Dr. Mullin further depresses the estimated NPV of asbestos claims by utilizing a primary discount rate of 6.5%.[68] Dr. Mullin maintains that the Debtors' future asbestos liabilities

---

66 *Id.* ¶ 159.

67 *See supra* ¶ 48.

68 *See generally* Mullin Rep. ¶¶ 163-168; Mullin Rebuttal Rep. ¶ 74.

should be significantly discounted because a bankruptcy trust will be able to invest the trust funds and realize a rate of return between 4.5% and 6.5%.[69] His "low NPV" calculation assumes a 6.5% rate of return based on 4.5% treasury rates from August of 2025 plus a 2% "risk premium."[70] The "risk premium" is based on Dr. Mullin's assumption that money will be invested in stocks, corporate bonds, and even "alternative investments" such as hedge funds.[71] His "high NPV" calculation assumes a lower 4.5% rate of return based on what he claims is the historical returns of certain "select 524(g) trusts" between 2010 and 2024.[72] This discount rate analysis is problematic for several reasons.

55. Dr. Mullin's choice not to use a risk-free rate is inappropriate. The asbestos claimants are involuntary creditors, and any estimate that assumes they must bear investment risks will undervalue their claims. The investment decisions of limited trusts are not relevant.

56. Even if it was appropriate to consider how other 524(g) trusts have been managed, Dr. Mullin does not offer any analysis of which trust returns, which range from as low as 2.4%, are the most applicable to the Debtors here. Over half of his hand-selected trusts failed to meet the 4.5% returns Dr. Mullin proffers as the low end of his discount rate range.[73] In fact, the Garlock Trust (which Dr. Mullin repeatedly offers as a corollary to these bankruptcy cases but omitted from his 524(g) trust analysis) only earned 2.1% from its inception in 2017 through 2024. Based on these widespread rates of return, it would be wildly inappropriate to assume a rate of return of between 4.5% and 6.5%. And as financial advisors frequently warn, "past performance is not a

---

69 Mullin Rebuttal Rep. 37 fig. 31.

70 Mullin Rep. ¶¶ 167-168.

71 *Id.* at D-15 fig. 50 & n.188.

72 *Id.* at D-15 fig. 49.

73 Mullin Rep. D-15 fig. 49.

guarantee of future returns." In a supposedly full pay case, there is no reason that tort victims should be forced to assume any risk.

57. Dr. Mullin's choices are exacerbated by his unjustified assumption of a flat 2% inflation rate. He does not attempt to tie his 2% inflation rate to any actual costs that asbestos victims face, disregards widely accepted sources for projecting inflation into the future and fails to address the recent years of high inflation. His chosen inflation rate and prediction of declining average settlement values results in an unreasonably low estimate of the net present value of the Debtors' asbestos liability, and, when combined with his discount rate, result in a dramatically lower—and even less reasonable—estimate of the Debtors' aggregate liability.

(b) McKnight Applies an Unrealistically High Real Discount Rate Using Discount Rate Drawn from 2025 with Inflation Data that Excludes Recent Inflation Trends

58. Mr. McKnight does not discount using risk-free rates dating back to the Petition Date; instead, he swaps in U.S. Treasury yields as of June 2025, five years after the Petition Date, on the theory that yields as of the Petition Date were "depressed" by COVID-19. But corporate finance theory does not support the substitution of later discount rates for contemporaneous ones. Valuing the Debtors' liabilities as of the Petition Date is most appropriate. Mr. McKnight's use of a June 2025 discount rate also makes inappropriate his choice of inflation measurement drawn from a different temporal frame. Mr. McKnight further disregards the significant inflation that occurred between June 2020 and June 2025 on the grounds that they do not reflect what one would see in a "normal economy."[74]

59. Instead, Mr. McKnight's projected inflation rate starts at 2.5% and trends down to 2.0%, reflecting a combination of cherry-picked recent economic history and a false assumption

[74] McKnight Dep. 171:1-172:10.

that the Federal Reserve's target inflation rate is a sound measure of future longer term inflation rates.[75] Whether by design or by accident, Mr. McKnight's discount rate and inflation rates generate the highest defensible risk-free real discount rate possible.

4. Both Dr. Mullin and Mr. McKnight Improperly Exclude Potential Pending Claims

60. Both Dr. Mullin and Mr. McKnight fail to address two potential sources of additional pending claims in their analysis: claims in the Debtors' database listed as attributable to an "unknown" disease, and tolled claims. Approximately 10% of all pending claims against Aldrich and 15% of pending claims against Murray are listed as "unknown disease" claims. Rather than assigning some portion of these claims as mesothelioma claims, Dr. Mullin and Dr. McKnight chose to treat all of these claims as non-mesothelioma claims. This decision suppresses the value of present asbestos liabilities in at least two ways.

61. That a claimant's disease is listed as "unknown" at one time in history does not mean that it is unknowable—or that it is not mesothelioma. Both Dr. Mullin and Mr. McKnight omitted these potential mesothelioma claims, decreasing both their total claims and the total number of propensity to sue, thus decreasing their calculated present value of future mesothelioma claims. The record, however, does not support Dr. Mullin and Mr. McKnight's decisions to treat all "unknown" claims as non-mesothelioma claims. Rather, adding back in a portion of unknown disease claims would likely increase their propensity to sue calculations.

62. Dr. Mullin and Mr. McKnight also fail to address existing tolled claims. Aldrich and Murray entered into certain settlement agreements with law firms that contained provisions that tolled certain asbestos claims. As a result of these tolling provisions, some asbestos claims

[75] Mr. McKnight provides no analysis to support the assumption that 2% inflation target will remain the Federal Reserve's policy for the next 40 years.

were omitted from the Debtors' claims database, as evidenced by the discussion regarding Law Firm #1's PIQ submissions.[76] If left in the tort system, some portion of these tolled claims would be expected to present as claims against the Debtors. The fact that an attorney negotiated a tolling agreement indicates that the underlying claimants wanted to preserve that claim and may assert it in the future. Unlike Dr. Sackett, who correctly considered tolled claims, Dr. Mullin and Mr. McKnight further suppressed their asbestos liability estimates by incorrectly omitting them without any supporting evidence.

B. Dr. Mullin and Mr. McKnight's Additional Errors

1. Dr. Mullin Utilizes an Incidence Model that Lacks Empirical Support and Artificially Reduces His Liability Estimate Without Justification

63. Dr. Mullin employs a cohort-based incidence model using adjusted Nicholson curves to project future mesothelioma incidence and the number of filed future claims. The model breaks down the mesothelioma incidences into two components: (1) asbestos-related incidence ("**ACP**") and (2) non-asbestos-containing product-related incidence ("**non-ACP**").[77] The non-ACP component is designed to represent mesothelioma that Dr. Mullin claims is not attributed to asbestos product exposure. Dr. Mullin tries to isolate a portion of mesothelioma incidence as arising from factors other than asbestos-containing products. Dr. Mullin then further adjusts his Nicholson curve by including either none or a small percentage of non-ACP incidences in his forecast (modeling 0%, 10%, or 20% of non-ACP incidence).[78]

64. Dr. Mullin's approach is critically flawed, as he provides no valid basis for breaking mesothelioma incidence into separate ACP and non-ACP components, nor for the ultimate use of this methodology in generating his estimates. Dr. Mullin's "non-ACP mesothelioma incidence"

---

[76] *See supra* ¶¶ 30-31.

[77] Mullin Rep. ¶ 126; *see also id.* at 58 fig. 29.

[78] *Id.* at 58 fig. 29.

is not derived from any observable data and does not appear to be independently estimated, measured or validated. Dr. Mullin also did not test whether the implied ACP mesothelioma incidence was consistent with any epidemiological studies, cancer registry data, historical claims patterns, settlement data, or product-specific evidence.

65. Further, Dr. Mullin's claim projections are limited to 0%, 10%, and 20% of the purported non-ACP component, further reducing his projected future number of mesothelioma claims, with no explanation as to why those levels are appropriate. Because Dr. Mullin offers no independent validation for excluding large portions of his calculation of mesothelioma incidence, there is no justification for his choice to do so.

2. Mr. McKnight Inappropriately Segregates Claims Resolved Off-Complaint

66. Mr. McKnight, like Dr. Mullin, deflates his estimate of the Debtors' tort liability by excluding from his primary analysis a significant number of claims and amounts paid under the Off-Complaint Settlement Agreements. Despite admitting that there is no reason to believe payments under those agreements would have stopped but for the bankruptcy filing,[79] Mr. McKnight excludes them from his primary forecast of future claims on dubious grounds.

67. The sole basis McKnight gives for this decision is that firms with Off-Complaint Settlement Agreements only have claims appear in the Debtors' claims database if those claims were approved and paid under the settlement agreements.[80] He contends that including them in the population of claims "depresses" filings and "inflates" approval rates because the data is missing claimants that those law firms represent who will never have their claim paid.[81]

[79] McKnight Dep. 66:3-7.

[80] *Id.* at 63:4-24.

[81] *Id.*

68. But any such "missing" unpaid claims are already accounted for because their absence reduces the number of forecast future claims.[82] The error is plain when considering the hypothetical of having full data for current unpaid, never-resolved claims connected to the Off-Complaint Firms. Having such claims in the data would neither increase nor decrease the Debtors' aggregate liability for current claims because they would all be worth $0. While including them might alter the resolution rate, the average settlement value, and total number of claims, it is mathematically certain that the Debtors' aggregate liability would not change. For the absence of this data to "inflate" the estimated liability of the Debtors, they would have to be impossibly worth negative dollars. The same is true of using that data in the forecast of future liability: it cannot be the case that adding data for claims worth $0 would *decrease* the estimate of the Debtors' future liability.

69. The Off-Complaint Firms account for a significant portion of the payments on claims made by the Debtors. Mr. McKnight's removal of them artificially deflates his primary analysis of the Debtors' future liability by a significant amount. He then "scales up" the aggregate liability to account for the removed claims using payment data from 2015 to 2019.[83] This analysis uses an unrepresentative timespan—the Debtors paid significantly less to these firms in 2016-2019,[84] and one of the law firms obtained a revised settlement increasing payments in 2017.[85] The analysis also fails to address that payment caps and tolling agreements under the off-complaint agreements could result in a backlog of claims that would resolve slowly.

---

[82] All three affirmative experts generate forecast claim numbers by combining historical claim data against the Debtors with a mesothelioma incidence curve. Under this method, more historical claims against the Debtors translates to more projected claims.

[83] McKnight Rep. ¶¶ 100-01.

[84] *See id.* ¶ 101 & Fig. 9.

[85] *See* McKnight Dep. 66:8-11.

3. Mr. McKnight's Chosen Calibration Period Artificially Deflates Average Settlement Values for Claims Against Murray

70. Mr. McKnight's calculation of average settlement values relies on a five-year calibration period, which artificially deflates his estimate of Murray's liability.[86] A sensitivity analysis comparing what Mr. McKnight's average settlement values for Murray would have been for different length calibration periods demonstrates that the chosen five-year calibration period produces one of the lowest possible average settlement calculations for Murray. Had Mr. McKnight used a three-year calibration period, for example, the average settlement value would have been over 10% higher.

71. In his deposition, Mr. McKnight's responded to this criticism by essentially denying the usefulness and merit of conducting a sensitivity analysis.[87] He did not conduct his own sensitivity analysis and instead referred to the sensitivity analysis that Dr. Mullin conducted, erroneously suggesting that Dr. Mullin's calculations demonstrated only a 3% difference between the use of a five-year and three-year calibration period.[88] He analogized the consequence of his choice of calibration period to flipping a coin and getting heads eight times out of ten. Mr. McKnight, apparently, is unconcerned if his results produced an outlier as long as it was theoretically "fair."[89] This is neither a serious nor an accepted approach for selecting calibration criteria.

---

86 McKnight Rep. ¶ 91.

87 *See* McKnight Dep. 157:7-160:2 (Mr. McKnight calling a sensitivity analysis "spurious" and stating he did not think it necessary to rerun his numbers with different calibration periods).

88 *Id.*

89 *Id.* 158:2-20.

4. Mr. McKnight's Opinions Regarding the Level of Funding Needed for a Trust Established to Resolve the Debtors' Liabilities are Irrelevant

72. This Court has ordered that the sole focus of Phase I is "estimating the Debtors' liability for current and future asbestos claims by using the tort system extrapolation method, using the Debtors' settlement and verdict history."[90] Mr. McKnight's speculative testimony that the Debtors could fund a trust for an amount equal to if not less than the funding provided to the Garlock Asbestos Trust simply has no relevance to that undertaking. The tort system and payment of claims in a trust system are distinct.[91] A trust established pursuant to section 524(g) is created to take the debtor's liability out of the tort system.[92]

73. Mr. McKnight's opinion for appropriate funding based on the Garlock trust contribution is substantially lower than his estimates for the Debtors using extrapolation of the Debtors' actual tort system history,[93] which is the only estimation methodology contemplated by the Phase I Order. That one could imagine an asbestos trust that paid claimants here less than the full pay they have been promised in these cases is not relevant to the task before this Court.

74. In any event, no trust of any kind whatsoever has been proposed or agreed to in the present case. No mechanisms for claims payment exist, no funding levels have been agreed to, and no criteria have been established. Opining on what a trust might pay claimants here, individually or in aggregate, is premature.

---

90 Phase I Order ¶ 2.

91 *See supra* ¶ 12.

92 *See In re Kaiser Gypsum Co.*, 135 F.4th 185, 190 (4th Cir. 2025) (Under section 524(g), a debtor's present and future asbestos liabilities are diverted to a trust pursuant to a channeling injunction to protect the debtor from future asbestos claims in state and federal tort proceedings nationwide.).

93 McKnight Rep. Part II.

C. The Debtors' Rebuttal Expert Denise Neumann Martin Offers No Meaningful Critiques

1. Dr. Martin's Claim that Dr. Sackett Did Not Apply "the Accepted Methodology" Lacks Merit

75. Dr. Martin frames her criticisms as having compared Dr. Sackett's analysis to the "accepted methodology" for estimating asbestos liability but provides no basis for her opinion that Dr. Sackett's approach strays from the "accepted methodology" beyond her own *ipse dixit*. She points to no objective source that defines the accepted methodology she purports to compare Dr. Sackett's analysis to.[94] She admits that experts in the field have implemented the accepted methodology with variation as to the details.[95] Variations in methodology over time, across different cases, and between different experts are inherent to the field. Dr. Sackett's opinion in this case follows any reasonable understanding of what the accepted methodology is, notwithstanding Dr. Martin's disagreements with his resolution of particular issues. Regardless, her specific criticisms also lack merit.

2. Dr. Martin Misrepresents the Varied Approaches to "Unknown Disease" Claims and Disregards Historical Context

76. Since the emergence of asbestos claims estimation, experts have found various ways to deal with the problem where a claim is known but the specific disease the plaintiff alleges is not known. A 1993 paper, authored by Dr. Martin and her mentor Frederick Dunbar, titled *Estimating Future Asbestos Claims: Lessons from the National Gypsum Litigation*, explains the problem and presents three disparate approaches:

(1) Assuming all pending unknown claims are non-malignant disease;

---

94 Martin Dep. 25:15-26:18.

95 *Id.* at 32:15-33:2.

> (2) Assuming that for all pending unknown information will emerge showing disease types in proportion to the distribution of diseases as seen in already-resolved claims; and
>
> (3) Assuming all pending *and* closed unknown claims have the same distribution of disease as claims in the past.[96]

The paper does not present these as an exclusive list of the only acceptable methods; it provides merely a description of the various methods used by experts in the *National Gypsum* case.[97]

77. Here, Dr. Sackett assumed that for all pending unknown claims information will eventually emerge showing disease types in proportion to the distribution of disease as alleged in currently pending claims. Dr. Martin's suggestion that this is a wild departure from existing practice is unfounded. It, like the three methods described in Dr. Martin's 1993 paper, is a reasonable approach for dealing with the difficult problem of absent data. Dr. Sackett explained in his deposition and will testify that in this case he found no justification for choosing a different assumption to deal with the problem of unknown claims.

78. Dr. Martin's criticism of Dr. Sackett points to the choices made by other experts in historical cases but elides that those experts had different sets of information available to them. For instance, in the *National Gypsum* case, experts could match unknown disease claims against an enormous dataset of claims against many major asbestos defendants provided by the Center for Claims Resolution.[98] That information informed experts' choices as to how to deal with unknown disease claims.[99] Similarly, Dr. Martin acknowledges that experts in bankruptcy cases in the 2000s

---

[96] FRANK C. DUNBAR & DENISE A. NEUMANN, ESTIMATING FUTURE ASBESTOS CLAIMS: LESSONS FROM THE NATIONAL GYPSUM LITIGATION 6 (1993).

[97] *Id.*

[98] *See id.* at 3-4 (explaining the availability and use of Center for Claims Resolution data).

[99] *See id.* at 7 (describing claims-matching analysis done for unknown claims using CCR data).

were able to do claims matching with data from the Center for Claims Resolution and the Manville trust.[100]

79. Here, no such data source is available. Dr. Martin admitted she had not looked at whether it would be possible to match claims against the Debtors with some external source to test the distribution of unknown disease claims. No such source exists. Dr. Martin's suggestion that in the absence of information, an expert is obligated to assume that nearly no unknown disease claims are mesothelioma claims, is unfounded.

80. Dr. Martin's criticism additionally fails to account for changing trends in what proportion of claims brought are mesothelioma claims. Starting in the 2000s, the proportion of diseases seen in asbestos claims began to shift as nonmalignant claims sharply declined and mesothelioma clams became a larger share. Dr. Martin acknowledges that this changing trend in disease mix became apparent at the latest in 2005.[101] Yet Dr. Martin points to bankruptcy cases where petitions were filed before this shift became apparent as authoritative for how unknown disease should be treated in this case, where the majority of the Debtors' pending claims post-date the disease mix shift.[102] Given those shifts, there is no basis to assume the disease-matching analyses performed on claims against other debtors in the mid-2000s provide any insight as to the unknown disease claims against the Debtors. Dr. Martin fails to identify a credible reason based on the facts in *this* case that would indicate Dr. Sackett's treatment of unknown disease is unreasonable.

---

[100] *See* Martin Rep. 9-10 (describing historical LAS estimations that performed claims matching).

[101] Martin Dep. 73:3-17.

[102] Other than *Garlock*, every estimation Dr. Martin points to was performed for a debtor who filed bankruptcy in 2005 or earlier. Garlock filed for bankruptcy in 2010, only a few years later.

3. Treatment of Long-Pending Claims

81. Dr. Martin's second criticism of Dr. Sackett regards his choice not to segregate and treat differently the Debtors' pending claims by how long they have been pending.[103] But it is not universal practice to treat older claims differently in asbestos claims estimation and Dr. Martin has no basis for her assertion that addressing it is a necessary part of the established methodology.

82. Dr. Sackett explained in his deposition and will testify that he found no sound basis for treating claims differently based on time pending. For example, there is evidence that Debtors' litigation strategy included annual expenditure caps, a factor that supports not excluding older claims.

4. Discount Rate

83. Dr. Martin selected inflation rates from data over the period of 2020 to 2025, and notes that Dr. Sackett selected a discount rate as of the Petition Date. This distinction is insignificant: Dr. Sackett explained in his deposition and will testify that choosing an inflation rate from the same time frame as he used to determine the discount rate—the Petition Date—would not have significantly altered his forecast.[104]

84. Moreover, Mr. McKnight used inflation rates taken from 2020 data and discount rates taken from 2025 data.[105] Dr. Martin, however, was not prepared in her deposition to say that Mr. McKnight had made the same error as Dr. Sackett.[106] In similar fashion, Dr. Mullin pulled his

---

[103] Martin Rep. ¶¶ 23-24.

[104] *See* Sackett Dep. 236:5-13 ("So what I could have done is [to] do . . .the same blended rate calculation as of June 2020 and it would have been approximately the same -- approximately the same number I think within a couple of decimal points. Meaning that the relationship between inflation rate and the discount rate still would have been what it was.").

[105] McKnight Rep. ¶ 97 & n.91 (inflating according to Congressional Budget Office projections from 2020 and discounting using a risk-free rate based on U.S. Treasury securities data from June 2025).

[106] *See* Martin Dep. 160:11-165:21.

discount rate from data taken from 2010 to 2024, while his inflation analysis relied on data from 2010 to 2019.[107] Dr. Martin's critique, such as it is, appears to be results-oriented.

CONCLUSION

At the Estimation Hearing, the Committee will demonstrate that a reasonable estimate of the net present value of the Debtors' liability for mesothelioma personal injury claims, had neither entity filed for bankruptcy, is $1.82 billion. The Committee will further show that the Debtors' attempt to minimize the Debtors' liability is flawed.

Dated: August 3, 2026
Charlotte, North Carolina

HAMILTON STEPHENS STEELE + MARTIN, PLLC

/s/ Robert A. Cox, Jr.

Glenn C. Thompson (Bar No. 37221)
Robert A. Cox, Jr. (Bar No. 21998)
525 North Tryon Street, Suite 1400
Charlotte, North Carolina 28202
Telephone: (704) 344-1117
Facsimile: (704) 344-1483
Email: gthompson@lawhssm.com
rcox@lawhssm.com

Local Counsel for the Official Committee of Asbestos Personal Injury Claimants

[107] Mullin Rep. D-7 to D-15 (using claims data from 2010 to 2019 to conclude average settlement values will not increase with inflation and using investment return data from select § 524(g) trusts from 2010 to 2024).

CAPLIN & DRYSDALE, CHARTERED
Kevin C. Maclay (admitted *pro hac vice*)
James P. Wehner (admitted *pro hac vice*)
Kevin M. Davis (admitted *pro hac vice*)
Katelin C. Zendeh (admitted *pro hac vice*)
Jeanna R. Koski (admitted *pro hac vice*)
Wendy J. Barnett (admitted *pro hac vice*)
1200 New Hampshire Avenue NW, 8th Floor
Washington, DC 20036
Telephone: (202) 862-5000
Facsimile: (202) 429-3301
Email: kmaclay@capdale.com
jwehner@capdale.com
kdavis@capdale.com
kzendeh@capdale.com
jkoski@capdale.com
wbarnett@capdale.com

ROBINSON & COLE LLP
Natalie D. Ramsey (admitted *pro hac vice*)
Rachel Jaffe Mauceri (admitted *pro hac vice*)
John L. Cordani (admitted *pro hac vice*)
Victor R. Salgado (*pro hac vice* pending)
Annecca H. Smith (admitted *pro hac vice*)
1201 North Market Street, Suite 1406
Wilmington, Delaware 19801
Telephone: (302) 516-1700
Facsimile: (302) 516-1699
Email: nramsey@rc.com
rmauceri@rc.com
jcordani@rc.com
vsalgado@rc.com
asmith@rc.com

Counsel to the Official Committee of Asbestos Personal Injury Claimants