Docket #0113 Date Filed: 03/03/2026

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF NEW YORK

In re:	Chapter 11
Vanderbilt Minerals, LLC,	Case No. 26-60110 (WAK)
Debtor.[1]	Related Dkt. No. 16

OBJECTION OF CERTAIN LAW FIRMS TO THE MOTION OF THE DEBTOR AND DEBTOR IN POSSESSION FOR ENTRY OF ORDERS (I)(A) APPROVING BIDDING PROCEDURES FOR THE SALE OF SUBSTANTIALLY ALL OF THE DEBTOR'S ASSETS, (B) AUTHORIZING THE DEBTOR TO ENTER INTO THE STALKING HORSE AGREEMENT AND TO PROVIDE BIDDING PROTECTIONS THEREUNDER, (C) SCHEDULING AN AUCTION AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF, (D) APPROVING ASSUMPTION AND ASSIGNMENT PROCEDURES, (E) SCHEDULING A SALE HEARING AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF AND (F) GRANTING RELATED RELIEF; AND (II) (A) APPROVING THE SALE OF THE DEBTOR'S ASSETS FREE AND CLEAR OF LIENS, CLAIMS, INTERESTS AND ENCUMBRANCES, (B) APPROVING THE ASSUMPTION AND ASSIGNMENT OF EXECUTORY CONTRACTS AND UNEXPIRED LEASES AND (C) GRANTING RELATED RELIEF

The Certain Law Firms,[2] by and through undersigned counsel, hereby submit this objection ("**Objection**") to the relief sought by Vanderbilt Minerals, LLC ("**Debtor**") in the *Motion of the Debtor and Debtor in Possession for Entry of Orders (I)(A) Approving Bidding Procedures for the Sale of Substantially All of the Debtor's Assets, (B) Authorizing the Debtor to Enter Into The Stalking Horse Agreement and to Provide Bidding Protections Thereunder, (C) Scheduling an*

[1] The Debtor is Vanderbilt Minerals, LLC (EIN 13-1432885). The Debtor's noticing address in this chapter 11 case is 33 Winfield Street, Norwalk, Connecticut 06855.

[2] The "Certain Law Firms" are the following plaintiffs' law firms on behalf of individuals, and the estates of individuals, who they respectively represent and who have claims against the Debtor for personal injury and/or wrongful death related to the Debtor's talc products: Belluck Law, LLP; Cooney & Conway; Dean Omar Branham Shirley, LLP; Early, Lucarelli, Sweeney & Meisenkothen; Goldberg, Persky & White, P.C.; Maune Raichle Hartley French & Mudd, LLC; Meirowitz & Wasserberg, LLP; Simmons Hanly Conroy LLC; Simon Greenstone Panatier, PC; and Weitz & Luxenberg, PC.

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Auction and Approving the Form and Manner of Notice Thereof, (D) Approving Assumption And Assignment Procedures, (E) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof and (F) Granting Related Relief; and (II) (A) Approving the Sale of the Debtor's Assets Free and Clear of Liens, Claims, Interests and Encumbrances, (B) Approving the Assumption and Assignment of Executory Contracts and Unexpired Leases and (C) Granting Related Relief [ECF No. 16] ("**Bidding Procedures Motion**").[3] The Certain Law Firms reserve all rights to object to any and all final relief sought in the Bidding Procedures Motion at the appropriate time. In support of this Objection, the Certain Law Firms respectfully state as follows:

PRELIMINARY STATEMENT

The Debtor is the product of a **decades-long corporate restructuring**, which appears to have been designed primarily—if not solely—to ringfence its talc liability and that of its affiliates to the detriment of talc claimants. This bankruptcy appears to go one step further, improperly attempting to obtain a complete discharge and release of these liabilities for non-debtors at the expense of creditor recoveries. As such, this bankruptcy is inconsistent with a good faith filing. This, at a minimum, demands heightened scrutiny into the structure of the proposed sale procedures—and the related conduct of the pre-petition and post-petition marketing process. Yet, the Debtor prepared for, and is prosecuting this bankruptcy, in a way that seeks to avoid almost any scrutiny whatsoever. The Debtor, through the Bidding Procedures Motion (and combined with the Settlement Motion and DIP Motion), is seeking to lock in and push through improper relief on a prejudicially truncated schedule with no real justification. Any emergency that exists here is wholly manufactured. The Debtor should not be allowed to have its Bidding Procedures

[3] Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to such terms in the Bidding Procedures Motion.

Motion—not to mention its Settlement Motion, DIP Motion, and pre-petition conduct, transactions, and bankruptcy planning—evade meaningful review through arbitrary and unnecessary deadlines.

Prior to 2012, the Vanderbilt entities that now comprise R.T. Vanderbilt Holding Co. and its subsidiaries operated as a single business entity for nearly 100 years. Over the course of the last fifteen years, as the number of talc/asbestos lawsuits filed against R.T. Vanderbilt Company substantially increased, the Vanderbilt organization appears to have engaged in a web of transactions to artificially and improperly cabin their talc liability. And the Vanderbilt organization seeks to exact its final litigation tactic through this chapter 11 proceeding. The Certain Law Firms believe that an appropriately funded Official Committee of Unsecured Creditors (the "**UCC**"), with sufficient time to carry out its fiduciary duties, could untangle this web, and actually maximize recoveries for talc victims in this bankruptcy, or potentially by putting the Debtor back into the tort system.

Granting the Bidding Procedures Motion now, before the UCC—that was just appointed on Monday night—has had a chance to meet, much less hire counsel, would set a breakneck schedule that may preclude any meaningful UCC investigation at all. Further, it would lock into place several aspects of the Debtor's scheme and make it more difficult to unravel that scheme in the future. For example, among other prejudicial things, the Bidding Procedures Motion seeks to approve the Stalking Horse APA, which is predicated on a successful Settlement Motion. That is, the Stalking Horse APA requires the Debtor to sell non-debtor assets that it intends to receive as compensation for granting broad releases to its parent company under the Settlement Motion. Consequently, approving the Bidding Procedures now may prejudice any challenge to the Settlement Motion and its requested releases in the future. Accordingly, the Bidding Procedures

Motion should not be heard or ruled upon until the UCC has been able to investigate, among other things: (1) the Settlement Motion, including the ownership and value of the causes of action the Debtor seeks to release; (2) the propriety of a sale that includes non-debtor assets, as well as the propriety of the marketing and sale process writ large; and (3) whether this case was filed with the requisite good faith.

Critically, granting the Bidding Procedures now (or, for that matter, the Settlement Motion or DIP Motion in two weeks-time) in the absence of a UCC investigation, would put this case on a dangerous course. Consequently, Certain Law Firms object to each part of the Debtor's "three-legged stool" being heard in the near term. The Debtor spent months, if not years, planning for this bankruptcy. A few more weeks or months for the UCC to exercise its fiduciary duties and provide its views on the various aspects of this case, is warranted. This is especially true where the Debtor is attempting to grant releases that could forever impact talc victims' ability to realize full and fair recoveries for their injuries. If the Debtor fears that this will cause a DIP default and that the case may be unwound, this alone should warrant dismissal of the bankruptcy case. If the Debtor wants the benefits of bankruptcy, it must find a way to pay for it.

Certain Law Firms are compelled to file this Objection to protect the rights of their clients, thousands of individual plaintiffs whose efforts to seek justice within the tort system have been stayed, from being trampled. Certain Law Firms have been forced to quickly evaluate and respond to motions prepared as part of the Debtor's months-long bankruptcy planning without any meaningful investigation into that planning or the guidance of UCC professionals.

The global issues are glaring, but the Bidding Procedures Motion requests approval of other specific terms that are potentially problematic and that the UCC will need the time to meaningfully consider and negotiate or object to, including, without limitation:

- Inadequate valuation of the assets to be sold pursuant to the APA, including the non-debtor assets transferred as part of the Sale;
- Unnecessary coupling of the sale process to the DIP Financing;
- The sale of insurance policies that may cover talc-asbestos litigation;
- The sale of avoidance actions that may provide the only meaningful recovery to talc-asbestos claimants;
- A break-up fee that will discourage competitive bidding; and
- The sale of assets free and clear of future claimants' claims.

The UCC must be given an opportunity to investigate the development of the proposed sale process and the reason the Debtor has agreed to sale terms that on their face appear to be of questionable value to the estate. Accordingly, and for the reasons set forth herein, the Certain Law Firms object to approval of the Bidding Procedures Motion.

BACKGROUND

I. The Chapter 11 Case

On February 16, 2026, the Debtor filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code. Pursuant to sections 1107 and 1108 of the Bankruptcy Code, the Debtor is continuing to operate its business and manage its properties as the debtor-in-possession. No trustee or examiner has been appointed in this case.

The Office of the United States Trustee, Region 2, appointed the UCC after the close of business on Monday, less than 24 hours ago. As the UCC has not yet met and is not yet fully operational, much less engaged counsel, Certain Law Firms have filed this Objection to protect and preserve the rights of their clients, whose interests would otherwise be protected by the UCC.

The Debtor has not yet proposed a full budget in connection with the DIP Motion. Despite their protestations to the contrary at hearings, this appears to be by design. The Debtor, the non-debtor affiliates, insiders, and former owners (for whom this case appears to primarily be run), the

DIP Lender (and hopeful buyer) need a bankruptcy proceeding to accomplish their ends. They must pay for it on a timely basis. Any constraint, such as an event of default tied to UCC fees, serves solely to benefit their goals to the detriment of the Debtor's true stakeholders—their victims and those victims' families. The UCC must be sure that it can obtain capable, thorough counsel and other advisers to do the hard work in these cases—investigate the insider settlement, investigate the transactions, corporate reorganizations and relationships that gave rise to the petitions, and, if this case is indeed fit to flow through bankruptcy, ensure that value maximizing sales occur that do not prejudice talc victims and other unsecured creditors.

On February 18, 2026, the Court entered an interim order approving a modified DIP Facility on a one-week interim basis, authorizing the interim use of cash collateral, and scheduling a hearing to consider the DIP Motion on a further interim basis for February 26, 2026. [ECF No. 50]. On February 26, 2026, the Court entered a Second Interim Order approving a modified DIP Facility for an additional month, authorizing the interim use of cash collateral, and scheduling a hearing to consider the DIP Motion on a further interim basis on March 18, 2026. [ECF No. 100].

Also, on February 26, 2026, the Court entered an Amended Order Reducing Time with respect to the Settlement Motion, rescheduling the hearing date and objection deadline to March 18 and March 13, 2026, respectively. [ECF No. 101]. Notably, the Amended Order bifurcated consideration of the bidding procedures component of the Bidding Procedures Motion from the Settlement Motion.

The Court's adjournment of final approval of the DIP Motion and consideration of the Settlement Motion until March 18, 2026, by which time the UCC still may not have had adequate time to consider the timing of, and relief requested in, such Motions, prevents certain Milestones linked to the relief sought in the Bidding Procedures Motion from being met:

Entry of Bidding Procedures Order	March 9, 2026
Entry of Settlement Order	**March 9, 2026**
Entry of Final DIP Order	**March 9, 2026**
Auction	April 2, 2026
Entry of Sale Order	April 7, 2026
Sale Closing	April 17, 2026

In addition, the Court recognized that there is "a reservation of rights for the committee with respect to the milestones—the DIP milestones—and things like that." Hr'g Tr. Feb. 26, 2026 at 94:18-20.

II. The Proposed Bidding Procedures and Sale Process

The Debtors filed the Bidding Procedures Motion [ECF No. 6] on the Petition Date. The Motion seeks approval of bidding procedures to sell substantially all the Debtor's assets, authorization to enter into the Stalking Horse APA with Commodore Materials, LLC, the DIP Lender, as Stalking Horse, the approval of bidding protections.

The Motion also requests that the Court approve the dates scheduled for an auction and sale hearing. The Stalking Horse APA provides for an aggregate purchase price of approximately $50 million for substantially all assets of the Debtor, as well as the assets expected to be transferred to the estate by certain non-debtor affiliate pursuant to the Settlement Motion. The Stalking Horse APA contemplates that the DIP Lender/Stalking Horse Bidder may credit bid up to $15 million of the $50 million purchase price.

The timeline proposed for the sale process includes a Bid Deadline of March 26, 2026 at 4:00 p.m. (ET), a Sales Objection deadline of March 27, 2026 at 4:00 p.m. (ET), an Auction on April 2, 2026, a Sale Hearing on April 7, 2026, and a Sale Closing Deadline of April 17, 2026, consistent with DIP milestones. The Motion also establishes procedures and objection deadlines for the assumption and assignment of executory contracts.

The Stalking Horse APA seeks approval of stalking horse protections that include up to $1 million in expense reimbursement and a $2 million break-up fee. The Debtor seeks authority to consummate the sale free and clear of liens, with liens attaching to the sale proceeds.

At the February 26, 2026 hearing, counsel for the Debtor explained that the relief being sought at the March 4, 2026 hearing concerns setting the dates leading up to the proposed sale. Hr'g Tr. Feb. 26, 2026 at 95:15-17, 95: 23-25 (Reynolds, T.) ("it's practically true that a bidding procedures motion could fairly be considered interim relief before the sale motion . . . what we're doing in the bidding procedures order is yes we are starting the process of and making sure the process is on a timetable to market the assets.")

In addition, Debtor's counsel emphasized that the most important sale-related dates are the entry of the sale order and the sale's closing. Hr'g Tr. Feb. 26, 2026 at 95:20-23 (Reynolds, T.) ("the milestones that are the most meaningful are the milestones regarding the entry of the sale order and the closing of the sale which would be milestones that are after March the 18th."). The UCC has just been appointed and may not be in a position to fully consider the sale process prior to the dates requested for entry of the Sale Order and the sale closing date, and the Debtor is certainly aware that approval of its requested sale timeline will significantly minimize any meaningful consideration of the process leading up to the proposed Auction date.

OBJECTION

The Bidding Procedures Motion should not be heard, and certainly not granted, when no official committee has had the opportunity to evaluate the bidding procedures or the Stalking Horse APA. *See In re Imerys Talc Am., Inc.*, 38 F.4th 361, 376 (3d Cir. 2022) (noting "legal representatives and their attendant fiduciary duties are central to the bankruptcy process."); *In re Gulf Coast Oil Corp.*, 404 B.R. 407, 423 (Bankr. S.D. Tex. 2009) ("[W]hen assets are sold immediately after the case is filed, the court can have very little confidence that all parties in

interest have adequately organized, have received adequate notice, have obtained appropriate information, and have been able to participate in the proceedings. It takes time for official committees of creditors and equity interests to organize and to engage counsel, for the committees to hire financial or other experts if necessary[.]").

For the UCC to be able to fulfill its statutory duties to creditors in this case, it must start from a position that preserves and maximizes the value of these estates for all creditors and does not simply create a process under which the Debtor effectuates a pre-ordained and unsupported sale process and result (and potentially prejudices future challenges to the Settlement Motion, DIP Motion, or other requested relief). The UCC must have a meaningful role in that process.

In addition, the Certain Law Firms, while awaiting the UCC to be in a position to evaluate the Bidding Procedures Motion, have identified several objections to the Bidding Procedures Motion, which are discussed below.

I. The Assets to be Sold Have Not Been Adequately Valued.

The Debtor has not provided a valuation of the assets to be sold pursuant to the APA, including the non-debtor assets to be transferred to the Debtor's estate as part of the Sale. In the absence of a comprehensive valuation, the appropriateness of the proposed bidding procedures cannot be determined. *See In re Diocese of Camden*, 653 B.R. 722, 740 (Bankr. D.N.J. 2023) ("The [sale proponent] must provide some evidence regarding the value of the asset to be sold in order for the court to judge the fairness of the sale."); *cf. Smart World Techs., LLC v. Juno Online Servs*. (*In re Smart World Techs., LLC*), 423 F.3d 166, 179 (2d Cir. 2005) (reversing approval of settlement where "[i]n the absence of a more fully developed record, we fail to see how the bankruptcy court, let alone [the party], could have weighed the proposed settlement against the potential value of its claims."). As the Debtor does not intend to "present evidence regarding the scope of marketing, parties contacted and diligence completed" until the Sale Hearing [ECF 16 at

para. 47] and there is no opportunity for creditors to obtain discovery regarding the sale planning process at this time, neither creditors nor the Court have sufficient information to determine the appropriateness of the proposed Bidding Procedures.

II. The Court Should Not Authorize the Sale of Insurance Policies Potentially Covering Asbestos Claims Out From Under Talc-Asbestos Claimants.

The Court should not authorize the sale of insurance policies unless any policies that potentially cover talc-asbestos litigation are specifically carved out. The definitions and other language of the APA related to and impacting insurance rights are unclear and do not provide unsecured creditors in general, and asbestos claimants in particular, with a proper understanding of what rights the respective parties to the APA intend to transfer, assign, or preserve to or for the benefit of the unsecured creditors.

III. The Court Should Not Authorize the Sale of Avoidance Actions.

Currently, the APA provides that all avoidance actions, defined as "all claims, and causes of action under Sections 547, 548, 549, and 550 of the Bankruptcy Code, and similar claims and causes of action under federal or state laws other than the Bankruptcy Code," will be transferred to the Buyer upon the closing of the sale. ECF No. 16-2 at 7, 20 (Stalking Horse Agreement §§ 1.1, 2.1(b)(xiv)). Such causes of action are for the benefit of a debtor's creditors. *See, e.g., United Cap. Corp. v. Sapolin Paints, Inc*. (*In re Sapolin Paints, Inc*.), 11 B.R. 930, 937 (Bankr. E.D.N.Y. 1981) ("neither a trustee in bankruptcy, nor a debtor-in-possession, can assign, sell, or otherwise transfer the right to maintain a suit to avoid a preference.").

IV. The Break-Up Fee Will Discourage Competitive Bidding.

If the Stalking Horse's bid is not deemed the highest and best, the Stalking Horse Agreement provides for the payment of a "Termination Fee" comprised of a Break-Up Fee of $2 million plus the payment of expenses up to $1 million. (Stalking Horse Agreement §§ 7.3).

A break-up fee of approximately 6% is unreasonably high. *See In re Diocese of Buffalo, N.Y.*, 637 B.R. 701, 704 (Bankr. W.D.N.Y. 2022) (finding that a break-up fee of $15,000, or 5% of the purchase price gave "an impermissible advantage to the [stalking horse bidder] in any bidding contest"). Combined with the compressed time period for post-petition marketing of the Debtors' assets and the fact that the UCC was appointed less than a day before the deadline to file an objection to the Bid Procedures Motion, much less had the opportunity to engage professionals who could confirm the appropriateness of the pre-petition marketing of the Debtors' assets, the proposed sale process all but guarantees that the DIP Lender/Stalking Horse Bidder will have little competition for the "highest and best" bid.

V. The Debtor has Unnecessarily Linked the DIP Financing with the Sale Process, Thereby Undermining the Integrity of the Sale Process.

The Court may not approve DIP financing under section 364 of the Bankruptcy Code unless the Debtor first establishes that it is otherwise unable to obtain credit on better terms and that the credit is necessary for the Debtor's continued operation. *See* 11 U.S.C. §364(d)(1); *In re Ames Dep't Stores, Inc.*, 115 B.R. 34, 37 (Bankr. S.D.N.Y. 1990); *In re Aqua Assocs.*, 123 B.R. 192, 196 (Bankr. E.D. Pa. 1991).

By linking the bidding process to the DIP financing, the Debtor has hamstrung creditors' ability to properly consider these otherwise separate but case-defining processes, especially given the rushed timing. In failing to consider a stalking horse that does not also control the Debtor's financing, the Debtor cannot establish that it is unable to obtain credit on better terms. Moreover, the fact that the Debtor has not explained why it was necessary to obtain financing from its Staking Horse Bidder belies the assertion in the Bid Procedures Motion that "the Bidding Procedures were designed with the goal of producing a fair and transparent Sale Process that will yield the highest or best value for the Stalking Horse Assets." ECF No. 16 at para. 42.

VI. The UCC Will Need Time to Investigate and Negotiate Additional Issues with the Sale Process to Ensure that the Unsecured Creditors Are Not Unfairly Prejudiced.

Because the UCC was just formed, it has not had an opportunity to analyze the Bidding Procedures Motion or attempt to negotiate a sale process that protects the interests of all unsecured creditors. However, Certain Law Firms have already identified the following issues that prejudice the rights of unsecured creditors:

- The amount of funding the DIP Lender/Stalking Horse Bidder has agreed to extend to the Debtor is just enough to maintain the Debtor's business operations through a sale on a compressed timeline. The compressed timeline was orchestrated by the Debtor and the DIP Lender/Stalking Horse Bidder. The Debtor admits in the Motion that its "liquidity is constrained by the DIP Financing and associated Milestones." ECF No. 16 at para. 44.
- It is not clear that the assets to be contributed by the Debtor's non-debtor affiliates could not be purchased elsewhere, and the Debtor has not explained why the affiliate assets must be sold within its bankruptcy case (other than to secure releases for non-debtor affiliates).
- According to the Bidding Procedures Motion, the Debtor's non-debtor affiliates that are contributing assets to the Debtor's estate will only do so if they are granted broad releases under the proposed settlement agreement. The DIP Lender/Stalking Horse Bidder's obligation to fund the full amount under the DIP Financing is conditioned upon obtaining recourse to the affiliate assets. As noted above, the Debtor needs every cent of proposed funding to continue its operations through the proposed sale date and so is being held hostage by both its affiliates and the DIP Lender/Stalking Horse Bidder.

Yet the Debtor has failed to explain why the non-debtor affiliate assets must be sold within this bankruptcy case.

- The compressed timeline demanded by the Debtor raises concerns that the proposed Bidding Procedures do not promote competitive bidding to maximize value, and the ability of the UCC to investigate and, if warranted, pursue potentially valuable estate claims, which is not fully preserved.

RESERVATION OF RIGHTS

This Objection is submitted without prejudice to, and with a full reservation of, the Certain Law Firms' rights to supplement and amend this Objection, to introduce evidence at any hearing relating to this Objection, and to further object to the Bidding Procedures Motion, on any grounds that may be appropriate.

CONCLUSION

WHEREFORE, the Certain Law Firms respectfully request that the Court deny the Motion absent the Ad Hoc Committee's requested modifications and provide the Certain Law Firms such other and further relief as the Court deems just, proper, and equitable.

Dated: March 3, 2026
New York, New York

By: */s/ Seth A. Dymond*

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CERTIFICATE OF SERVICE

I hereby certify that on March 3, 2026, a copy of foregoing document was filed electronically. Notice of this filing will be sent by e-mail to all appearing parties by operation of the court's electronic filing system or by mail to anyone unable to accept electronic filing as indicated on the Notice of Electronic Filing. Parties may access this filing through the court's CM/ECF System.

/s/ Seth A. Dymond