Docket #1029 Date Filed: 10/13/2026

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

In re:	Chapter 11
VANDERBILT MINERALS, LLC,[1]	Case No. 26-60110 (WAK)
Debtor.	

REPLY OF SYRACUSE MINERALS, LLC TO OBJECTIONS TO APPROVAL OF THE DISCLOSURE STATEMENT AND SOLICITATION AND VOTING PROCEDURES

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

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Syracuse Minerals, LLC (f/k/a Vanderbilt Minerals, LLC), the debtor and debtor-in-possession in the above-captioned chapter 11 case (the "Debtor"), by and through its undersigned counsel, hereby files its reply (this "Reply") to objections filed in opposition to the *Motion of Debtor for Entry of an Order (I) Approving Proposed Disclosure Statement and the Form and Manner of Notice of Hearing Thereof, (II) Establishing Solicitation and Voting Procedures with Respect to Debtor's Proposed Chapter 11 Plan, (III) Scheduling the Confirmation Hearing, (IV) Establishing Notice and Objection Procedures for Confirmation of Debtor's Proposed Chapter 11 Plan, and (V) Granting Related Relief* [Docket No. 859] (the "Solicitation Procedures Motion"), including:

i. the *Objecting Insurers' Objection to Debtor's Motion for Entry of an Order (I) Approving Proposed Disclosure Statement and the Form and Manner of Notice of Hearing Thereof, (II) Establishing Solicitation and Voting Procedures with Respect to Debtor's Proposed Chapter 11 Plan, (III) Scheduling Confirmation Hearing, (IV) Establishing Notice and Objection Procedures for Confirmation of Debtor's Proposed Chapter 11 Plan, and (V) Granting Related Relief* [Docket No. 913] (the "Objecting Insurers' Objection") filed by Century Indemnity Company, Pacific Employers Insurance Company, TIG Insurance Company, Everest Reinsurance Company, Hartford Accident and Indemnity Company, First State Insurance Company, Twin City Fire Insurance Company, The Travelers Casualty and Surety Company, and CoAction Specialty Management Company, Inc., as Managing General Agent and Attorney-In-Fact for Employers Mutual Casualty Company to the extent of its participation in the Mutual Marine Office (collectively, the "Initial Objecting Insurers");

ii. the *Specified Insurers' Opposition to the Motion of Debtor for Entry of an Order (I) Approving Proposed Disclosure Statement and the Form and Manner of Notice of Hearing Thereof, (II) Establishing Solicitation and Voting Procedures with Respect to Debtor's Proposed Chapter 11 Plan, (III) Scheduling Confirmation Hearing, (IV) Establishing Notice and Objection Procedures for Confirmation of Debtor's Proposed Chapter 11 Plan, and (V) Granting Related Relief* [Docket No. 916] (the "Specified Insurers' Objection") filed by Certain Underwriters at Lloyd's, London subscribing Policy No. 707/NL6544B, River Thames Insurance Company Limited, Cavello Bay Reinsurance Limited, Winterthur Swiss Insurance Company, Yasuda Fire & Marine Insurance Company (UK) Limited (collectively, the "London Market Insurers" or "LMI"), Continental Casualty Company and Columbia Casualty Company (collectively, the "CNA Insurers"), AIU Insurance Company, Granite State Insurance Company, National Union Fire Insurance Company of Pittsburgh, PA (collectively, the "AIG Insurers"), and Government

Employees Insurance Company ("GEICO" and together with LMI, CNA Insurers, and AIG Insurers, the "Specified Insurers" and, together with the Initial Objecting Insurers, the "Objecting Insurers");

iii. the *Specified Insurers' Joinder* [Docket No. 918] (the "Specified Insurers' Joinder") filed by the Specified Insurers;

iv. the *Insurers' Supplemental Objection* [Docket No. 1017] filed by the Objecting Insurers (the "Insurers' Supplemental Objection," and together with the Specified Insurers' Joinder, the Objecting Insurers' Objection, and the Specified Insurers' Objection, the "Insurers' Objections");

v. the *United States Trustee's Objection to the Debtor's Motion for Entry of Orders (I) Approving Proposed Disclosure Statement and the Form and Manner of Notice of Hearing Thereof, (II) Establishing Solicitation and Voting Procedures with Respect to Debtor's Proposed Chapter 11 Plan, (III) Scheduling Confirmation Hearing, (IV) Establishing Notice and Objection Procedures for Confirmation of Debtor's Proposed Chapter 11 Plan, and (V) Granting Related Relief* [Docket No. 1012] (the "U.S. Trustee Objection") filed by the United States Trustee (the "U.S. Trustee");

vi. *R.T. Vanderbilt's Objection and Reservation of Rights to the Motion of Debtor for Entry of an Order (I) Approving Proposed Disclosure Statement and the Form and Manner of Notice of Hearing Thereof, (II) Establishing Solicitation and Voting Procedures with Respect to Debtor's Proposed Chapter 11 Plan, (III) Scheduling Confirmation Hearing, (IV) Establishing Notice and Objection Procedures for Confirmation of Debtor's Proposed Chapter 11 Plan, and (V) Granting Related Relief* [Docket No. 1016] (the "R.T. Vanderbilt Objection") filed by R.T. Vanderbilt Holding Company, Inc. and its direct and indirect subsidiaries other than the Debtor ("R.T. Vanderbilt"); and

vii. *VM Buyer's Joinder to R.T. Vanderbilt's Objection and Reservation [of] Rights with Respect to, and Limited Objection to, Approval of the Amended Disclosure Statement for Chapter 11 Plan of Liquidation of Vanderbilt Minerals, LLC* [Docket No. 1025] (the "Buyer Objection," and together with the Insurers' Objections, the U.S. Trustee Objection, and the R.T. Vanderbilt Objection, the "Objections") filed by VM Buyer LLC.

In further support of this Reply, the Debtor respectfully submits as follows:

PRELIMINARY STATEMENT

1. On August 6, 2026, the Debtor filed: (a) the *Chapter 11 Plan of Liquidation of Vanderbilt Minerals, LLC* [Docket No. 857] (together with all schedules and exhibits thereto, the "Initial Plan"); (b) the *Disclosure Statement for Chapter 11 Plan of Liquidation of Vanderbilt*

Minerals, LLC [Docket No. 858] (together with all schedules and exhibits thereto, the "Initial Disclosure Statement"); and (c) the Solicitation Procedures Motion seeking entry of an order (i) approving the adequacy of the Disclosure Statement*;* (ii) approving solicitation packages and distribution procedures; (iii) approving the forms of ballots and establishing procedures for voting on the Plan; (iv) approving the form, manner, and scope of confirmation notices; (v) establishing certain deadlines in connection with approval of the Disclosure Statement and confirmation of the Plan; and (vi) granting related relief (the "Disclosure Statement Order"). The proposed Disclosure Statement Order[1] included: (a) the proposed form of ballot for holders of Claims in Class 3 (General Unsecured Claims) and Class 4 (General Convenience Claims); (b) the proposed form of Class 5 Talc Claims Master Ballot; and (c) the proposed form of Class 5 Talc Claims Claimholder Ballot (collectively, the "Ballots") as Exhibits 3, 4, and 5, respectively.

2. On September 15, 2026, the Debtor filed the *Chapter 11 Plan of Liquidation of Vanderbilt Minerals, LLC* [Docket No. 962] (together with all schedules and exhibits thereto, and as it may be modified, amended, or supplemented, the "Plan") and the *Amended Disclosure Statement for Chapter 11 Plan of Liquidation of Vanderbilt Minerals, LLC* [Docket No. 963] (together with all schedules and exhibits thereto, and as may be modified, amended, or supplemented from time to time, the "Disclosure Statement").[2] The Official Committee of Unsecured Creditors (the "Committee") is a Plan Proponent and supports the Plan.

3. The Debtor has already achieved three key milestones in this Chapter 11 Case. On April 28, 2026, the Court entered the *Order (I) Authorizing and Approving the Global Settlement*

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[1] The initial proposed Disclosure Statement Order was filed as Exhibit A to the Solicitation Procedures Motion [Docket No. 859-1]. On September 25, 2026, the Debtor filed the *Notice of Filing of Revised Solicitation Procedures Orde*r [Docket No. 989], which contains the revised proposed Disclosure Statement Order at Docket No. 989-1.

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Disclosure Statement, the Plan, or the Solicitation Procedures Motion, as applicable.

Between the Debtor and R.T. Vanderbilt Holding Co., Inc. and Certain of Its Subsidiaries; and (II) Granting Related Relief [Docket No. 493] (the "Global Settlement Order"), approving the settlement (the "Global Settlement") between the Debtor, on the one hand, and R.T. Vanderbilt Holding Company, Inc. ("Holdings") and certain of its subsidiaries, on the other hand. Later, on May 8, 2026, the Court entered the *Order (I) Authorizing and Approving the Sale of Substantially All of Debtor's Assets Free and Clear of All Liens, Claims, Interests, and Encumbrances, (II) Approving Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (III) Granting Related Relief* [Docket No. 576] (the "Sale Order"), approving the sale of substantially all of the Debtor's assets (the "Sale") pursuant to that certain Asset Purchase Agreement between the Debtor and VM Buyer LLC (the "Buyer"), dated May 10, 2026 (as amended, modified, or supplemented from time to time, the "Asset Purchase Agreement"). The Sale closed on June 10, 2026, and the Debtor has since been working diligently to complete the operational transfer to the Buyer.

4. On April 29, 2026, the Committee filed a notice of appeal from the Global Settlement Order [Docket No. 502], which appeal was docketed in the United States District Court for the Northern District of New York (the "District Court") as Case No. 8:26-cv-00986-BKS (the "Committee Settlement Order Appeal"). Certain individual talc claimants who are also members of the Committee separately filed notices of appeal from the Global Settlement Order in the District Court, which were docketed as Case Nos. 8:26-cv-01006-BKS and 8:26-cv-01016-BKS (the "Talc Claimants Settlement Order Appeals" and, together with the Committee Settlement Order Appeal, the "Consolidated Settlement Order Appeal").

5. On May 21, 2026, the Committee filed a notice of appeal from the Sale Order [Docket No. 643], which is pending before the District Court in Case No. 8:26-cv-01091-BKS

(the "Sale Order Appeal"). No stay of the Global Settlement Order or the Sale Order was obtained and all four appeals remain pending.

6. The next major milestone in this Chapter 11 Case was reaching agreement with the Committee on the terms of the Plan following weeks of arm's-length negotiations. Despite the Committee's intent to continue to prosecute the Committee Settlement Order Appeal and the Sale Order Appeal, the Committee also believes that confirmation of the Plan is in the best interests of all of the Debtor's unsecured creditors, the constituents that the Committee represents. Approval of the Disclosure Statement is the next step toward a successful resolution of this Chapter 11 Case through a Plan that establishes the Liquidation Trust and the Trust Distribution Procedures to administer and pay Talc Claims and makes distributions to holders of allowed General Unsecured Claims and General Convenience Claims.

7. The Objections raise numerous issues that relate to confirmation of the Plan rather than the adequacy of the Disclosure Statement. Those issues are premature and, in any event, without merit. No objector has identified a legal or factual flaw rendering the Plan patently unconfirmable—the threshold required to deny approval of the Disclosure Statement and halt solicitation of the Plan. The Debtor addresses the confirmation-related objections below, reserving the right to submit further factual and legal support at Plan confirmation.

8. Many of the Objections contend that the Disclosure Statement should provide additional disclosures regarding particular aspects of the Plan. The Debtor believes that the Disclosure Statement as filed contains "adequate information" within the meaning of section 1125(a)(1) of the Bankruptcy Code, and that no further disclosure is required. Nevertheless, the Debtor and the Committee have attempted to engage with the U.S. Trustee and the other objecting parties to narrow the issues before the Court and consensually resolve as many of the disclosure-

related Objections as possible by agreeing to additional disclosures. Those additional disclosures are set forth on Exhibit A attached hereto, which identifies each such Objection, the corresponding language that the Debtor intends to add to the Disclosure Statement or the Plan, and whether the Objection is thereby resolved. Accordingly, where this Reply states that the Debtor intends to include additional disclosure as reflected in Exhibit A, it does so notwithstanding the Debtor's position that the existing disclosures are sufficient and without conceding that section 1125 requires anything further.

REPLY

9. This Reply is divided into two parts:

- ***Part I:*** The Objections related to the adequacy of disclosures in the Disclosure Statement and related documents have largely been resolved through the filing of the Plan Supplement and the Trust Distribution Procedures and additional disclosures that the Debtor has agreed to add to the Disclosure Statement, as reflected in Exhibit A, and any remaining objections should be overruled.

- ***Part II*****:** The confirmation-related issues raised in the Objections should be overruled as premature and inappropriate for a disclosure statement hearing, and because no objector has shown that the Plan is patently unconfirmable.

I. THE DISCLOSURE OBJECTIONS SHOULD BE OVERRULED.

10. The additional disclosures requested by the Objections are beyond the scope of the "adequate information" required by section 1125 of the Bankruptcy Code, and the Debtor respectfully asserts that the Disclosure Statement already contains sufficient information for creditors to make an informed decision. Section 1125 of the Bankruptcy Code defines adequate information with respect to a disclosure statement as:

> information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records, including a discussion of the potential material Federal tax consequences of the plan to the debtor, any successor to the debtor, and a hypothetical investor typical of the holders of claims or interests in the case, that would enable such a hypothetical investor of the relevant class to make an

> informed judgment about the plan, but adequate information need not include such information about any other possible or proposed plan and in determining whether a disclosure statement provides adequate information, the court shall consider the complexity of the case, the benefit of additional information to creditors and other parties in interest, and the cost of providing additional information[.]

11 U.S.C. § 1125(a)(1). A disclosure statement must provide information that is "reasonably practicable" to permit an "informed judgment" by creditors and interest holders about whether to vote to accept or reject a plan. *See In re Momentum Mfg. Corp.*, 25 F.3d 1132, 1136 (2d Cir. 1994); *see also Abel v. Shugrue (In re Ionosphere Clubs, Inc.)*, 179 B.R. 24, 29 (S.D.N.Y. 1995). Courts construe this requirement flexibly in light of the facts and circumstances of each case, and the determination is largely within the discretion of the Court. *See, e.g., Oneida Motor Freight, Inc. v. United Jersey Bank*, 848 F.2d 414, 417 (3d Cir. 1988) ("From the legislative history of § 1125 we discern that adequate information will be determined by the facts and circumstances of each case.") (citations omitted); *In re Tex. Extrusion Corp.*, 844 F.2d 1142, 1157 (5th Cir. 1988) ("The determination of what is adequate information is subjective and made on a case by case basis. This determination is largely within the discretion of the bankruptcy court."); *Cadle Co. II, Inc. v. PC Liquidation Corp. (In re PC Liquidation Corp.)*, 383 B.R. 856, 865 (E.D.N.Y. 2008) (same).

11. Courts assessing adequacy look to certain categories of material information, but because "adequate information" depends on the facts and circumstances of each bankruptcy case, disclosures warranted in one case may be unnecessary in another. *See, e.g.*, *In re Phoenix Petroleum Co.*, 278 B.R. 385, 393 & n.6 (Bankr. E.D. Pa. 2001) ("[C]ertain categories of information which may be necessary in one case may be omitted in another; no one list of categories will apply in every case."); *In re Scioto Valley Mortg. Co.*, 88 B.R. 168, 170-71 (Bankr. S.D. Ohio 1988); *In re U.S. Brass Corp.*, 194 B.R. 420, 424-25 (Bankr. E.D. Tex. 1996).

Ultimately, the purpose of a disclosure statement is to "clearly and succinctly inform the average unsecured creditor what it is going to get, when it is going to get it, and what contingencies there are to getting its distribution." *In re Ferretti*, 128 B.R. 16, 19 (Bankr. D.N.H. 1991).

12. The Disclosure Statement satisfies section 1125 of the Bankruptcy Code. As demonstrated in the Solicitation Procedures Motion, the Disclosure Statement contains a thorough description of detailed information necessary for creditors to make an informed decision, including: (a) a description of the Debtor's business, corporate history, and assets; (b) key events leading to the commencement of the Chapter 11 Case, including the talc-related personal injury litigation; (c) significant events during the Chapter 11 Case; (d) key provisions of the Plan, including the release, exculpation, and injunction provisions contained in the Plan; (e) an overview of the Liquidation Trust and Trust Distribution Procedures; (f) a liquidation analysis; (g) a summary of solicitation and voting procedures; (h) information regarding available insurance coverage; (i) risk factors concerning Plan confirmation; (j) confirmation procedures, requirements, and alternatives to confirmation and consummation of the Plan; and (k) tax consequences of the Plan.

13. A disclosure statement need not address specialized interests, litigation positions, or philosophical objections that certain creditors may have with the Plan. *See In re CDECO Mar. Constr., Inc.*, 101 B.R. 499, 501 (Bankr. N.D. Ohio 1989) ("A disclosure statement is simply not the place to argue various theories of recovery or to demonstrate results of 'what if' kinds of proof[.]"); *see also* 11 U.S.C. § 1125(a)(1) ("adequate information need not include such information about any other possible or proposed plan").

14. The Disclosure Statement clearly lays out the sources of funding for the Liquidation Trust, including the TC Recovery Fund—the sole source of recovery for holders of Allowed Talc

Claims, who will be paid in accordance with the Trust Distribution Procedures. The Disclosure Statement adequately enables creditors to understand: (a) their treatment under the Plan; (b) the release, exculpation, and injunction provisions contained in the Plan; (c) the implementation and operation of the Liquidation Trust; and (d) the potential range of recoveries for each creditor class upon consummation of the Plan (except for Talc Claims, as discussed below), together with the associated risks and uncertainties.

a. The Objecting Insurers' Disclosure Objections Should Be Overruled.

15. The Insurers' Objections should be overruled. As a threshold matter, the Objecting Insurers lack standing to object to approval of the Disclosure Statement, and any standing they are afforded should be limited to matters that directly affect their rights under their respective policies. On the merits, (i) the Disclosure Statement contains adequate information under section 1125 of the Bankruptcy Code and the additional disclosures the Objecting Insurers request have either been resolved through the filing of additional documents or supplemental language the Debtor has agreed to add to the Disclosure Statement or are not required; (ii) the Solicitation and Voting Procedures are reasonable and appropriate and consistent with those approved in other mass tort cases; and (iii) the proposed confirmation schedule is appropriate and affords ample time for discovery and voting. The Debtor addresses each in turn.

i. The Objecting Insurers Lack Standing to Object to the Approval of the Disclosure Statement.

16. Standing is a threshold jurisdictional requirement that cannot be waived. *See Warth v. Seldin*, 422 U.S. 490, 498 (1975). To have standing in a bankruptcy case, a party must satisfy: (i) the standing requirements under Article III of the United States Constitution; (ii) prudential standing requirements; and (iii) the "party in interest" requirements under section 1109(b) of the Bankruptcy Code. *In re Old Carco LLC*, 500 B.R. 683, 690 (Bankr. S.D.N.Y. 2013); *In re Quigley*

Co., Inc., 391 B.R. 695, 703 (Bankr. S.D.N.Y. 2008) ("A party in interest must still satisfy the general requirements of the standing doctrine.") (internal quotations and citation omitted). The Objecting Insurers bear the burden of demonstrating that they have standing. *See Lujan v. Defs. of Wildlife*, 504 U.S. 555, 561 (1992).

17. Section 1109(b) grants standing to "parties in interest," a term "broadly interpreted, but not infinitely expansive." *S. Blvd., Inc. v. Martin Paint Stores*, 207 B.R. 57, 61 (S.D.N.Y. 1997) (citation omitted). The phrase "is generally understood to include all persons whose pecuniary interests are[] directly affected by the bankruptcy proceedings." *In re Alpex Comput. Corp.*, 71 F.3d 353, 356 (10th Cir. 1995) (citation omitted). In *In re C.P. Hall Co.*, the Seventh Circuit held that a non-creditor excess insurer lacked standing to object to the debtor's settlement with a different insurer, even where the objecting insurer might suffer collateral damage. 750 F.3d 659, 661 (7th Cir. 2014). The court reasoned that the insurer sought to "butt in" to a proceeding, and that "[t]he logic of Columbia's claim . . . is weak" because it "is not a creditor of [the debtor's] estate in bankruptcy[.]" *Id.* Here, as in *C.P. Hall*, the Objecting Insurers seek to interject themselves into proceedings affecting the Liquidation Trust structure, asserting interests the Seventh Circuit found too attenuated to confer standing.

18. The Objecting Insurers cannot challenge the adequacy of the Disclosure Statement or the Plan's treatment of Claims because none of them holds a claim entitled to vote on the Plan. The rights to receive a disclosure statement and to vote belong only to creditors with voting claims: section 1125(b) of the Bankruptcy Code conditions the solicitation of acceptances on the transmission of a court-approved disclosure statement to the holder whose acceptance is solicited, and section 1126(a) permits the holder of a claim allowed under section 502 of the Bankruptcy Code to accept or reject a plan. The Objecting Insurers hold no such claims. The Specified

Insurers have not filed proofs of claim against the Debtor at all. To the extent certain of the Initial Objecting Insurers filed proofs of claim, those Claims were filed either in the amount of $0.00 or as contingent and unliquidated, and accordingly are not eligible to vote under the Solicitation and Voting Procedures.[3] Certain of those claims, to the extent they were not already withdrawn, may also be subject to disallowance under section 502(e)(1)(B) of the Bankruptcy Code for so long as they remain contingent. Yet the Insurers' Objections repeatedly assert that the Disclosure Statement fails to provide adequate information and that the Plan's treatment of Claims is improper. As the Objecting Insurers are not entitled to vote, they cannot ground the Insurers' Objections in the sufficiency of the Debtor's disclosures to its creditors or in the treatment of those creditors.

19. Nor did any of the Objecting Insurers file affidavits or other evidentiary support with their objections, instead relying on conclusory allegations. Moreover, the Objecting Insurers do not have standing arising from any modification or impairment of their contractual rights because, as demonstrated herein, the Plan expressly preserves the Objecting Insurers' coverage defenses and does not modify or impair any such contractual arrangements. If the Objecting Insurers are granted any standing at all, such standing should be strictly limited to matters that directly impact the rights of the Objecting Insurers under their respective policies, and not, for example, the treatment of Talc Claims under the Trust Distribution Procedures, the adequacy of disclosure to the Debtor's creditors, or other similar issues set forth in the Insurers' Objections.

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[3] In addition, on September 22, 2026, the Court entered the *Stipulation and Agreed Order by and Between the Debtor and the Insurers Regarding Disputed Claims Filed by the Insurer*s [Docket No. 976], pursuant to which Century Indemnity Company, Pacific Employers Insurance Company, Oakwood Insurance Company, CoAction Specialty Management Company, as managing general agent and attorney-in-fact for Employers Mutual Casualty Company, Hartford Accident and Indemnity Company, First State Insurance Company, Twin City Fire Insurance Company, Swiss Re Corporate Solutions America Insurance Company, TIG Insurance Company, Everest Reinsurance Company, Fireman's Fund Insurance Company, and The American Insurance Company withdrew their proofs of claim without prejudice.

See In re Diocese of Camden, N.J., 2022 WL 3369087, at *3, 5 (Bankr. D.N.J. Aug. 12, 2022) (finding that objecting insurers "have standing to raise issues as to the Plan only to the extent it affects their rights and obligations" and denying standing to object to proposed solicitation and voting procedures where they were not voting creditors); *In re Roman Cath. Diocese of Syracuse, N.Y.*, 665 B.R. 866, 880 (Bankr. N.D.N.Y. 2024) (denying standing to insurers with respect to discovery on issues not directly impacting them).

ii. The Trust Distribution Procedures Have Been Filed and the Trust Agreement Will Be Filed in Advance of the Disclosure Statement Hearing.

20. The Objecting Insurers assert that the Court cannot approve the Disclosure Statement because the Trust Distribution Procedures and Trust Agreement have not yet been filed. *See* Objecting Insurers' Objection, at 6-10; Specified Insurers' Objection, at 16-17. Those objections have been resolved or will be resolved prior to the Disclosure Statement Hearing. The Debtor filed the Trust Distribution Procedures on September 25, 2026 [Docket No. 990], the Plan Supplement on September 30, 2026 [Docket No. 996], and will file the Trust Agreement no later than October 16, 2026—before the Disclosure Statement Hearing and well in advance of the Voting Deadline and the Confirmation Hearing. Holders of Claims entitled to vote will therefore have ample time to review those documents before casting their votes.

iii. The Trust Advisory Committee Has Been Identified and the Liquidating Trustee Will Be Identified in Advance of the Disclosure Statement Hearing.

21. The Objecting Insurers contend that the identity of the Liquidating Trustee and Trust Advisory Committee must be disclosed prior to approval of the Disclosure Statement. *See* Objecting Insurers' Objection, at 10-12; Specified Insurers' Objection, at 21-23. The filed Plan Supplement already identifies the initial members of the Trust Advisory Committee, and the Debtor will disclose the initial Liquidating Trustee's identity prior to the Disclosure Statement

Hearing. In any event, numerous cases have proceeded to solicitation without disclosure of the trustee or trust advisory committee at the time of disclosure statement approval.[4]

iv. The Disclosure Statement Adequately Discloses CIP Agreement Compliance Risks.

22. The Objecting Insurers assert that the Disclosure Statement should include additional disclosure regarding the risk of noncompliance with the CIP Agreements. *See* Objecting Insurers' Objection, at 12-13; Insurers' Supplemental Objection, at 5-6. No such supplemental disclosure is necessary. The Plan provides that the Insurance Policies and CIP Agreements are neither assumed nor rejected and that, other than the permissibility of the Insurance Rights Transfer, the rights and obligations of the parties under the Insurance Policies and CIP Agreements, "including the question of whether any breach has occurred," shall be determined under applicable law. Plan, § 8.6. This language is also included in the Disclosure Statement. Disclosure Statement, § 6.7(f). The Objecting Insurers themselves acknowledge this disclosure. Insurers' Supplemental Objection, at 4. The Disclosure Statement also expressly cautions that, "[n]otwithstanding the potential limits of the implicated policies, the realizable value of such coverage is subject to a number of factors and uncertainties." Disclosure Statement, § 5.13(a). The risk factors likewise disclose that the Insurance Rights "are inherently difficult to value" and that recoveries on account of the Insurance Rights "are speculative and uncertain." *Id.* § 9.1(f).

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[4] *See, e.g.*, *In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr. D. Del.) [Docket Nos. 1047, 1063, 1138-4] (disclosure statement hearing held on May 19, 2025; disclosure statement approved on May 20, 2025; members of trust advisory committee disclosed in plan supplement on June 13, 2025); *In re Imerys Talc Am., Inc.*, No. 19-10289 (LSS) (Bankr. D. Del.) [Docket Nos. 6730, 6752, 6820-16] (disclosure statement hearing held on November 4, 2024; disclosure statement approved on November 5, 2024; members of trust advisory committees disclosed in plan supplement on December 2, 2024); *In re Sears Holdings Corp.*, No. 18-23538 (RDD) (Bankr. S.D.N.Y.) [Docket Nos. 4392, 4632] (disclosure statement hearing held on May 29, 2019; disclosure statement approved on June 28, 2019; method for selecting liquidating trustee provided in plan supplement on July 26, 2019); *In re Insys Therapeutics, Inc.*, No. 19-11292 (KG) (Bankr. D. Del.) [Docket Nos. 952, 1049] (disclosure statement hearing held on December 4, 2019; disclosure statement approved on December 4, 2019; identity of claims administrator and class representatives disclosed in plan supplement on December 30, 2019).

23. Read together with the Plan's insurance provisions, these disclosures convey precisely what the Objecting Insurers claim is missing: recoveries from insurance are uncertain and the Objecting Insurers retain their pre-petition coverage defenses, including defenses premised on alleged noncompliance with the CIP Agreements. In other words, the Plan does not take away any Objecting Insurer's ability to rely on the CIP Agreements: if an Objecting Insurer believes the Liquidation Trust has not complied with those agreements, it remains free to raise that noncompliance as a defense when coverage is later litigated. Comparable insurance language has repeatedly been held to "broadly preserve[] insurers' pre-petition rights under the subject insurance policies and settlements." *See, e.g., In re Combustion Eng'g, Inc.*, 391 F.3d 190, 217 (3d Cir. 2004), *as amended* (Feb. 23, 2005). To the extent the Objecting Insurers instead contend that the Plan's insurance provisions are inadequate to protect them, that is a confirmation objection regarding the sufficiency of the insurance language in the Plan and is inappropriate at the disclosure statement stage.

24. While the Debtor believes the existing disclosures are sufficient, as set forth on Exhibit A, the Debtor proposes to add an additional risk factor as new Section 9.1(u) of the Disclosure Statement that is substantially similar to the language proffered on page 6 of the Insurers' Supplemental Objection to fully resolve this objection.

v. The Disclosure Statement Adequately Explains the Effect of the Plan on Insurer Rights.

25. The Specified Insurers contend that the Disclosure Statement does not adequately explain the effect of the Plan on their rights. *See* Specified Insurers' Objection, at 17-18. To the contrary, both the Plan and the Disclosure Statement explain in detail how the Objecting Insurers' rights, including their coverage defenses, are preserved. Except for the Insurance Rights Transfer itself, nothing in the Plan modifies the terms of any Insurance Policy, Insurance Settlement

Agreement, or CIP Agreement, or the Insurer Coverage Defenses (Disclosure Statement, § 6.4(e)(i); Plan, § 5.5(i)); nothing in the Plan constitutes a finding that any policy provides coverage or that any Non-Settling Insurance Company must pay any Allowed Talc Claim (Disclosure Statement, § 6.4(e)(ii)-(iii); Plan, § 5.5(ii)-(iii)); and the assigned Insurance Rights "remain subject to the terms and conditions of the applicable Insurance Policies, including any Insurer Coverage Defenses," with the effect of any failure to satisfy policy conditions to be determined "in subsequent litigation" (Disclosure Statement, § 6.8(a)(xiv)(4)-(5); Plan, § 9.1(xiv)(d)-(e)).

26. Accordingly, to the extent an insurer believes that any future action by the Liquidation Trust violates the CIP Agreements or any other policy requirement, the insurer may assert any such defense in subsequent litigation. In any event, these issues are not ripe for decision at the disclosure statement stage because no determinations or distributions have been made by the Liquidation Trust.

27. The Insurance Rights Transfer itself likewise leaves the Objecting Insurers' rights intact. Section 5.3(iv) of the Plan provides that, on the Effective Date, the Debtor shall irrevocably transfer, grant, and assign the Debtor's Insurance Rights to the Liquidation Trust. The Debtor is not assigning the underlying Insurance Policies themselves, which Section 8.6 of the Plan treats as non-executory contracts that are neither assumed nor rejected, but rather its rights to recover under those policies, which remain subject to the terms and conditions of the applicable Insurance Policies and CIP Agreements. That transfer is consistent with state law. New York courts have long recognized that policyholders may transfer rights to recover under an insurance policy to a third party, provided that the injury triggering coverage has already occurred, and such post-loss assignments are valid even if the policy contains an anti-assignment provision. *Arrowood Indem.*

Co. v. Atl. Mut. Ins. Co., 948 N.Y.S.2d 581, 582-83 (2012); *see also Globecon Grp., LLC v. Hartford Fire Ins. Co.*, 434 F.3d 165, 170 (2d Cir. 2006). Here, the Plan transfers only the Debtor's rights to recover on account of talc-related personal injuries alleged to arise from exposure to industrial talc that the Debtor's predecessor ceased selling in 2008. The Liquidation Trust will "stand[] in the shoes" of the Debtor, such that the Objecting Insurers will maintain all of their rights and obligations under their respective policies, including the Insurer Coverage Defenses expressly preserved by Section 5.5 of the Plan. *Intelligent Digit. Sys., LLC v. Beazley Ins. Co., Inc.*, 207 F. Supp. 3d 242, 247 (E.D.N.Y. 2016).

28. Nor does the Plan increase the Objecting Insurers' liability by eliminating the Debtor's obligations under the policies. Because the Plan does not assign the policies themselves, it does not relieve the Debtor of any duty thereunder. Section 8.7(iii) confirms that nothing in the Plan increases, augments, or adds to the Debtor's obligations under the Insurance Policies, and Section 5.5(i) provides that, apart from the Insurance Rights Transfer itself, nothing in the Plan modifies the terms and conditions of any policy. Any duty to cooperate is therefore preserved, and an Objecting Insurer that believes a breach has occurred may assert that breach as a coverage defense in subsequent litigation. *See Nat'l Union Fire Ins., Co. of Pittsburgh, PA v. Boy Scouts of Am. & Del. BSA, LLC (In re Boy Scouts of Am. & Del. BSA, LLC)*, 650 B.R. 87, 146 (D. Del. 2023), *aff'd in part, rev'd in part, dismissed in part sub nom. In re Boy Scouts of Am.,* 137 F.4th 126 (3d Cir. 2025) ("If there is [a] future award that reaches an Insurer, and it disputes its obligation to pay that award, then it will raise its coverage defense, and that defense will be adjudicated on the then-existing facts."). Indeed, the Objecting Insurers themselves acknowledge that the Plan "does not purport to either expand the Liquidation Trust's rights or reduce the insurers' rights under" the Insurance Policies and CIP Agreements. Insurers' Supplemental Objection, at 4-5.

29. The Specified Insurers and the U.S. Trustee also object that the Disclosure Statement does not adequately describe the Insurance Entity Injunction. *See* Specified Insurers' Objection, at 18; U.S. Trustee Objection, at ¶ 32. To the extent these objections challenge the scope and effect of the injunction itself, they are confirmation objections addressed below. *See infra* ¶¶ 79-85. To the extent they concern how the Disclosure Statement describes the injunction, they have been resolved through the additional narrative disclosure reflected in Exhibit A.

vi. The Disclosure Statement Adequately Explains the Liquidation Trust's Insurance-Related Obligations.

30. The Specified Insurers contend that the Disclosure Statement does not adequately explain the Liquidation Trust's insurance-related obligations, including premiums, deductibles, self-insured retentions, and reimbursement obligations. *See* Specified Insurers' Objection, at 19-21. The Plan and the Disclosure Statement address each. The Liquidation Trust shall satisfy, to the extent required under the relevant policies and applicable law, any premiums, deductibles, self-insured retentions, and any other amounts payable arising out of Claims under the Insurance Policies (Disclosure Statement, § 6.4(c)(iv)(3); Plan, § 5.3(iv)(c)); a Non-Settling Insurance Company that pays such a self-insured retention and is entitled to reimbursement under applicable law shall receive that reimbursement as a set-off against the Liquidation Trust's claim for coverage with respect to the relevant Claim (Disclosure Statement, § 6.4(e)(vii); Plan, § 5.5(vii)); and the Liquidation Trust shall pay or reimburse deductibles, retrospective premium adjustments, or other charges arising from the receipt of Insurance Proceeds "to the extent required under applicable law and the Insurance Policies" (Disclosure Statement, § 6.4(c)(x); Plan, § 5.3(x)). The source and scope of these obligations are therefore the Insurance Policies and applicable law. The Plan neither creates new obligations nor eliminates existing ones.

vii. The Disclosure Statement Adequately Explains the Effect of Section 9.1(xiv)(f) of the Plan.

31. The Specified Insurers contend that the Disclosure Statement does not adequately explain Section 9.1(xiv)(f) of the Plan, which addresses certain settlement agreements. *See* Specified Insurers' Objection, at 18-19. To resolve this objection, the Debtor intends to include clarifying language to the Confirmation Order, as reflected in Exhibit A.

viii. The Solicitation and Voting Procedures Are Reasonable and Appropriate.

32. The Objecting Insurers also raise four purported concerns with the Solicitation and Voting Procedures: (i) vote changes; (ii) voting deadline extensions; (iii) waiver of ballot defects; and (iv) valuation of votes. Each of these objections is without merit, as the challenged procedures are common in mass tort bankruptcy cases and include appropriate safeguards.

33. *Vote Changes*. The Initial Objecting Insurers contend that the Solicitation and Voting Procedures improperly permit claimants to change their votes, and that Bankruptcy Rule 3018 prohibits creditors from changing their votes without a showing of cause. *See* Objecting Insurers' Objection, at 14-15. The ability to change votes prior to the voting deadline is a standard feature of mass tort bankruptcy solicitation procedures. *See, e.g.*, *In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr. D. Del. May 20, 2025) [Docket No. 1047] (latest dated otherwise valid ballot received before the voting deadline is the ballot counted); *In re Insys Therapeutics, Inc.*, No. 19-11292 (KG) (Bankr. D. Del. Dec. 4, 2019) [Docket No. 952] (same). The Objecting Insurers' reliance on *Imerys* is misplaced. The court there assessed the validity of votes changed *after* the original voting deadline had passed. *In re Imerys Talc Am., Inc.*, 2021 WL 4786093, at *6 (Bankr. D. Del. Oct. 13, 2021) ("The three law firms do not meet even the minimal requisite in the Solicitation Procedures for the creation of the presumption because it arises only if a vote is changed prior to the Voting Deadline. It is undisputed that Trammel and Williams Hart changed

their respective votes the day after the Voting Deadline. It is also undisputed that Bevan & Associates first withdrew its vote on March 29 and then resubmitted a Master Ballot accepting the Plan on April 6 more than a week after the Voting Deadline."). Here, vote changes are permitted only before the Voting Deadline through the filing of a superseding ballot, and any request to change a vote after the Voting Deadline must comply with Bankruptcy Rule 3018. To address the Initial Objecting Insurers' concerns, the Debtor revised the Disclosure Statement Order to provide "[t]he Solicitation Agent shall file with the Bankruptcy Court a list of (i) any vote changes received prior to the Voting Deadline. . . and such list shall be included in the Voting Certification." Disclosure Statement Order, ¶ 38(n).

34. *Voting Deadline Extensions.* The Initial Objecting Insurers assert that the Debtor should not have discretion to extend the voting deadline for particular claimants. *See* Objecting Insurers' Objection, at 15. Bankruptcy Rule 3017(c) requires only that the Court fix a time within which holders of claims may accept or reject a plan. Nothing in that Rule or elsewhere in the Bankruptcy Code or Bankruptcy Rules precludes procedures affording the Debtor discretion to extend the Voting Deadline with respect to a particular Ballot. Such discretion serves an important purpose: a creditor should not be foreclosed from voting due to unforeseen circumstances beyond its control. To address the Initial Objecting Insurers' concerns, the Debtor revised the Disclosure Statement Order to provide "[t]he Solicitation Agent shall file with the Bankruptcy Court a list of . . . (ii) any parties who have been granted voting extensions . . . and such list shall be included in the Voting Certification." Disclosure Statement Order, ¶ 38(n). Similar provisions are routinely approved in mass tort bankruptcy cases. *See, e.g.*, *In re Imerys Talc Am., Inc.*, No. 19-10289 (LSS) (Bankr. D. Del. Nov. 5, 2024) [Docket No. 6730]; *In re Cyprus Mines Corp.*, No. 21-10398 (LSS) (Bankr. D. Del. Nov. 5, 2024) [Docket No. 2647]; *In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr.

D. Del. May 20, 2025) [Docket No. 1047]; *In re Paddock Enters., LLC*, No. 20-10028 (LSS) (Bankr. D. Del. Feb. 17, 2022) [Docket No. 1216].

35. *Waiver of Ballot Defects.* The Initial Objecting Insurers contend that the Debtor should not have discretion to waive defects in Ballots. *See* Objecting Insurers' Objection, at 16. The ability to waive minor or technical defects in ballots is standard practice and serves the important goal of ensuring that creditors' voices are heard. *See, e.g.*, *In re Imerys Talc Am., Inc.*, No. 19-10289 (LSS) (Bankr. D. Del. Nov. 5, 2024) [Docket No. 6730] (reserving the right to waive defects or irregularities as to any particular ballot, with any waiver "detailed in the Voting Certification"); *In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr. D. Del. May 20, 2025) [Docket No. 1047] (same). The Solicitation and Voting Procedures require that "any such waivers be documented in the Voting Certification." Disclosure Statement Order, ¶ 38(i). The Disclosure Statement Order further provides that no vote by or on behalf of a holder of a Talc Claim will be counted unless the Ballot is timely submitted with the required written certifications, and that unsigned Ballots and Class 5 (Talc Claims) Master Ballots on which the attorney fails to make the required certification will not be counted. Disclosure Statement Order, ¶¶ 38(f)(v), 39(e), 39(n)(vi), 39(n)(xi). Both forms of Ballot for Class 5 (Talc Claims) require the signatory to certify, under penalty of perjury, that the claimant holds a Talc Claim against the Debtor (Docket No. 989-1, at 88, 107), and any person submitting a Ballot is subject to 18 U.S.C. § 157(3), which punishes false representations made in connection with a proceeding under title 11. *See Certain Underwriters at Lloyds, London v. AIO US, Inc. (In re AIO US, Inc.)*, No. 25-1245 (MN) (D. Del. Sept. 25, 2026) [Docket No. 45] (the "Avon Opinion"), at 17 (similar certification requirements provided "protections . . . to prevent fraudulent claims" whether a ballot was submitted by the claimant or its attorney).

36. *Valuation of Votes.* Finally, the Initial Objecting Insurers assert that the Debtor should not be permitted to enter into stipulations regarding claim values for voting purposes, and mischaracterize the Solicitation and Voting Procedures as valuing every Talc Claim at $1.00. *See* Objecting Insurers' Objection, at 16. The valuation methodology set forth in the Solicitation and Voting Procedures is reasoned and appropriate and is based on established precedent in mass tort bankruptcy cases. *See, e.g.*, *In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr. D. Del. May 20, 2025) [Docket No. 1047] (temporarily allowing talc claims for voting purposes in amounts corresponding to the disease category designated on the ballot); *In re Imerys Talc Am., Inc.*, No. 19-10289 (LSS) (Bankr. D. Del. Nov. 5, 2024) [Docket No. 6730] (same). Valuing each Direct Talc Claim according to the disease category designated on the applicable Ballot, and each Indirect Talc Claim at $100.00, avoids the expense and delay of individualized claim estimation while ensuring that each claimant has an equitable voice in the voting process. To address the Initial Objecting Insurers' concerns with respect to the Debtor's ability to stipulate to different claim values for voting purposes, the Debtor revised the Disclosure Statement Order to provide "[t]he Solicitation Agent shall file with the Bankruptcy Court a list of . . . (iii) any agreements between the Debtor and any creditor agreeing to the amount of a Claim for voting purposes, and such list shall be included in the Voting Certification." Disclosure Statement Order, ¶ 38(n).

ix. The Plan Confirmation Schedule Is Appropriate.

37. The Initial Objecting Insurers assert that the proposed confirmation schedule is unreasonable and does not afford adequate time for discovery. *See* Objecting Insurers' Objection, at 17-20. Following the status conferences held before the Court on September 14 and 16, 2026, these concerns have been resolved by the following revised schedule:

- Disclosure Statement Hearing: October 19, 2026
- Voting Deadline: November 23, 2026

- Fact Discovery Cutoff: November 30, 2026
- Confirmation Objection Deadline: December 1, 2026
- Confirmation Reply Deadline: December 8, 2026
- Confirmation Hearing: December 14-15, 2026

38. The dates proposed by the Debtor are reasonable and fit comfortably within the deadlines set by the Court, affording creditors ample time to consider the Plan Documents and cast their Ballots and parties in interest ample time to complete any discovery. Courts have approved confirmation schedules of comparable duration in other mass tort cases. *See, e.g.*, *In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr. D. Del. May 20, 2025) [Docket No. 1047]; *In re Insys Therapeutics, Inc.*, No. 19-11292 (KG) (Bankr. D. Del. Dec. 4, 2019) [Docket No. 952].

b. The U.S. Trustee's Disclosure Objections Should Be Overruled.

39. At the outset, the U.S. Trustee Objection rests on a premise that is at odds with its requested relief. The U.S. Trustee cites Judge Harner's recent observation that "more does not mean better; more does not equal adequate disclosure," and that an overabundance of information without substance can leave creditors "confused, uninformed, and overwhelmed." *In re Roman Catholic Archbishop of Balt.*, No. 23-16969 (MMH) (Bankr. D. Md. Aug. 4, 2026) [Docket No. 2813], at 1. The Debtor does not dispute that principle. But nearly every change the U.S. Trustee proposes would require the Debtor to add yet more material to the Disclosure Statement, and the U.S. Trustee does not identify a single existing provision that should be deleted as irrelevant or unnecessary. *See In re Waterville Timeshare Grp.*, 67 B.R. 412, 413 (Bankr. D.N.H. 1986) ("[O]verly technical and extremely numerous additions to a disclosure statement suggested by an objecting party may themselves be self-defeating in terms of the resulting clarity and understandability of the document to the average investor.").

i. The Disclosure Statement Provides Sufficient Financial Information.

40. The U.S. Trustee argues that the Disclosure Statement "still does not provide talc claimants with a meaningful estimate of what they can expect to recover under the Plan." *See* U.S. Trustee Objection, at ¶¶ 15-16. Section 1125 does not require such an estimate, and courts routinely approve disclosure statements in mass tort cases that do not contain one. *See, e.g.*, *In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr. D. Del. May 20, 2025) [Docket No. 1050] (no estimated recovery for talc claims); *In re Specialty Prods. Holding Corp.*, No. 10-11780 (LSS) (Bankr. D. Del. Oct. 23, 2014) [Docket No. 5118] (no estimated recovery for asbestos claims); *In re United Gilsonite Labs.*, No. 5:11-bk-02032 (RNO) (Bankr. M.D. Pa. Sept. 30, 2014) [Docket No. 2012] (same); *In re Flintkote Co.*, No. 04-11300 (JKF) (Bankr. D. Del. July 3, 2008) [Docket No. 3433] (potential percentage recovery for asbestos personal injury claims listed without an exact figure).

41. The Disclosure Statement identifies each source of recovery for holders of Talc Claims. On the Effective Date, the Debtor expects to contribute to the Liquidation Trust approximately $11 million in Cash, the Insurance Rights (which carry aggregate limits of approximately $445 million), and the Retained Causes of Action. Holders of Talc Claims will therefore know what the Liquidation Trust will hold and the source of recoveries.

42. The expected recovery under the Insurance Policies is inherently speculative because no claims have yet been asserted against any Insurance Company by the Liquidation Trust, and those insurers may assert defenses to coverage. Section 9.1(f) of the Disclosure Statement discloses that the Insurance Rights "are inherently difficult to value," that "the realizable value of such coverage is subject to a number of factors and uncertainties," that "litigating the Insurance Rights, and collecting the related Insurance Proceeds, is a time-consuming and expensive process," and that "[r]ecoveries on account of any of the Insurance Rights are speculative and uncertain."

That is an ordinary and accepted disclosure in mass tort cases. *See, e.g.*, *In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr. D. Del. May 20, 2025) [Docket No. 1050] ("Recoveries on account of any of the Insurance Rights are speculative and uncertain."). Nevertheless, as reflected in Exhibit A, the Debtor will revise Section 1.4 of the Disclosure Statement to provide an estimated recovery range for Class 5 Talc Claims of 0-84%, together with the assumptions underlying that range and appropriate caveats regarding the speculative nature of the estimate. Those assumptions include the Committee's prior talc personal injury claim valuation of $525,000,000.[5] Docket No. 466, at 210:8-9.

43. The U.S. Trustee's remaining objections regarding financial information—the Liquidation Analysis (filed September 30, 2026, at Docket No. 996) and the deletion of the Effective Date funding condition for the TC Recovery Fund—have been resolved, as reflected in Exhibit A. *See* U.S. Trustee Objection, at ¶¶ 17-18. In short, all of the Debtor's remaining cash and other assets will vest in the Liquidation Trust on the Effective Date, and the TC Recovery Fund will be funded with Post-Effective Date Available Cash under Section 5.8 of the Plan. R.T. Vanderbilt separately contends that the approximately $11 million in distributable Cash identified in Section 1.1 of the Disclosure Statement is inconsistent with the Plan's funding provisions. *See* R.T. Vanderbilt Objection, at ¶ 6 n.7. As reflected in Exhibit A, the Liquidation Analysis will be updated to reflect available Cash of approximately $12,080,000, and Section 1.1 of the Disclosure Statement will be revised to provide that "[a]s a result of the Sale and Global Settlement, the Debtor holds various assets it is using to administer the Chapter 11 Case and that will be used to administer the Liquidation Trust, with the rest being available for distribution to holders of Allowed Claims

[5] The $525,000,000 figure was calculated by the Committee's advisors and has not been agreed to by the Debtor, but is used here to avoid the costs of a full claim analysis at this stage of the Chapter 11 Case.

in accordance with the Plan, including the GUC Recovery Fund Amount that will be contributed to the GUC Recovery Fund, the General Convenience Claim Recovery Fund Amount that will be contributed to the General Convenience Claim Recovery Fund, funds in the Professional Fee Reserve, and funds in the Priority Reserve."

ii. The Disclosure Statement Discloses Sufficient Information Regarding the Consolidated Settlement Order Appeal.

44. The U.S. Trustee objects to disclosures regarding the Consolidated Settlement Order Appeal, arguing that the Disclosure Statement "fails to explain what the District Court is actually being asked to decide and the resulting impact of the decision on recoveries to creditors." *See* U.S. Trustee Objection, at ¶¶ 22-25. R.T. Vanderbilt raises a related objection, contending that the Disclosure Statement does not adequately disclose the risk of appeal outcomes and that Section 9.1(e) is inaccurate because the Vanderbilt Settlement Parties (as defined in the R.T. Vanderbilt Objection) waived the Final Order Condition and the Global Settlement was fully implemented on June 10, 2026. *See* R.T. Vanderbilt Objection, at ¶ 22. As reflected in Exhibit A, the Debtor will add to the Disclosure Statement references to the statements of issues on appeal that were filed by each of the three appellants with respect to the appeals of the Global Settlement Order and will revise Section 9.1(e) to remove the statement that the Global Settlement cannot be fully implemented until the Global Settlement Order becomes final and non-appealable. *See In re Imerys Talc Am., Inc.*, No. 19-10289 (LSS) (Bankr. D. Del. Nov. 5, 2024) [Docket No. 6733] (describing pending adversary proceeding by identifying "[t]he issue to be decided" and the debtors' requested relief).

45. The U.S. Trustee also asks the Debtor to explain "the resulting impact of the decision on recoveries to creditors." *See* U.S. Trustee Objection, at ¶ 23. But the Debtor cannot explain the potential impact of a ruling that has not been issued. Regardless of the relief requested

by the Committee and the other appellants, the relief the District Court may actually grant is unknown, and the permutations are numerous. Adequate disclosure does not require the Debtor to predict hypothetical litigation outcomes. *See CDECO Mar. Constr.*, 101 B.R. at 501 ("A disclosure statement is simply not the place to argue various theories of recovery or to demonstrate results of 'what if' kinds of proof[.]"); *In re Purdue Pharma L.P.*, No. 19-23649 (SHL) (Bankr. S.D.N.Y. July 1, 2025) [Docket No. 7637] (disclosure statement describing the consequences of a reversal on appeal as difficult to predict rather than forecasting a particular outcome). Nevertheless, as reflected in Exhibit A, the Debtor will add language to the Disclosure Statement addressing the potential consequences of an adverse ruling on the Consolidated Settlement Order Appeal.

iii. The Disclosure Statement Adequately Describes the Claims Being Released and the Consideration for the Releases.

46. The U.S. Trustee objects that the Disclosure Statement "fails to provide adequate information concerning the claims and causes of action that would be released under the Plan, their potential or estimated value, or the consideration, if any, being provided in exchange for same." *See* U.S. Trustee Objection, at ¶¶ 19, 26-28, 40. The Plan has narrowed the Released Parties considerably. The definition of Released Parties in the Initial Plan was substantially more extensive, including all of the Debtor's "predecessors, successors and assigns, parents, subsidiaries, Affiliates, managed accounts or funds, and all of their respective current and former officers, managers, directors, principals, shareholders (and any fund managers, fiduciaries, or other agents of shareholders with any involvement related to the Debtor), members, partners, employees, agents, trustees, advisory board members, financial advisors, attorneys, accountants, actuaries, investment bankers, consultants, representatives, management companies, fund advisors and other professionals, and such persons' respective heirs, executors, estates, servants, and nominees."

Initial Plan, § 1.1. As reflected in Exhibit A, the Debtor will add to the Disclosure Statement (i) a description of the Released Parties, which is limited to five individuals who served as managers or officers of the Debtor during the Chapter 11 Case, the professionals retained by the Debtor and the Committee to provide services related to the Chapter 11 Case, and Ordinary Course Professionals, and their period of service to the Debtor or the Committee;[6] (ii) the Debtor's view of the value of the released claims and the consideration provided for the Releases; (iii) a statement that the Releases do not duplicate the releases granted under the Global Settlement; (iv) a description of the procedures in Section 5.7 of the Plan governing the Liquidation Trust's discovery of the Released Parties; and (v) a statement regarding the Committee's role as both a Plan Proponent and appellant pursuing the Consolidated Settlement Order Appeal. Several of these provisions were part of a weeks-long, arm's-length negotiated resolution between the Debtor and the Committee, without which the Debtor could not have reached agreement on the terms of a consensual Plan. Explaining the rationale for each individual change is therefore neither realistic nor required, as the rationale for any single provision within that package would not aid a creditor in deciding whether to vote to accept or reject the Plan.

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[6] Released Parties include: (a) Ben Pickering, solely in his capacity as the independent manager of the Board of Managers and sole member of the Independent Special Committee, (b) BRP Advisory LLC, solely in its capacity as a party to the Engagement Letter dated October 9, 2025, (c) Dean Vomero, solely in his capacity as the Debtor's Chief Restructuring Officer, (d) Applied Business Strategy LLC, solely in the capacity it was engaged by the Debtor, (e) Amarilys Franky, solely in her capacity as the Debtor's manager, (f) James Knowlden, solely in his capacity as the Debtor's manager and as an officer of the Debtor, (g) Jeffrey Brohel, solely in his capacity as the Debtor's manager and as an officer of the Debtor, (h) Latham & Watkins LLP, solely in its capacity as the Debtor's counsel, (i) Bond, Schoeneck & King, PLLC, solely in its capacity as the Debtor's counsel, (j) Katten Muchin Rosenman LLP ("Katten"), solely in its capacity as counsel to the Debtor at the sole direction of the Independent Manager and the sole member of the Independent Special Committee, (k) Greenhill & Co., LLC, solely in its capacity as the Debtor's investment banker, (l) Brown Rudnick LLP, solely in its capacity as the Committee's counsel, (m) Caplin & Drysdale, Chartered, solely in its capacity as the Committee's counsel, (n) Cohen Ziffer Frenchman & McKenna LLP, solely in its capacity as the Committee's counsel, (o) Province, LLC, solely in its capacity as the Committee's financial advisor, (p) Kurtzman Carson Consultants, LLC d/b/a Verita Global, solely in its capacity as the Debtor's claims, noticing, and solicitation agent, and (q) all Ordinary Course Professionals as of September 15, 2026, solely in their capacity as such. This definition both plainly and conspicuously identifies the beneficiaries of the Releases and the relati*ons*hip of each Released Party to the Debtor. *See* U.S. Trustee Objection, ¶ 40.

47. The value of the released claims is minimal because any potential claims that the Debtor could assert would be subject to strong meritorious defenses. The Releases cover claims that have not been asserted and may never be asserted, and any valuation of such potential claims would turn on the merits of, and defenses to, any such claims. Nor is the value of the Releases a question for the Disclosure Statement stage. Challenges to the Releases should be determined on an appropriate evidentiary and legal record, and the hearing on approval of the Disclosure Statement should not be converted into a preliminary hearing on confirmation. *See Nielsen v. Specialty Equip. Cos., Inc.*, 1992 WL 279262, at *3 (N.D. Ill. Sept. 25, 1992), *aff'd sub nom. In re Specialty Equip. Cos., Inc.,* 3 F.3d 1043 (7th Cir. 1993) (validity of releases is "a plan confirmation issue," overruling disclosure statement objections regarding third-party releases); *In re Drexel Burnham Lambert Grp.*, 1992 Bankr. LEXIS 434, at *1-2 (Bankr. S.D.N.Y. Mar. 5, 1992) (objections to a plan's release and injunction provisions are confirmation objections improperly raised as objections to the disclosure statement).

48. The consideration for the Releases is stated in the Plan. Section 10.6 of the Plan provides that the Releases are given for "good and valuable consideration . . . including the services of the Released Parties before and during the Chapter 11 Case to facilitate the liquidation of the Debtor and the implementation of the Trust Formation Transactions." Those services reflect the significant time and effort the Released Parties expended in marketing and selling the Debtor's assets, conducting the Independent Investigation, negotiating the Global Settlement, and formulating the Plan and the Liquidation Trust documents. Courts have approved releases supported by the same consideration. *See In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr. D. Del. Sept. 24, 2025) [Docket No. 1550-1] (releases given in consideration of the released parties' service before and during the chapter 11 cases to facilitate the liquidation and the implementation

of the trust formation transactions); *In re Insys Therapeutics, Inc.*, No. 19-11292 (KG) (Bankr. D. Del. Jan. 14, 2020) [Docket No. 1095] (same).

49. The Debtor does not believe that the claims released under Section 10.6 of the Plan have any material value. The Releases reach claims relating to or arising from the Debtor, the Estate, the conduct of the Debtor's business, and the Chapter 11 Case, including the Sale and the Asset Purchase Agreement, the Global Settlement, the Trust Formation Transactions, the VLT Documents, the Disclosure Statement, the Plan, and the solicitation of votes thereon, but they do not release any act or omission determined in a Final Order to constitute gross negligence, willful misconduct, or fraud. Plan, § 10.6. They do not release the claims resolved under the Global Settlement, which were the Debtor's claims against Holdings and its subsidiaries arising from the transactions described therein. The Debtor investigated the Intercompany Matters (as defined in the Disclosure Statement) through the Independent Special Committee, which negotiated the Global Settlement at arm's length and with the support of the Debtor, and has pared the Releases back from those proposed in the Initial Plan. The Debtor is not aware of any claim of material value against the fiduciaries and professionals who conducted that process. *See In re Chassix Holdings, Inc.*, No. 15-10578 (MEW) (Bankr. S.D.N.Y. July 2, 2015) [Docket No. 654], Hr'g Tr. 212:18-213:6 (approving debtor releases at confirmation where uncontroverted valuation evidence established that the principal released claim had, at most, nuisance value).

50. The outcome of the Consolidated Settlement Order Appeal does not change this result. The Global Settlement was the product of an independent investigation and arm's-length negotiations conducted by the Independent Special Committee with the assistance of its own counsel. If the Global Settlement Order is affirmed, that confirms the propriety of that process. If it is not, any claim against the Released Parties on account of the Global Settlement would still

have to overcome the independent investigation and arm's-length negotiations that produced the Global Settlement, and the Debtor's managers and officers are entitled to exculpation and indemnification under the Debtor's limited liability company agreement. In all events, these are questions for confirmation on a developed record.

iv. The Plan Supplement Documents Have Been or Will Be Filed Before the Disclosure Statement Hearing.

51. The U.S. Trustee objects that material information is "deferred to a Plan Supplement that is not due until fourteen days before the Voting Deadline" and that creditors therefore "will have two weeks to review its contents before being required to vote on the Plan." *See* U.S. Trustee Objection, at ¶¶ 29-31. As described above in Section I.a.ii, the Debtor filed the Trust Distribution Procedures on September 25, 2026, at Docket No. 990, the Plan Supplement on September 30, 2026, at Docket No. 996, and will file the Trust Agreement no later than October 16, 2026, each before the Disclosure Statement Hearing, before solicitation commences, and well in advance of the Voting Deadline. The documents the U.S. Trustee identifies as missing are therefore already on the docket or will be before the Court is asked to approve the Disclosure Statement.

52. The U.S. Trustee also asks that the Disclosure Statement include "a separate, plain English, brief summary of how Talc Claims will be evaluated and receive payment." U.S. Trustee Objection, at ¶ 30. However, a brief summary would not better inform holders of Talc Claims such that they would be better equipped to vote on the Plan. The Trust Distribution Procedures contain nuanced and complicated provisions regarding the methodologies and procedures by which Talc Claims are evaluated and recoveries are determined, and a summary risks omitting details material to a claimant's expected recovery or diverging from the Trust Distribution Procedures' operative language. Holders of Talc Claims are better served by reviewing the Trust

Distribution Procedures themselves and raising any questions with their counsel. *See In re Yellow Corp.*, 2025 WL 2639151, at *2 (Bankr. D. Del. Sept. 12, 2025) ("[L]ess can be more—there are times that including more information makes a document less understandable[.]").

53. Nor is the Disclosure Statement silent on the subject. Article VIII of the Disclosure Statement provides an overview of the Liquidation Trust and the Trust Distribution Procedures, including the review processes for Talc Claims and the manner in which Talc Claims will be valued and paid, while directing holders to the Trust Distribution Procedures for the operative terms. Courts in mass tort cases have approved disclosure statements taking this exact approach. *See In re Imerys Talc Am., Inc.*, No. 19-10289 (LSS) (Bankr. D. Del. Nov. 5, 2024) [Docket No. 6733] (disclosure statement describing the trust distribution procedures while directing holders to the procedures themselves); *In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr. D. Del. May 20, 2025) [Docket No. 1050] (same).

c. R.T. Vanderbilt's Disclosure Objections Should Be Overruled.

54. R.T. Vanderbilt's objections should be overruled because they should be satisfied by revisions to the Disclosure Statement or Plan or raise confirmation issues that do not render the Plan patently unconfirmable. The Debtor remains in ongoing discussions with R.T. Vanderbilt to consensually resolve its objections. At the outset, with respect to R.T. Vanderbilt's arguments regarding the alleged breach of the Global Settlement and those relating to the Independent Manager, the Debtor incorporates by reference the arguments set forth in the *Reply of the Debtor at the Sole Direction of the Independent Manager and Sole Member of the Independent Special Committee to R.T. Vanderbilt's Objection and Reservation of Rights to the Motion of Debtor for Entry of an Order Approving Proposed Disclosure Statement and Related Relief* [Docket No.

1028] (the "Independent Manager Reply").[7] Even if R.T. Vanderbilt's arguments had merit—and they do not—any concern regarding the post-Effective Date defense of the Consolidated Settlement Order Appeal is fully addressed, as the Debtor is prepared to agree that Mr. Pickering and Katten will continue to defend the Consolidated Settlement Order Appeal following the Effective Date, with their fees and expenses to be funded as set forth on Exhibit A.

55. With respect to R.T. Vanderbilt's remaining arguments, several of its disclosure objections duplicate those raised by the U.S. Trustee and are resolved for the reasons stated above. *See supra* ¶¶ 40-45. R.T. Vanderbilt also contends that the Disclosure Statement does not adequately disclose the risk of appeal outcomes. *See* R.T. Vanderbilt Objection, at ¶ 22. To address that concern, and as reflected in Exhibit A, the Debtor will replace the risk factor in Section 9.1(e) of the Disclosure Statement. The revised risk factor confirms that (i) the Vanderbilt Settlement Parties waived the Final Order Condition, (ii) the Global Settlement was implemented on June 10, 2026, in connection with the closing of the Sale, (iii) no further distributions are contemplated under the Global Settlement, and (iv) an adverse ruling on appeal would not delay distributions to the Debtor. It further discloses that, if an appellate court were to determine in a Final Order that the Debtor did not have the ability to settle all or certain estate causes of action, the Vanderbilt Settlement Parties are expected to argue that the value they provided under the Global Settlement in exchange for the release of such causes of action should be returned to them,

[7] As set forth in the Independent Manager Reply, (i) the Debtor's obligation under section 3(a) of the letter agreement between the Debtor and the Vanderbilt Settlement Parties dated May 5, 2026 (the "May Letter Agreement") to take the actions required to obtain a Settlement Appeal Resolution (as defined in the May Letter Agreement) expired on July 1, 2026, and R.T. Vanderbilt cannot unilaterally revive it; (ii) section 3(a) required actions, not a guaranteed result, and the Debtor performed by defending the Global Settlement Order and defeating the Committee's stay motions; (iii) nothing in the Global Settlement or the May Letter Agreement requires the Independent Manager or his counsel to remain in place indefinitely, both agreements bind the Debtor's successors, including any liquidating trustee, and the Independent Manager has offered to provide services at a reduced rate; (iv) the Plan does not limit any mootness argument R.T. Vanderbilt may make as an appellee in its own right; (v) the Independent Manager has acted in good faith; and (vi) R.T. Vanderbilt does not hold a valid administrative claim. *See* Independent Manager Reply, at ¶¶ 6-17.

which could impact the amounts distributed to the Debtor's creditors. R.T. Vanderbilt separately contends that the Plan predetermines the effect of a reversal or limits the relief an appellate court may grant. *See* R.T. Vanderbilt Objection, at ¶¶ 15-16. To address that concern in part, and as also reflected in Exhibit A, revised Section 6.9(h) of the Disclosure Statement now describes how Causes of Action would be allocated after any reversal of the Global Settlement Order as the outcome the Debtor and the Committee anticipate, not as an outcome the Plan fixes, and makes that allocation subject to the findings and rulings of the appellate court.

56. R.T. Vanderbilt's parallel disclosure objection, that the Disclosure Statement must state that the Plan violates the Global Settlement and may render the Estate administratively insolvent, fails for the reasons set forth below. *See* R.T. Vanderbilt Objection, at ¶¶ 21, 24; *infra* ¶ 93. R.T. Vanderbilt asks the Debtor to disclose not a fact but its own contested legal conclusion, which the Debtor disputes and no court has adopted.

57. Finally, R.T. Vanderbilt's disclosure objection that creditors are not told that estate funds will be spent on an appeal that this Court and the District Court have found unlikely to succeed does not identify a material omission. *See* R.T. Vanderbilt Objection, at ¶¶ 23-24. The Plan discloses the VLT Operating Reserve and provides that post-Effective Date fees and expenses relating to the Consolidated Settlement Order Appeal and the Sale Order Appeal are payable from it. Plan, §§ 1.1, 12.14. Those expenses are not paid from the funds established for creditor recoveries. Recoveries for holders of Talc Claims are paid from the TC Recovery Fund, recoveries for holders of General Unsecured Claims are paid from the GUC Recovery Fund, and recoveries for holders of General Convenience Claims are paid from the General Convenience Claim Recovery Fund. Plan, §§ 1.1, 5.8. The Plan thus accounts for the anticipated costs of the Appeals through a separate fund, and that fund is plainly disclosed. As reflected in Exhibit A, the

Disclosure Statement will be revised to address the potential consequences of an adverse ruling in the Consolidated Settlement Order Appeal. *See supra* ¶¶ 44-45.

d. The Buyer's Disclosure Objections Should Be Overruled.

58. The Buyer's disclosure objections do not identify a material omission. As reflected in Exhibit A, the Debtor will add a risk factor to Section 9.1 of the Disclosure Statement describing the Buyer's contention that the Plan violates the Appeal Covenant, the Debtor's and the Committee's disagreement with that contention, and the resulting litigation risk. *See* Buyer Objection, at ¶ 11(i)-(ii). The Buyer's remaining request that the Disclosure Statement state that the Committee has access to the VLT Operating Reserve and that no fiduciary is appointed to defend the Sale Order Appeal is addressed by the Plan's disclosure of the VLT Operating Reserve and of the expenses payable from it, *see supra* ¶ 57, and by the resolution described below. *See* Buyer Objection, at ¶ 11(iii)-(iv); *infra* ¶ 99.

II. THE PLAN IS NOT PATENTLY UNCONFIRMABLE.

59. The confirmation-related objections raised in the Objections are premature. Disclosure statement hearings anticipate, but do not preempt, confirmation hearings. The standard for approval of a disclosure statement is "adequate information," and confirmation issues should be determined at the confirmation hearing. *See* 11 U.S.C. § 1125(a)(1); *In re Quigley Co., Inc.*, 377 B.R. 110, 119 (Bankr. S.D.N.Y. 2007) (approving a disclosure statement over objections raising questions of "good faith," "improper voter manipulation," and "vote designation," and concluding that "these are confirmation issues"); *In re Copy Crafters Quickprint, Inc.*, 92 B.R. 973, 980 (Bankr. N.D.N.Y. 1988) (objections at the disclosure statement stage are "restricted to those defects that could not be cured by voting and where the pertinent material facts are either not at issue or have been fully developed at the disclosure statement hearing"); *Scioto Valley Mortg.*, 88 B.R. at 172 ("If the creditors oppose their treatment in the plan, but the Disclosure Statement

contains adequate information, issues respecting the plan's confirmability will await the hearing on confirmation."); *Waterville Timeshare Grp.*, 67 B.R. at 413 ("[A]pproval of a disclosure statement is an interlocutory action in the progress of a Chapter 11 reorganization effort leading to a confirmation hearing at which all parties have ample opportunity to object to confirmation of the plan.").[8]

60. An objection seeking to derail approval of a disclosure statement on confirmation grounds must clear a very high bar. Solicitation should be delayed only when the proposed plan is "facially" or "patently" unconfirmable and, as a matter of law, "is so fatally flawed that confirmation is impossible." *See In re Cardinal Congregate I*, 121 B.R. 760, 764 (Bankr. S.D. Ohio 1990). The objector must demonstrate "(1) confirmation defects [that cannot] be overcome by creditor voting results and (2) those defects concern matters upon which all material facts are not in dispute or have been fully developed at the disclosure statement hearing." *In re Am. Cap. Equip., LLC*, 688 F.3d 145, 155-56, 164 (3d Cir. 2012) (internal quotation marks and citation omitted); *see also Copy Crafters Quickprint*, 92 B.R. at 980 (same); *accord In re Monroe Well Serv., Inc.*, 80 B.R. 324, 333 (Bankr. E.D. Pa. 1987). None of the Objections comes close to satisfying that standard.

61. As demonstrated below, the Objections to confirmation of the Plan are premature and without merit, and the Debtor is entitled to have them determined on an appropriate evidentiary and legal record at the Confirmation Hearing.

[8] Notably, no holders of Talc Claims have objected to approval of the Disclosure Statement or foreshadowed any confirmation objections.

a. The Specified Insurers' Confirmation Objections Should Be Overruled.

62. The Specified Insurers raise three grounds on which they contend the Plan is patently unconfirmable: that the Plan permits the allowance and payment of unfiled Talc Claims, that the Plan Injunction operates as an improper discharge, and that the Liquidating Trustee may not allow or disallow Talc Claims. None satisfies the standard set forth above. *See supra* ¶ 60. Each turns on contested questions of law and fact to be resolved at the Confirmation Hearing, and the Debtor addresses each in turn.

i. Temporary Allowance of Talc Claims for Voting Purposes Is Consistent with Precedent and Applicable Law and Does Not Render the Plan Patently Unconfirmable.

63. The Specified Insurers assert that the Plan improperly permits the allowance and payment of unfiled Talc Claims in violation of the requirements of the Bankruptcy Code's claims allowance process. *See* Specified Insurers' Objection, at 9-14. This objection conflates voting allowance with distribution allowance and ignores established mass tort practice. It also overlooks that the Ballots supply "the principal protections that would otherwise be afforded by the filing of proofs of claim." *See* Avon Opinion, at 16 (quoting *In re AIO US, Inc.*, 672 B.R. 261, 278 (Bankr. D. Del. 2025)).

64. As set forth in the Debtor's response to the Objecting Insurers' bar date objection [Docket No. 752], and as the Court noted at the June 24, 2026 hearing on that objection, voting by tort claimants has been permitted in dozens of mass tort bankruptcy cases—including non-524(g) cases—because such claimants are deemed allowed for voting purposes in the amount set forth on the ballots. Temporary allowance for voting purposes does not determine the ultimate allowance of claims for distribution, which will be determined in accordance with the Trust Distribution Procedures. *See, e.g.*, *In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr. D. Del. May 20, 2025) [Docket No. 1047] (permitting holders of talc claims in non-524(g) case to vote without having

filed proofs of claim); *In re Boy Scouts of Am. & Del. BSA, LLC*, No. 20-10343 (LSS) (Bankr. D. Del. Sept. 30, 2021) [Docket No. 6438] (temporarily allowing abuse claims for voting purposes only); *In re Metex Mfg. Corp.*, No. 12-14554 (CGM) (Bankr. S.D.N.Y. Feb. 25, 2014) [Docket No. 437] (where no bar date was set for asbestos personal injury claims, temporarily allowing asbestos personal injury claims for voting purposes only); *In re Quigley Co., Inc.*, 383 B.R. 19, 24 (Bankr. S.D.N.Y. 2008) ("In many mass tort cases, and particularly in asbestos cases like this one, the asbestos personal injury creditors are not required to file claims. The court authorizes them to vote without filing claims, and their ballots serve officially or unofficially as their proofs of claim."); *Off. Comm. of Asbestos Claimants of G-I Holding, Inc. v. Heyman*, 277 B.R. 20, 34 n.8 (Bankr. S.D.N.Y. 2002) (recognizing that "in many asbestos bankruptcies, no bar date [is] ever set"); *Emons Indus., Inc. v. Allen (In re Emons Indus., Inc.)*, 220 B.R. 182, 192 (Bankr. S.D.N.Y. 1998) (consequences of a failure to file a proof of claim under Bankruptcy Rule 3003(c)(2) do not "become operative" where no bar date was fixed).

65. Because no bar date has been set for Direct Talc Claims, temporary allowance is the mechanism by which holders of those Claims vote. This Court's *Order (I) Setting Bar Dates for Filing Proofs of Claim Other Than with Respect to Direct Talc Claims, (II) Approving the Form of and Manner for Filing Proofs of Claim, and (III) Approving Notice of Bar Dates* [Docket No. 773] (the "General Bar Date Order") provides that "[n]othing in this Order sets any deadline for the filing of a proof of claim with respect to any Direct Talc Claim," and expressly exempts "any holder of a Direct Talc Claim (solely to the extent they are asserting a Direct Talc Claim)" from the bar dates. General Bar Date Order, ¶¶ 2, 8(d). Courts routinely decline to set a bar date for tort claims that will be liquidated post-confirmation. *See, e.g.*, *In re Congoleum Corp.*, 2008 WL 314699, at *4 (Bankr. D.N.J. Feb. 4, 2008) (holding that Bankruptcy Rule 3003(c)(3) does

not mandate a bar date for all claims and denying motion for a bar date for asbestos claims); *In re Mallinckrodt plc*, No. 20-12522 (Bankr. D. Del. Aug. 25, 2021) [Docket No. 3999], Hr'g Tr. 199:18-24 (denying request for tort claim bar date where debtors' plan established a trust to address all current and future opioid claims, finding "I do not believe that the code requires the setting of a bar date in all circumstances").

66. The Specified Insurers argue that neither the Bankruptcy Code nor the Bankruptcy Rules permit a claim to be temporarily allowed for voting purposes absent a filed proof of claim. The Avon Opinion addressed and rejected that argument. Bankruptcy Rule 3018(a)(4) permits a court to temporarily allow claims for voting purposes "*even if* there is an objection, not *only* when there is an objection." Avon Opinion, at 15. Bankruptcy Rule 3003(c)(2) provides that a creditor who fails to file a proof of claim will "not be treated as a creditor for that claim for voting," but this only "applies when the creditor has not filed a proof of claim by the applicable bar date," and no bar date has been set for Direct Talc Claims. *Id.* Further, section 1126(a) of the Bankruptcy Code "*supports* the temporary allowance of unfiled claims for voting purposes," because section 1126 "refers to the entirety of § 502," and "[s]ection 502(c) does not require that a proof of claim be filed before such a claim may be estimated and allowed." *Id.* at 15-16. Accordingly, "courts have read Bankruptcy Rule 3018 in tandem with § 502(c) as providing authority to temporarily allow claims for voting purposes in mass tort cases where doing otherwise would delay administration of the case—notwithstanding whether a proof of claim has been filed." *Id.* (citing *In re Lloyd E. Mitchell, Inc.*, 373 B.R. 416, 423 (Bankr. D. Md. 2007)). This practice of temporary allowance for voting "is within this Court's discretion under § 502(c) of the Bankruptcy Code and Bankruptcy Rule 3018(a) and is regularly employed in mass tort cases with a large number of unliquidated claims." *Id.* (quoting *Lloyd E. Mitchell*, 373 B.R. at 423).

ii. The Plan Injunction Is Not an Improper Discharge and the Plan Is Not Patently Unconfirmable.

67. The Specified Insurers contend that the Plan Injunction functions as an impermissible discharge under section 1141(d)(3) of the Bankruptcy Code. *See* Specified Insurers' Objection, at 8-9. This objection is without merit. *See In re ASR 2401 Fountainview, LLC*, 2015 WL 3465758, at *6 (Bankr. S.D. Tex. May 29, 2015) ("[T]he plain language of the Bankruptcy Code does not prohibit the granting of . . . an injunction [against collection actions against the debtors post-confirmation]. This court . . . does not find that the injunction in this plan is equivalent to a discharge[.]"). The Plan Injunction language is consistent with injunction provisions that have been included in confirmed liquidating plans in previous mass tort bankruptcy cases. *See, e.g.*, *In re Insys Therapeutics, Inc.*, No. 19-11292 (KG) (Bankr. D. Del. Jan. 14, 2020) [Docket No. 1095]; *In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr. D. Del. Sept. 24, 2025) [Docket No. 1550-1]. Moreover, as noted in the Disclosure Statement, the Plan Injunction relates only "to any Claim, Interest, or Cause of Action that will be or is treated, extinguished, exculpated, or released by this Plan or otherwise will be or is subject to this Plan." Disclosure Statement, § 6.9(d); Plan, § 10.4. The Plan Injunction channels creditors to the Liquidation Trust, which holds the Debtor's assets for their benefit; it does not relieve the Debtor of liability while leaving creditors without recourse. The Objecting Insurers' rights are expressly preserved under Section 5.5 of the Plan and are not subject to the Plan Injunction.

iii. The Plan Is Not Patently Unconfirmable Because the Liquidating Trustee Has Authority to Allow or Disallow Talc Claims.

68. The Specified Insurers contend that the Plan improperly authorizes the Liquidating Trustee to allow or disallow Talc Claims in a manner that "usurps" judicial authority. *See* Specified Insurers' Objection, at 14-15. This objection is contrary to well-established practice in mass tort bankruptcy cases and is not a basis for denying approval of the Disclosure Statement.

The delegation of claims-resolution authority to a trustee pursuant to trust distribution procedures is a standard feature of mass tort liquidating plans and has been approved by bankruptcy courts on numerous occasions. *See, e.g.*, *In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr. D. Del. Sept. 24, 2025) [Docket No. 1550-1] (vesting the liquidating trustee with authority to determine the eligibility, amount, and allowance of talc claims); *In re Endo Int'l plc*, No. 22-22549 (JLG) (Bankr. S.D.N.Y. Mar. 18, 2024) [Docket No. 3849] (personal injury claims "will be administered, processed, and resolved pursuant to the PI Trust Documents, which shall provide that such Claims shall be Allowed and administered by the PI Trust or otherwise Disallowed and released in full"); *In re Insys Therapeutics, Inc.*, No. 19-11292 (KG) (Bankr. D. Del. Jan. 14, 2020) [Docket No. 1095] (claims administrator has "the sole authority to resolve Personal Injury Claims in accordance with the Claims Analysis Protocol, without approval of the Bankruptcy Court").

69. The objection fails for three reasons. First, the Court is not being asked to liquidate Talc Claims; it is being asked to approve procedures by which the Liquidation Trust and holders of Talc Claims may settle Talc Claims. While 28 U.S.C. § 157(b)(5) may restrict a bankruptcy court from conducting a trial on personal injury tort claims absent consent, it does not prevent holders of such claims and a debtor from settling them and agreeing upon their allowance and treatment under a chapter 11 plan. *See* Plan, § 1.1 (defining "Allowed" to include any Claim "that is compromised, settled, or otherwise resolved after the Effective Date pursuant to the authority of the Debtor, the Liquidating Debtor, or the Liquidating Trustee, as applicable").

70. Second, the Liquidating Trustee's determinations are not final and are subject to review. As the Disclosure Statement explains, "[t]he Liquidating Trustee, with the consent of the Trust Advisory Committee, will develop and adopt alternative dispute resolution procedures . . . that will allow a holder of a Talc Claim that has completed the Individual Review process or the

Expedited Review process to elect binding arbitration of a dispute regarding such holder's right to recover from the Liquidation Trust or the liquidated value of such holder's Talc Claim." Disclosure Statement, Article VIII. A claimant who disagrees with the Liquidating Trustee's determination may therefore obtain review of that determination, which balances the interests of holders of Talc Claims in the fair adjudication of their Claims against the need for efficient and streamlined procedures with low administrative costs.

71. Third, to the extent the Court were to construe the resolution of Talc Claims by the Liquidation Trust as the liquidation of personal injury claims, holders of Talc Claims should be deemed to consent to that process by submitting their Claims to the Liquidation Trust for resolution. *See In re Trib. Media Co.*, 902 F.3d 384, 393-94 (3d Cir. 2018) (litigant impliedly consented to bankruptcy court adjudication by pursuing its claim without questioning the court's authority); *In re Millenium Seacarriers, Inc.*, 419 F.3d 83, 98 (2d Cir. 2005) (party that files a proof of claim and actively litigates without contesting jurisdiction submits to the court's jurisdiction); *Wellness Int'l Network, Ltd. v. Sharif*, 575 U.S. 665, 683-85 (2015) (bankruptcy court may adjudicate claims where the parties knowingly and voluntarily consent, expressly or impliedly).

b. The U.S. Trustee's Confirmation Objections Should Be Overruled.

72. The U.S. Trustee argues that the Disclosure Statement should not be approved because the Plan contains provisions that cannot be confirmed. As set forth above, that argument must clear a very high bar. *See supra* ¶ 60. Solicitation may be delayed only where a plan is "facially" or "patently" unconfirmable, that is, where the plan "is so fatally flawed that confirmation is impossible" as a matter of law. *Cardinal Congregate I*, 121 B.R. at 764. The objector must demonstrate "(1) confirmation defects [that cannot] be overcome by creditor voting results and (2) those defects concern matters upon which all material facts are not in dispute or

have been fully developed at the disclosure statement hearing." *Am. Cap. Equip.*, 688 F.3d at 155 (internal quotation marks and citation omitted); *see also Copy Crafters Quickprint*, 92 B.R. at 980 (same); *accord Monroe Well Serv.*, 80 B.R. at 333. The U.S. Trustee's objections satisfy neither requirement. Each turns on contested questions of law and fact that the Debtor will address on an appropriate record at confirmation, and none presents a defect that forecloses confirmation as a matter of law.

i. The Estate Releases Are Permissible and Do Not Render the Plan Patently Unconfirmable.

73. Section 10.6 of the Plan contains a release by the Debtor and its Estate of claims belonging to the Debtor and its Estate. The U.S. Trustee contends that the release is impermissible because it surrenders every claim the Estate holds against the Debtor's fiduciaries and professionals, including claims arising from the Global Settlement now on appeal. *See* U.S. Trustee Objection, at ¶¶ 33-40. As the U.S. Trustee concedes, a plan may provide for "the settlement or adjustment of any claim or interest belonging to the debtor or to the estate." 11 U.S.C. § 1123(b)(3)(A); *see also id.* § 1123(b)(6). Courts in the Second Circuit evaluate debtor releases under the business judgment standard, asking whether the release represents a valid exercise of the debtor's judgment and is in the best interests of the estate. *See In re Sabine Oil & Gas Corp.*, 555 B.R. 180, 257 (Bankr. S.D.N.Y. 2016); *In re DBSD N. Am., Inc.*, 419 B.R. 179, 217 (Bankr. S.D.N.Y. 2009), *aff'd*, 2010 WL 1223109 (S.D.N.Y. Mar. 24, 2010), *aff'd in part, rev'd in part*, 627 F.3d 496 (2d Cir. 2010); *In re Motors Liquidation Co.*, 447 B.R. 198, 220 (Bankr. S.D.N.Y. 2011) ("Releases by estates, on the one hand, and by third parties on the other, are very different, and are governed by different principles of law.").

74. Because a debtor release may constitute a settlement of estate claims, courts may apply the framework used to evaluate settlements under Bankruptcy Rule 9019, including the

seven factors identified by the Second Circuit in *In re Iridium Operating LLC*, 478 F.3d 452, 462 (2d Cir. 2007): (1) the balance between the litigation's possibility of success and the settlement's future benefits; (2) the likelihood of complex and protracted litigation, with its attendant expense, inconvenience, and delay; (3) the paramount interests of creditors; (4) whether other parties in interest support the settlement; (5) the nature and breadth of releases to be obtained by officers and directors; (6) the competency and experience of counsel and of the court reviewing the settlement; and (7) the extent to which the settlement is the product of arm's-length bargaining. *See Resol. Tr. Corp. v. Best Prods. Co., Inc. (In re Best Prods. Co., Inc.)*, 177 B.R. 791, 794 n.4 (S.D.N.Y. 1995) (standards for approval are the same whether a claim is settled under section 1123(b)(3)(A) or under Bankruptcy Rule 9019).

75. Whether the Releases satisfy this standard is a question for confirmation on a developed record, not a basis for a disclosure statement objection. As described above, the Releases were narrowed in negotiations with the Committee, which supports the Plan as a Plan Proponent, and they preserve any claim arising from gross negligence, willful misconduct, or fraud. *See supra* ¶¶ 46-50.

76. The U.S. Trustee's reliance on *Harrington v. Purdue Pharma L.P.*, 603 U.S. 204 (2024), is misplaced. *Purdue* addressed whether a plan may extinguish claims held by one non-debtor against another non-debtor without consent. *Id.* at 227. The Releases do no such thing. They are given by the Debtor, the Liquidating Debtor, and the Estate, and they release only claims that the Debtor, the Liquidating Debtor, or the Estate "would have been legally entitled to assert in their own right." Plan, § 10.6. No non-debtor releases anything under Section 10.6, and the Plan expressly provides that "[t]he release of any Released Party for any Claim or Causes of Action

under Section 10.6 of this Plan shall not affect the liability of any Non-Released Party for any such Claim or Causes of Action on any theory of law or equity." *Id.*

77. The U.S. Trustee separately objects to the phrase "or otherwise will be or is subject to this Plan" in Section 10.8, contending that the clause could be read to bar a creditor's direct claim against a Released Party. U.S. Trustee Objection, at ¶ 39. The Debtor has agreed to remove that language from Section 10.8, as reflected in Exhibit A.

78. Finally, the U.S. Trustee asks that the Disclosure Statement explain "whether and to what extent the releases exceed those previously approved in connection with the Global Settlement." U.S. Trustee Objection, at ¶¶ 33-40. The Releases do not duplicate the releases granted under the Global Settlement. The Global Settlement provides for mutual releases between the Debtor, on the one hand, and Holdings and its affiliates, on the other hand, of claims arising from the transactions described therein. The Releases are separate from those releases, and Section 10.6 expressly provides that "nothing in the Plan, including this Section 10.6, shall release, or be interpreted as releasing, any Claims or Causes of Action released under the Global Settlement Order or the Global Settlement." Plan, § 10.6. The Debtor will add responsive disclosure addressing this point, as reflected in Exhibit A.

ii. The Insurance Entity Injunction Is Permissible and Does Not Render the Plan Patently Unconfirmable.

79. The U.S. Trustee contends that the Insurance Entity Injunction operates as an impermissible nonconsensual third-party injunction to the extent it bars creditors from pursuing claims they own against non-Debtor insurers. *See* U.S. Trustee Objection, at ¶¶ 41-49.

80. The Insurance Entity Injunction protects the insurance assets that fund recoveries for holders of Talc Claims. The Debtor's Insurance Rights will be transferred to the Liquidation Trust on the Effective Date, and the TC Recovery Fund, the sole source of recovery for Talc

Claims, will be funded principally with Insurance Proceeds. The injunction is issued "[t]o facilitate the Insurance Rights Transfer, protect the Liquidation Trust, and preserve its Insurance Rights," and it bars actions against Insurance Companies to collect on claims connected with the Insurance Policies. Plan, § 10.5(i)-(ii). However, the injunction is limited. First, Section 10.5(iii) expressly preserves "the rights of any Person to the treatment or other rights accorded them under this Plan, as applicable, including the rights of holders of Talc Claims to assert such Claims, as applicable, in accordance with the Trust Distribution Procedures," thereby directing holders of Talc Claims to the Liquidation Trust for recovery. *Id.* § 10.5(iii)(a). It does not extinguish their claims. Second, the injunction "is not issued for the benefit of any Insurance Company, and no Insurance Company is a third-party beneficiary" of it, except as otherwise specifically provided in any CIP Agreement or Insurance Settlement Agreement. *Id.* § 10.5(i). Third, the injunction does not enjoin the Liquidation Trust from prosecuting or settling any action arising from the Insurance Policies or the CIP Agreements, or from asserting claims against an Insurance Company arising from those policies and agreements. *Id.* § 10.5(ii), (iii)(c)-(d). The Liquidation Trust retains "the sole and exclusive authority at any time to terminate, or reduce, or limit the scope of" the injunction as to any Non-Settling Insurance Company. *Id.* § 10.5(ii).

81. Insurance entity injunctions are a common feature of mass tort plans, and courts have approved them at the disclosure statement stage and at confirmation. *See, e.g.*, *In re Imerys Talc Am., Inc.*, No. 19-10289 (LSS) (Bankr. D. Del. Nov. 5, 2024) [Docket No. 6732] (solicitation version of plan contained similar insurance entity injunction); *In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr. D. Del. Sept. 24, 2025) [Docket No. 1550-1] (confirmed plan contained similar insurance entity injunction); *In re Endo Int'l plc*, No. 22-22549 (JLG) (Bankr. S.D.N.Y. Mar. 18, 2024) [Docket No. 3849] (same).

82. A similar insurance entity injunction was challenged and upheld in the Avon Opinion, where insurers argued that it was "a form of non-consensual third-party release prohibited by" *Purdue*. Avon Opinion, at 6. The District Court rejected that argument, explaining that "an essential and central purpose of the Plan was to address product-related tort claims and facilitate settlements of the Insurance Rights assigned to the Trust to allow for prompt payment to creditors," and that "[w]ithout the Insurance Entity Injunction, the Trust could not maximize the settlement value of the Insurance Policies because the Trust would no longer be able to ensure complete peace to Settling Insurers." *Id.* at 11-12. Rather than operating as a release of claims belonging to others, "[t]he Insurance Entity Injunction facilitates the Trust's pursuit and settlement of Insurance Rights for the benefit of creditors." *Id.* at 12. The same is true here. The Insurance Entity Injunction exists to preserve and monetize the Insurance Rights that the Plan transfers to the Liquidation Trust for the benefit of holders of Talc Claims and General Unsecured Claims.

83. The U.S. Trustee invokes *Purdue* for the proposition that nothing in the Bankruptcy Code authorizes a plan to extinguish claims held by one non-debtor against another non-debtor without consent. The insurers in the Avon Opinion advanced a similar proposition, arguing that the injunction barred a non-settling insurer from pursuing a settling insurer for contribution without the non-settling insurer's consent. Avon Opinion, at 6-7. In both instances, the claims said to be barred, whether asserted by an insurer or by a claimant, are claims asserted by one non-debtor against a non-debtor Insurance Company on account of the Insurance Policies. The District Court rejected the argument, explaining that *Purdue* expressly reserved any view on a plan that "provide[s] for the full satisfaction of claims against a third-party nondebtor," and holding that a provision offsetting a non-settling insurer's liability to the trust by the amount of its contribution claim "will pose no problem" under *Purdue* for that reason. *Id.* at 7 (citation omitted). The

Insurance Entity Injunction likewise takes nothing from holders of Talc Claims without satisfaction, because the Liquidation Trust will pursue the Insurance Rights for their benefit. Holders of Talc Claims retain the right to assert their Claims in accordance with the Trust Distribution Procedures and to recover from the TC Recovery Fund, into which the Insurance Proceeds are paid.

84. The U.S. Trustee separately contends that the Plan permits the Liquidation Trust to extend the Insurance Entity Injunction after Confirmation without notice or a court order, because the Plan's definition of "Insurance Settlement Agreement" requires approval of the Bankruptcy Court only for agreements entered into before the Effective Date. Plan, § 1.1. That reading overlooks Section 11.1 of the Plan, under which this Court retains jurisdiction "to approve any settlements by the Liquidation Trust with one or more Insurance Companies." *Id.* § 11.1(i)(c). The plan in *Avon* had a similar structure, as the District Court noted in affirming the insurance entity injunction. *See* Avon Opinion, at 2-3 ("[T]he Plan assigns rights under certain insurance policies to the Trust and authorizes the Trust to pursue those rights for the benefit of creditors, including the right to settle insurance disputes under policies with relevant insurers. . . . Under the Plan, the Bankruptcy Court retains jurisdiction to approve such settlements and to issue injunctive relief in support of the settlement and buy-back."). Section 9.1(xiv)(f) of the Plan does not provide otherwise. It addresses the contribution to the Liquidation Trust of the proceeds of any sale of Insurance Policies and provides that any Insurance Policies sold to a Settling Insurance Company are sold free and clear "on the Effective Date on the terms and as provided in any applicable Insurance Settlement Agreement." Plan, § 9.1(xiv)(f). Moreover, the Plan Supplement identifies no Settling Insurance Companies, so the Insurance Entity Injunction does not presently benefit any insurer. *See* Plan Supplement, Ex. 2. In any event, to eliminate any doubt, the Debtor has agreed

to add to Section 6.4(e)(i) of the Disclosure Statement that any Insurance Settlement Agreement entered into after the Effective Date shall be subject to the approval of the Bankruptcy Court on notice to parties in interest, as reflected in Exhibit A.

85. The U.S. Trustee's reliance on the *Archbishop of Baltimore* case is also misplaced. That decision did not address an insurance entity injunction. The court there found inadequate disclosure because, among other things, the competing disclosure statements failed to "clearly articulate the treatment of its insurance assets and how creditors may collect against those assets" or describe "the substance and impact of any proposed insurance settlements." *In re Roman Catholic Archbishop of Balt.*, No. 23-16969 (MMH) (Bankr. D. Md. Aug. 4, 2026) [Docket No. 2813], at 11, 15. Here, by contrast, the Disclosure Statement describes the Debtor's insurance assets, the treatment of those assets under the Plan, and the attendant risks, as set forth above. *See supra* ¶¶ 22-28, 41-42. Notably, the court in *Archbishop of Baltimore* set aside "the legality of the proposed release, injunction, and gatekeeping provisions" and stated that it would address the U.S. Trustee's concerns with those provisions "at any confirmation hearing." *Roman Catholic Archbishop of Balt.*, No. 23-16969 (MMH), at 11 & n.30. This Court should likewise address the U.S. Trustee's issues with the Insurance Entity Injunction at the Confirmation Hearing.

iii. The Exculpation Provision Is Permissible and Does Not Render the Plan Patently Unconfirmable.

86. The U.S. Trustee contends that the exculpation provision contained in Section 10.7 of the Plan is overbroad and should be confined to estate fiduciaries, conduct in the Chapter 11 Case, and this Circuit's standard of liability of estate fiduciaries. *See* U.S. Trustee Objection, at ¶¶ 50-54. Section 10.7 is a conventional exculpation provision, and its scope is already limited in each of those respects. It reaches only acts and omissions "taken on or after the Petition Date and prior to or on the Effective Date," and only conduct and transactions relating to the Chapter 11

Case, including the Disclosure Statement, the Plan and Plan Supplement, the Trust Formation Transactions, the VLT Documents, the solicitation of votes for and confirmation of the Plan, the funding and consummation of the Plan, the Sale and Asset Purchase Agreement, the Global Settlement, the administration of the Plan, and the wind-down of the Debtor. Plan, § 10.7. The Exculpated Parties are limited to estate fiduciaries and their court-approved professionals: the Debtor; the Debtor's post-petition officers and managers, including the Independent Manager; the Committee and its members; and the Professional Persons and ordinary course professionals retained by the Debtor, the Independent Manager, or the Committee pursuant to an order of this Court. *Id.* § 1.1. And Section 10.7 does not exculpate any act or omission "determined in a Final Order by a court of competent jurisdiction to constitute gross negligence, willful misconduct or fraud." *Id.* § 10.7.

87. Courts in the Second Circuit evaluate exculpation based on a number of factors, including whether the exculpated parties made substantial contributions to the case, whether the provision is integral to the plan, and whether the provision was necessary to the promotion of good-faith plan negotiations. *See In re Stearns Holdings, LLC*, 607 B.R. 781, 790-91 (Bankr. S.D.N.Y. 2019) (approving exculpation of estate and non-estate fiduciaries for negligence-based conduct in connection with the chapter 11 cases as "essential to the promotion of good-faith plan negotiations"); *In re BearingPoint, Inc.*, 453 B.R. 486, 494 (Bankr. S.D.N.Y. 2011). Each factor is satisfied here, and in all events each is a confirmation question to be resolved on a developed record rather than a basis to withhold approval of the Disclosure Statement. Similar exculpation provisions are routinely approved in this Circuit and in other mass tort chapter 11 cases. *See In re Endo Int'l plc*, No. 22-22549 (JLG) (Bankr. S.D.N.Y. Mar. 18, 2024) [Docket No. 3849]; *In re AIO US, Inc.*, No. 24-11836 (CTG) (Bankr. D. Del. Sept. 24, 2025) [Docket No. 1550-1]; *In re*

Insys Therapeutics, Inc., No. 19-11292 (KG) (Bankr. D. Del. Jan. 14, 2020) [Docket No. 1095]; *In re Paddock Enters., LLC*, No. 20-10028 (LSS) (Bankr. D. Del. May 24, 2022) [Docket No. 1400].

88. Section 10.7's application to the Global Settlement does not render the exculpation overbroad. Section 10.7 reaches only conduct relating to the Global Settlement arising on or after the Petition Date and prior to or on the Effective Date. This Court approved the Global Settlement pursuant to the Global Settlement Order. The U.S. Trustee does not dispute that the Global Settlement "was an integral transaction to this case and ultimately to the Plan" that "formed the construction of the proposed restructuring." U.S. Trustee Objection, at ¶ 38. Exculpation for conduct in implementing a settlement integral to a plan is regularly approved. *See In re Residential Cap., LLC*, No. 12-12020 (MG) (Bankr. S.D.N.Y. Dec. 11, 2013) [Docket No. 6066] (approving exculpation of parties who "played a meaningful role . . . in the mediation process, and through the negotiation and implementation of the Global Settlement and Plan").

89. *Voyager* does not require a different result. The provision at issue there prospectively immunized future conduct—cryptocurrency rebalancing transactions and distributions that the parties retained broad discretion to design and could carry out without further supervision or approval of the bankruptcy court—and purported to immunize criminal conduct. *See In re Voyager Digital Holdings, Inc.*, 2026 WL 2354660, at *3, 12-17 (S.D.N.Y. Aug. 6, 2026) (amending and superseding 2026 WL 2241168 (S.D.N.Y. Aug. 4, 2026)). Section 10.7 does neither. It is retrospective, reaching only conduct occurring on or after the Petition Date and prior to or on the Effective Date, and it does not purport to immunize criminal conduct.

iv. The Plan Does Not Violate Section 1129(a)(10) of the Bankruptcy Code and Does Not Render the Plan Patently Unconfirmable.

90. The U.S. Trustee contends that the Plan's three-class voting structure isolates the Talc Claims from other unsecured creditors and that Class 4 was impaired solely to manufacture an accepting class under section 1129(a)(10) of the Bankruptcy Code, which requires that at least one impaired class accept the plan. *See* U.S. Trustee Objection, at ¶¶ 55-60. The objection is in substance a challenge to the Plan's classification of claims, which is governed by section 1122 of the Bankruptcy Code. Section 1122 of the Bankruptcy Code affords significant flexibility to classify similar claims separately where a reasonable basis exists for doing so. *See In re Drexel Burnham Lambert Grp. Inc.*, 138 B.R. 723, 757 (Bankr. S.D.N.Y. 1992); *Quigley*, 377 B.R. at 116. The limit on that flexibility is that "similar claims may not be separately classified solely to engineer an assenting impaired class[.]" *Bos. Post Rd. Ltd. P'ship v. FDIC (In re Bos. Post Rd. Ltd. P'ship)*, 21 F.3d 477, 482 (2d Cir. 1994).

91. The premise of the U.S. Trustee's objection, that the Plan Proponents created Class 4 because Class 3 or Class 5 may reject the Plan, is speculative and may be disproven by the vote. The Committee is a Plan Proponent and supports the three-class structure, including the separate classification of Talc Claims, and the Committee believes that Class 5 will vote to accept the Plan. If either Class 3 or Class 5 accepts the Plan, the Debtor will have no need to rely on Class 4 to satisfy section 1129(a)(10) of the Bankruptcy Code, and the contention that Class 4 was impaired to secure an accepting class will be moot. The Debtor should be permitted to solicit votes and determine whether its creditors support the Plan.

92. In any event, the treatment of Class 4 rests on grounds wholly independent of section 1129(a)(10) of the Bankruptcy Code. The Bankruptcy Code expressly authorizes a convenience class, permitting a plan to "designate a separate class of claims consisting only of

every unsecured claim that is less than or reduced to an amount that the court approves as reasonable and necessary for administrative convenience." 11 U.S.C. § 1122(b). Holders of General Unsecured Claims may elect to have their Claims treated as General Convenience Claims in exchange for a cash payment on the Effective Date rather than a pro rata share of the GUC Recovery Fund. Plan, §§ 1.1, 4.3-4.4. The treatment of Class 4 was negotiated with the Committee, which represents the interests of all general unsecured creditors. The stated range for Class 4 treatment likewise reflects the mechanics of the election rather than an effort to manufacture impairment. The General Convenience Claim Recovery Fund is funded in the fixed amount of $80,000, so the recovery percentage necessarily depends on how many holders, if any, make the Convenience Claim Election. Plan, § 1.1.

c. R.T. Vanderbilt's Confirmation Objections Should Be Overruled.

93. Beyond its disclosure objections, R.T. Vanderbilt raises confirmation issues that are more appropriately addressed at the Confirmation Hearing and do not render the Plan patently unconfirmable. R.T. Vanderbilt's contention that the administrative claims it expects to assert would render the Estate administratively insolvent rests on damages claims that have not been asserted, liquidated, or allowed. *See* R.T. Vanderbilt Objection, at ¶¶ 12-14, 21. This speculative argument depends on a chain of hypotheticals: that R.T. Vanderbilt sues to enforce the Global Settlement, establishes a breach, proves damages, obtains administrative priority for those damages, and recovers an amount that exhausts the Estate's available cash. Every link in that chain is contested, and none can be resolved on the present record. Nor does the Global Settlement afford administrative priority to damages for its breach; where the parties intended administrative priority, they said so expressly. *See* Independent Manager Reply, at ¶ 17. Further, R.T. Vanderbilt's reliance on *In re Franklin Indus. Complex, Inc.*, 386 B.R. 5 (Bankr. N.D.N.Y. 2008), is misplaced, because a motion for allowance of an administrative claim was already pending there.

See R.T. Vanderbilt Objection, at ¶ 12 & n.12. Here, as of the date of this Reply, no such motion has been filed, and R.T. Vanderbilt has not commenced an adversary proceeding to enforce the Global Settlement but has merely stated that it may do so. *See id.* ¶ 10. A plan is not patently unconfirmable where the asserted defect can be cured by modification and, critically, the Independent Manager has proposed that Confirmation be conditioned on reserving a portion of distributable value for the continued defense of the Consolidated Settlement Order Appeal. *See* Independent Manager Reply, at ¶¶ 3, 18.

94. Sections 12.15 and 10.14 of the Plan do not limit the authority of the appellate courts or call for an advisory opinion. *See* R.T. Vanderbilt Objection, at ¶¶ 7-8, 15-16. Section 12.15 does not purport to bind the District Court, and it expressly provides that nothing in the Plan shall "impair any Non-Debtor Affiliates' or the Buyer's standing to defend the Appeals." Plan, § 12.15; *see* Independent Manager Reply, at ¶ 15. Nor is Section 12.15 the same request this Court declined to grant at the May 7, 2026 hearing. *See* R.T. Vanderbilt Objection, at ¶ 7 n.9. The Committee's stay motion asked the Court to enter relief that would have bound the District Court and constrained the Consolidated Settlement Order Appeal. *See* Docket No. 510. Section 12.15, by contrast, and as clarified on Exhibit A, is a voluntary limitation on the arguments the Debtor and the Independent Manager themselves will make, and it leaves other appellees free to make their own arguments. Section 10.14 provides only that the Plan's limitation on setoff and subrogation "shall not apply to the extent necessary to ensure that the Settlement Appeals are not moot," and does not direct how any appellate court should resolve mootness. Plan, § 10.14. The provisions addressing the allocation of Causes of Action upon a reversal describe what the Plan Proponents anticipate, subject to the findings and rulings of the appellate court, as the revised

Section 6.9(h) of the Disclosure Statement makes clear. *See supra* ¶ 55. The remedy on any reversal thus remains for the appellate court to fashion.

95. R.T. Vanderbilt's alternative request, that the Debtor and the Committee halt all activity other than the Appeals and that no plan be confirmed until the Appeals and R.T. Vanderbilt's threatened adversary proceeding are resolved, is not a disclosure objection and would come at significant cost to creditors. *See* R.T. Vanderbilt Objection, at ¶¶ 9-10, 26. During that delay, holders of Talc Claims, whose claims this Chapter 11 Case was commenced to resolve and pay, would receive nothing, while administrative expenses would continue to accrue against the same limited cash that would otherwise fund their recoveries.

96. R.T. Vanderbilt also proposes a series of Plan modifications, including deletion of the mootness language in Sections 10.14 and 12.15, a segregated "Appeal Reserve" to fund the Committee, Katten, and Debtor's counsel through final resolution of the Appeals, revisions to the definitions of "Retained Causes of Action" and "VLT Assets," deletion of Section 11.1(v), and deletion of the provision of Section 12.14 making post-Effective Date fees and expenses relating to the Appeals payable from the VLT Operating Reserve. *See* R.T. Vanderbilt Objection, at ¶¶ 9, 26 & Ex. B. Those requests confirm that R.T. Vanderbilt's objections concern the content of the Plan, not the adequacy of the Disclosure Statement, and that any perceived defect is curable by modification, which is the antithesis of a patently unconfirmable plan. *See supra* ¶¶ 59-61. The Debtor will continue to engage with R.T. Vanderbilt regarding these proposals, and, consistent with the Independent Manager's proposal that Confirmation be conditioned on reserving a portion of distributable value for the continued defense of the Consolidated Settlement Order Appeal, the revised Section 12.15 of the Plan reflected in Exhibit A establishes a segregated Consolidated Settlement Order Appeal Reserve, which addresses the substance of the requested Appeal Reserve.

See Independent Manager Reply, at ¶¶ 3, 18; *supra* ¶ 54. Likewise, R.T. Vanderbilt's reservation of the right to take discovery regarding the Trust Distribution Procedures and the best interests test confirms that those matters belong at the Confirmation Hearing. *See* R.T. Vanderbilt Objection, at ¶ 27.

i. The Plan Was Proposed in Good Faith.

97. R.T. Vanderbilt's contention that the Plan was not proposed in good faith fares no better. *See* R.T. Vanderbilt Objection, at ¶¶ 17-19. The Debtor incorporates by reference the Independent Manager Reply's response to the suggestion that the Independent Manager supported the Plan in exchange for a release. *See* Independent Manager Reply, at ¶ 16. R.T. Vanderbilt's remaining contentions, that Section 12.15 is a litigation tactic and that the release of the Debtor's chief restructuring officer creates the "appearance" of a conflict, do not render the Plan patently unconfirmable. The Plan has a plain and legitimate purpose: it establishes the Liquidation Trust and the Trust Distribution Procedures to administer and pay Talc Claims, distributes the Debtor's remaining assets to its creditors, and brings this Chapter 11 Case to a close. *See supra* ¶ 6. Section 12.15 was a component of the negotiated resolution with the Committee, without which the Debtor could not have reached agreement on a consensual Plan. *See supra* ¶ 46. R.T. Vanderbilt concedes that "no discovery has taken place" and premises its conflict theory on what may be shown "[i]f this is proved to be what occurred." R.T. Vanderbilt Objection, at ¶ 18. The Releases are narrow and customary in similarly situated chapter 11 cases, do not release gross negligence, willful misconduct, or fraud, and remain subject to this Court's review. *See supra* ¶¶ 46-50. Good faith is assessed on the totality of the circumstances at confirmation, on a developed record, and does not bar approval of a disclosure statement. *Quigley*, 377 B.R. at 119; *see also In re Koelbl*, 751 F.2d 137, 139 (2d Cir. 1984).

98. For the foregoing reasons, the R.T. Vanderbilt Objection should be overruled.

d. The Buyer's Confirmation Objections Should Be Overruled.

99. With respect to the Buyer's confirmation objections, the Buyer contends that Section 12.15 of the Plan abdicates the Debtor's obligation under Section 7.2 of the Asset Purchase Agreement to take "all action as may be commercially reasonable and appropriate" to defend an appeal of the Sale Order (the "Appeal Covenant"), leaving no fiduciary to defend the Sale Order Appeal. *See* Buyer Objection, at ¶¶ 3-9, 13. But there could have been no expectation that the Debtor would exist indefinitely and, given the Debtor's liquidity position, it would be unlikely to survive through the resolution of all outstanding Appeals. Confirmation of the Plan is the only commercially reasonable path that will ensure that the Debtor's creditors receive a recovery.

100. The Buyer's contention that the Plan cannot satisfy section 1129(a)(9)(A) of the Bankruptcy Code, because claims relating to the Appeals would be entitled to administrative priority, fails for the same reasons as R.T. Vanderbilt's parallel argument: no such claim has been asserted, and breach, damages, and priority are all contested. *See supra* ¶ 93; Buyer Objection, at ¶ 10. The resolution described above is intended to avoid that litigation altogether.

101. The Buyer's request that the mootness language in Section 12.15 of the Plan be stricken is likewise a confirmation objection. *See* Buyer Objection, at ¶ 12. Section 12.15 does not bind the Buyer or the appellate courts. Nothing in Section 12.15 prevents the Buyer from continuing to argue, as the Debtor and other appellees have previously argued, that the Sale Order Appeal is statutorily moot under section 363(m) of the Bankruptcy Code because the Sale closed without a stay. *See* Disclosure Statement, § 5.7(c); *supra* ¶ 94.

102. The Buyer's suggestion that the Debtor should instead remain in place as a wind-down debtor with its own budget to defend the Appeals, and its reservation of the right to seek specific performance of the Appeal Covenant, confirm that the Buyer's concerns go to the content of the Plan and the parties' contractual rights, not the adequacy of the Disclosure Statement. *See*

Buyer Objection, at ¶¶ 9, 11 n.7. Those concerns are addressed by the resolution described above and, to the extent any concerns remain, can be resolved at the Confirmation Hearing. *See supra* ¶ 99.

103. The Buyer Objection, including to the extent the Buyer joins in the R.T. Vanderbilt Objection, should be overruled for the reasons set forth herein and in the Independent Manager Reply.

III. RESERVATION OF RIGHTS.

104. This Reply constitutes the Debtor's response to the Objections and is filed on the date set by the briefing schedule governing approval of the Disclosure Statement. All parties in interest have had ample opportunity to review the Plan, the Disclosure Statement, and the Plan Documents, and the filing of this Reply does not entitle any party to file a surreply or to raise new objections absent leave of the Court. The Debtor reserves all rights to respond to any further objections to approval of the Disclosure Statement.

WHEREFORE, for the reasons set forth above, the Debtor respectfully requests that the Court overrule the Objections in their entirety and enter the Disclosure Statement Order approving the Disclosure Statement, the Solicitation and Voting Procedures, and the other relief set forth therein, and grant such other and further relief as the Court may deem just and proper.

Dated: October 13, 2026
Syracuse, New York

Respectfully submitted,

/s/ Charles J. Sullivan

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EXHIBIT A

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
United States Trustee	1012	¶¶ 14–16	DS lists Class 5 Talc Claims recovery as "Unknown" (DS § 1.4) despite stating $11.0M distributable cash and $445M insurance limits (DS § 9.1(f)). DS should give a recovery range, assumptions, timing, and expected first Trust distribution and source.	**The following will be added to Section 1.4 of the Disclosure Statement:** Estimated recovery range for Class 5 Talc Claims of 0-84% with the following footnote: "The estimated recovery range for Allowed Talc Claims is based on various assumptions, including estimated insurance recoveries ranging from $0 to $445,000,000, an estimated $11,000,000 in trust expenses and an estimated aggregate Talc Claim value of $525,000,000 as estimated by the Creditors' Committee. *See April 16, 2026 Hearing Transcript* at 210:6–11. The actual recoveries for Allowed Talc Claims may differ significantly from this estimate should one or more of the underlying assumptions prove to be incorrect, which is beyond the Debtor's control. Such differences may adversely affect the recovery of holders of Allowed Talc Claims."	***Pending***
United States Trustee	1012	¶ 17	Liquidation Analysis (Ex. B) is "[TO COME]," yet the DS relies on it for the best interests test (DS §§ 9.1(m), 11.2).	Liquidation Analysis was filed on September 30, 2026 at Docket No. 996.	***RESOLVED***
United States Trustee	1012	¶ 18	Amendments deleted the condition that the TC Recovery Fund be funded on the Effective Date (Plan § 9.1(viii)). DS should disclose the	**The following will be added to Section 5.3(ii) of the Plan:** "The Liquidation Trust's operations are expected to generate value for the GUC	***Pending***

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
			deletion and what the Fund will hold on the Effective Date.	Recovery Fund and the TC Recovery Fund, and inure to the benefit of the respective underlying beneficiaries." **The following will be added to Section 5.15 of the Disclosure Statement:** "The Disclosure Statement was amended to, among other things, delete the requirement that the TC Recovery Fund be funded on the Effective Date and to instead transfer all remaining cash into the Liquidation Trust. The TC Recovery Fund will be funded with Post-Effective Date Available Cash pursuant to Section 5.8 of the Plan."	
United States Trustee	1012	¶¶ 19–21	DS cross-references the Plan for "Released Parties" (DS § 6.9(h)). DS should list the Released Parties, their roles, and periods of service covered.	**The following will be added to Section 6.9(h) of the Disclosure Statement:** "Released Parties" is defined in the Plan as "Debtor Related Parties," which in turn is defined in the Plan as: collectively, (a) Ben Pickering, solely in his capacity as the independent manager of the Board of Managers and sole member of the Independent Special Committee, (b) BRP Advisory LLC, solely in its capacity as a party to the Engagement Letter dated October 9, 2025, (c) Dean Vomero, solely in his capacity as the Debtor's Chief Restructuring Officer, (d) Applied Business Strategy LLC, solely in the capacity it was engaged by the Debtor, (e)	***PARTIALLY RESOLVED***

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
				Amarilys Franky, solely in her capacity as the Debtor's manager, (f) James Knowlden, solely in his capacity as the Debtor's manager and as an officer of the Debtor, (g) Jeffrey Brohel, solely in his capacity as the Debtor's manager and as an officer of the Debtor, (h) Latham & Watkins LLP, solely in its capacity as the Debtor's counsel, (i) Bond, Schoeneck & King, PLLC, solely in its capacity as the Debtor's counsel, (j) Katten Muchin Rosenman LLP, solely in its capacity as counsel to the Debtor at the sole direction of the Independent Manager and the sole member of the Independent Special Committee, (k) Greenhill & Co., LLC, solely in its capacity as the Debtor's investment banker, (l) Brown Rudnick LLP, solely in its capacity as the Creditors' Committee's counsel, (m) Caplin & Drysdale, Chartered, solely in its capacity as the Creditors' Committee's counsel, (n) Cohen Ziffer Frenchman & McKenna LLP, solely in its capacity as the Creditors' Committee's counsel, (o) Province, LLC, solely in its capacity as the Creditors' Committee's financial advisor, (p) Kurtzman Carson Consultants, LLC d/b/a Verita Global, solely in its capacity as the Debtor's claims, noticing, and solicitation agent, and (q) all Ordinary Course Professionals as of September 15, 2026, solely in their capacity	

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
				as such. For the avoidance of doubt, Jones Day LLP and Vinson & Elkins LLP shall not be considered Debtor Related Parties for any purpose under the Plan. The Released Parties have served in the above articulated capacities as follows: (1) Ben Pickering and BRP Advisory LLC – from September 2025 to present; (2) Dean Vomero and Applied Business Strategy LLC – from May 2025 to present; (3) Amarilys Franky – from June 2022 to June 10, 2026; (4) Knowlden – from June 2022 to June 10, 2026; (5) Jeffrey Brohel – from [●] to June 10, 2026; (6) Latham & Watkins LLP – from April 2026 to present; (7) Bond, Schoeneck & King, PLLC – from January 2026 to present; (8) Katten Muchin Rosenman LLP – from October 2025 to present; (9) Greenhill & Co., LLC – from January 2026 to present; (10) Brown Rudnick LLP – from March 2026 to present; (11) Caplin & Drysdale, Chartered – from March 2026 to present; (12) Cohen, Ziffer Frenchman & McKenna LLP – from March 2026 to present; (13) Province, LLC – from March 2026 to present; (14) Kurtzman Carson Consultants, LLC d/b/a Verita Global – from January 2026 to present; and (15) Ordinary Course Professionals – from the date of retention by the Debtor to present."	

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
United States Trustee	1012	¶¶ 22–23	DS § 5.7 adds procedural history of the Settlement Order Appeal but not the issues on appeal or effect on recoveries; the risk factor (DS § 9.1(e)) covers only timing, not that a reversal could unwind the Global Settlement.	**The following will be added to Section 5.7(a) of the Disclosure Statement:** "The issues on appeal and requested relief with respect to the Consolidated Settlement Order Appeal can be found in the Statements of Issues on Appeal filed by each of the appellants [Docket Nos. 590, 627 and 639]." **The following will replace Section 9.1(e) of the Disclosure Statement:** "There can be no assurance regarding the timing or outcome of the Consolidated Settlement Order Appeal. The Vanderbilt Entities waived the condition that the Global Settlement Order become a Final Order, and the Global Settlement was implemented on June 10, 2026 in connection with the closing of the Sale. No further distributions are contemplated under the Global Settlement. Accordingly, an adverse ruling by an appellate court could affect the finality of the Global Settlement Order, but would not delay any distributions to the Debtor. The impact of an adverse ruling on the Debtor's creditors will ultimately depend on the rulings and findings of the applicable appellate court. If an appellate court were to determine in a Final Order that the Debtor did not have the ability to settle all or certain estate causes of action, the Debtor expects that the Vanderbilt Entities	***Pending***

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
				will likely contend that the value the Vanderbilt Entities provided to the Debtor pursuant to the Settlement Agreement in exchange for the release of such causes of action should be returned to the Vanderbilt Entities, which could impact the amount to be recovered by the Debtor's creditors. A reversal of the Consolidated Settlement Order Appeal may provide a significant avenue for additional recoveries by the Estate and the individual creditors who could have the opportunity to pursue claims against the Vanderbilt Entities. It is possible that a party to the Consolidated Settlement Order Appeal could argue that the Consolidated Settlement Order Appeal is moot, which, if successful, could extinguish the appellants' ability to obtain any effective relief on appeal. The Creditors' Committee will have standing under the Plan to prosecute the Consolidated Settlement Order Appeal and the Sale Order Appeal and rejects the argument that either appeal is moot. Similarly, while the Debtor believes the Buyer is a good-faith purchaser under Section 363(m) of the Bankruptcy Code, there can be no assurance regarding the outcome or timing of the Sale Order Appeal, and an adverse ruling could affect the finality of the Sale Order and the transactions contemplated	

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
				thereunder. Under Section 363(m), unless the Sale Order was stayed pending appeal (which it was not), a reversal or modification of the Sale Order on appeal should not affect the validity of the Sale to the Buyer as a good-faith purchaser, which could be found by an appellate court to moot the Sale Order Appeal. The Debtor and the Creditors' Committee stipulated to stay the Sale Order Appeal pending a final order being issued on the Consolidated Settlement Order Appeal and the District Court has stayed the appeal pursuant to the *Stipulation to Stay Briefing Schedule Pending a Decision on Settlement Appeal* [District Court Dkt. No. 27]." **The following will replace the last paragraph of Section 6.9(h) of the Disclosure Statement:** "For the avoidance of doubt, if the Global Settlement Order is overturned on appeal, (i) such outcome will have no effect on the Releases set forth in Section 10.6 of the Plan, (ii) subject to the findings and rulings of the applicable appellate court or other court of competent jurisdiction, the Debtor and Creditors' Committee expect that (A) any Cause of Action released under the Global Settlement Order or the Global Settlement that is found to not constitute property of the Debtor or the Liquidating Debtor, if any, shall	

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
				be deemed to be returned to and vested in the claimant who held and could have asserted such Cause of Action on his or her own behalf under applicable state law immediately prior to the Petition Date, and (B) any other Cause of Action released under the Global Settlement Order or the Global Settlement shall be deemed to be returned and vested in the Liquidation Trust as a Retained Cause of Action, and (iii) for all Causes of Action returned to and vested in the Liquidation Trust, if any, the Liquidation Trust shall have the exclusive right to commence, prosecute, settle, or abandon such Causes of Action and the Liquidation Trust shall have no obligation to seek to settle such Causes of Action pursuant to the Global Settlement. The Vanderbilt Settlement Parties do not agree with the position of the Debtor and the Creditors' Committee and have reserved all rights, claims, defenses and remedies in the event the Global Settlement Order is overturned or otherwise modified as a result of the appeal."	
United States Trustee	1012	¶ 24	Finality of the Global Settlement Order is not a condition to effectiveness, and Plan §§ 10.14, 12.14, 12.15 do not bind the District Court or Holdings. DS should disclose the equitable mootness risk and that no court has ruled on § 12.15.	*See changes to Section 9.1(e) of the Disclosure Statement referenced above and changes to Section 12.15 of the Plan referenced below.*	***Pending***

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
United States Trustee	1012	¶ 25	DS should explain the Committee's dual role as appellant seeking to unwind the Global Settlement and Plan proponent releasing those who negotiated it.	**The following footnote will be added to Section 5.7(a) of the Disclosure Statement:** "The Creditors' Committee is a Plan Proponent and supports the Plan as the most efficient way forward in this case without further litigation with the Debtor that would further deplete resources available for creditors. For that reason, the Creditors' Committee supports the limited Releases contained within the Plan. Under the Plan, the Creditors' Committee is the primary party prosecuting the Consolidated Settlement Order Appeal and the Sale Order Appeal, if necessary."	***Pending***
United States Trustee	1012	¶¶ 26–27, 40	DS does not describe the released claims, their value, or consideration (only "services" under Plan § 10.6). The "no effect on the Releases" sentence in Plan § 10.6/DS 6.9(h) should be explained in the executive summary and risk factors.	**The following will be added to Section 6.9(h) of the Disclosure Statement:** "Following a thorough investigation into potential causes of action against certain of the Released Parties and in light of the Debtor's support of the Global Settlement, the Debtor does not believe that the claims being released pursuant to Section 10.6 of the Plan have material value to the Debtor, and the Debtor does not believe that it has viable claims worth pursuing against any Released Party. Nevertheless, in consideration for the Releases, the Released Parties provided pre-	***Pending***

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
				and/or post-petition services to the Debtor in furtherance of the Chapter 11 Case. For the avoidance of doubt, the Releases are separate from, and do not duplicate, the mutual releases granted under the Global Settlement. Section 10.6 of the Plan expressly provides that nothing in the Plan shall release, or be interpreted as releasing, any Claims or Causes of Action released under the Global Settlement Order or the Global Settlement." *See also changes to Section 6.9(h) of the Disclosure Statement referenced above.*	
United States Trustee	1012	¶ 28	Plan § 5.7 limits Trust discovery of Released Parties (third parties first, Trust bears cost, no privilege waiver without firm consent). DS should disclose these protections and why beneficiaries bear the cost.	**The following will be added to Section 5.15 of the Disclosure Statement:** "Several of the revisions made to the Plan and/or Disclosure Statement since predecessor documents were filed on August 8, 2026 were part of a weeks-long, arm's-length negotiated resolution between the Debtor and the Creditors' Committee to allow this case to resolve while preserving the Consolidated Settlement Order Appeal and a fund to pursue insurance recoveries. Without the inclusion of each negotiated provision, the Debtor would not have been able to reach agreement with the Creditors' Committee on the terms of a consensual Plan."	***Pending***

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
				The following will be added to Section 6.9(h) of the Disclosure Statement: "Section 5.7 of the Plan sets forth certain procedures governing discovery by the Liquidation Trust of the Released Parties, including that the Liquidation Trust must make best efforts to first seek discovery from third parties, bear the cost of any discovery served on Released Parties, and not waive the attorney-client privilege as to communications with certain Released Parties relating to any aspect of the Chapter 11 Case absent required consents."	
United States Trustee	1012	¶¶ 29–31	Key VLT Documents (Trust Agreement, TDPs) are deferred to the Plan Supplement, leaving two weeks for review. DS should include a plain English summary of how Talc Claims will be evaluated and paid.	The Trust Distribution Procedures were filed with the *Notice of Filing of Trust Distribution Procedures* [Docket No. 990] on September 25, 2026. The Trust Agreement will be filed no later than October 16, 2026, before the Disclosure Statement Hearing. **The following will be added to Article VIII of the Disclosure Statement:** "The Trust Distribution Procedures were filed with the *Notice of Filing of Trust Distribution Procedures* [Docket No. 990] on September 25, 2026. Holders of Talc Claims should review the Trust Distribution Procedures for a complete description of how Talc Claims will be evaluated and paid pursuant thereto. Given	***PARTIALLY RESOLVED***

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
				the complexity of the Trust Distribution Procedures, which set out detailed criteria, claim review procedures, and payment mechanics for Talc Claims, attempting to include a "plain English" summary in the Disclosure Statement would not be practicable and would risk mischaracterizing or oversimplifying the terms of the Trust Distribution Procedures. Creditors with questions related to the Trust Distribution Procedures should consult their own legal counsel."	
United States Trustee	1012	¶ 32	DS reproduces the Insurance Entity Injunction (Plan § 10.5) without explanation or identifying Settling Insurers, CIP Agreements, or settlement terms, so the "conspicuous language" finding (Plan § 9.1(xiv)(b)) cannot be made.	**The following will replace Section 6.9(e)(i) of the Disclosure Statement:** "Purpose. To facilitate the Insurance Rights Transfer, protect the Liquidation Trust, and preserve its Insurance Rights for the benefit of all holders of Talc Claims, pursuant to the equitable jurisdiction and power of the Bankruptcy Court, the Bankruptcy Court shall issue the injunction set forth in Section 10.5 of the Plan; *provided, however*, that the Insurance Entity Injunction is not issued for the benefit of any Insurance Company, and no Insurance Company is a third-party beneficiary of the Insurance Entity Injunction, except as otherwise specifically provided in any CIP Agreement or Insurance Settlement Agreement. The Insurance Entity Injunction does not extinguish any Talc Claim; holders	***Pending***

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
				of Talc Claims retain the right to assert their Claims in accordance with the Trust Distribution Procedures and to recover from the TC Recovery Fund. The Liquidation Trust is not enjoined from pursuing any Insurance Company. As of the date hereof, no Settling Insurance Companies have been identified."	
United States Trustee	1012	¶ 39	Takes issue with "or otherwise will be or is subject to this Plan" language in Section 10.8 of Plan.	Remove "or otherwise will be or is subject to this Plan" from Section 10.8 of the Plan.	***Pending***
United States Trustee	1012	¶¶ 41–46	DS does not explain the Insurance Entity Injunction's scope or statutory basis, provides no consent mechanism, omits carrier protections and consideration, and the Trust may expand it post-confirmation. (¶¶ 47–49 Purdue argument is a confirmation issue.)	**The following will be added to Section 6.4(e)(i) of the Disclosure Statement:** "Any Insurance Settlement Agreement entered into after the Effective Date shall be subject to the approval of the Bankruptcy Court on notice to parties in interest." *See also changes to Section 6.9(e) of the Disclosure Statement referenced above.*	***Pending***
United States Trustee	1012	¶¶ 57-59	DS should explain why Class 4 is impaired, why recovery is a 90–100% range, and whether Class 4 is relied on for § 1129(a)(10). (Merits are confirmation issues.)	**The following will be added to Section 1.4 of the Disclosure Statement:** "Pursuant to the negotiated resolution between the Debtor and the Creditors' Committee, the Creditors' Committee supports the Plan and will recommend that	***Pending***

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
				holders of Claims in each Voting Class vote to accept the Plan. Accordingly, the Plan Proponents anticipate that each of the three impaired Classes entitled to vote will vote to accept the Plan. Section 1129(a)(10) of the Bankruptcy Code requires acceptance by only one impaired Class, determined without including any acceptance of the Plan by any insider. The Plan Proponents therefore do not rely solely on Class 4 to satisfy Section 1129(a)(10). There can be no assurance, however, as to the outcome of the vote of any Class." **The following will be added in a footnote in Section 1.4 of the Disclosure Statement:** "The General Convenience Claim Recovery Fund is funded in the fixed amount of $80,000, so the recovery percentage for Class 4 necessarily depends on how many holders of General Unsecured Claims make the Convenience Claim Election."	

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
R.T. Vanderbilt (Holdings)	1016	¶¶ 2, 21, 24	DS omits that the Plan breaches the Settlement Agreement (not retaining Pickering/Katten, waiving equitable mootness, pre-determining appeal outcome), and that resulting admin claims could render the estate administratively insolvent.	These allegations remain disputed as discussed in the Reply. Nevertheless, the Plan Proponents propose the following revisions to address this objection. **The following will replace Section 12.15 of the Plan:** "This Plan and the Confirmation Order shall not affect the continuation of the pending appeals of the Global Settlement Order (the "***Consolidated Settlement Order Appeal***") or the appeal of the Sale Order (the "***Sale Order Appeal***" and together with the Consolidated Settlement Order Appeals, the "***Appeals***"). Following the Effective Date, the Creditors' Committee shall continue to have standing to prosecute the Appeals on behalf of the Creditors' Committee, and Ben Pickering, solely in his capacity as a representative of the Debtor, shall continue to have standing to participate in the Consolidated Settlement Order Appeal as a representative of the Debtor.[10] Mr. Pickering and Katten Muchin Rosenman LLP ("***Katten***") shall take all actions required to obtain the Settlement Appeal Resolution (as defined in the *Waiver of Condition Precedent to Effectiveness of*	***Pending***

[10] Mr. Pickering shall act solely as a representative of the Debtor in the Consolidated Settlement Order Appeal and shall not have any fiduciary obligations to the Debtor, its estate or the Liquidation Trust following the Effective Date of the Plan. Insurance coverage for Mr. Pickering for his post-Effective Date role shall be an administrative expense claim to be paid by the Trust or the Debtor.

				Settlement Agreement [Docket No. 544-1] (the "***Waiver***")) until a Settlement Appeal Resolution is obtained. On the Effective Date, a segregated reserve account (the "***Consolidated Settlement Order Appeal Reserve***") shall be established in the amount of $500,000 (the "***Consolidated Settlement Order Appeal Reserve Amount***"), which shall be available solely for the payment of fees and expenses of Ben Pickering and Katten related to obtaining the Settlement Appeal Resolution. The Non-Debtor Affiliates shall contribute $250,000 of the Consolidated Settlement Order Appeal Reserve Amount to the Consolidated Settlement Order Appeal Reserve on the Effective Date. The amounts funded into the Consolidated Settlement Order Appeal Reserve shall not cap the amount of fees and expenses that may be incurred by Ben Pickering and Katten related to the Consolidated Settlement Order Appeal provided that the Liquidation Trust shall not be responsible for any fees and expenses in excess of $250,000 and Mr. Pickering and Katten will continue to honor their obligations under the Waiver even if their fees and expenses exceed the amount in the Consolidated Settlement Order Appeal Reserve. If there are any funds remaining in the Consolidated Settlement Order Appeal Reserve following a Settlement Order Appeal Resolution, such amounts shall be transferred to the Liquidation Trust. The Debtor and Mr. Pickering shall not take a position on whether the Consolidated	

				Settlement Order Appeal is moot or on whether confirmation and consummation of the Plan impacts the rights of the appellants to prosecute the Consolidated Settlement Order Appeal and such lack of a position shall have no impact whatsoever on the ability of any other appellee to take a position on the mootness of the Consolidated Settlement Order Appeal on any grounds, nor shall any appellate parties argue that the Debtor's or Mr. Pickering's lack of a position on mootness of the Consolidated Settlement Order Appeal has any impact on whether or not the Consolidated Settlement Order Appeal is moot. Except as provided herein, none of this Plan, the Plan Documents, the Confirmation Order, any finding of fact or conclusion of law with respect to the Confirmation of this Plan, or the occurrence of the Effective Date shall have any effect on the Consolidated Settlement Order Appeal, any party's standing to prosecute or defend the Consolidated Settlement Order Appeal or any party's ability to raise any position or argument pertaining thereto." **The following will replace Section 10.14 of the Plan:** No holder of a Claim or Interest shall be entitled to set off or subrogate any Claim that such holder has against the Debtor against any Cause of Action of the Debtor, or the Liquidation Trust, as applicable, unless such holder filed a motion before the Confirmation Date requesting the right to perform such setoff or subrogation or	

				indicated in an Allowed proof of Claim filed before the Confirmation Date that such holder asserts, has, or intends to preserve such right of setoff or subrogation.	
R.T. Vanderbilt (Holdings)	1016	¶ 22	The DS does not adequately disclose the risk of appeal outcomes. DS § 9.1(e) is wrong: the Final Order Condition was waived, the Settlement Agreement was fully implemented on June 10, 2026, and no future distributions are contemplated.	*See changes to Sections 6.9 and 9.1 of the Disclosure Statement referenced above.*	***RESOLVED***
R.T. Vanderbilt (Holdings)	1016	¶¶ 2, 23–24	DS should highlight that $11M is reserved for an appeal both courts found unlikely to succeed, funds that could otherwise go to creditors.	No change. The Plan discloses the VLT Operating Reserve and provides that post-Effective Date fees and expenses relating to the Consolidated Settlement Order Appeal and the Sale Order Appeal are payable from it. Plan §§ 1.1, 12.14. *See also changes to Section 9.1(e) of the Disclosure Statement referenced above.*	***Pending***
R.T. Vanderbilt (Holdings)	1016	¶ 6 n.7; ¶ 14	DS § 1.1's $11M distributable cash conflicts with Plan funding ($1M GUC Fund; $11M VLT Operating Reserve) and ignores Enforcement Proceeding, confirmation, and admin claim costs. (§ 1129(a)(9)(A) argument is a Plan issue.)	Liquidation Analysis to be updated to evidence $12,080,000 of available cash. **The following will be added to Section 1.1 of the Disclosure Statement:** "As a result of the Sale and Global Settlement, the Debtor holds various assets it is using to administer the Chapter 11 Case and that will be used to administer the Liquidation Trust, with the rest being available for distribution to holders of Allowed Claims in accordance with the Plan, including the GUC Recovery Fund Amount that will be contributed to the GUC Recovery Fund and the General Convenience Claim Recovery Fund Amount that will be contributed to the	***Pending***

				General Convenience Claim Recovery Fund, funds in the Professional Fee Reserve, and funds in the Priority Reserve."	

Objecting Party	Docket No.	Page No.	Summary of Objection	Proposed Resolution	Status
Insurers	1017 (incorporating prior objections at Docket Nos. 913, 916)	pp. 2–6	TDPs bypass the Insurance Policies and CIP Agreements and exclude Insurers, and the DS does not disclose the risk this reduces or eliminates insurance recoveries. Insurers request their proposed risk disclosure.	**The following will be added as Section 9.1(u) to the Disclosure Statement:** "Certain Insurance Companies contend that the Trust Distribution Procedures do not implement or comport with various rights, obligations, and procedures contained in the Insurance Policies and CIP Agreements and will likely contend that Talc Claims settled through the Trust Distribution Procedures alone are not payable in subsequent state court insurance coverage litigation. Accordingly, the Insurance Companies further contend that confirmation of the Plan may lead to future insurance coverage litigation and may result in less insurance, or no insurance, being available to pay claims. The Insurance Companies further contend that any failure of the Liquidation Trust to comply with provisions of the Insurance Policies and CIP Agreements provides the Insurance Companies with contractual defenses, and could materially reduce, delay, or eliminate insurance recoveries that the Liquidation Trust otherwise expects to pursue. The Debtor and the Creditors' Committee disagree with the Insurance Companies' contentions and contend that the implementation of the Trust Distribution Procedures will not create viable coverage defenses. No determination has been made regarding the merits of these positions, and any	***Pending***

				such issues may be resolved and are preserved in any future state court coverage litigation."	

Objecting Party	Docket No.	Page No.	Summary of Objection	Proposed Resolution	Status
Objecting Insurers (Century, Pacific Employers, TIG, Everest, Hartford, Travelers, CoAction)	913	pp. 1–3, 6–10	TDPs and Trust Agreement were not filed or described, so creditors cannot assess how Talc Claims are allowed, valued, and paid or how CIP rights are honored.	TDP filed on September 25, 2026 at Docket No. 990; Plan Supplement filed on September 30, 2026 at Docket No. 996; Trust Agreement to be filed no later than October 16, 2026, before the Disclosure Statement Hearing.	***PARTIALLY RESOLVED***
Objecting Insurers	913	pp. 10–12	DS does not identify the Liquidating Trustee or TAC members, or their qualifications, conflicts, compensation, or authority, despite the Trustee's binding claim determinations.	Plan Supplement identifies the initial Trust Advisory Committee members. Debtor to disclose the identity of the initial Liquidating Trustee in the Plan Supplement prior to the Disclosure Statement hearing.	***PARTIALLY RESOLVED***
Objecting Insurers	913	pp. 12–13	DS omits the risk that noncompliance with the CIP Agreements may defeat coverage from non-settling insurers. Proposed language: "The Debtor is a party to certain Insurance Policies as well as the CIP Agreements and Insurance Settlement Agreements. Any failure by the Trust to comply with the terms of those agreements could result in a finding that the Insurers are not obligated to provide coverage for any claim. Any failure of compliance with all insurance policies and contracts is a material risk to claimants' recoveries."	The Debtor believes the existing disclosure is adequate (Disclosure Statement §§ 5.13(a), 6.7(f), 9.1(f)). Nevertheless, to resolve this objection, the Debtor will add Section 9.1(u) to the Disclosure Statement, as referenced above.	***Pending***
Objecting Insurers	913	pp. 13–17	Voting procedures improperly allow (1) vote changes without cause (Rule 3018(a)(3)); (2) Debtor-only Voting Deadline extensions (Rule	The amended Disclosure Statement Order filed on September 25, 2026 [Docket No. 989] was revised to require that the Solicitation Agent file	***Pending***

			3017(c)); (3) waiver of ballot defects; and (4) stipulated higher voting amounts. Any deviations should be logged and justified.	with the Voting Certification lists of (i) vote changes received prior to the Voting Deadline, (ii) parties granted voting extensions, and (iii) agreements as to Claim amounts for voting purposes, and that any waivers of Ballot defects or irregularities be documented in the Voting Certification. [See Order ¶¶ 38(i), 38(n)]. The amended Disclosure Statement Order also provides that no vote by or on behalf of a holder of a Talc Claim will be counted unless the Ballot is timely submitted with the required written certifications, and that unsigned Ballots and Class 5 Talc Claims Master Ballots on which the attorney fails to make the required certification will not be counted. [See Order ¶¶ 38(f)(v), 39(e), 39(n)(vi), 39(n)(xi)].	
Objecting Insurers	913	pp. 17–20	Schedule is too compressed (21-day vote; objections four weeks later) for needed discovery; Debtor suffers little prejudice from delay.	Resolved by revised schedule following status conferences: Disclosure Statement Hearing October 19, 2026; Voting Deadline November 23, 2026; Fact Discovery Cutoff November 30, 2026; Confirmation Objection Deadline December 1, 2026; Confirmation Reply Deadline December 8, 2026; Confirmation Hearing December 14–15, 2026.	***Pending***

Objecting Party	Docket No.	Page No.	Summary of Objection	Proposed Resolution	Status
Specified Insurers (LMI, CNA, AIG, GEICO)	916	pp. 16–17	TDPs not filed (Plan Ex. A "[TO COME]"), leaving Talc Claim treatment undefined. (Joins Docket No. 913.)	TDP filed on September 25, 2026 at Docket No. 990.	***RESOLVED***
Specified Insurers	916	pp. 17–18	DS's assurance that insurer rights are unaffected (DS §§ 6.4(f), 6.8(a)(xiv)) is not reconciled with the TDPs, Trustee allowance, and Insurance Entity Injunction; DS should explain expressly.	No change; DS and Plan already explain preservation of insurer rights and Insurer Coverage Defenses. *See also changes to Sections 6.4 and 6.9 of the Disclosure Statement referenced above.*	***Pending***
Specified Insurers	916	pp. 18–19	No rule for which controls among the Plan, Confirmation Order, and Insurance Settlement Agreements (Plan § 9.1(xiv)(f)).	**The following will be included in the Confirmation Order:** "In the event of any conflict, inconsistency, or ambiguity between or among any Insurance Settlement Agreement, the Plan, or the Confirmation Order, the terms of the Confirmation Order shall govern and control with respect to all matters addressed therein."	***Pending***
Specified Insurers	916	pp. 19–21	DS does not explain the source, reserves, distribution timing, TDP treatment, or assumption of Trust obligations to pay premiums, deductibles, and SIRs (Plan §§ 5.3, 5.5(vii)).	TDP filed on September 25, 2026 at Docket No. 990. No change; obligations arise under the Insurance Policies and applicable law and are addressed in the Disclosure Statement.	***Pending***

Specified Insurers	916	pp. 21–23	DS does not identify the Liquidating Trustee or Trust terms (DS § 6.4(c)(i)), violating § 1129(a)(5)(A)(i).	Debtor to disclose the initial Liquidating Trustee and file the Trust Agreement no later than October 16, 2026, before the Disclosure Statement Hearing.	***Pending***

Objecting Party	Docket No.	Paragraph No.	Summary of Objection	Proposed Resolution	Status
Buyer	1025	¶ 11	The Plan violates the "Appeal Covenant" in the APA and related litigation risk.	**The following will be added as Section 9.1(v) to the Disclosure Statement:** "Risk of Litigation with the Buyer The Buyer contends that the Plan violates the provision in the Asset Purchase Agreement which requires the Debtor "to take all action as may be commercially reasonable and appropriate" to defend against an appeal of the Sale Order. The Debtor and the Creditors' Committee disagree with the Buyer's contention and contend that the Plan does not violate the Asset Purchase Agreement. No determination has been made regarding the merits of these positions. Failure to reach an agreeable resolution with the Buyer may subject the Debtor to litigation and the Buyer's rights to litigate such issues are preserved."	***Pending***