

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re

ALDRICH PUMP LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-____ (___)

(Joint Administration Requested)

**EX PARTE APPLICATION OF THE DEBTORS FOR
AN ORDER AUTHORIZING THEM TO RETAIN AND EMPLOY
BATES WHITE, LLC AS ASBESTOS CONSULTANTS AS OF THE PETITION DATE**

Aldrich Pump LLC and Murray Boiler LLC, as debtors and debtors in possession (together, the "Debtors"), hereby apply to the Court for the entry of an order authorizing them to retain and employ Bates White, LLC ("Bates White") as asbestos consultants as of the date hereof. In support of this Application, the Debtors represent as follows:

Background

1. On the date hereof (the "Petition Date"), the Debtors commenced their reorganization cases (the "Chapter 11 Cases") by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code").

2. The Debtors are authorized to continue to manage their property and operate their businesses as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. A comprehensive description of the Debtors, their history, their assets and liabilities, and the events leading to the commencement of these Chapter 11 Cases can be found in the *Declaration of Ray Pittard in Support of First Day Pleadings* (the "Pittard Declaration")

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



and the *Declaration of Allan Tananbaum in Support of Debtors' Complaint for Injunctive and Declaratory Relief, Related Motions, and the Chapter 11 Cases* (together with the Pittard Declaration, the "First Day Declarations"), which were filed contemporaneously herewith and are incorporated herein by reference. In addition to the First Day Declarations, the Debtors have filed an Informational Brief to provide additional information about their asbestos litigation, related costs, and plans to address these matters in these Chapter 11 Cases.

Jurisdiction

4. This Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Relief Requested

5. Pursuant to section 327(a) of the Bankruptcy Code, Rules 2014(a) and 2016 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rules 2014-1 and 2016-1 of the Rules of Practice and Procedure of the United States Bankruptcy Court for the Western District of North Carolina (the "Local Bankruptcy Rules"), and consistent with the *Guidelines for Compensation and Expense Reimbursement of Professionals* issued by this Court (the "Compensation Guidelines"), the Debtors hereby seek to retain and employ Bates White as asbestos expert consultants in these Chapter 11 Cases to provide expert and consulting services relating to the evaluation and estimation of the Debtors' asbestos liability, effective as of the Petition Date, in accordance with the terms of the engagement letter between Bates White and Jones Day (on behalf of the Debtors), effective as of May 1, 2020, a copy of which is attached hereto as Exhibit A (the "Engagement Letter").²

² Any references to or summaries of the Engagement Letter herein are qualified by the express terms of the Engagement Letter.

6. In support of this Application, the Debtors submit the *Declaration of Charles H. Mullin, Ph.D.*, the Managing Partner of Bates White (the "Mullin Declaration"), a copy of which is attached hereto as Exhibit B and incorporated by reference herein.

Bates White's Qualifications

7. Bates White is an economic consulting firm that provides, among other things, services relating to the economic analysis and estimation of mass tort claims. The Debtors have selected Bates White based on its considerable experience with, and knowledge regarding, asbestos claims and valuation. In addition, this engagement is expected to be led by highly experienced experts.

8. As indicated in the Mullin Declaration and in Dr. Mullin's resume attached thereto, Dr. Mullin has more than 20 years of experience in providing expert testimony and guidance on litigation and business matters and has authored more than 75 expert reports. Included among the matters in which Dr. Mullin has provided or is currently providing asbestos-related expert testimony or related services are the bankruptcy cases of DBMP LLC, Leslie Controls Inc., Motors Liquidation Company, Owens Corning, Plant Insulation Company, Specialty Products Holding Corp. (Bondex), and Thorpe Insulation Company. In addition, Dr. Mullin has testified in numerous asbestos-related insurance and reinsurance coverage disputes and provided valuations in bankruptcies involving mass torts other than asbestos, such as Blitz U.S.A., Inc. (relating to allegedly defective gas cans) and TK Holdings (relating to defective airbags).

9. Dr. Bates's resume also is attached to the Mullin Declaration. As indicated therein, Dr. Bates has more than 25 years of experience in providing expert testimony and guidance on asbestos claims in bankruptcy, litigation, and business matters. Included among the matters in which Dr. Bates has provided or is currently providing asbestos-related expert

testimony or related services are the bankruptcy cases of ASARCO LLC, Bestwall LLC, Congoleum Corporation, DBMP LLC, Federal Mogul Corporation, GAF Corporation, Garlock Sealing Technologies LLC, Kaiser Aluminum Corporation, Motors Liquidation Company, National Gypsum Company, Plibrico Company, The Babcock & Wilcox Company, Turner & Newall, United States Gypsum Corporation, W.R. Grace and Company, and the Western MacArthur Company. In addition, Dr. Bates testified at the Senate Judiciary Committee's hearing on the economic viability of the trust fund proposed under the Fairness in Asbestos Injury Resolution (FAIR) Act of 2005.

Services to Be Provided by Bates White

10. The Debtors anticipate that Bates White will render economic consulting, claims valuation, and related services to the Debtors as needed in connection with asbestos personal injury claims against the Debtors and related potential costs and liabilities. These services may include, but are not limited to:

- (a) performing due diligence and analysis regarding the Debtors' current, potential, and overall asbestos liability (both defense costs and indemnity), including with respect to historical and projected trends, econometric evaluations, market analysis, and evaluations using other established methodologies;
- (b) estimating the number and value of, and producing analysis with respect to, present and future asbestos personal injury claims against the Debtors;
- (c) assisting the Debtors in negotiations with various parties regarding the Debtors' asbestos liability, including by evaluating proposals or potential proposals and providing analysis, information, and support in connection therewith;
- (d) advising the Debtors regarding the funding of any asbestos trust that may be created pursuant to the Bankruptcy Code;
- (e) advising the Debtors regarding financial issues that may impact the valuation of asbestos claims;

- (f) providing expert testimony and reports related to the foregoing and assisting the Debtors in preparing and evaluating reports and testimony by other experts and consultants; and
- (g) providing such other consulting services as may be requested by the Debtors.

11. The Debtors require knowledgeable consultants to render these essential professional services. As noted above, Bates White has substantial expertise in all of these areas. In addition, Bates White has become intimately familiar with the Debtors, their history, and all aspects of their asbestos liabilities (including the underlying products, the history of litigation to date, settlement history, and related matters) as a result of its work for the Debtors prior to the Petition Date. Accordingly, the Debtors respectfully submit that Bates White is well qualified to perform these services for the Debtors.

Compensation and Fee Applications

12. Bates White has indicated its willingness to serve as asbestos consultants and experts for the Debtors and to receive compensation and reimbursement in accordance with its standard billing practices, the provisions of the Engagement Letter, sections 330 and 331 of the Bankruptcy Code, the Compensation Guidelines, the Interim Compensation Order (as defined below), and any applicable orders of this Court. The Engagement Letter specifies that the Bates White retention is through Jones Day, as counsel to the Debtors; however, the Debtors are solely responsible for the payment of fees for services rendered by Bates White, along with payment of any related costs under the terms of the Engagement Letter. See Engagement Letter ¶ 3.

13. Bates White has agreed to accept as compensation such sums as may be allowed by the Court. Bates White understands that interim and final fee awards are subject to approval by this Court.

14. Prior to the Petition Date, on or about May 4, 2020 and June 2, 2020, the Debtors provided Bates White with retainers totaling \$300,000 for services rendered or to be rendered, and for reimbursement of expenses (the "Retainers"). Fees applied against the Retainers as of the Petition Date totaled \$251,539.07, comprised of (a) \$141,539.07 in actual fees and expenses as of May 31, 2020, and (b) \$110,000 representing Bates White's estimate of fees for June 1, 2020 through June 17, 2020 (just before the Petition Date). Bates White previously received \$300,000 in retainers from Trane Technologies plc prior to May 1, 2020 and applied \$288,799.64 against those payments, leaving \$11,200.36 remaining unapplied, which was credited to the Murray and Aldrich accounts. Thus, as of the Petition Date, and subject to reconciliation, approximately \$60,000 of the Retainers remained unapplied.³

15. The Debtors respectfully submit that the rates charged by Bates White are fair and reasonable. Bates White has provided its hourly rates below for work in this case, as follows:

<u>Billing Category</u>	<u>Range</u>
<i>Partner</i> (Dr. Charles Bates)	\$1,200
<i>Partner</i> (Dr. Charles Mullin)	\$1,000
<i>Partner</i>	\$700 - \$1,400
<i>Principal</i>	\$525 - \$775
<i>Manager</i>	\$410 - \$625
<i>Senior Economist</i>	\$415 - \$525
<i>Senior Consultant</i>	\$400 - \$475
<i>Economist</i>	\$415 - \$425
<i>Consultant II</i>	\$350 - \$400

³ Bates White will (a) complete its reconciliation of prepetition fees and expenses actually incurred for the period up to the Petition Date no later than the filing of its first interim fee application in these Chapter 11 Cases; (b) make a corresponding adjustment to the amount of the Retainers on or about that date; and (c) disclose such adjustment in its first interim fee application. Subject to the foregoing adjustment, Bates White requests authorization from the Court to hold any remaining amount of the Retainers following such reconciliation as security for the payment of postpetition fees and expenses, subject to the terms of any order establishing procedures for interim compensation and reimbursement of expenses of retained professionals (any such order, the "Interim Compensation Order"). Bates White will not apply any portion of the Retainers to fees and expenses incurred from and after the Petition Date unless and until authorized to do so by a further order of this Court, including the Interim Compensation Order.

<u>Billing Category</u>	<u>Range</u>
<i>Consultant I</i>	\$325 - \$350
<i>Project Coordinator</i>	\$210 - \$240
<i>Project Assistant</i>	\$195 - \$210

Bates White's hourly billing rates are subject to periodic adjustments to reflect economic and other conditions and promotions; however, such rates may be adjusted only with the consent of the Debtors. Engagement Letter ¶ 8. Further, under the terms of the Engagement Letter, if the invoiced fees that are not subject to any bankruptcy holdback are paid within 30 days of the date they are due under the Interim Compensation Order or other applicable rules in these Chapter 11 Cases, the Debtors will receive a 5% prompt-pay discount for the entire invoiced amount. See Engagement Letter ¶¶ 9, 11.

16. Bates White's hourly billing rates are not intended to cover out-of-pocket expenses and certain elements of other expenses that are typically billed separately. Accordingly, Bates White regularly charges its clients for the expenses and disbursements incurred in connection with the client's case, including, among other things, postage and package delivery charges, court fees, transcript costs, travel expenses, expenses for "working meals," and research. Bates White has agreed that it will only seek reimbursement of expenses in accordance with sections 330 and 331 of the Bankruptcy Code, Bankruptcy Rule 2016, the Compensation Guidelines, the Interim Compensation Order, and any other applicable orders of this Court.

17. The Engagement Letter specifies that any dispute arising between Bates White and Jones Day or the Debtors will be determined by binding arbitration in Washington, DC. See Engagement Letter ¶ 15. Notwithstanding this provision, Bates White has agreed that the Bankruptcy Court shall hear and adjudicate any such dispute during the pendency of these Chapter 11 Cases.

18. The Engagement Letter specifies that the parties thereto shall not be liable to one another for substantially all indirect, special, consequential, or exemplary damages. See Engagement Letter ¶ 17. The Engagement Letter also limits the liability of Bates White for direct damages equal to the lesser of the amount of fees paid or \$1,000,000 with respect to services performed under the Engagement Letter. Id. Notwithstanding such provision, Bates White's liability will not be limited or released by the Engagement Letter for any claim or expense where: (a) such claim or expense is judicially determined to have arisen from Bates White's gross negligence, willful misconduct, fraud, or bad faith; (b) with respect to a contractual dispute in which the Debtor alleges the breach of Bates White's contractual obligations, the Court determines that such release or limitation would not be permissible under applicable law; or (c) such claim or expense is settled prior to a judicial determination under (a) or (b), but determined by this Court, after notice and a hearing, to be a claim or expense for which Bates White should not have its liability released or limited under the terms of the Engagement Letter.

19. The Engagement Letter also permits the Debtors, Jones Day, or Bates White to terminate the agreement upon seven days written notice. See Engagement Letter ¶ 19.

Disclosure Concerning Disinterestedness

20. In reliance on the Mullin Declaration and except as set forth therein, the Debtors believe that (a) the members and professionals of Bates White do not have any connections with the Debtors, their affiliates, their creditors, the Bankruptcy Administrator for the Western District of North Carolina (the "Bankruptcy Administrator"), any person employed in the office of the Bankruptcy Administrator, or any other party with an actual or potential interest in these Chapter 11 Cases or their respective attorneys or accountants; (b) Bates White is not a creditor, equity security holder, or insider of the Debtors; (c) none of Bates White's professionals is, or was within two years of the Petition Date, a director, officer, or employee of

the Debtors; and (d) Bates White neither holds nor represents an interest materially adverse to the Debtors or their estates. Accordingly, the Debtors believe that Bates White is a "disinterested person," as defined in section 101(14) of the Bankruptcy Code and as required by section 327(a) of the Bankruptcy Code.

21. To the extent that, during the period of its retention, Bates White discovers any new relevant facts or relationships bearing on the matters described herein, Bates White will supplement the Mullin Declaration.

Notice

22. Pursuant to Local Bankruptcy Rule 9013-1(f), the Debtors seek approval of this Application on an *ex parte* basis. Nevertheless, the Debtors have served a copy of this Application on: (a) the Bankruptcy Administrator; (b) the parties on the list of 20 law firms with significant representations of asbestos claimants filed with the Debtors' chapter 11 petitions; and (c) counsel to the Debtors' non-debtor affiliates, Trane Technologies Company LLC and Trane U.S. Inc. The Debtors submit that, in light of the *ex parte* nature of the relief requested, no other or further notice need be provided.

No Prior Request

23. No prior request for the relief sought in this Application has been made to this or any other court in connection with these Chapter 11 Cases.

WHEREFORE, the Debtors respectfully request that the Court (a) enter an order, substantially in the form attached hereto as Exhibit C, granting the relief requested herein; and (b) grant such other and further relief to the Debtors as the Court may deem just and proper.

Dated: June 18, 2020
Charlotte, North Carolina

Respectfully submitted,

/s/ John R. Miller, Jr.

C. Richard Rayburn, Jr. (NC 6357)
John R. Miller, Jr. (NC 28689)
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-and-

Brad B. Erens (IL Bar No. 06206864)
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-and-

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PROPOSED ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION

Exhibit A

Engagement Letter

May 1, 2020

Via Electronic Mail

Brad B. Erens, Esq.
Jones Day
77 W. Wacker Drive
Chicago, IL 60601
T: 312.269.5040
bberens@jonesday.com

Re: Analyses of Potential Asbestos Costs

Dear Mr. Erens:

1. Thank you for selecting Bates White, LLC (“Bates White”) to provide expert services on behalf of your clients, Aldrich Pump LLC and Murray Boiler LLC (together, the “Companies”), in the above-referenced matter. This letter sets forth the terms of this engagement and, once signed by the parties, is effective as of May 1, 2020. This letter amends, restates and supersedes the letter with you dated December 9, 2019 with respect to the former Ingersoll-Rand plc, a predecessor in interest to the Companies.
2. Jones Day (“Jones Day” or “you”) has agreed to retain Bates White on behalf of Jones Day’s clients, the Companies, in connection with the above-referenced matter. Bates White has agreed to provide Jones Day and the Companies with expert consulting services and analysis, including, if requested, a report on same in writing or in sworn testimony. Bates White has agreed to apply independent judgment and conduct independent analysis while undertaking such inquiry and performing such tasks as Jones Day may request and Bates White and Jones Day determine are appropriate.
3. While Jones Day will review invoices provided by Bates White for appropriateness, the Companies, not Jones Day, will be responsible for payment of all fees and expenses. Bates White agrees to send all invoices to Jones Day, and Jones Day will forward those invoices, after review, to the Companies on a monthly basis.
4. Bates White understands that its work product under this arrangement is being prepared in connection with the above matter. Bates White agrees not to disclose the fact that it is providing consulting services in this matter unless it has first obtained the written consent of the Companies or Jones Day. Bates White will treat all communications with the Companies and Jones Day as privileged and confidential; and all documents, data and information, provided to Bates White, in paper, electronic and any other format, by the

- Companies or by Jones Day, shall be deemed “confidential.” Unless otherwise agreed, any reports, memoranda, or other documents we prepare in connection with this matter will be treated as confidential attorney work product. Such case-specific materials prepared by Bates White for the Companies in connection with this matter (the “Deliverables”) will be the property of the Companies and will be segregated and maintained separate from Bates White’s other work for other clients so that the confidentiality of these matters can be maintained. No disclosure of any such materials will be made to third parties unless such disclosure has been authorized in writing by the Companies or Jones Day, or a court or some other lawful process has required disclosure. Information or documents provided by the Companies that are or become publicly available shall not be considered confidential. Bates White agrees to comply with all applicable data privacy laws and confidentiality or protective orders.
5. Notwithstanding the foregoing, all methodologies, procedures, management tools, software, data files, concepts, ideas, inventions, know-how, reports, documents, materials, and other intellectual capital (“Bates White intellectual property”) that Bates White has developed, created, or acquired prior to performing the above-described services, or such Bates White intellectual property of general purpose and utility that Bates White develops, creates, or acquires during performance of the above-described services, are and shall remain the sole and exclusive property of Bates White, and neither Jones Day nor the Companies shall have or acquire any right, claim, title or interest in or to any such intellectual capital.
 6. Bates White shall take direction from Jones Day regarding the scope of work and as to the manner in which its work is presented and its Deliverables are prepared and presented. The Companies agree that Bates White may take direction from Jones Day without notification to or approval or concurrence from the Companies.
 7. The project team at Bates White will include professional and administrative staff resources as appropriate. Our fees are based upon the time actually spent by each assigned Bates White Partner and employee at their hourly billing rate.
 8. Our 2020 rates for Bates White personnel range from \$195.00 to \$1,400.00 per hour. Outside of promotions, Bates White agrees that rates will remain fixed through December 31, 2020. Subsequently and subject to your consent, rates may be adjusted from time to time, typically annually at the end of a calendar year and upon promotion of staff, however rate adjustments must be approved by Jones Day or the Companies. Provided that the adjusted rates are market, you, on behalf of the Companies, agree that consent to these adjustments will not be unreasonably withheld. Bates White has a wealth of

experts, including economists and affiliated academics widely recognized in their fields, who have developed significant expertise in many different fields over many years, and from time to time, those experts may provide strategic consulting advice on this matter. That advice will be billed on an hourly basis, except as otherwise agreed. In addition to professional fees, our bills will include out-of-pocket expenses that Bates White incurs on the Companies' behalf, such as travel, electronic invoicing charges from third party vendors, and other case-specific charges. Further, the Companies will provide Bates White with an initial retainer of \$200,000, against which Bates White will bill its monthly fees and expenses. Bates White agrees to advise the Companies and Jones Day if the retainer balance reaches \$50,000, and may seek replenishment of the retainer back to \$200,000. If at any point the initial retainer, and any additional retainers, have been depleted, invoices will be presented monthly to the Companies for payment.

9. Invoices will be presented for each month's efforts and are due within 75 days. Our invoices will contain the total hourly charges by timekeeper for the period covered by the invoice plus a summary of expenses. Invoices paid within thirty days (30) of receipt will receive a 5% prompt-pay discount. The Companies agree to pay interest at a rate of 1.0% per month on all account balances that have not been paid within ninety (90) days of the invoice date. In the event you or the Companies dispute an amount due on an invoice, you agree to communicate such disagreement to me, in writing, within thirty (30) days of the invoice date, and to pay the undisputed portion within ninety (90) days. Failure by you or the Companies to communicate a disagreement regarding the amount due on an invoice within thirty (30) days of the invoice shall constitute a waiver of any such disagreement. In the event that the Companies' account becomes overdue in excess of ninety (90) days past the invoice date or the Companies refuse to pay in whole or in part for work performed, Bates White reserves the right to withhold further services. Bates White requires that all invoices outstanding more than ninety (90) days past the invoice date be paid prior to any deposition, hearing appearance or courtroom testimony.
10. If it becomes necessary for an affiliate of the Companies to file a petition under chapter 11 of the Bankruptcy Code, the ongoing employment of Bates White will be subject to the approval of the bankruptcy court with jurisdiction over the petition. If necessary, Bates White will modify the terms and conditions of employment described above as may be required to comply with the applicable requirements of the bankruptcy process, including any orders of the bankruptcy court.
11. Should this matter become subject to bankruptcy court payment processes, subject to the approval of the bankruptcy court as described above, then payment terms would be

modified as follows. The timing of payment regarding the portion of invoices not subject to any holdback provisions will dictate the prompt-pay discount and interest accrual for the entire balance of the invoice. For example, invoices for which the Companies pay the balance not subject to a holdback provision within thirty (30) days of the payment date included in the bankruptcy court payment process would receive the 5% prompt-pay discount for the entire balance of the invoice, regardless of when the court approves payment of the funds subject to the holdback provision. Similarly, interest shall not apply to portions of invoices subject to a holdback provision until after seventy-five (75) days after the later of the date the court approves payment of the funds subject to the holdback provision and the deadline for making the holdback payment set forth in the bankruptcy court payment process.

12. Upon request, Bates White will provide Jones Day or the Companies with an estimated budget for the services. Any estimate of anticipated fees and costs will be our best estimate of the effort required to complete the work based upon the information available to Bates White at the time it is made. Under no circumstances shall any such estimate be considered a maximum fee or an offer to perform the services on a fixed fee basis.
13. Except as otherwise may be required by law, it is Bates White's policy to return or destroy documents and data provided by Jones Day or the Companies, or subject to protective orders, at the conclusion of the engagement. Therefore, Jones Day or the Companies will notify Bates White promptly upon the closing of this matter and provide direction to Bates White with respect to disposition of such documents or data. If Jones Day or the Companies request the return or destruction of its documents or data, Bates White will return or destroy them at the Companies' expense. If Jones Day or the Companies do not provide such direction within the earlier of thirty days (30) of the conclusion of the engagement or fourteen (14) days prior to the deadline for compliance with the terms of an applicable protective order, Bates White may return or destroy such documents at the Companies' expense without further notice or liability.
14. Bates White is not aware of anything that would impair our ability to provide independent and objective services in this matter. Jones Day and the Companies acknowledge that Bates White is engaged by many different clients, ranging from corporations to other business entities, law firms, and government entities, including those with adverse, competitive or opposing interests. You and the Companies agree that Bates White may be engaged by parties adverse to Jones Day and the Companies, or with interests adverse to those of Jones Day or the Companies, in matters other than the present one. You and the Companies further acknowledge that Bates White remains free

to perform work similar, in subject matter or otherwise, to that requested by you in other matters and for other clients. Bates White is not required to advise Jones Day or the Companies of such engagements. Bates White is committed to protecting the confidential information of clients, and Bates White may establish internal walls if deemed necessary in Bates White's discretion and at such time as Bates White deems necessary and appropriate.

15. Any dispute, claim or controversy between Bates White on the one hand and Jones Day or the Companies on the other hand, arising out of or relating to this agreement, whether sounding in contract, tort (including, but not, limited to malpractice) or otherwise, including the breach, termination, enforcement, interpretation or validity thereof, and including the determination of the scope or applicability of this agreement to arbitrate and all issues relating to whether a dispute, claim, controversy, or party is subject to arbitration, shall be determined in binding arbitration. The arbitration shall be before a single arbitrator and shall be administered by JAMS pursuant to its Comprehensive Arbitration Rules and Procedure then in place and effect. Such arbitration shall take place in Washington, DC. The substantially prevailing party shall be entitled to fees and costs incurred in the arbitration. Judgment on the award may be entered in any court of competent jurisdiction.
16. This Agreement shall be governed by and construed in accordance with the laws of the District of Columbia without respect to its conflicts of laws principles. Each of the parties hereby consents to submit itself to the personal jurisdiction of the federal and local courts located in Washington, DC in any suit, action, or proceeding arising out of or relating to this Agreement that could not be resolved by the parties in accordance with the arbitration process set out above. In any proceedings brought to enforce the terms of this Agreement, the substantially prevailing party shall be entitled to fees and costs incurred including, without limitation, reasonable attorneys' fees.
17. The parties shall not be liable to one another, whether sounding in contract, tort, (including but not limited to malpractice), or otherwise, including the breach, termination, enforcement, interpretation, or validity of this agreement, for indirect, special, consequential, or exemplary damages, nor shall Bates White be liable for direct damages in excess of the lesser of fees paid or \$1,000,000 with respect to services performed under this letter.
18. Unless extended in writing (or unless earlier terminated as provided below), this engagement will terminate upon the earliest of (a) the end of the matter described in this

Mr. Brad B. Erens

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May 1, 2020

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letter, (b) the conclusion of our work on the matter, or (c) written notification by Bates White, Jones Day or the Companies that the agreement is terminated. In any event, unless we agree otherwise in writing, this engagement will be deemed terminated if the matter has been inactive and Bates White has had no occasion to perform any expert services in connection with it for a period of one year.

19. Jones Day, the Companies or Bates White may terminate this agreement upon seven (7) days written notice. In the event of termination by Jones Day, the Companies, or Bates White, the Companies continue to be responsible for payment for work performed up to and including the date of termination, and such payment shall be due immediately.
20. The parties agree that paragraphs 2, 3, 4, 5, 9, 13, 14, 15, 16, 17 and 19 survive the termination of this Agreement.
21. If this letter correctly states our arrangement, please sign below where indicated and return it to our attention.

Sincerely,

Bates White, LLC



Charles Mullin, PhD
Partner

Jones Day

By: _____
Brad B. Erens

Dated: _____

letter, (b) the conclusion of our work on the matter, or (c) written notification by Bates White, Jones Day or the Companies that the agreement is terminated. In any event, unless we agree otherwise in writing, this engagement will be deemed terminated if the matter has been inactive and Bates White has had no occasion to perform any expert services in connection with it for a period of one year.

19. Jones Day, the Companies or Bates White may terminate this agreement upon seven (7) days written notice. In the event of termination by Jones Day, the Companies, or Bates White, the Companies continue to be responsible for payment for work performed up to and including the date of termination, and such payment shall be due immediately.
20. The parties agree that paragraphs 2, 3, 4, 5, 9, 13, 14, 15, 16, 17 and 19 survive the termination of this Agreement.
21. If this letter correctly states our arrangement, please sign below where indicated and return it to our attention.

Sincerely,

Bates White, LLC



Charles Mullin, PhD
Partner

Jones Day

By: _____

Brad B. Erens

Dated: _____

5/1/20

Mr. Brad B. Erens

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May 1, 2020

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Aldrich Pump LLC



By: _____

Allan Tananbaum

Chief Legal Officer & Secretary

Dated: 4 May 2020

Murray Boiler LLC



By: _____

Allan Tananbaum

Chief Legal Officer & Secretary

Dated: 4 May 2020

Exhibit B

Mullin Declaration

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION**

In re

ALDRICH PUMP LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-____ (___)

(Joint Administration Requested)

DECLARATION OF CHARLES H. MULLIN, PH.D.

Pursuant to Rule 2014(a) of the Federal Rules of Bankruptcy Procedure

(the "Bankruptcy Rules"), I, Charles H. Mullin, Ph.D., hereby declare:

1. I am the Managing Partner of Bates White, LLC ("Bates White"), which maintains offices at 2001 K Street NW, North Building, Suite 500, Washington, DC 20006.

A copy of my curriculum vitae is attached hereto as Exhibit 1.

2. I am duly authorized to make this Declaration on behalf of Bates White. I make this Declaration in support of the Ex Parte Application of the Debtors for an Order Authorizing Them to Retain and Employ Bates White, LLC as Asbestos Consultants as of the Petition Date (the "Application").² The facts set forth in this Declaration are personally known to me and, if called as a witness, I could and would testify thereto.

Bates White's Qualifications

3. Bates White is an economic consulting firm that provides, among other things, services relating to the economic analysis and estimation of mass tort claims. Bates White has considerable experience with, and knowledge regarding, asbestos claims and

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

² Capitalized terms not otherwise defined herein have the meanings given to them in the Application.

valuation. In addition, this engagement is expected to be led by highly experienced experts, myself and Dr. Charles Bates. Dr. Bates's curriculum vitae is attached hereto as Exhibit 2.

4. I have more than 20 years of experience in providing expert testimony and guidance on litigation and business matters and have authored more than 75 expert reports. Included among the matters in which I have provided or am currently providing asbestos-related expert testimony or related services are the bankruptcy cases of DBMP LLC, Leslie Controls Inc., Motors Liquidation Company, Owens Corning, Plant Insulation Company, Specialty Products Holding Corp. (Bondex), and Thorpe Insulation Company. In addition, I have testified in numerous asbestos-related insurance and reinsurance coverage disputes and provided valuations in bankruptcies involving mass torts other than asbestos, such as Blitz U.S.A., Inc. (relating to allegedly defective gas cans) and TK Holdings (relating to defective airbags).

5. Dr. Bates has more than 25 years of experience in providing expert testimony and guidance on asbestos claims in bankruptcy, litigation, and business matters. Included among the matters in which Dr. Bates has provided or is currently providing asbestos-related expert testimony or related services are the bankruptcy cases of ASARCO LLC, Bestwall LLC, Congoleum Corporation, DBMP LLC, Federal Mogul Corporation, GAF Corporation, Garlock Sealing Technologies LLC, Kaiser Aluminum Corporation, Motors Liquidation Company, National Gypsum Company, Plibrico Company, The Babcock & Wilcox Company, Turner & Newall, United States Gypsum Corporation, W.R. Grace and Company, and the Western MacArthur Company. In addition, Dr. Bates testified at the Senate Judiciary Committee's hearing on the economic viability of the trust fund proposed under the Fairness in Asbestos Injury Resolution (FAIR) Act of 2005.

Services to Be Provided by Bates White

6. Bates White will render economic consulting, claims valuation, and related services to the Debtors as needed in connection with asbestos personal injury claims against the Debtors and related potential costs and liabilities. These services may include, but are not limited to:

- (a) performing due diligence and analysis regarding the Debtors' current, potential, and overall asbestos liability (both defense costs and indemnity), including with respect to historical and projected trends, econometric evaluations, market analysis, and evaluations using other established methodologies;
- (b) estimating the number and value of, and producing analysis with respect to, present and future asbestos personal injury claims against the Debtors;
- (c) assisting the Debtors in negotiations with various parties regarding the Debtors' asbestos liability, including by evaluating proposals or potential proposals and providing analysis, information, and support in connection therewith;
- (d) advising the Debtors regarding the funding of any asbestos trust that may be created pursuant to the Bankruptcy Code;
- (e) advising the Debtors regarding financial issues that may impact the valuation of asbestos claims;
- (f) providing expert testimony and reports related to the foregoing and assisting the Debtors in preparing and evaluating reports and testimony by other experts and consultants; and
- (g) providing such other advisory services as may be requested by the Debtors.

Compensation and Fee Applications

7. Bates White is willing to serve as asbestos consultants and experts for the Debtors and to receive compensation and reimbursement in accordance with its standard billing practices, the provisions of the Engagement Letter, sections 330 and 331 of the Bankruptcy Code, the Compensation Guidelines, the Interim Compensation Order, and any other applicable

orders of this Court. The Engagement Letter specifies that the Bates White retention is through Jones Day, who will provide direction as to the scope and type of services Bates White is to provide. In any event, however, the Debtors are solely responsible for the payment of services rendered by Bates White, along with payment of any related costs under the terms of the Engagement Letter. See Engagement Letter ¶ 3.

8. Bates White has agreed to accept as compensation such sums as may be allowed by the Court. Bates White understands that interim and final fee awards are subject to approval by this Court.

9. Prior to the Petition Date, on or about May 4, 2020 and June 2, 2020, the Debtors provided Bates White with retainers totaling \$300,000 for services rendered or to be rendered, and for reimbursement of expenses (the "Retainers"). Fees applied against the Retainers as of the Petition Date totaled \$251,539.07, comprised of (a) \$141,539.07 in actual fees and expenses as of May 31, 2020, and (b) \$110,000 representing Bates White's estimate of fees for June 1, 2020 through June 17, 2020 (just before the Petition Date). Bates White previously received \$300,000 in retainers from Trane Technologies plc prior to May 1, 2020 and applied \$288,799.64 against those payments, leaving \$11,200.36 remaining unapplied, which was credited to the Murray and Aldrich accounts. Thus, as of the Petition Date, and subject to reconciliation, approximately \$60,000 of the Retainers remained unapplied.

10. Bates White has provided its hourly rates below for work in this case as follows:

<u>Billing Category</u>	<u>Range</u>
<i>Partner</i> (Dr. Charles Bates)	\$1,200
<i>Partner</i> (Dr. Charles Mullin)	\$1,000
<i>Partner</i>	\$700 - \$1,400
<i>Principal</i>	\$525 - \$775
<i>Manager</i>	\$410 - \$625

<u>Billing Category</u>	<u>Range</u>
<i>Senior Economist</i>	\$415 - \$525
<i>Senior Consultant</i>	\$400 - \$475
<i>Economist</i>	\$415 - \$425
<i>Consultant II</i>	\$350 - \$400
<i>Consultant I</i>	\$325 - \$350
<i>Project Coordinator</i>	\$210 - \$240
<i>Project Assistant</i>	\$195 - \$210

Bates White's hourly billing rates are subject to periodic adjustments to reflect economic and other conditions and promotions; however, such rates may be adjusted only with the consent of the Debtors. See Engagement Letter ¶ 8. Further, under the terms of the Engagement Letter, if the invoiced fees that are not subject to any bankruptcy holdback are paid within 30 days of the date they are due under the Interim Compensation Order or other applicable rules in these Chapter 11 Cases, the Debtors will receive a 5% prompt-pay discount for the entire invoiced amount. See Engagement Letter ¶¶ 9, 11.

11. In addition, also subject to approval by this Court, Bates White shall submit for reimbursement all of its reasonable out-of-pocket expenses in connection with these Chapter 11 Cases.

12. No promises have been received by Bates White as to compensation in connection with these Chapter 11 Cases other than as outlined in this Declaration and the Application in accordance with the provisions of the Bankruptcy Code. Bates White has no agreement with any other entity to share any compensation received.

13. The terms of Bates White's employment and compensation as described in this Declaration, the Engagement Letter, and the Application are consistent with employment and compensation arrangements typically entered into by Bates White when providing such advisory services and, to the best of our knowledge, are competitive with those arrangements entered into by other economic consulting firms when rendering comparable services.

14. The Engagement Letter specifies that any dispute arising between Bates White and Jones Day or the Debtors will be determined by binding arbitration in Washington, DC. See Engagement Letter ¶ 15. Notwithstanding this provision, Bates White has agreed that the Bankruptcy Court shall hear and adjudicate any such dispute during the pendency of these Chapter 11 Cases.

15. The Engagement Letter specifies that the parties thereto shall not be liable to one another for substantially all indirect, special, consequential, or exemplary damages. See Engagement Letter ¶ 17. The Engagement Letter also limits the liability of Bates White for direct damages equal to the lesser of the amount of fees paid or \$1,000,000 with respect to services performed under the Engagement Letter. Id. Notwithstanding such provision, Bates White's liability will not be limited or released by the Engagement Letter for any claim or expense where: (a) such claim or expense is judicially determined to have arisen from Bates White's gross negligence, willful misconduct, fraud, or bad faith; (b) with respect to a contractual dispute in which the Debtor alleges the breach of Bates White's contractual obligations, the Court determines that such release or limitation would not be permissible under applicable law; or (c) such claim or expense is settled prior to a judicial determination under (a) or (b), but determined by this Court, after notice and a hearing, to be a claim or expense for which Bates White should not have its liability released or limited under the terms of the Engagement Letter.

16. The Engagement Letter also permits the Debtors, Jones Day, or Bates White to terminate the agreement upon seven days written notice. See Engagement Letter ¶ 19.

Disclosure Concerning Disinterestedness

17. Through Jones Day, the Debtors have provided us a listing of potentially interested parties in these Chapter 11 Cases (the "Interested Parties"). To the extent that information was available, we undertook a detailed, good faith search to determine and to

disclose, as set forth herein, whether we have provided or currently provide consulting services to any significant creditors, insiders, or other parties-in-interest identified by such list in any substantively unrelated matters.

18. In preparing this Declaration, our staff, under my direction and control, searched our database containing the names and matter descriptions of current and previous engagements handled by our firm. To the extent the information is available, the search request identified parties to whom Bates White has provided or currently provides services that also are Interested Parties, which included significant creditors of the Debtors, significant professional advisors to the Debtors, and other potential parties-in-interest in these Chapter 11 Cases.

19. To the best of my knowledge and belief, Bates White has provided, or is currently providing, consulting services to certain creditors of the Debtors (or affiliates of creditors of the Debtors), equity security holders, or other parties-in-interest in matters unrelated to the Debtors or these Chapter 11 Cases, as described on Exhibit 3 to this Declaration. In addition, prior to the formation of the Debtors, Bates White was retained, through counsel, and provided consulting services to the former Ingersoll-Rand Company (a former New Jersey corporation) ("Old IRNJ"), former Trane U.S. Inc. ("Old Trane"), and the Trane Company ("Trane Co.") regarding Old IRNJ's, Old Trane's, and Trane Co.'s asbestos liabilities. Separately, Bates White was retained by an insurer as part of coverage litigation with Old IRNJ involving Old IRNJ's asbestos liabilities. Our understanding is that insurer previously settled with Old IRNJ and is not an Interested Party in these Chapter 11 Cases.

20. If Bates White discovers additional information that requires disclosure, we will promptly file a supplemental disclosure with the Court.

21. Bates White is not a creditor, equity security holder, or an insider of any of the Debtors.

22. Bates White is not, and was not, within two years before the Petition Date, a director, officer, or employee of the Debtors.

23. Accordingly, to the best of my knowledge, information and belief, Bates White is a "disinterested person" as such term is defined by section 101(14) of the Bankruptcy Code.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: June 18, 2020
Washington, DC

/s/ Charles H. Mullin, Ph.D.

Charles H. Mullin, Ph.D.
BATES WHITE, LLC
2001 K Street NW
North Building, Suite 500
Washington, DC 20006
Telephone: (202) 408-6110
Facsimile: (202) 408-7838

Exhibit 1

Charles H. Mullin, Ph.D. Curriculum Vitae

CHARLES H. MULLIN, PHD

Partner

AREAS OF EXPERTISE

- Data analysis
- Econometrics
- Statistical analysis
- Insurance allocation
- Microsimulation modeling
- Economic modeling



SUMMARY OF EXPERIENCE

Charles H. Mullin is the Bates White Managing Partner. He provides advice and expert analysis on issues involving mass torts, class actions, insurance coverage, bankruptcies, and due diligence for mergers, acquisitions, and spin-offs. He is a recognized expert on statistical and data analysis, econometrics, economic and microsimulation modeling, insurance allocation, and asbestos-related matters. In 2018 and 2019, *Who's Who Legal* named him Insurance Expert of the Year. Dr. Mullin has authored more than 75 expert reports and provided expert testimony in more than 50 matters, as well as provided due diligence reports for corporate transactions. He has more than 20 years of experience providing this expertise in both the private and public sectors.

He taught courses in statistics, econometrics, and labor economics while on the faculty in the Department of Economics at Vanderbilt University and at the University of California at Los Angeles. Dr. Mullin has published papers on applied and theoretical econometrics and labor economics in peer-reviewed journals, and he is frequently invited to speak at industry conferences.

EDUCATION

- PhD, Economics, University of Chicago
- BA, Mathematics and Economics, University of California at Berkeley

SELECTED EXPERIENCE

- Assessed the value of pending and future asbestos-related personal-injury claims on behalf of the Debtors in *In re DBMP, LLC*, No. 20-30080 (Bankr. W.D.N.C.): 2020–present.
- Assessed the value of pending and future asbestos-related personal-injury claims on behalf of the Debtors in *In re Paddock Enterprises, LLC*, No. 20-10028 (LSS) (Bankr. D. Del.): 2020–present.
- Authored presentation for investor group and provided model of potential losses related to bodily-injury claims alleged related to agricultural pollutant: 2019
- Retained on behalf of the Debtors in *In re Purdue Pharma L.P., et al.*, No. 19-23649 (Bankr. S.D.N.Y.): 2019–present.

- Authored expert report in *In re Midwest Generation, LLC, et al.*, No. 12-49218 (Bankr. N.D. Ill.): 2019.
- Authored expert report and provided deposition testimony on behalf of excess insurers in *In re Kaiser Gypsum Company, Inc., et al.*, No. 16-31602 (Bankr. W.D.N.C.): 2018–present.
- Authored expert report in *Consumer Financial Protection Bureau v. Navient Corporation and Navient Solutions, Inc.*, No. 3:17-cv-00101 (M.D. Pa., Jan. 18, 2017). 2018–present.
- Authored expert report and provided deposition testimony in *Keyes Law Firm v. Napoli Bern Ripka Shkolnik, LLP, et al.*, No. 1:17-cv-02972 (U.S. Dist. Ct. D. Md.): 2018–2020.
- Authored expert report and provided deposition testimony in *St. Paul Surplus Lines Insurance Company v. Wright Medical Group, Inc., et al.*, No. CH-14-0927 (Tn. Ch. Ct. 13th Jud. Dist. Memphis): 2018–2019.
- Authored expert report, provided deposition testimony, and testified in *Cannon Electric, Inc., now known as ITT Cannon, Inc., et al. v. ACE Property and Casualty Company, et al.*, No. BC 290354 (Super. Ct. Cal. L.A. Cty. Ct.): 2018.
- Assessed the value of pending and future asbestos-related personal-injury claims on behalf of the Debtors in *In re Bestwall, LLC*, No. 17-31795 (Bankr. W.D.N.C.): 2017–present.
- Assessed the value of pending and future airbag-related personal-injury claims on behalf of automobile manufacturers in the matter of *In re: TK Holdings Inc., et al.*, No. 17-11375 (BLS) (Bankr. D. Del.) and related proceedings: 2017–2018.
- Authored expert reports and testified in *James D. Sullivan et al. v. Saint-Gobain Performance Plastics Corporation*, No. 5:16-cv-00125 (U.S. Dist. Ct. D. Vt.): 2017–2019.
- Authored expert report, provided deposition testimony, and testified in *In re the Receivership of Fraser's Boiler Service, Inc.*, No. 15-2-01791-8 SEA (Wash. Super. Ct., King Cnty.): 2017.
- Authored expert report in *Gerrit H. Brouwer et al. v. Wyndham Vacation Resorts, Inc. et al.* No. 2014-CA-008533 (Fl. Cir. Ct. 9th Jud. Cir. Orange Ct.): 2017–present.
- Authored expert report in *Ernest Yaeger, Jr. et al. v. Wyndham Vacation Resorts, Inc. et al.* No. 2014-CA-008054 (Fl. Cir. Ct. 9th Jud. Cir. Orange Ct.): 2017–present.
- Authored declarations and testified in a reinsurance arbitration: 2017–present.
- Authored declaration and reports, provided deposition testimony, and testified in a reinsurance arbitration: 2016–present.
- Analyzed coverage issues on behalf of Columbia Casualty Co. regarding pharmaceutical-based losses: 2016.
- Authored expert reports on behalf of HDI-Gerling Industrial Insurance Co. regarding pharmaceutical-based losses: 2015–2016.
- Authored expert report and declaration and provided deposition testimony in *Appleton Papers Inc. & NCR Corp. v. George A. Whiting paper Co. et al.*, NO. 08-C-16 (U.S. Dist. Ct. E.D.WI): 2015–2017.
- Authored expert reports on behalf of ACE Bermuda insurance Ltd. regarding an arbitration claim by 3M Company regarding allegedly defective masks and respirators against Bermuda-Form policies: 2015–2016.
- Authored expert report on behalf of Allstate Insurance Company regarding an insurance contribution claim in *Certain Underwriters at Lloyd's London v. Allstate et al.*, NO. C101-1674 (Ohio Ct. Com. Pl., Lucas Cnty.): 2015–2016.

- Analyzed coverage issues stemming from agricultural-related water contamination claims: 2015–2018.
- Analyzed coverage issues stemming from MTBE-related claims filed: 2015–2018.
- Authored expert report and provided deposition testimony in *Direct General Ins. Co. v. Indian Harbor Ins. Co.*, No. 1:14-CV-20050-MGC (S.D. Fla.): 2015.
- Authored expert report, provided deposition testimony, and testified during arbitration on behalf of General Re Corporation and SCOR SE in a reinsurance matter: 2014–2017.
- Analyzed coverage issues stemming from Benzene claims filed in *Radiator Specialty Company vs. Arrowood Indemnity Company et al.*, No. 13 CVS 2271 (NC Super. Ct. Mecklenburg Cnty.): 2014–2015.
- Coauthored letters supporting the approximately \$700 million international legacy asbestos liability and related insurance valuations for the newly combined AMEC Foster Wheeler across US GAAP and IFRS accounting frameworks, as well as periodic updates to said analyses: 2014–present.
- Authored declaration on behalf of insurance companies in *AIU Ins. Co. v. Philips Elecs. N. Am. Corp.*, No. 9852-VCN (Del. Ch.): 2014–2015.
- Authored declaration on behalf of insurance companies in *In re T.H. Agric. & Nutrition, LLC*, No. 08-14692 (Bankr. S.D.N.Y.): 2014.
- Analyzed coverage issues stemming from environmental loss in *Olin Corporation v. Insurance Company of North America et al.*, No. 84 CIV. 1968 (TPG) (U.S. Dist. Ct. S.D.N.Y.): 2014–2015.
- Provided legacy liability valuation report that parsed liability for a large-scale energy generator across specific facilities and over time: 2014.
- Authored expert report, provided deposition testimony, and testified during arbitration on behalf of Allstate Insurance Company in a reinsurance matter: 2013–2015.
- Provided deposition testimony on behalf of National Indemnity Company in *Nat'l Indem. Co. v. State*, No. XDDV 2012-140 (Mont. Dist. Ct., Lewis & Clark Cnty.): 2013–2018.
- Authored expert report, provided deposition testimony, and testified on behalf of insurance companies in *Nooter Corp. v. Allianz Underwriters Ins. Co.*, No. 1022-CC01145-01 (Mo. Cir. Ct. 22nd Jud. Cir. St. Louis City): 2013–present.
- Coauthored expert report, provided deposition testimony, and testified on behalf of multiple insurance companies in *In re Blitz U.S.A.*, No. 11-13603 (PJW) (Bankr. D. Del.): 2013–2014.
- Provided deposition testimony on behalf of The Hartford Accident and Indemnity Company in the matter *Fluor Corp. v. Hartford Accident & Indem. Co.*, No. 06CC00016 (Cal. Super. Ct., Orange Cnty.): 2013.
- Authored expert report on behalf of The Hartford Accident and Indemnity Company in the matter *Hartford Accident & Indemnity Co. v. Travelers Indem. Co.*, No. X07-HHD-CV-11-6021732-S (Conn. Super. Ct., Hartford Cnty.): 2013–2015.
- Provided deposition and trial testimony on behalf of The Travelers Indemnity Company in *US Silica Co. v. ACE Fire Underwriters Ins. Co.*, No. 06-C-2 (W. Va. Cir. Ct., Morgan Cnty.): 2013.
- Authored expert report and testified during arbitration proceedings on behalf of the Massachusetts Insurance Insolvency Fund in *In re the Liquidation of Midland Ins. Co.*, No. 41294/86 (N.Y. Sup. Ct.): 2012–2013.
- Authored expert report, provided deposition testimony, and testified at trial on behalf of Defendant in *Cannon Elec., Inc. v. Affiliated FM Ins. Co.*, No. BC 290354 (Cal. Super. Ct., L.A. Cnty.): 2012–2013.

- Authored expert report and provided deposition testimony on behalf of multiple insurance companies in *Goodrich Corp. v. A.G. Securitas et al.*: 2013–2015.
- Authored expert reports and testified during arbitration proceedings on behalf of Munich Re regarding pharmaceutical-based losses: 2011–2013.
- Authored expert report on behalf of Zurich International (Bermuda) Ltd. in a Wellington ADR: 2011.
- Authored expert reports, provided deposition testimony, and testified during arbitration on behalf of Liberty Mutual Insurance Company in a series of related reinsurance arbitration matters: 2011–2013.
- Authored expert reports and declarations, provided deposition testimony, and testified during the confirmation hearing on behalf of multiple insurance companies in *In re Plant Insulation Co.*, No. 09-31347 TC (Bankr. N.D. Cal.): 2011–2014.
- Provided consulting services for a coalition of direct action plaintiffs in *In re Puerto Rican Cabotage Antitrust Litigation*.
- Analyzed liability and damages resulting from the indirect claim on behalf of a large coalition of direct-action plaintiffs in the United States, Asia, and Europe in *In re TFT-LCD (Flat Panel) Antitrust Litig.*, MDL No. 1827 (N.D. Cal.): 2011–2015.
- Authored expert reports, provided deposition testimony, and testified assessing the value of pending and future asbestos-related personal-injury claims on behalf of the Debtors in *In re Specialty Prods. Holding Corp.*, No. 10-11780 (JKF) (Bankr. D. Del.): 2010–2015.
- Assessed the value of pending and future asbestos-related personal-injury claims on behalf of the Debtors in *In re Garlock Sealing Techs., LLC*, No. 10-BK-31607 (Bankr. W.D.N.C.): 2010–2018.
- Assisted a Fortune 500 company in the completion of a limited portfolio transfer of thousands of asbestos claims to a major insurance company: 2010–2011.
- Authored declaration and provided deposition testimony on behalf of multiple insurance companies in *In re Leslie Controls, Inc.*, No. 10-12199 (CSS) (Bankr. D. Del.): 2010–2011.
- Authored declarations on behalf of Century Indemnity Company in *In re Thorpe Insulation Co.*, No. CV 10-1493 DSF (Bankr. C.D. Cal.): 2010–2011.
- Assessed the value of pending and future asbestos-related personal-injury claims on behalf of the Official Committee of Unsecured Creditors in *In re Motors Liquidation Co.*, No. 09-50026 (REG) (Bankr. S.D.N.Y.): 2010–2011.
- Assessed the value of diacetyl claims on behalf of the Official Committee of Equity Security Holders in *In re Chemtura Corp.*, No. 09-11233 (REG) (Bankr. S.D.N.Y.): 2010.
- Provided deposition and trial testimony in *Cannon Electric, Inc., now known as ITT Cannon, Inc., et al. v. Affiliate FM Insurance Company, et al.*, No. BC 290354 (Super. Ct. Cal. L.A. Cty. Ct.) Goulds: 2009–2017.
- Authored expert report on behalf of FM Global and Utica in an arbitration matter: 2009–2010.
- Authored expert reports and provided deposition testimony on behalf of Aviva Insurance Company in *Flintkote Co. v. Gen. Accident Assurance Co. of Can.*, No. C04-01827 MHP (N.D. Cal.): 2009–2010.
- Provided deposition testimony on behalf of NL Industries, Inc., in *Brown v. NL Indus., Inc.*, No. 06-602096-CZ (Mich. Cir. Ct., Wayne Cnty.): 2009–2010.

- Authored expert report on behalf of taxpayers in *Cencast Servs., L.P. v. United States*, Nos. 02-1916 T through 02-1925 T (Fed. Cl.): 2009–2012.
- Authored declaration on behalf of the State of Israel in *In re Holocaust Victim Assets Litig.*, No. 09-160 (ERK)(JO) (E.D.N.Y.): 2009–2010.
- Provided deposition testimony on behalf of multiple insurance companies in the matter *State of Minnesota v. Associated Medical Assurance Ltd.*, No. 27-CV-08-1912 (Minn. Dist. Ct., Hennepin Cnty.): 2008–2010.
- Authored expert reports, provided deposition testimony, and testified on behalf of multiple insurance companies in *Continental Casualty Co. v. BorgWarner Inc.*, No. 04 CH 01708 (Ill. Cir. Ct., Cook Cnty.): 2007–present.
- Authored expert reports, provided deposition testimony, and testified on behalf of multiple insurance companies in *Continental Ins. Co. v. Honeywell Int’l, Inc.*, No. MRS-L-1523-00 (N.J. Super. Ct., Morris Cnty.): 2007–2018.
- Authored expert report and provided deposition testimony on behalf of insurance company in *Nat’l Serv. Indus., Inc. v. Appalachian Ins. Co.*, No. E-22807 (Ga. Super. Ct., Fulton City): 2007.
- Authored expert report, provided deposition testimony, and testified on behalf of policyholder in *Imo Indus., Inc. v. Transamerica Corp.*, No. L-2140-03 (N.J. Super. Ct., Mercer Cnty.): 2007–2011.
- Authored expert report and provided deposition testimony on behalf of insurance company in *Degussa Corp. v. Century Indem. Co.*, No. UNN-L-2163-03 (N.J. Super. Ct., Union Cnty.): 2007.
- Authored expert report and provided deposition testimony on behalf of insurance joint defense group in *Foster Wheeler LLC v. Affiliated FM Ins. Co.*, No. 600777/01 (N.Y. Sup. Ct., N.Y. Cnty.): 2007–2011.
- Authored expert reports, provided deposition testimony, and testified on behalf of Argonaut Insurance Company in several reinsurance arbitrations: 2006–2007.
- Coauthored a report on the economic viability of the Trust Fund proposed under S.852, the Fairness in Asbestos Injury Resolution (FAIR) Act of 2005, which highlights how compensation criteria specified for the proposed Fund would change the number and composition of claims relative to the current tort environment: 2005.
- Authored due diligence reports on asbestos, silica, and other mass tort matters for corporate transactions that assessed potential future tort expenditures and evaluated the insurance assets that may provide coverage for those tort expenditures: 2005–present.
- Authored expert reports and provided deposition testimony assessing the Trust-based liquidated values and insurance allocation on behalf of Plaintiff in *Nat’l Union Fire Ins. Co. of Pittsburgh, Pa. v. Porter Hayden Co.*, No. 1:03-CV-03408-CCB (D. Md.): 2004–2015.
- Authored expert report and provided deposition testimony to address the fraction of expenditures associated with a company’s asbestos installation operations on behalf of Defendants in *Owens Corning v. Birmingham Fire Ins. Co. of Pa.*, No. C10200104929 (Ohio Ct. Com. Pl., Lucas Cnty.): 2003–2005.
- Authored expert report focused on the design and implementation of claims file samples in *Hercules Inc. v. OneBeacon Am. Ins. Co.*, No. 02C-11-237 (Del. Super. Ct., New Castle Cnty.): 2004.
- Assisted with settlement negotiations by analyzing the total value of a national refractory company’s products and nonproducts coverage associated with claims for both asbestos and potential silica liabilities.

- Evaluated future liabilities and projected insurance recoveries under various scenarios, such as geographic constraints regarding a regional insulation contractor and supply company.
- Served on behalf of the US Department of Labor in providing statistical analysis for discriminatory hiring cases and assessing damages.
- Analyzed demand-side management programs for utility companies. Evaluated different contract structures, software development options, and returns on subsidization programs.
- Investigated potential collusion and redlining by auto-insurance companies on behalf of the Office of the Chicago Mayor.

PROFESSIONAL EXPERIENCE

Prior to joining Bates White, Dr. Mullin worked at Chicago Partners, where he provided damages assessments for antitrust matters. Previously, he worked at Quantum Consulting, where he conducted demand-side management for utility companies, and at Litigation Resolution Group. In addition to his professional experience, Dr. Mullin was on the faculty in the Departments of Economics at Vanderbilt University and the University of California at Los Angeles.

INDUSTRY PRESENTATIONS

- “Update on Talc Litigation.” Perrin Conferences—National Asbestos Litigation Conference, Oct. 1, 2018.
- “Corporate Roundtable: In-House Perspectives on Asbestos Litigation.” Perrin Conferences—Asbestos Litigation Conference: A National Overview & Outlook, Sept. 13, 2016.
- “Emerging Risks & Insurance Issues in 2016 Coverage Litigation.” Perrin Conferences—Emerging Insurance Coverage & Allocation Issues Conference, May 18, 2016.
- “Impact of Bankruptcies on Litigation Strategies.” Perrin Conferences—Asbestos Litigation Conference: A National Overview & Outlook, Sept. 28, 2015.
- “Emerging Issues, Coverage Trends and Key Jurisdictional Updates for 2015.” Perrin Conferences—Emerging Insurance Coverage & Allocation Issues, May 19, 2015.
- “National Trends Driving Asbestos Litigation.” Perrin Conferences—Asbestos Litigation Conference: A National Overview & Outlook, Sept. 17, 2013.
- “Asbestos Bankruptcy Update.” Perrin Conferences—Asbestos Litigation Conference: A National Overview & Outlook, Sept. 16, 2013.
- “Charting the Right Course in 2013: A Closer Look at This Year’s Emerging Insurance Coverage Issues.” Perrin Conferences—Emerging Insurance Coverage & Allocation Issues in 2013, May 14, 2013.
- “National Trends Driving Asbestos Litigation.” Perrin Conferences—Asbestos Litigation Conference: A National Overview & Outlook, Sept. 10, 2012.
- “Mathematical Estimates of Carrier Exposures.” Perrin Conferences—Emerging Insurance Coverage & Allocation Issues, Feb. 23, 2012.
- “Quantifying the Exposure: Reinsurance, Reserves, and Practical Considerations.” Perrin Conferences—Emerging Insurance Coverage & Allocation Issues, Jan. 24, 2011.

- “Adding Up the Parts—Settlement Offsets in All Sums Jurisdictions.” Perrin Conferences—Emerging Insurance Coverage & Allocation Issues, Jan. 24, 2011.
- “Impact of Current Tort Environment on Asbestos Reserves.” 2010 Casualty Actuary Society Annual Meeting, Nov. 8, 2010.
- “Litigating Asbestos Cases in 2010: National Trends Driving the Litigation.” Perrin Conferences—Asbestos Litigation Conference: A National Overview & Outlook, Sept. 13, 2010.
- “Trusts On-Line: The Impact of Asbestos Bankruptcies on the Tort System.” Perrin Conferences—Asbestos Bankruptcy Conference, June 21, 2010.
- “Asbestos Litigation in 2010 & Beyond—Current and Emerging Trends.” Perrin Conferences—Cutting Edge Issues in Asbestos Litigation, Feb. 25–26, 2010.
- “A National Update on Current Cases & Trends that are Driving Asbestos Bankruptcy Litigation.” Perrin Teleconference Series, Dec. 1, 2009.
- “Asbestos Bankruptcy: New Filings, Confirmations & Dismissals.” Perrin Conferences—Asbestos Litigation Mega Conference, Sept. 14–16, 2009.
- “Claims Estimation in Mass Tort Cases.” ABA Section of Business Law Spring Meeting Committee on Business Bankruptcy, Apr. 16–18, 2009.
- “Role of the Bankruptcy Trusts in Civil Asbestos.” BVR Legal/Mealey’s Emerging Trends in Asbestos Litigation Conference, Mar. 9–11, 2009.
- “Damages in a Bad Faith Case.” BVR Legal/Mealey’s Bad Faith Litigation Conference, Nov. 6–7, 2008.
- “Emerging Issues and Important Developments.” West Legalworks, Insurance and Reinsurance Allocation 2008: A Comprehensive Workshop, June 12, 2008.
- “Impact of Underlining Litigation Developments.” West Legalworks, Insurance and Reinsurance Allocation, Nov. 7, 2007.
- “Removing the Asbestos Overhang—Is There an Alternative to Asbestos Bankruptcy?” Mealey’s Publications, Mealey’s National Asbestos Litigation SuperConference, Sept. 26, 2007.
- “Another Chapter in Asbestos Bankruptcy Litigation: What Does the Future Hold?” Mealey’s Publications, Asbestos Bankruptcy Conference, June 8, 2007.
- “Impact of Underlining Litigation Developments.” West Legalworks, Insurance and Reinsurance Allocation Superbowl 2007, Mar. 20, 2007.
- “Quantifying the Risk: The Impact Investigations into Fraudulent Silica/Asbestos Suits Will Have on the Rate of Filing and Value of Current & Future Claims.” Mealey’s Publications, Silica & Asbestos Claims Conference: What Effect Will Investigations into Fraudulent Suits Have on the Litigation? Nov. 11, 2006.
- “How State and Federal Tort-Reform Efforts Are Changing the Asbestos Litigation Landscape.” Mealey’s Teleconference: Asbestos Legislation—Is a Solution to the Crisis around the Corner? July 20, 2006.
- “Asbestos Legislative Initiatives for Federal and State Tort Reform.” American Conference Institute’s (ACI) 7th Annual Litigating, Settling, and Managing Asbestos Claims, June 15, 2006.
- “The FAIR Act: An Economic Analysis.” American Legislative Exchange Council, 2005 States and Nation Policy Summit, Dec. 2005.

- “The Impact of Different Approaches to Settlement Credits.” Mealey’s Publications, All Sums: Reallocation & Settlement Credits Conference, Nov. 7, 2005.
- “Assessing the Merits of Reallocation.” American Enterprise Institute, Industry Roundtable Discussion, Apr. 21, 2005.
- “The Effect of Joint and Several Liability on the Incentive of Defendants to Declare Bankruptcy: Evidence from Asbestos Litigation.” American Law and Economics Association, Annual Meeting, May 2004.
- “Assessing the Merits of Reallocation.” American Law and Economics Association, 14th Annual Meeting (co-author Anup Malani), May 3, 2004.

PUBLICATIONS

- Mullin, Charles H., Karl N. Snow, and Noah B. Wallace. “Unresolved Issues in Allocation of Loss to Insurance.” *Coverage* 21, no. 1 (2011): 13–23.
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- Mullin, Charles H. “Identification and Estimation with Contaminated Data: When Do Covariate Data Sharpen Inference?” *Journal of Econometrics* 130, no. 2 (2006): 253–72.
- Mullin, Charles H., and David H. Reiley. “Recombinant Estimation for Normal-Form Games, with Applications to Auctions and Bargaining.” *Games and Economic Behavior* 54, no. 1 (2006): 159–82.
- Mullin, Charles H. “Bounding Treatment Effects with Contaminated and Censored Data: Assessing the Impact of Early Childbearing on Children.” *Advances in Economic Analysis & Policy* 5, no. 1, (2005): article 8.
- Mullin, Charles H., Kelly A. Dugan, and John J. Siegfried. “Undergraduate Financial Aid and Subsequent Alumni Giving Behavior.” *Quarterly Review of Economics and Finance* 45, no. 1 (2005): 123–43.
- Mullin, Charles H., and Anandi Mani. “Choosing the Right Pond: Social Approval and Occupational Choice.” *Journal of Labor Economics* 22, no. 4 (2004): 835–62.
- Mullin, Charles H., V. Joseph Hotz, and John K. Scholz. “Welfare, Employment, and Income: Evidence on the Effects of Benefit Reductions from California.” *American Economic Review* 92, no. 2 (2002): 380–84.

- Mullin, Charles H., V. Joseph Hotz, and John K. Scholz. "Welfare Reform, Employment and Advancement." *Focus* 22, no. 1, Special Issue (2002).
- Mullin, Charles H., V. Joseph Hotz, and John K. Scholz. "The Earned Income Tax Credit and Labor Market Participation of Families on Welfare." In *The Incentives of Government Programs and the Well-Being of Families*, eds. Bruce Meyer and Greg Duncan (Evanston, IL: Joint Center for Poverty Research, 2001).
- Mullin, Charles H., V. Joseph Hotz, and John K. Scholz. "The Earned Income Tax Credit and Labor Market Participation of Families on Welfare." *Poverty Research News*, May/June 2001.
- Mullin, Charles H., and John J. Siegfried. "Grants Today, Gifts Tomorrow." *Currents* 27, no. 4 (2001): 9–10.
- Mullin, Charles H., Carolyn J. Hill, V. Joseph Hotz, and John K. Scholz. "EITC Eligibility, Participation, and Compliance Rates for AFDC Households: Evidence from the California Caseload," May 1999, prepared for the State of California.
- Mullin, Charles H., V. Joseph Hotz, and Seth Sanders. "Bounding Causal Effects Using Data from a Contaminated Natural Experiment: Analyzing the Effects of Teenage Childbearing." *Review of Economic Studies* 64, no. 4 (1997): 575–603.

GRANTS

- 2004–2007: Principal Investigator (with V. J. Hotz and J. K. Scholz), National Science Foundation Grant, "Tax Policy and Low-Wage Labor Markets: New Work on Employment, Effectiveness and Administration."
- 2000–2001: Principal Investigator (with V. J. Hotz and J. K. Scholz), Grant to the University of Wisconsin–Madison from Assistant Secretary of Planning and Evaluation, US Department of Health and Human Services.
- 1997–1998: National Institutes of Health Predoctoral Training Grant.

PROFESSIONAL ASSOCIATIONS AND HONORS

- *Who's Who Legal*: Insurance Expert of the Year, 2018, 2019
- *Who's Who Legal* Thought Leader: Global Elite list, 2019
- Who's Who Legal: Insurance & Reinsurance Expert Witnesses Thought Leader, 2016–present
- American Bar Association
- American Economic Association
- American Law and Economics Association
- Econometric Society
- Society of Labor Economists

Exhibit 2

Charles E. Bates, Ph.D. Curriculum Vitae

CHARLES E. BATES, PHD

Chairman

AREA OF EXPERTISE

- Asbestos liabilities and expenditures estimation
- Economic analysis
- Statistical analysis
- Microsimulation modeling
- Econometrics



SUMMARY OF EXPERIENCE

Charles E. Bates has extensive experience in statistics, econometric modeling, and economic analysis. He specializes in the application of statistics and computer modeling to economic and financial issues. Dr. Bates has more than 25 years of experience and provides clients with a wide range of litigation and commercial consulting services, including expert testimony and guidance on economic and statistical issues.

Dr. Bates is a recognized expert in asbestos-related matters. He speaks in national and international forums on the asbestos litigation environment and estimation issues. Dr. Bates is frequently retained to serve as an expert on such matters in large litigations and has testified before the US Senate Judiciary Committee and Federal Bankruptcy Court.

EDUCATION

- Advanced Seminar in Pharmacoeconomics, Harvard School of Public Health
- PhD, Economics, University of Rochester
- MA, Economics, University of Rochester
- BA, Economics and Mathematics (high honors), University of California, San Diego

PROFESSIONAL EXPERIENCE

Prior to founding Bates White, Dr. Bates served as a Vice President of A.T. Kearney. Previously, he was the Partner in Charge of the Economic Analysis group at KPMG. Dr. Bates began his career on the faculty of Johns Hopkins University's Department of Economics, where he taught courses in advanced statistical economic analysis and trade theory.

SELECTED ASBESTOS AND PRODUCT LIABILITY EXPERIENCE

- Retained as an asbestos liability valuation expert on behalf of the debtor in the matter *In re DBMP LLC* pending in the US Bankruptcy Court for the Western District of North Carolina, Charlotte Division.
- Retained as an asbestos liability valuation expert on behalf of the debtor in the matter *In re Bestwall LLC* pending in the US Bankruptcy Court for the Western District of North Carolina, Charlotte Division.
- Retained as an asbestos liability valuation expert on behalf of Truck Insurance Exchange in the matter *In re Kaiser Gypsum Company, Inc., et al.* pending in the US Bankruptcy Court for the Western District of North Carolina, Charlotte Division.
- Served as an asbestos liability valuation expert on behalf of Garlock Sealing Technologies in its bankruptcy proceedings. Testified before the US Bankruptcy Court for the Western District of North Carolina both in preliminary case hearings and at trial.
- Served as an expert in asbestos claims valuation for financial reporting purposes in *Erica P. John Fund Inc. et al. v. Halliburton Company et al.* on behalf of certain Halliburton stockholders regarding Halliburton's financial disclosures of its asbestos liabilities after its acquisition of Dresser in 1998.
- Served as the Individual Claimant Representative on behalf of potential future No Notice Individual Creditors as part of the Amending Scheme of Arrangement for OIC Run-Off Limited (formerly the Orion Insurance Company plc).
- Authored expert reports and provided testimony in *United States Fid. & Guar. Co. v. American Re-Insurance Company* in asbestos claims valuation, estimation methodology, and asbestos reinsurance billing regarding the proper reinsurance bill associated with USF&G's reinsurance bill of its asbestos-related payments to Western MacArthur.
- Served as an asbestos liability valuation expert on behalf of Specialty Products Holding Corp./Bondex International in its bankruptcy proceedings.
- Retained as an asbestos liability valuation expert on behalf of the Official Committee of Unsecured Creditors of Motors Liquidation Company (f/k/a General Motors Corporation) in its bankruptcy proceedings.
- Authored expert report and provided deposition testimony regarding the value of diacetyl claims on behalf of the Official Committee of Equity Security Holders in the Chemtura Corporation bankruptcy proceedings.
- Testified in deposition on behalf of the ASARCO Unsecured Creditors Committee in the ASARCO bankruptcy proceedings regarding the valuation of past and future asbestos-related personal injury claims.
- Authored expert report and provided deposition testimony on behalf of the policyholder in the matter of *Imo Industries, Inc. v. Transamerica Corp.*
- Currently retained as an expert by Fortune 500 companies to produce asbestos expenditure estimates for annual and quarterly financial statements. Estimations aid clients with Sarbanes-Oxley compliance.
- Currently retained as an expert in asbestos estimation and insurance valuation, for numerous asbestos litigation matters, on behalf of insurance companies, corporations, and financial creditors' committees of federal bankruptcy proceedings.
- Testified before the Senate Judiciary Committee on the economic viability of the Trust Fund proposed under S.852, the Fairness in Asbestos Injury Resolution (FAIR) Act of 2005. Testimony clarified Bates White's independent analysis on the estimate of potential entitlements created by the administrative no-fault trust fund that uses medical criteria for claims-filing eligibility.

- Testified in deposition on behalf of Liberty Mutual Insurance Company in the Plibrico bankruptcy proceedings regarding the valuation of past and future asbestos personal injury claims and exposure criteria in plan proponents proposed trust distribution procedures.
- Testified at deposition on behalf of the joint insurers defense committee to address the fraction of expenditures associated with the company's asbestos installation operations in *Owens Corning v. Birmingham Fire Insurance Company of Pennsylvania*.
- Testified in the Babcock & Wilcox bankruptcy confirmation hearing on behalf of the Insurers Joint Defense Group to address asbestos liability. Developed claims criteria evaluation framework to assess asbestos liability forecasts and trust distribution procedures.
- Testified at deposition on behalf of Sealed Air in the fraudulent conveyance matter regarding the 1998 acquisition of Cryovac from W.R. Grace. Directed estimation of foreseeable asbestos liability for fraudulent conveyance matter to advise the debtor in the bankruptcy of a defendant with over \$200 million in annual asbestos payments. Developed asbestos liability forecasting model and software. Directed industry research and interviewed industry experts.
- Testified at deposition on behalf of Hartford Financial Services Group to address the asbestos liability of MacArthur Company and Western MacArthur Company. Estimated asbestos liability in the context of bankruptcy proceedings.
- Testified at deposition on behalf of the Center for Claims Resolution in arbitration proceedings of *GAF v. Center for Claims Resolution*.
- Served as testifying expert on behalf of CSX Transportation on the suitability of asbestos claim settlements for arbitration proceedings of *CSX Transportation, Inc. v. Lloyd's, London*.
- Developed an econometric model of property damage lawsuits for estimating the future liability of a former asbestos manufacturer arising from the presence of its asbestos products in buildings.

SELECTED LITIGATION AND CONSULTING EXPERIENCE

- Testified in US Tax Court on behalf of the taxpayers on the statistical basis and accuracy of shrinkage accruals in *Kroger v. Commissioner*.
- Served as consulting expert and performed statistical and quantitative analyses to assess the merits of a class action alleging payment of fees to mortgage brokers for referral of federally related mortgage loans.
- Testified in US Tax Court on behalf of the taxpayer analyzing the statistical prediction of bond ratings using company financial data in *Nestlé Holdings Inc. v. Commissioner*.
- Submitted written expert testimony on the statistical and financial analysis of option transactions and an analysis of alternative stock option hedges in *McMahon, Brafman, and Morgan v. Commissioner*.
- Testified in US Tax Court on behalf of the taxpayers of IRS experts on the statistical basis and accuracy of shrinkage accruals in *Wal-Mart v. Commissioner*.
- Served as consulting expert and analyzed the racial composition for a large manufacturing corporation using EEO data and employed sophisticated statistical analysis and modeling to determine the validity and strength of an employment discrimination claim.
- Testified on behalf of VNC in the arbitration hearing of *VNC v. MedPartners*.

- Provided expert testimony in California Superior Court on the validity of economic comparability adjustments for pipeline easement rents in *Southern Pacific Transportation Corp. v. Santa Fe Pacific Corp.*
- Served as statistical expert and developed detailed statistical analysis of customs trade data for use in criminal transfer-pricing litigation.
- Submitted written testimony in US Tax Court on the beneficial life of company credit card in a tax matter for a large retailer drawing on the company's point-of-sale data, credit card data, and customer demographic information.
- Developed state-of-the-art models to account for default correlation for underwriting credit insurance; models became the standard tools for the country's largest credit insurance firm.
- Led a team of economists that provided litigation-consulting services in one of the largest US price-fixing cases. Case involved the development of state-of-the-art economic models, damages' analyses, client presentations, pretrial discovery, industry research, preparation of evidence and testimony, depositions, and a critique of opposing expert analyses and reports.
- For a start-up global telecommunications enterprise, provided consulting services and developed a comprehensive computer model to evaluate the firm's financial plan. Model incorporated marketing, pricing, and communications traffic in a single modeling framework to facilitate sensitivity analysis by creditors and to evaluate the risk associated with the strategic business plan.
- Served as senior economic advisor on issues of analytical methodology for numerous pharmacoeconometric and health outcomes research projects. Provided expertise in the development of decision tools and the creative use of modeling applications for pharmacoeconomics and outcomes research.

PUBLICATIONS

- Bates, Charles E., Charles H. Mullin, and Marc C. Scarcella. "The Claiming Game." *Mealey's Litigation Report: Asbestos* 25, no. 1 (February 3, 2010).
- Bates, Charles E., Charles H. Mullin, and A. Rachel Marquardt. "The Naming Game." *Mealey's Litigation Report: Asbestos* 24, no. 15 (September 2, 2009).
- Bates, Charles E., and Charles H. Mullin. "State of the Asbestos Litigation Environment—October 2008." *Mealey's Litigation Report: Asbestos* 23, no. 19 (November 3, 2008).
- Bates, Charles E., and Charles H. Mullin. "Show Me The Money." *Mealey's Litigation Report: Asbestos* 22, no. 21 (December 3, 2007).
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- Bates, Charles E., and Charles H. Mullin. "Having Your Tort and Eating It Too?" *Mealey's Asbestos Bankruptcy Report* 6, no. 4 (November 2006).
- Bates, Charles E., and Halbert White. "Determination of Estimator with Minimum Asymptotic Covariance Matrices." *Econometric Theory* 9 (1993).
- Bates, Charles E., and Halbert White. "Efficient Instrumental Variables Estimation of Systems of Implicit Heterogeneous Nonlinear Dynamic Models with Nonspherical Errors." In *International Symposia in Economic Theory and Econometrics*, vol. 3, edited by W.A. Barnett, E.R. Berndt and H. White. New York: Cambridge University Press, 1988.

- Bates, Charles E. "Instrumental Variables." In *The New Palgrave: A Dictionary of Economics*, edited by John Eatwell, Murray Milgate, and Peter Newman. London: Macmillan, 1987.
- Bates, Charles E., and Halbert White. "An Asymptotic Theory of Consistent Estimation for Parametric Models." *Econometric Theory* 1 (1985).

SELECTED SPEAKING ENGAGEMENTS

- "The Top Emerging Trends in 2015 Asbestos Litigation." Perrin Conferences Cutting-Edge Issues in Asbestos Litigation Conference, March 15–17, 2015.
- "Asbestos Bankruptcy: A Discussion of the Top Trends in Today's Chapter 11 Cases." Perrin Conferences Asbestos Litigation Conference: A National Overview & Outlook, Sept. 8–10, 2014.
- "An Asbestos Defendant's Legal Liability—The Experience in Garlock's Bankruptcy Asbestos Estimation Trial." Bates White webinar, July 29, 2014.
- "Concussion Suits against the NFL, NCAA, and Uniform Equipment Manufacturers." Perrin Conferences' Legal Webinar Series, May 24, 2012.
- "An Update on US Mass Tort Claims." Perrin Conferences' Emerging Risks on Dual Frontiers: Perspectives on Potential Liabilities in the New Decade, April 12–13, 2012, London, United Kingdom.
- "The Next Chapter of Asbestos Bankruptcy: New Filings, Confirmations, & Estimations." Perrin Conferences' Asbestos Litigation Conference: A National Overview & Outlook, September 13–15, 2010, San Francisco, CA.
- "Trust Online: The Impact of Asbestos Bankruptcies on the Tort System." Perrin Conferences' Asbestos Bankruptcy Conference: Featuring a Judicial Roundtable on Asbestos Compensation, June 21, 2010, Chicago, IL.
- "Current Litigation Trends that are Impacting Asbestos Plaintiffs, Defendants, & Insurers." Perrin Conferences' Asbestos Litigation Mega Conference, September 14–16, 2009, San Francisco, CA.
- "Verdicts, Settlements, and the Future of Values: Where Are We Heading? A Roundtable Discussion." HB Litigation Conferences' Emerging Trends in Asbestos Litigation, March 9–11, 2009, Los Angeles, CA.
- "Role of Bankruptcy Trusts in Civil Asbestos." Mealey's Emerging Trends in Asbestos Litigation Conference, March 3–5, 2008, Los Angeles, CA.
- "The Intersection between Traditional Litigation & the New Bankruptcy Trusts." Mealey's Asbestos Bankruptcy Conference, June 7–8, 2007, Chicago, IL.
- ABA's Insurance Coverage Litigation Committee Conference, March 1–4, 2007, Tucson, AZ.
- Mealey's Asbestos Conference: The New Face of Asbestos Litigation, February 8–9, 2007, Washington, DC.
- Mealey's Asbestos Bankruptcy Conference, December 4–5, 2006, Philadelphia, PA.
- "Seeking Solutions to European Asbestos Claiming: Will it be FAIR?" Keynote address, Mealey's International Asbestos Conference, November 1–2, 2006, London, United Kingdom.
- Mealey's Asbestos Bankruptcy Conference, June 9, 2006, Chicago, IL.
- Harris Martin Publishing Asbestos Litigation Conference, March 2, 2006, Washington, DC.
- Mealey's Wall Street Forum: Asbestos Conference, February 8, 2006, New York, NY.
- Mealey's Asbestos Legislation Teleconference, February 7, 2006.

PROFESSIONAL ASSOCIATIONS

- National Association of Business Economists
- American Economic Association
- Econometric Society

Exhibit 3

Schedule of Bates White Prior or Current Affiliations
For Services Provided for or on behalf of Interested Parties

Exhibit 3

Schedule of Bates White Prior or Current Affiliations
For Services Provided for or on behalf of Interested Parties

- Ingersoll Rand
- Trane Inc.
- Trane Co.
- Advent International Corp.
- Evert Weathersby Houff
- Dentons Bingham Greenebaum LLP
- Foley & Lardner LLP
- K&L Gates LLP
- Gordon Rees Scully Mansukhani, LLP
- Jones Day
- Litchfield Cavo LLP
- McAfee & Taft
- McCarter & English, LLP
- Nelson Mullins Riley and Scarborough LLP
- Parker Poe Adams & Bernstein LLP
- Rasmussen, Dickey & Moore LLC
- Affiliated FM Insurance
- AIG
- AIU Insurance
- Allianz Underwriters Insurance
- Allstate Insurance Company
- Employers Insurance Company of Wausau
- Fireman's Fund Insurance Company
- Flowserve Corporation
- Granite State Insurance Company
- Landmark Insurance Company
- Lexington Insurance Company
- National Union Fire Insurance Company of Pittsburgh, PA
- TIG Insurance Company
- Travelers

Exhibit C

Proposed Order

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF NORTH CAROLINA
CHARLOTTE DIVISION

In re

ALDRICH PUMP LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 20-____ (___)

(Joint Administration Requested)

**EX PARTE ORDER AUTHORIZING THE DEBTORS TO RETAIN AND EMPLOY
BATES WHITE, LLC AS ASBESTOS CONSULTANTS AS OF THE PETITION DATE**

This matter coming before the Court on the *Ex Parte Application of the Debtors for an Order Authorizing Them to Retain and Employ Bates White, LLC as Asbestos Consultants as of the Petition Date* (the "Application"),² filed by the above-captioned debtors and debtors in possession (together, the "Debtors"); the Court having reviewed the Application and the Mullin Declaration, and having considered the statements of counsel and evidence adduced with respect to the Application; and the Court having found that (a) the Court has jurisdiction over this matter

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

² Capitalized terms not otherwise defined herein have the meanings given to them in the Application or the exhibits thereto.

pursuant to 28 U.S.C. §§ 157 and 1334, (b) venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, (c) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (d) notice of the Application was sufficient under the circumstances, and (e) Bates White neither holds nor is engaged by any interest materially adverse to the Debtors' estates and is a "disinterested person," as defined in section 101(14) of the Bankruptcy Code and as required by section 327 of the Bankruptcy Code; and the Court having determined that the legal and factual bases set forth in the Application and the Mullin Declaration establish just cause for the *ex parte* relief granted herein;

IT IS HEREBY ORDERED THAT:

1. The Application is GRANTED.
2. The Debtors are authorized to retain and employ Bates White as asbestos consultants in these Chapter 11 Cases, pursuant to section 327(a) of the Bankruptcy Code and Bankruptcy Rule 2014 on the terms and conditions set forth in the Application and the Engagement Letter, as of the Petition Date.
3. Bates White shall be compensated for its services and reimbursed for any related expenses as set forth in the Application and the exhibits thereto, and in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, the Interim Compensation Order, and any other applicable orders or procedures of this Court.
4. Bates White shall: (a) complete its reconciliation of prepetition fees and expenses actually incurred for the period prior to the Petition Date no later than the filing of its first interim fee application in these Chapter 11 Cases; (b) make a corresponding adjustment to the amount of the Retainers on or about that date, as described in the Application and the exhibits

thereto; and (c) disclose such adjustment in its first interim fee application. Subject to the foregoing adjustment and the terms of the Interim Compensation Order, Bates White is authorized to hold any remaining amount of the Retainers following such reconciliation as security for the payment of postpetition fees and expenses.

5. Bates White shall not apply any portion of the Retainers to fees and expenses incurred from and after the Petition Date unless and until authorized to do so by a further order of this Court, including the Interim Compensation Order.

6. Notwithstanding any contrary provision of the Engagement Letter, the Court shall have jurisdiction over, hear, and adjudicate any dispute that may arise under the Engagement Letter among the parties to the Engagement Letter during the pendency of these Chapter 11 Cases.

7. Notwithstanding any contrary provision of the Engagement Letter, Bates White's liability will not be limited or released by the Engagement Letter for any claim or expense where: (a) such claim or expense is judicially determined to have arisen from Bates White's gross negligence, willful misconduct, fraud, or bad faith; (b) with respect to a contractual dispute in which the Debtor alleges the breach of Bates White's contractual obligations, the Court determines that such release or limitation would not be permissible under applicable law; or (c) such claim or expense is settled prior to a judicial determination under (a) or (b), but determined by this Court, after notice and a hearing, to be a claim or expense for which Bates White should not have its liability released or limited under the terms of the Engagement Letter, as modified by this Order.

8. To the extent that this Order is inconsistent with the Engagement Letter, the terms of this Order shall govern.

9. This Order shall immediately be effective and enforceable upon its entry.

10. Pursuant to Local Bankruptcy Rule 9013-1(f), any party shall be entitled to request that the Court reconsider entry of this Order by filing a motion for reconsideration within 14 days of service of this Order.

11. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order in accordance with the Application.

12. This Court shall retain exclusive jurisdiction over any and all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

This Order has been signed electronically.
The Judge's signature and Court's seal appear
at the top of the Order.

United States Bankruptcy Court