

1 APPEARANCES (via video and telephone conference):

2
3 For the Debtors: Rayburn Cooper & Durham, P.A.
4 BY: JOHN R. MILLER, JR., ESQ.
227 West Trade St., Suite 1200
Charlotte, NC 28202

5 Jones Day
6 BY: DAVID S. TORBERG, ESQ.
51 Louisiana Avenue, N.W.
Washington, D.C. 20001

7 Jones Day
8 BY: GENNA GHAUL, ESQ.
250 Vesey Street
9 New York, NY 10281

10 Jones Day
11 BY: BRAD B. ERENS, ESQ.
MARK A. CODY, ESQ.
CAITLIN K. CAHOW, ESQ.
12 77 West Wacker, Suite 3500
Chicago, IL 60601

13 Evert Weathersby Houff
14 BY: C. MICHAEL EVERT, JR., ESQ.
3455 Peachtree Road, NE, #1550
15 Atlanta, GA 30326

16 For the ACC: Caplin & Drysdale
17 BY: KEVIN MACLAY, ESQ.
TODD PHILLIPS, ESQ.
18 One Thomas Circle, NW, Suite 1100
Washington, DC 20005

19 Robinson & Cole LLP
20 BY: NATALIE D. RAMSEY, ESQ.
DAVIS LEE WRIGHT, ESQ.
JAMIE L. EDMONSON, ESQ.
21 1201 N. Market Street, Suite 1406
Wilmington, DE 19801

22 Robinson & Cole LLP
23 BY: LAURIE A. KREPTO, ESQ.
1650 Market Street, Suite 3600
24 Philadelphia, PA 19103

25

1 APPEARANCES (via video and telephone conference continued):

2 For the ACC:

Robinson & Cole LLP
BY: MICHAEL R. ENRIGHT, ESQ.
280 Trumbull Street
Hartford, CT 06103

4

5

Winston & Strawn LLP
BY: DAVID NEIER, ESQ.
CARRIE V. HARDMAN, ESQ.
200 Park Avenue
New York, NY 10166-4193

7

8

Hamilton Stephens Steele & Martin
BY: GLENN C. THOMPSON, ESQ.
525 North Tryon Street, #1400
Charlotte, NC 28202

9

10

JD Thompson Law
BY: LINDA W. SIMPSON, ESQ.
P. O. Box 33127
Charlotte, NC 28233

11

12

For The Gori Law Firm:

Essex Richards, P.A.
BY: JOHN C. WOODMAN, ESQ.
1701 South Boulevard
Charlotte, NC 28203

13

14

15 For Trane Technologies
Company LLC and Trane U.S.
16 Inc.:

McCarter & English, LLP
BY: GREGORY J. MASCITTI, ESQ.
825 Eighth Avenue, 31st Floor
New York, NY 10019

17

18

McCarter & English, LLP
BY: PHILLIP S. PAVLICK, ESQ.
Four Gateway Center
100 Mulberry Street
Newark, NJ 07102

19

20

21

Burt & Cordes, PLLC
BY: STACY C. CORDES, ESQ.
MEGHAN L. ABERNATHY, ESQ.
122 Cherokee Road, Suite 1
Charlotte, NC 28207

22

23

For Bankruptcy Administrator:

SHELLEY ABEL
402 W. Trade Street, Suite 200
Charlotte, NC 28202-1669

24

25

1 APPEARANCES (via video and telephone conference continued):

2 For TIG Insurance Company Ifrah Law
and Evanston Insurance BY: GEORGE R. CALHOUN, ESQ.
3 Company: 1717 Pennsylvania Ave, N.W.-#650
Washington, DC 20006

4 For Travelers: Steptoe & Johnson
5 BY: JOSHUA R. TAYLOR, ESQ.
1330 Connecticut Avenue, N.W.
6 Washington, D.C. 20036

7 For Shrader & Associates, Touchstone Family Law
LLP: BY: CHRISTOPHER J. CULP, ESQ.
8 6101 Carnegie Blvd., Suite 100
Charlotte, NC 28211

9 Shrader & Associates, LLP
10 BY: ROBERT SHUTTLESWORTH, ESQ.
9 Greenway Plaza, Suite 2300
11 Houston, TX 77046

12 For Certain London Market Duane Morris LLP
13 Companies: BY: RUSSELL W. ROTEN, ESQ.
865 S. Figueroa St., Suite 3100
Los Angeles, CA 90017

14 Duane Morris LLP
15 BY: BRIAN KELLY, ESQ.
One Market Plaza, Suite 2200
16 San Francisco, CA 94105

17 For Allstate Insurance Windels Marx
18 Company: BY: ANDREW CRAIG, ESQ.
One Giralda Farms
Madison, NJ 07940

19

20

21

22

23

24

25

1 P R O C E E D I N G S

2 (Call to Order of the Court)

3 THE COURT: All right. Have a seat, everyone. Good
4 morning.

5 We are back in the Aldrich Pump LLC case, both the
6 base case and the adversary, pursuant to an agenda and an
7 amended notice of a proposed agenda that has been filed.

8 Let go ahead and start with the, getting appearances.
9 And let me just read out who I understand to be appearing based
10 on what you've told our office and then I'll ask for
11 corrections, then additions as well.

12 I have appearing by video Mr. Erens on behalf of
13 Aldrich, as well as Caitlin Cahow.

14 We have Natalie Ramsey, Davis Wright, David Neier, and
15 Kevin Maclay. These are listed as Certain Asbestos Plaintiffs'
16 Firms, but we may have the ACC by now. Let me just note that
17 that's the way it's printed, anyway.

18 Stacy Cordes for Trane Technologies, along with Greg
19 Mascitti.

20 Robert Shuttlesworth, Estate of Ignacio Galaces
21 (phonetic).

22 Christopher Culp for Shrader & Associates.

23 Russell Roten for Certain --

24 If -- folks, you might want to put your, mute your
25 microphones. Okay.

1 Russell Roten on behalf of Certain London Market
2 Companies, Certain Underwriters at Lloyd's.

3 Those are the video appearances.

4 On video, but audio only:

5 Mark Cody, David Torberg.

6 Are we getting a reverb there?

7 MR. LAMB: It's the phone, somebody on the phone.

8 THE COURT: All right.

9 Mark -- David Torberg, Genna Ghaul, all on behalf of
10 Aldrich Pump.

11 Jack Miller, Michael Evert on behalf of Aldrich Pump.

12 Linda Simpson's on behalf of the Official Committee.

13 Glenn Thompson on behalf of the Official Committee of
14 Asbestos Claimants.

15 Andrew Craig for Allstate Insurance Company.

16 Todd Phillips on behalf of Certain Asbestos
17 Plaintiffs' Firms.

18 And Carrie Hardman, a group of Certain Asbestos
19 Claimants.

20 Then appearing telephonically only:

21 Michael Enright, Certain Asbestos Claimants.

22 Jamie Edmonson, the same.

23 Laurie Krepto for Certain Asbestos Claimants.

24 Phillip Pavlick on behalf of Trane Technologies/Trane
25 USA, as well as Meghan Abernathy.

1 And Brian Kelly for Certain Underwriters at Lloyd's.
2 Someone is still - we're getting noise from you. So
3 if you're not speaking, please mute your microphone. We're
4 getting a lot of extraneous voices.

5 Hang on one moment. We're going to see if the, the
6 staff can figure this out.

7 (Pause)

8 THE COURT: Ready to proceed? Do you need to --

9 MR. LAMB: Mr. Erens, can you mute your microphone?
10 He may have gotten lost.

11 THE COURT: All right. We ready to go? All right.

12 With that, first, are there any corrections in any of
13 the appearances that I've read out? Do you need to restate,
14 revise, or, or otherwise amend? Anyone?

15 MS. ABEL: Your Honor? Your Honor, Shelley Abel's
16 also on the Zoom --

17 THE COURT: Right. I was going to add --

18 MS. ABEL: -- Bankruptcy Administrator.

19 THE COURT: -- ask for those who had not been asked
20 for, had not been announced. But I'm trying to get
21 corrections, first.

22 MS. ABEL: Apology.

23 THE COURT: Okay.

24 MR. MACLAY: And, and, your Honor, just to clarify
25 what you said a moment ago, you're correct. The attorneys that

1 show up as being for the Certain Asbestos Claimants are here
2 now for the Committee.

3 THE COURT: Okay. I haven't seen those orders, as
4 yet. Have they come through on the --

5 In any event, the -- well, we'll just assume on a *de*
6 *facto* basis that we're able to go forward today with the, the
7 amendments as being counsel to the Committee.

8 Anyone that has any other corrections?

9 All right.

10 MR. CODY: Your Honor, it's, it's Mark --

11 THE COURT: All right, Mr. Cody.

12 MR. CODY: Your Honor, it's Mark Cody. I -- just to,
13 just to clarify. I plan to be heard briefly on Item No. 3 on
14 the agenda --

15 THE COURT: Okay.

16 MR. CODY: -- for the debtors.

17 THE COURT: All right. Thank you --

18 MR. CODY: Thank you.

19 THE COURT: -- Mr. Cody. All right. And, Mr. Cody,
20 are you with, representing the debtors, or someone else?

21 MR. CODY: I'm with the debtors, your Honor.

22 THE COURT: Okay, very good.

23 MR. CODY: With Jones Day for the debtors. Thank you

24 THE COURT: Thank you.

25 All right. What I was going to ask for next is if you

1 were not announced and you are needing to announce an
2 appearance, this is the time to do so.

3 So do I have any other folks who were not called
4 previously?

5 MR. CALHOUN: Your Honor, this is George Calhoun
6 appearing on behalf of TIG Insurance Company and Evanston
7 Insurance Company.

8 THE COURT: Okay.

9 Anyone else?

10 MR. TAYLOR: Morning, your Honor. This is Josh Taylor
11 from Steptoe & Johnson on behalf of The Travelers Indemnity
12 Company, United States Fidelity and Guaranty Company, Travelers
13 Casualty and Surety Company, St. Paul Surplus Lines Insurance
14 Company, St. Paul Guardian Insurance Company, and St. Paul Fire
15 and Marine Insurance Company.

16 THE COURT: Okay.

17 Anyone else?

18 MR. WOODMAN: Good morning, your Honor. John Woodman
19 on behalf of The Gori Law Firm.

20 THE COURT: All right.

21 Anyone else?

22 (No response)

23 THE COURT: All right. Are we ready to proceed, then?

24 Let's start with the debtor. Mr. Erens, any updates
25 or good-of-the-order type announcements before we get into the

1 motions?

2 MR. ERENS: Thank you, your Honor.

3 No, I don't think so. I think this hearing'll be
4 relatively brief and, if pleases the Court, we would suggest
5 just going in the order of the agenda.

6 THE COURT: Okay.

7 Anyone else need to say anything by way of
8 preliminaries, or we're ready to go straight to the motions?

9 (No response)

10 THE COURT: All right, very good.

11 The first matter on the docket, of course, is the
12 debtors' motion to authorize the retention and compensation of
13 professionals hired by, utilized by the debtors in the ordinary
14 course of business.

15 So, Mr. Erens, if you want to lead off.

16 MR. ERENS: Yeah. I'm going to turn that one over to
17 Ms. Cahow, who I think will handle the first two motions,
18 Mr. Cody'll handle the third, then I'll come back and handle
19 the adversary.

20 THE COURT: Okay, very good.

21 Ms. Cahow?

22 MS. CAHOW: Yes. Thank you, your Honor. Caitlin
23 Cahow of Jones Day on behalf of the debtors and, as Mr. Erens
24 alluded to, I'll be addressing Items 1 and 2 on the agenda and
25 then my colleague, Mr. Cody, will be addressing Item No. 3.

1 And I will just pause for a moment to have --

2 Mr. Erens, would you mind muting?

3 Sorry, your Honor. Getting a little feedback on our
4 end.

5 THE COURT: That's all right. We're all learning how
6 to do this by video. It's a new world.

7 MS. CAHOW: Understood, and thank you, your Honor.

8 As I was saying, each of the three main case motions
9 was filed on the petition date and we've received no formal
10 objections to the requested relief. However, we did receive
11 informal comments from the Bankruptcy Administrator and also
12 proposed counsel to the Asbestos Claimants' Committee as well
13 as a reservation of rights filed by the Committee with respect
14 to the intercompany agreements motion. So we will address
15 those in turn.

16 THE COURT: Uh-huh (indicating an affirmative
17 response).

18 MS. CAHOW: I also would note for the Court that after
19 conversations with proposed counsel to the Committee we have
20 agreed to further extend the Committee's deadline to object to
21 certain orders under the current agreed order that your Honor
22 entered at Docket No. 110 by an additional 14 days to give the
23 Committee and their counsel a little bit more time to
24 coordinate and we anticipate providing your Honor with an
25 amended form of order reflecting that extension within the next

1 few days after the parties have had a chance to review.

2 So I did just want to put that on the record for your
3 Honor.

4 THE COURT: Okay. Noted.

5 MS. CAHOW: In turning to the first item on the
6 agenda, as your Honor mentioned, this is the ordinary course
7 professionals motion. It's a fairly standard, straightforward
8 motion that seeks authority to retain, employ, and pay certain
9 ordinary course professionals to render services to the debtors
10 in the same manner and for the same general purposes that
11 services were provided prior to the petition date without the
12 need for individual retention applications or fee applications,
13 but subject to certain fee caps and other procedural
14 requirements and limitations. A list of the currently
15 identified ordinary course professionals is attached to the
16 motion as Exhibit A and that list, generally, is comprised of
17 law firms and although the majority of the ordinary course
18 professionals are counsel in asbestos litigation expected to
19 remain stayed, the debtors do believe they may require their
20 services for things like filing stay notices, addressing
21 potential stay violations, monitoring dockets, compiling
22 historical information regarding the debtors' asbestos
23 litigation, and generally providing information about those
24 cases that are not otherwise available. And so while important
25 resources for the debtors, it's important to note that the

1 ordinary course professionals will not be materially involved
2 in the administration of the chapter 11 cases and in the event
3 they do become materially involved in the administration of the
4 bankruptcy cases, then we would seek to have them separately
5 retained.

6 And with respect to the procedures themselves, they're
7 similar to procedures that your Honor has seen in, in DBMP and
8 similar to procedures that have been approved in other cases.

9 Just at a high level, each professional will provide a
10 declaration for filing. A form of that declaration was
11 attached to the motion as Exhibit B. And key parties,
12 including the Committee, Future Claimants' Representative, when
13 appointed, and the Bankruptcy Administrator will have an
14 opportunity to object. If there are no objections, the
15 professional is considered retained as an ordinary course
16 professional and the debtors are authorized to pay them subject
17 to a monthly cap of \$50,000 and an aggregate cap of \$500,000.
18 If the monthly cap is exceeded, the ordinary course
19 professionals would have to serve a monthly statement on the
20 same key parties who would have had an opportunity to object to
21 their retention and those parties will have an opportunity to
22 object to the monthly statement.

23 If the ordinary course professional exceeds the
24 aggregate cap, then he has to file a fee application with the
25 Court for the excess amount.

1 The debtors also will file quarterly statements
2 regarding the fees and expenses incurred and payments made to
3 ordinary course professionals.

4 And that's, really, a, a general high level
5 description of the relief.

6 We did receive one clarifying comment to the order
7 from proposed counsel to the Asbestos Claimants' Committee and
8 I believe we uploaded a copy of a modified form of order with
9 the blackline. I don't know if your Honor has had an
10 opportunity to review that.

11 THE COURT: I have.

12 MS. CAHOW: Great. So that's -- we have incorporated
13 that comment that we received and that is at Paragraph 4 of the
14 order, as modified. And, and really, this modification makes
15 clear, as was intended, that the fee limits are on a firm basis
16 and not on an individual basis. So we're, we're fine with that
17 comment.

18 And unless your Honor has any questions, we would ask
19 that the Court enter the proposed order as modified.

20 THE COURT: Any other parties need to weigh in on this
21 motion?

22 (No response)

23 THE COURT: Everyone good with it? All right.

24 The motion is approved.

25 MS. CAHOW: Thank you, your Honor.

1 Moving to Item 2 on the agenda, this is the interim
2 compensation motion, which seeks entry of an order establishing
3 procedures for compensation and reimbursement of professionals
4 retained under Sections 327 and 1103 of the Bankruptcy Code.
5 Again, these procedures are similar to what your Honor would
6 have seen in DBMP and Kaiser and we believe them to be fairly
7 typical.

8 Just at a high level, they provide for circulation of
9 monthly fee statements to key parties, including the debtors,
10 the Bankruptcy Administrator, the Committee, and the Future
11 Claimants' Representative, when appointed. There's a 14-day
12 objection period. Assuming no objections, the debtors then
13 would be authorized to pay 90 percent of the fees with a 10
14 percent holdback and a hundred percent of expenses.

15 In case of an objection to a monthly fee statement,
16 the procedures provide a mechanism for resolution of that
17 objection. Essentially, the parties can resolve the objection
18 consensually or present the objection to the Court. We also
19 can defer involving the Court until the interim or final fee
20 application hearing.

21 I would note that the failure to object to a monthly
22 fee statement does not waive the right to object later to a fee
23 application.

24 Interim fee applications will be filed every four
25 months with the first due November for the interim fee period

1 from June through September and, in an effort to alleviate
2 administrative burden to the extent practicable, all the
3 interim fee applications will be noticed together and heard on
4 the same hearing date with the same objection deadline.

5 So we're hopeful that will streamline the process a
6 bit. In the absence of objections, the interim fee
7 applications may be granted without a hearing.

8 One final thing that I would mention concerns
9 retainers. The order does authorize professionals to use their
10 pre-petition retainers, but it also requires professionals to
11 use any remaining retainer by the time it files the first
12 interim fee application, or as soon thereafter as practicable.
13 So I did want to flag that provision for the Court.

14 Again, that's a quick summary of the relief requested.
15 We did receive one informal comment from the Bankruptcy
16 Administrator, which we think makes a lot of sense, and we've
17 incorporated that comment into subparagraph (o) of Paragraph 2
18 of the order. And it just simply requires that notice parties
19 may request monthly fee statements and interim fee applications
20 in an electronically searchable format.

21 So unless your Honor has any questions, we would ask
22 that the, you enter the order as modified.

23 THE COURT: None on my end at the moment.

24 Anyone else got a comment or a concern about the
25 motion?

1 (No response)

2 THE COURT: No one? All right, very good.

3 Approved.

4 MS. CAHOW: Thank you very much, your Honor. I'll
5 turn things over to Mr. Cody.

6 THE COURT: Mr. Cody, you want to address the
7 intercompany agreements motion?

8 MR. CODY: Yes, your Honor. Good morning. Mark Cody
9 of Jones Day here on behalf of the debtors.

10 Your Honor, Item No. 3 on the agenda is the debtors'
11 motion for an order authorizing them to perform under certain
12 intercompany agreements with a non-debtor affiliate.
13 Basically, your Honor, the, the debtors have, are party to
14 certain service agreements that provide business,
15 administrative, tax, legal, and other office-type services, as
16 well as a secondment agreement by which the, the debtors'
17 parent seconds certain employees to the debtors.

18 Your Honor, the, the objected, the objection deadline
19 to this motion was July the 2nd. There were no objections to
20 the relief that were filed. We did, however, receive some
21 informal comments from the ACC yesterday afternoon. We're in
22 the process of reviewing those, those comments, your Honor, and
23 are hopeful to come together and reach a consensus, then
24 come -- put -- put together a consensual form of order that we
25 can submit to your Honor for approval, hopefully in the next

1 coming days.

2 In addition, I, I believe late last night, the, the
3 ACC filed a, a reservation of rights with respect to this
4 particular motion.

5 Unless your Honor has any questions on it, I would
6 request that, suggest that we will work with the ACC to come up
7 with a, a potential form of order to, hopefully, get this to
8 you in the near, in the coming days.

9 THE COURT: All right. No, I've, I've read the
10 motion.

11 Are there other parties wishing to address the same?
12 Any comments, concerns?

13 MR. MACLAY: Your Honor, just, just a very quick
14 comment, your Honor. Kevin Maclay for the Committee.

15 Mr. Cody accurately set forth the current state of
16 play. I would just add the changes we're seeking are
17 consistent with those in the CertainTeed bankruptcy and we do
18 anticipate reaching a consensual resolution of those with the
19 debtor, we presume.

20 THE COURT: Okay. And CertainTeed being the DBMP
21 bankruptcy?

22 MR. MACLAY: That's correct, your Honor.

23 THE COURT: Okay.

24 All right. Anyone else?

25 (No response)

1 THE COURT: Okay. If not, that is approved as well,
2 subject to, to the final form of the order. If you get any
3 sticking points there, let me know and we'll try to break the
4 logjam.

5 MR. CODY: Thank you, your Honor.

6 THE COURT: All right. Mr. Erens, I think we're back
7 to you. We've got the motion --

8 MR. ERENS: Yes. Thank you.

9 THE COURT: -- for the preliminary injunction.

10 MR. ERENS: Yes. Thank you, your Honor.

11 So -- can you hear me all right, by the way? We've
12 been having a little bit of feedback.

13 THE COURT: Umm.

14 MR. ERENS: Okay.

15 THE COURT: I think everyone is a little bit up and
16 down today for some reason. But yes, you're coming through
17 loud and clear at the moment.

18 MR. ERENS: Terrific. Okay. Appreciate it.

19 At the last hearing on the 6th, your Honor, it was
20 agreed that the TRO would be extended through the maximum 28-
21 day period consensually, which is July 23rd. So an order was
22 entered to that effect. I think the order, actually, just got
23 entered yesterday. There were some back and forth and then --

24 THE COURT: Uh-huh (indicating an affirmative
25 response).

1 MR. ERENS: -- some things that had to be adjusted.

2 So that order is in place and that provided that today
3 we would have a hearing for purposes of entering an order that
4 provides for a preliminary injunction to the date of a full
5 hearing on the motion, the so-called evidentiary hearing --

6 THE COURT: Uh-huh (indicating an affirmative
7 response).

8 MR. ERENS: -- to be followed by a case management
9 order that would provide a briefing schedule, discovery
10 schedule, and the like.

11 We did have a discussion with the ACC which had just
12 been formed last week. We talked about a few issues as to how
13 that preliminary injunction order might look. We gave them a
14 couple options. We had a nice discussion and they wanted,
15 obviously, to take it back and, and have some deliberations.
16 The Committee is just being, you know, in its, its infancy, so
17 to speak. It's just being, it's just been formed and the ACC
18 has informed us that they're still deliberating on some issues
19 with respect to that order and wanted to have a further
20 conversation with us, I think, by the end of the week.

21 So we were certainly fine with that. We, as a result,
22 do not have a form of order to propose to your Honor today. As
23 I indicated, the temporary restraining order runs through the
24 23rd. So we still have over a week to get that form of
25 preliminary injunction order entered --

1 THE COURT: Uh-huh (indicating an affirmative
2 response).

3 MR. ERENS -- and as a result, the suggestion is
4 simply to, through Chambers, once we're done having a
5 discussion with the Committee and come, hopefully, to a form of
6 final order, we'll be submitting it to Chambers for your
7 Honor's approval.

8 THE COURT: Okay, very good.

9 Others? Anyone?

10 MR. MACLAY: Yes, your Honor. What Mr. Erens said is,
11 is accurate. The Committee is preparing to, you know, work
12 through with the, the debtor on a, hopefully, consensual basis
13 how that order should look.

14 One outstanding issue that your Honor had raised
15 before and that I tried and ultimately was successful in trying
16 to do was to figure out the Committee's position on your
17 Honor's suggestion that the DBMP and this bankruptcy be heard,
18 potentially, together on the PI. And I haven't had a chance --
19 I apologize -- to raise this with the debtor yet. I believe,
20 in fact, I can say affirmatively both Committees are willing to
21 have those preliminary injunction hearings be heard together in
22 a joint session just for the record.

23 THE COURT: Uh-huh (indicating an affirmative
24 response).

25 MR. MACLAY: And obviously, this is something we'll be

1 talking about with the debtors, too, in figuring out what makes
2 sense, but that's at least the Committee's position that I
3 wanted to, to say now that I know it, as we think through what
4 that order should look like.

5 THE COURT: With that said, we're currently scheduled,
6 I think, September 9 and 10 in DMB and, DBMP -- excuse me. Are
7 we likely to be ready to go in this case by that day?

8 MR. MACLAY: Well, your Honor, it's obviously an open
9 issue. I think from the Committee's perspective we could be
10 and I don't know what the debtors' position on that is
11 'cause -- I apologize -- I haven't had a chance to talk with
12 them since I became aware that the two Committees were, were
13 willing to proceed in that fashion. I don't know the debtors'
14 perspective and I don't want to speak for them.

15 THE COURT: Mr. Erens, do you have any off-the-cuff
16 impressions there?

17 MR. ERENS: As Mr. MacLay indicated, the, we weren't
18 sure what the Committees' position was. If you look back at
19 the DBMP case, they asked for a decent amount of discovery,
20 which took a significant amount --

21 THE COURT: Uh-huh (indicating an affirmative
22 response).

23 MR. ERENS: -- of time to put together. So pending
24 what they were going to want in that discovery period we held
25 off having that discussion. Because, for instance, if it took

1 them, you know, if the requests were for discovery that was
2 going to take four months, then the hearing just couldn't come
3 together at the same time.

4 I'm just hearing for the first time, as you are, from
5 Mr. Maclay that the Committee is willing to have the --

6 THE COURT: Uh-huh (indicating an affirmative
7 response).

8 MR. ERENS: -- hearings together. So we will, then,
9 take that back to our clients, obviously, as well and have that
10 discussion.

11 I suppose the other point is someone's going to have
12 to ask the DBMP estate --

13 THE COURT: Right.

14 MR. ERENS: -- what their position is because it's,
15 it's not just us. It's them as well.

16 THE COURT: Sure.

17 Well, that was my long-winded way of me asking have
18 you figured out when you want to have this hearing and I guess
19 the answer to that is, no. Are -- what are we going to put in
20 the preliminary injunction? Are we going to schedule that
21 hearing in, in the order you're going to submit, or are we
22 going to have a follow-on order that says the injunction's
23 entered, has been entered until a hearing can be set and then
24 having a follow-on order that sets the hearing?

25 MR. ERENS: That was some of the discussion we had

1 with the Committee. So we said, you know, there's a couple
2 options. We can put a hearing date in, but until we have a
3 case management order and some sense of what the Committees are
4 going to be looking for in terms of discovery and the like.

5 And then there's also the FCR, which is an entity that
6 hasn't been created yet. So I didn't know if that was relevant
7 or not to the discussion.

8 THE COURT: Right.

9 MR. ERENS: But in any case, we had proposed not
10 necessarily putting a hearing date in the order --

11 THE COURT: Uh-huh (indicating an affirmative
12 response).

13 MR. ERENS: -- pending a CMO and a determination of
14 what the ACC might be looking for in terms of discovery and the
15 like. So we gave them those couple different options. That's
16 what I think they're deliberating on.

17 With respect to putting the hearings together, that
18 will, you know, we're now at mid-July.

19 THE COURT: Right.

20 MR. ERENS: And we're talking about a hearing in early
21 September, which is about six weeks away. So that will clearly
22 truncate the amount of discovery that really is conceivable in
23 this case. Now if that's what the Committee is willing to do,
24 then, you know, that's certainly their choice.

25 THE COURT: Well, it-- it -- it is of no moment to me,

1 either way. It just occurred to me that the two estates since
2 they're arguing substantially the same ground might want for
3 everyone to get a shot at it before I make a ruling in one case
4 and that adversely affects the position of someone in the
5 second.

6 So the bottom line, I guess, is that the Court can do
7 it either way.

8 The, the other thing I would suggest as you're talking
9 and trying to negotiate this order is try to determine how much
10 time you're going to need. November is always -- if we don't
11 do this in September, we've got some availability in October.
12 November's always a crowded month because of Thanksgiving and
13 the like and other commitments that we have. Maybe this year
14 we won't have our state seminar going in November, but -- and
15 then December, at least in theory, I'm supposed to be out of
16 the office for a couple weeks around the holidays and everyone
17 gets crowded then.

18 So it would be most useful in finding days to know how
19 much time you're going to need in advance, okay?

20 MR. ERENS: Understood.

21 MR. MACLAY: And, your Honor, a quick follow-up
22 comment. You had suggested at the last hearing that your Honor
23 had September 8th available to add to the 9th and 10th --

24 THE COURT: Uh-huh (indicating an affirmative
25 response).

1 MR. MACLAY: -- that we currently have for the DBMP
2 hearing.

3 THE COURT: Right.

4 MR. MACLAY: If it would be possible, your Honor, to
5 essentially reserve that while we engage in discussions with
6 the debtor about the potential for a joint hearing, that would
7 at least preserve some optionality there, if, if, in fact, that
8 day is still available for you.

9 THE COURT: It is available to me. Before we start a
10 day early in that case, somebody in that bankruptcy needs to
11 discuss whether it works for everyone there. But on my end,
12 I'll hold the day for you.

13 MR. MACLAY: Thank you, your Honor.

14 THE COURT: Okay. So you're going to work on the
15 order and, hopefully, send something down. You're meeting on
16 Friday, is that right, or by Friday? So we should expect
17 something early next week?

18 MR. MACLAY: Yes, your Honor. I don't -- it's hard to
19 predict exactly when we'll finalize our discussions with the
20 debtor, but we both understand that an order needs to be
21 uploaded or at least a hearing scheduled or, or something
22 immediate if it has to happen between now and the 23rd. I
23 think we all anticipate that will happen.

24 As your Honor knows, there are some things between now
25 and then, including the Kaiser confirmation hearing, but we'll

1 get it done.

2 THE COURT: Right. That -- that was -- what I was
3 anticipating is if we don't get our problems worked out this
4 week, we've got issues next week since the Kaiser confirmation
5 is scheduled for all week long. And the 23rd, of course, is
6 Thursday. So we may well be in the other case at the same time
7 that we need to be talking about an injunction.

8 But sounds to me like you're on the same page. So
9 whatever we get into over that could be handled fairly, in
10 fairly short order. Maybe we start at 9:00 Eastern and take a
11 half an hour, if you have any remaining issues to talk about,
12 one of the, the mornings before the 23rd.

13 But let's hope for the best and then we'll just
14 schedule as we can if, if something comes up. Just don't
15 expect a lot of time if you get into a fight about the order.
16 We're, we're not going to have much time to accommodate you.

17 And I'm sure, for the participants in Kaiser, y'all
18 are going to have a lot of other things on your mind.

19 So let's see if we can't get this resolved before the
20 weekend, if we can, all right?

21 MR. MACLAY: And just one quick follow-up comment for
22 your Honor's information.

23 THE COURT: Uh-huh (indicating an affirmative
24 response).

25 MR. MACLAY: We are about to have a, a pretrial in

1 Kaiser where we're going to go through the schedule and the way
2 things look.

3 THE COURT: Uh-huh (indicating an affirmative
4 response).

5 MR. MACLAY: As of right now, I think there's broad
6 consensus on the plan proponent side at least that the hearing
7 may take as few as one to two days, given the settlement with
8 all the excess insurers that would have been, frankly, the bulk
9 of the time required in the hearing, given the submission of
10 all direct examinations by declaration --

11 THE COURT: Right.

12 MR. MACLAY: -- the actual -- and, and given the
13 prospect of having closings follow post-trial briefing.

14 THE COURT: Uh-huh (indicating an affirmative
15 response).

16 MR. MACLAY: Given all of that, we anticipate on the
17 plan proponent side that the, the hearing is unlikely to take
18 the full week and may take as little as one to two days.

19 But you'll hear more about that at the, at the Kaiser
20 pretrial. I just wanted to highlight that for you now so you
21 can incorporate it into your thinking.

22 THE COURT: I don't want to get off us having a
23 conversation about another case without everyone there, but the
24 only thing I would take back, Mr. MacLay, on my end of it is
25 for planning purposes you may share with everyone -- and I'll

1 tell them again tomorrow -- at the moment at least I'm caught
2 up on the reading and I've read all the declarations and
3 reports.

4 So the short-play version on direct might be
5 appropriate as opposed to feeling like you have to highlight
6 everything in those declarations for me, so. All right?

7 Let's go back to --

8 MR. MACLAY: Well, yeah. Just to be clear, your
9 Honor, I don't actually think there's going to be any live
10 direct at all. I think they're all just coming in through
11 declarations, but we'll confirm that at the pretrial.

12 THE COURT: That's my understanding, but -- in any
13 event, let's not get any further afield from that.

14 Back to the injunction. If you run into problems,
15 please let my law clerk know and we will try to scratch out
16 some time for us to talk about whatever they may be. But
17 otherwise, I'll expect to see the injunction order coming from
18 you end of the week or early next week.

19 All right. What else do we need to talk about in, in
20 Aldrich?

21 MR. ERENS: I think that's it, your Honor.

22 THE COURT: Okay, very good.

23 MR. ERENS: I think we're good.

24 THE COURT: All right, wonderful.

25 Well, thank you all. I do appreciate your, your

1 flexibility in trying to learn this new technology. I've been
2 very impressed with everyone so far of how, how quickly
3 everyone has adapted to it and I don't see things, at least in
4 North Carolina, changing anytime soon. We're like everyone
5 else. The numbers of COVID infections are going up again and
6 consequently, the Governor is not being very aggressive in
7 terms of opening up and we are, more or less, trying to stay
8 fairly consistent with what's being done by our state.

9 So I, I think this is the status quo at least for the,
10 for the foreseeable future, so. We'll let you know if anything
11 changes down here.

12 If there's nothing else, we'll recess, okay?

13 MR. ERENS: All right. Thank you, your Honor.

14 THE COURT: Uh-huh (indicating an affirmative
15 response).

16 (Proceedings concluded at 10:01 a.m.)
17
18
19
20
21
22
23
24
25

