

**APPENDIX B:  
DIVISIVE MERGERS – aka THE TEXAS TWO STEP**

**Northern District of Texas Bankruptcy Bench/Bar Conference – June 16, 2022**

Judge Mark Mullin (Bankr. N.D. Tex.), Ian Peck (Haynes and Boone, LLP, Dallas, Texas) and Audrey Hornisher (Clark Hill PLC, Dallas, Texas)

<b>Case</b>	<b>Bestwall LLC (Bankr. W.D. N.C. 17-31795)</b>	<b>DBMP LLC (Bankr. W.D. N.C. 20-30080)</b>	<b>Aldrich Pump LLC (Bankr. W.D. N.C. 20-30608)</b>	<b>LTL Management LLC (Bankr. N.J. 21-30589)</b>
<b>Dismissal for Bad Faith</b>	Official Committee of Asbestos Claimants filed a motion to dismiss for bad faith, which was denied (Mot.: Dkt. 495; Mem. Op.: Dkt. 891).	None filed as of 6/14/2022.	None filed as of 6/14/2022.	Official Talc Claimants Committee (Dkt. 632) and Personal Injury Claimants (Dkt. 766) filed a motion to dismiss for bad faith. Court denied motions (Mem. Op.: Dkt. 1572) and currently on direct appeal to Third Circuit.
<b>Transfer of Venue</b>	Asbestos Committee filed a motion to transfer venue, which was denied. (Mot.: Dkt. 495, Mem. Op.: Dkt. 891).	None filed as of 6/14/2022.	None filed as of 6/14/2022.	Bankruptcy Court sue sponte considered the transfer to the District of New Jersey and granted the relief.
<b>Fraudulent Transfer of Assets</b>	None filed as of 6/14/2022. Official Committee of Asbestos Claimants made references in open court regarding a fraudulent transfer motion.	Official Committee of Asbestos claimants filed fraudulent transfer complaint (Adv. Pro. No. 22-03000; Adv. Pro. Dkt. 1). No ruling as of 6/14/2022.  Debtor's filed motion to dismiss the fraudulent transfer complaint (Adv. Pro. No. 22-03000; Adv. Pro. Dkt. 38). No ruling as of 6/14/2022.	None filed as of 6/14/2022.	None filed as of 6/14/2022.
<b>Substantive Consolidation of Parent Company and Affiliates with the Debtor</b>	None filed as of 6/14/2022.	Official Committee of Asbestos Claimants filed motion to consolidate the debtor with the non-debtor assets to unwind the divisional merger and filed adversary proceeding requesting the same relief (Mot.: Dkt.1005; Adv. Proc. No. 22-03023, Adv. Pro. Dkt. 2). No ruling as of 6/14/2022.  Debtor's filed motion to dismiss the motion to consolidate (Adv. Proc. No. 22-03023; Adv. Pro. Dkt. 20, 21). Court denied motion to dismiss stating that the motion to consolidate is viable under the Bankruptcy Code (Adv. Proc. No. 22-03023; Adv. Pro. Dkt. 49).	Official Committee of Asbestos Claimants filed motion to consolidate the debtor with the non-debtor assets to unwind the divisional merger and filed adversary proceeding requesting the same relief (Mot.: Dkt. 850 and 851; Adv. Proc. No. 21-03029, Adv. Pro. Dkt. 1, 2). No ruling as of 6/14/2022.  Debtor's filed motion to dismiss the motion to consolidate (Adv. Proc. No. 21-03029; Adv. Pro. Dkt. 17, 18). Court denied motion to dismiss stating that the motion to consolidate is viable under the Bankruptcy Code (Adv. Proc. No. 21-03029; Adv. Pro. Dkt. 71).	None filed as of 6/14/2022.
<b>Breach of Fiduciary Duty</b>	None filed as of 6/14/2022.	The Official Committee of Asbestos Claimants filed a motion alleging breach of fiduciary duty (Adv. Pro. No. 22-03001; Adv. Pro. Dkt. 1). Fiduciary duty action stayed until resolution of fraudulent transfer and substantive consolidation complaints (Adv. Pro. No. 22-03001; Adv. Pro. Dkt. 49). No ruling as of 6/14/2022.	None filed as of 6/14/2022.	None filed as of 6/14/2022.
<b>Estimation/ Valuation of Settlement Funding</b>	Motion to estimate asbestos claims was granted (Mot.: Dkt. 875; Order: Dkt. 1577).	Motion to estimate asbestos claims was granted (Mot.: Dkt. 948; Order: bench ruling).	Motion to estimate asbestos claims was granted (Mot.: Dkt. 833; Order: bench ruling).	Motion to establish qualified settlement fund (Mot.: Dkt. 8). No ruling, hearing adjourned until 9/14/2022.
<b>Motion for Standing on Behalf of the Bankruptcy Estate</b>	None filed as of 6/14/2022.	Official Committee of Asbestos Claimants and Future Claim Representatives filed motion for standing, which was granted (Mot.: Dkt. 1008; Order: bench ruling).	Official Committee of Asbestos Claimants filed motion for standing, which was granted (Mot.: Dkt. 848; Order: bench ruling).	None filed as of 6/14/2022.
<b>Mediation</b>	Mediation was ordered but concluded without a settlement in April 2020.	Mediation was ordered but did not result in consensual plan of reorganization.	Mediation has not been ordered. On March 31, 2022, the Court suggested that although it is "eager" for the parties to discuss settlement, it is not the Court's "job" to "force" that on unwilling parties.	Court ordered mediation between the Official Talc Claimants Committee, future talc claimants and Debtors to reach agreement on consensual plan of reorganization.