Court File No. CV-21-00673856-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED

AND IN THE MATTER OF LTL MANAGEMENT LLC
APPLICATION OF LTL MANAGEMENT LLC

UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT

SEVENTH REPORT OF THE INFORMATION OFFICER

APRIL 12, 2023

INTRODUCTION

1. LTL Management LLC (the "**Debtor**" or "**LTL**") is an indirect subsidiary of Johnson & Johnson ("**J&J**"), which operates a worldwide business in healthcare, pharmaceuticals, and consumer goods. The Debtor was formed through a corporate restructuring within the J&J group of companies that was completed prior to the Debtor commencing proceedings under the U.S. Bankruptcy Code (the "**2021 Corporate Restructuring**").[1] As part of the corporate restructuring, LTL was allocated certain assets and liabilities, including the liabilities of its predecessor company (the entity formerly known as Johnson & Johnson Consumer Inc. ("**Old JJCI**")) arising from talc-related claims against it.

[1] Capitalized terms not defined have the meaning set forth below.

2. In October 2021, the Debtor commenced the 2021 Chapter 11 Proceedings with the stated intent of addressing all of its outstanding talc liabilities through a trust to be established under a chapter 11 plan and a channelling injunction to channel all talc-related claims against the Debtor and certain third parties to the trust.

3. Since December 1, 2021, the Debtor and certain of its stakeholders have been engaged in litigation regarding (i) the Motions to Dismiss the 2021 Chapter 11 Proceedings and (ii) a preliminary injunction which stayed litigation against certain third parties related to Enjoined Talc Claims[2]. The U.S. litigation has been described in detail in the prior reports of the Information Officer.

4. As described in further detail below, since the date of the Information Officer's most recent report, issued on March 27, 2023 (the "**Sixth Report**"), the New Jersey Bankruptcy Court has entered an order dismissing the 2021 Chapter 11 Proceedings (the "**Dismissal Order**") and the Debtor is now seeking to dismiss these CCAA Recognition Proceedings.

5. The Debtor has commenced a second filing under the U.S. Bankruptcy Code (the "**2023 Chapter 11 Proceedings**") and is bringing a separate application to have the 2023 Chapter 11 Proceedings recognized by this CCAA Court. The Information Officer intends to file a separate

[2] "Enjoined Talc Claims" means, collectively, any talc-related claims against the Debtor, including all claims relating in any way to talc or talc containing materials that were formerly asserted (or that could have been asserted) against Old JJCI on any theory of liability (whether direct, derivative, joint and several, successor liability, vicarious liability, fraudulent or voidable transfer or conveyance, alter ego or otherwise). For the avoidance of doubt, Enjoined Talc Claims include, without limitation, all talc personal injury claims and other talc-related claims allocated to the Debtor from Old JJCI in the documents implementing the 2021 Corporate Restructuring. The Enjoined Talc Claims do not include talc-related claims for which the exclusive remedy is provided under workers' compensation statutes and similar laws.

report in respect of such recognition in its capacity as proposed information officer in those proceedings.

PURPOSE

6. The purpose of this Seventh Report of the Information Officer (the "**Seventh Report**") is to provide information to this CCAA Court and Canadian stakeholders with respect to:

(i) the status of the 2021 Chapter 11 Proceedings, including, among other things, the Dismissal Order;

(ii) the Debtor's motion (the "**Termination Motion**") for an order, among other things:

(1) recognizing and giving full force and effect in Canada to the Dismissal Order;

(2) terminating these CCAA Recognition Proceedings, including discharging the Information Officer and granting a release in respect of the Information Officer and its counsel;

(3) approving the activities of the Information Officer as described in this Seventh Report, the Sixth Report and the Fifth Report; and

(4) approving the accounts of the Information Officer and its legal counsel as set out in the Fee Affidavits;

(iii) the Information Officer's recommendation in respect of the Termination Motion.

TERMS OF REFERENCE

7. In preparing this Seventh Report and making the comments herein, the Information Officer has relied solely on information and documents provided by the Debtor and its Canadian and U.S. legal counsel, publicly available court documents filed by various parties, and discussions with other stakeholders and their representatives (collectively, the "**Information**").

8. The Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Information Officer has not audited, or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Information Officer expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

9. Unless otherwise indicated, the Information Officer's understanding of factual matters expressed in this Seventh Report concerning the Debtor and its businesses is based on the Information, and not independent factual determinations made by the Information Officer.

STATUS OF THE PROCEEDINGS

10. On October 12, 2021, LTL commenced a case (the "**2021 Chapter 11 Proceedings**") by filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "**U.S. Bankruptcy Code**") with the United States Bankruptcy Court for the Western District of North Carolina (the "**North Carolina Bankruptcy Court**").

11. The procedural background of the 2021 Chapter 11 Proceedings and these related recognition proceedings (the "**CCAA Recognition Proceedings**"), is set out in detail in the

previous reports issued by the Information Officer, dated February 24, 2022, March 3, 2022, May 20, 2022, October 24, 2022, February 16, 2023, March 27, 2023 (collectively, the "**Information Officer Reports**"). Copies of the Information Officer Reports as well as other pleadings filed and orders issued in the CCAA Recognition Proceedings can be found on the website maintained by the Information Officer: https://documentcentre.ey.com/#/detail-engmt?eid=479.

12. On February 16, 2023, the Information Officer issued a report (the "**Fifth Report**") advising that on January 30, 2023, a panel of the United States Court of Appeals for the Third Circuit (the "**Third Circuit**") had issued an opinion (the "**Third Circuit Opinion**") directing the United States Bankruptcy Court for the District of New Jersey (the "**New Jersey Bankruptcy Court**") to dismiss the 2021 Chapter 11 Proceedings and dissolving the preliminary injunction. The Fifth Report further advised that the Debtor had taken steps to seek a rehearing or a rehearing *en banc* (the "**Rehearing Petition**") on the matter. A copy of the Fifth Report, without appendices, is attached hereto as **Appendix "A"**.

13. On March 27, 2023, the Information Officer issued the Sixth Report, advising that the Third Circuit had entered an order on March 22, 2023, denying the Debtor's Rehearing Petition (the "**Petition Order**"). The Sixth Report further advised that on March 23, 2023, the Debtor filed a motion with the Third Circuit seeking to stay the issuance of the mandate and advising that LTL intended to seek *certiorari* of the Third Circuit Opinion to the United States Supreme Court (the "**Mandate Stay Motion**"). A copy of the Sixth Report, without appendices, is attached hereto as **Appendix "B"**.

14. On March 31, 2023, the Third Circuit denied the Mandate Stay Motion. A copy of the order of the Third Circuit is attached hereto as **Appendix "C"**.

15. Also on March 31, 2023, the Third Circuit issued its mandate, directing the New Jersey Bankruptcy Court to dismiss the 2021 Chapter 11 Proceedings. A copy of the opinion and the mandate letter are attached hereto as **Appendix "D"**.

16. Following the issuance of the mandate letter, the Debtor wrote to the New Jersey Bankruptcy Court to provide a draft Dismissal Order that, as described in the correspondence "reflect[ed] input from the Debtor, the Official Committee of Talc Claimants (the "**TCC**"), the Future Claimants' Representative (the "**FCR**"), the Court-appointed expert, and the ad hoc committee of state attorneys general". The correspondence also noted that the Debtor had not received comments from the Office of the United States Trustee. A copy of the Debtor's correspondence and the proposed draft order are attached hereto as **Appendix "E"**.

17. On April 4, 2023, the TCC filed a statement, advising the New Jersey Bankruptcy Court that it understood that the Debtor and/or certain affiliates may file a second chapter 11 case and that the TCC opposed any filing that gave J&J and/or its affiliates access to the bankruptcy system. A copy of the TCC statement is attached hereto as **Appendix "F"**.

18. That same day, The New Jersey Bankruptcy Court entered an order dismissing the Chapter 11 Case in the form proposed by the Debtor (the "**Dismissal Order**"). A copy of the Dismissal Order is attached hereto as **Appendix "G"**.

19. The Dismissal Order provides for, among other things, dismissal of the proceedings and procedures for payment of retained professionals. The Dismissal Order also provides for termination of the FCR's appointment as of the date of the Dismissal Order and termination of the TCC upon the filing of a notice indicating that the appeals are exhausted or that the Debtor will not pursue the appeals. On April 4, 2023, the Debtor filed a notice that it will no longer pursue the

appeals. As a result, the TCC was dissolved on that date. A copy of the notice is attached hereto as **Appendix "H"**.

20. On the same day, the Debtor filed a second petition for relief under chapter 11 of the U.S. Bankruptcy Code. The Information Officer understands that the Debtor intends to seek recognition of those proceedings by way of a separate application before the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**").

APPROVAL OF FEES DISBURSEMENTS OF INFORMATION OFFICER AND ITS LEGAL COUNSEL

21. Pursuant to paragraphs 13 and 14 of the Supplemental Order: (i) the Information Officer and its legal counsel shall be paid their reasonable fees and disbursements, in each case at their standard rates and charges, whether incurred prior to, on or subsequent to the date of the Initial Recognition Order; and (ii) the Information Officer and its legal counsel shall pass their accounts from time to time before the Court.

22. The CCAA Court previously approved the fees and disbursements of the Information Officer and its legal counsel up to, and including, September 30, 2022, as described in detail within the Information Officer's Fourth Report.

23. Attached hereto as **Appendix "I"** is the Affidavit of Alex Morrison **(the "Morrison Affidavit")**, attesting to the fees and disbursements of the Information Officer for the period

October 1, 2022 to March 31, 2023 in the aggregate amount of $155,405.26, comprised of fees of $148,005[3], disbursements and expenses of $7,400.26**.**

24. Attached hereto as **Appendix "J"** is the Affidavit of Natalie E. Levine (the "**Levine Affidavit**" and collectively with the Morrison Affidavit, the "**Fee Affidavits**")**,** a partner with Cassels, attesting to the fees and disbursements of Cassels for the period October 3, 2022 to March 31, 2022 in the aggregate amount of $280,603.87, comprised of fees of $248,307.50, disbursements of $14.50, and HST of $32,281.87. The Information Officer confirms that the fees and disbursements set out in Cassels' invoices relate to advice sought by the Information Officer and assistance provided in respect of the CCAA Recognition Proceedings, and that, in the Information Officer's view, Cassels' fees and disbursements are properly chargeable, reasonable and appropriate particularly in light of the nature of these complex cross border proceedings.

RECOMMENDATION

25. In light of the Dismissal Order, the Information Officer believes that termination of these CCAA Recognition Proceedings in respect of the 2021 Chapter 11 Proceedings at this juncture is appropriate. The 2021 Chapter 11 Proceedings has been dismissed and no further relief is expected to be granted in respect of any stakeholder in Canada in connection with the 2021 Chapter 11 Proceedings or this CCAA Proceeding.

26. The Information Officer will address the proposed recognition of the 2023 Chapter 11 Proceedings in a separate report.

All of which is respectfully submitted this 12th day of April, 2023.

[3] HST is exempt on services provided in this proceeding since LTL is not a Canadian entity.

ERNST & YOUNG INC.
Solely In its capacity as Information Officer of
LTL Management LLC, and not in its personal capacity

Per: Alex Morrison Senior Vice President	Per: Stuart Clinton Senior Vice President

APPENDIX “A”

Court File No. CV-21-00673856-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
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IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED

AND IN THE MATTER OF LTL MANAGEMENT LLC
APPLICATION OF LTL MANAGEMENT LLC

UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT

FIFTH REPORT OF THE INFORMATION OFFICER

FEBRUARY 16, 2023

INTRODUCTION

1. LTL Management LLC (the "**Debtor**" or "**LTL**") is an indirect subsidiary of Johnson & Johnson ("**J&J**"), which operates a worldwide business in healthcare, pharmaceuticals, and consumer goods. The Debtor was formed through a corporate restructuring within the J&J group of companies that was completed prior to the Debtor commencing proceedings under the U.S. Bankruptcy Code.[1] As part of the corporate restructuring, LTL was allocated certain assets and liabilities, including the liabilities of its predecessor company (the entity formerly known as Johnson & Johnson Consumer Inc. ("**Old JJCI**")) arising from talc-related claims against it. The

[1] Capitalized terms not defined have the meaning set forth below.

corporate restructuring and subsequent chapter 11 filing by the Debtor are the subjects of significant disputes among the parties in the Chapter 11 Case.

2. The Debtor's stated purpose in commencing the Chapter 11 Case and the related CCAA Recognition Proceedings is to attempt to equitably and permanently resolve all current and future talc-related claims against the Debtor, including approximately 38,000 pending talc-related ovarian cancer claims and additional mesothelioma claims. The Debtor has advised that it believes that confirmation of a plan of reorganization that equitably resolves current and future talc claims is in the best interest of its estate because it would avoid significant legal costs, provide fair treatment of talc claimants, and expedite and efficiently provide distributions to claimants. The majority of participating groups of talc-related plaintiffs, but not all, have indicated that they prefer to continue litigating their talc-related claims outside of the bankruptcy process.

3. On December 1, 2021, the Official Committee of Talc Claimants (the "**TCC**"), filed a motion to dismiss the Chapter 11 Case, which was followed by similar motions and joinders from parties representing individual plaintiffs (collectively, the "**Motions to Dismiss**"). Following substantial litigation thereon, on February 25, 2022, the New Jersey Bankruptcy Court released two opinions, denying the Motions to Dismiss and granting the Extended Injunction. On April 4, 2022, the New Jersey Bankruptcy Court granted an order permitting the direct certification of the Dismissal Opinion and the Injunction Opinion to the United States Court of Appeals for the Third Circuit (the "**Third Circuit**"), thereby permitting the parties to request that the Third Circuit review the opinions without the need for review by the District Court for the District of New Jersey (the "**New Jersey District Court**"). The Third Circuit agreed to hear the appeals and a hearing took place on September 19, 2022.

4. Although the Chapter 11 Case has continued, the parties have been mindful that a Third Circuit decision could have significant implications. The Third Circuit has now issued an opinion reversing the New Jersey Bankruptcy Court's orders related to the Dismissal Opinion and finding that the appeal of the Injunction Opinion is therefore moot. The implications of this decision are discussed below.

PURPOSE

5. The purpose of this Fifth Report of the Information Officer (the "**Fifth Report**") is to provide information to the CCAA Court and Canadian stakeholders with respect to:

(i) the Chapter 11 Case including, among other things, the Third Circuit Opinion and the Rehearing Petition (each as defined below); and

(ii) the Information Officer's activities and anticipated next steps.

6. The Information Officer notes that there is no motion before the CCAA Court at this time. Although the TCC served an affidavit attaching the Third Circuit Opinion, notwithstanding that it was advised that this report would be forthcoming, the Information Officer is providing this report to ensure that stakeholders have additional context on the status of the proceedings in the United States.

TERMS OF REFERENCE

7. In preparing this Fifth Report and making the comments herein, the Information Officer has relied solely on information and documents provided by the Debtor and its Canadian and U.S. legal counsel and on publicly available court documents filed by various parties (collectively, the "**Information**").

8. The Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Information Officer has not audited, or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Information Officer expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

9. Unless otherwise indicated, the Information Officer's understanding of factual matters expressed in this Fifth Report concerning the Debtor and its businesses is based on the Information, and not independent factual determinations made by the Information Officer.

10. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars.

STATUS OF THE PROCEEDINGS

11. On October 14, 2021, LTL commenced a case (the "**Chapter 11 Case**") by filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "**U.S. Bankruptcy Code**") with the United States Bankruptcy Court for the Western District of North Carolina (the "**North Carolina Bankruptcy Court**").

12. The Debtor commenced the Chapter 11 Case following, among other things, an increase in the number and pace of filing of lawsuits against Old JJCI and J&J, which allege that JOHNSON'S® Baby Powder and, in some cases, a product called "Shower to Shower", cause ovarian cancer and mesothelioma. The Debtor is of the view that these claims have no valid scientific basis. The plaintiffs take the opposite view.

13. Following the first day hearings held on October 20, 2021 and October 22, 2021, the North Carolina Bankruptcy Court granted certain administrative orders and a temporary restraining order that enjoined talc claims solely against the Debtor and Old JJCI.

14. The North Carolina Bankruptcy Court entered an order on November 15, 2021: (i) declaring that the automatic stay applies to prohibit; and (ii) preliminarily enjoining the commencement or continuation of Enjoined Talc Claims[2] against certain "Protected Parties", as set out in the order, for 60 days (i.e., until January 14, 2022), subject to modification or extension by an order of any court (the "**U.S. Preliminary Injunction Order**").

15. On that same day, the North Carolina Bankruptcy Court made a ruling (reflected in an order dated November 16, 2021) transferring the Chapter 11 Case to the District of New Jersey. The case is now before Judge Kaplan of the United States Bankruptcy Court for the District of New Jersey (the "**New Jersey Bankruptcy Court**").

16. On December 1, 2021 and the following days, the TCC and the other opposing parties filed the Motions to Dismiss. The Motions to Dismiss argued, among other things, that the Chapter 11 Case was not filed in good faith and that the plaintiffs should be permitted to pursue their claims against the Debtor and its non-Debtor affiliates in the tort system.

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[2] "Enjoined Talc Claims" means, collectively, any talc-related claims against the Debtor, including all claims relating in any way to talc or talc containing materials that were formerly asserted (or that could have been asserted) against Old JJCI on any theory of liability (whether direct, derivative, joint and several, successor liability, vicarious liability, fraudulent or voidable transfer or conveyance, alter ego or otherwise). For the avoidance of doubt, Enjoined Talc Claims include, without limitation, all talc personal injury claims and other talc-related claims allocated to the Debtor from Old JJCI in the documents implementing the 2021 Corporate Restructuring (as defined below). The Enjoined Talc Claims do not include talc-related claims for which the exclusive remedy is provided under workers' compensation statutes and similar laws.

17. On December 15, 2021, the New Jersey Bankruptcy Court entered an order authorizing the Debtor to act as foreign representative (in such capacity, the "**Foreign Representative**") on behalf of its estate (the "**Foreign Representative Order**").

18. On December 16, 2021, the Debtor served an application pursuant to Part IV of the *Companies' Creditors Arrangement Act* (the "**CCAA**") to have the Chapter 11 Case recognized by the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**") as a foreign main proceeding (the "**CCAA Recognition Proceedings**").

19. On December 17, 2021, the CCAA Court issued two orders pursuant to Part IV of the CCAA:

(i) the Initial Recognition Order (Foreign Main Proceeding), which, *inter alia*, recognizes the Debtor as the "foreign representative" and the Chapter 11 Case as a "foreign main proceeding", as defined in section 45 of the CCAA, and stays all proceedings in Canada against the Debtor; and

(ii) the Supplemental Order (Foreign Main Proceeding) (the "**Supplemental Order**"), which, *inter alia*, recognizes the U.S. Preliminary Injunction Order and the Foreign Representative Order, gives the U.S. Preliminary Injunction Order and the Foreign Representative Order full force and effect in all provinces and territories in Canada pursuant to section 49 of the CCAA, and appoints Ernst & Young Inc. (the "**Information Officer**") as Information Officer in the CCAA Recognition Proceedings.

20. On January 15, 2022, the New Jersey Bankruptcy Court entered an order *inter alia* extending the terms of the U.S. Preliminary Injunction Order to February 28, 2022.

21. From February 14 to 18, 2022, the New Jersey Bankruptcy Court conducted a hearing of the Motions to Dismiss and the motion for an extension of the U.S. Preliminary Injunction Order (the "**Extended Injunction**").

22. On February 25, 2022, the New Jersey Bankruptcy Court released two opinions, denying the Motions to Dismiss (the "**Dismissal Opinion**") and granting the Extended Injunction (the "**Injunction Opinion**").

23. Also on February 25, 2022, Justice Conway granted an extension of the stay of proceedings set out in the Supplemental Order to March 8, 2022, to allow all parties in Canada the opportunity to review and consider the impact of the New Jersey Bankruptcy Court's decisions.

24. On March 1, 2022, the Foreign Representative served a motion record, seeking an order recognizing the order implementing the Extended Injunction (the "**Extended Injunction Order**") to be entered by the New Jersey Bankruptcy Court.

25. On March 7, 2022, Justice Wilton-Siegel granted an order which, among other things, recognizes and gives the Extended Injunction full force and effect in all provinces and territories in Canada pursuant to section 49 of the CCAA (the "**Injunction Recognition Order**").

26. Additional information regarding the appeals of the Dismissal Opinion and the Injunction Opinion to the Third Circuit is below.

MEDIATION

27. On March 18, 2022, the New Jersey Bankruptcy Court entered an order (the "**Mediation Order**") appointing two mediators (the "**Co-Mediators**"), designating the Debtor and its affiliates, the Official Committee of Talc Claimants I ("**TCC I**"), the Official Committee of Talc Claimants II ("**TCC II**"),[3] and any court-appointed future talc-claimants representative(s) as mediation parties (the "**Mediation Parties**"), and directing the parties to participate in a mediation process described in further detail below (the "**Mediation**"). The Mediation Order also imposes confidentiality provisions on the Mediation Parties.

28. Following input from the parties, on May 16, 2022, the New Jersey Bankruptcy Court entered an amended order governing the terms of the Mediation of the issues in the Chapter 11 Case (the "**Amended Mediation Order**").

29. On May 20, 2022, the Information Officer served the Third Report of the Information Officer (the "**Third Report**"), advising stakeholders of the Amended Mediation Order and encouraging all Canadian parties to actively participate in the Mediation in good faith. Since the commencement of the Mediation, the Information Officer has had multiple conversations with one of the Co-Mediators to emphasize the importance of considering the position of Canadian stakeholders in the ongoing mediation process. The Information Officer is required under the terms of the Amended Mediation Order to maintain confidentiality regarding such discussions.

[3] As described in the Third Report (defined below), following a motion before the New Jersey Bankruptcy Court, TCC I and TCC II have been reconstituted into a single TCC.

30. Additional details regarding the parties to the Mediation, including the Information Officer's efforts to ensure that Canadian parties would be entitled to participate in the Mediation, are described in the Third Report and the Fourth Report (defined below).

ESTIMATION

31. At a status conference on June 14, 2022, the New Jersey Bankruptcy Court acknowledged that the parties had submitted reports with very different views on the process to develop a confirmable plan in the Chapter 11 Case. Among other things, Judge Kaplan asked the parties to submit statements for the omnibus hearing in July of 2022 on whether a process for the estimation of the Debtor's aggregate liability for present and future talc claims would be appropriate.

32. On July 28, 2022, the New Jersey Bankruptcy Court ruled that estimation would proceed and an expert would be appointed.[4] Judge Kaplan was not prepared to lift or modify the Extended Injunction or the stay of proceedings but advised that parties may renew their motions again after the report by the court appointed expert for estimation is filed. He did, however, permit (i) certain claimants to seek third party discovery to preserve evidence and prepare for trial in case the Third Circuit reverses the Dismissal Opinion and the Injunction Opinion and (ii) the insurers to take certain third-party discovery. Judge Kaplan emphasized that the parties needed to focus on the Mediation and there would be mandatory in-person mediation sessions.

[4] Further details on the parties positions on the estimation process and appointment of an expert can be found in the Fourth Report of the Information Officer, filed with this Court on October 24, 2022.

33. On that same day, the New Jersey Bankruptcy Court entered an order identifying Kenneth R. Feinberg as the proposed expert (the "**Court Appointed Expert**") and requiring parties to file an opposition to Mr. Feinberg's appointment by August 11, 2022.

34. On August 15, 2022, the New Jersey Bankruptcy Court entered an order appointing Mr. Feinberg as the Court Appointed Expert (the "**Expert Appointment Order**"). The Expert Appointment Order directs the Court Appointed Expert to "prepare and file a Rule 706 report (the "**Rule 706 Report**") estimating the volume and values of current and future ovarian and mesothelioma claims for which the Debtor may be liable, whether arising in the United States or Canada. Pursuant to the Expert Appointment Order, the Court Appointed Expert is appointed to hear information from all interested parties and parties will be able to meet with Mr. Feinberg to provide information on a confidential basis, but any facts or data that he considers or relies upon in forming his opinions will be subject to discovery following filing of the Rule 706 Report. Additionally, the findings in the Rule 706 Report are subject to cross-examination and arguments to allow the Court to determine whether to accept the position in full or in part.

35. On October 21, 2022, the Foreign Representative served a motion seeking recognition and enforcement of the Expert Appointment Order in Canada. On October 24, 2022, the Information Officer served the Fourth Report of the Information Officer (the "**Fourth Report**"), providing an update on the Chapter 11 Case and recommending that the Court grant the order proposed by the Foreign Representative.

36. On November 1, 2022, Justice Conway granted an order which, among other things, recognizes and gives the Expert Appointment Order full force and effect in all provinces and territories in Canada pursuant to section 49 of the CCAA.

THE APPEALS

37. As described in detail in the Second Report of the Information Officer dated March 3, 2022 and the Third Report, there has been substantial litigation in the Chapter 11 Case with respect to the Motions to Dismiss and the Extended Injunction. Among other things, the claimants challenged the Debtor's good faith in entering into the corporate transactions to create the Debtor (the "**2021 Corporate Restructuring**") and the filing of the Chapter 11 Case.

38. On February 25, 2022, the New Jersey Bankruptcy Court issued the Dismissal Opinion and the Injunction Opinion. The decisions address the arguments that were set out in the pleadings and argued before the New Jersey Bankruptcy Court. In sum, Judge Kaplan found that the Chapter 11 Case was not filed in bad faith and that the use of chapter 11 to resolve the ongoing talc litigation was a valid reorganizational purpose. Judge Kaplan further determined that the Extended Injunction was appropriate in the unusual circumstances presented. The Extended Injunction will remain in place for the duration of the Chapter 11 Case and will be reviewed at regular intervals.

39. Following the decisions of the New Jersey Bankruptcy Court on February 25, 2022, the following parties filed appeals of the orders resulting from the Dismissal Opinion and the Injunction Opinion: Aylstock, Witkin, Kreis & Overholtz, PLLC, TCC I, TCC II, and Arnold & Itkin LLP (collectively, the "**Appealing Parties**").

40. To expedite an appellate determination of the issues, the Appealing Parties sought direct certification to the Third Circuit, thereby bypassing the appeal to the New Jersey District Court.

41. On March 30, 2022, Judge Kaplan delivered a decision from the bench in which he indicated that he would grant the motions for direct certification in order to expedite the appeals, and on April 4, 2022, the New Jersey Bankruptcy Court entered orders granting the motions.

42. On May 11, 2022, the Third Circuit entered an order granting the petitions for permission to appeal directly to the Third Circuit.

43. On September 19, 2022, the Third Circuit, with a panel comprised of Judge Ambro, Judge Restrepo, and Judge Fuentes, heard the appeals of the Dismissal Opinion and the Injunction Opinion.

44. Regarding the Dismissal Opinion, the TCC argued, among other things, that core bankruptcy principles were violated by Judge Kaplan's decision. The appellants, including the TCC, the UST and one plaintiff firm, made oral submissions on, among other things, (i) compliance with the Bankruptcy Code provisions, including the absolute priority rule (requiring payment of creditors before equity holders), and (ii) public policy incentives that may arise from permitting pre-filing corporate transactions.

45. LTL's submissions highlighted the deferential standard of review applicable in this scenario and pointed to the detailed factual findings in Justice Kaplan's opinions, while also disputing the public policy and legal arguments raised by the appellants.

46. On January 30, 2023, the Third Circuit issued an opinion dismissing the bankruptcy filing of LTL (the "**Third Circuit Opinion**") and finding that the dismissal of the Chapter 11 Case will annul the litigation stay and render review of the Injunction Opinion moot. A copy of the Third Circuit Opinion is attached hereto as **Appendix "A"**.

47. The Information Officer understands that LTL had 14 days from the issuance of the Third Circuit Opinion to petition for a rehearing or a rehearing en banc. The Information Officer further understands that the Third Circuit or the United States Supreme Court (the "**Supreme Court**") can

stay the Third Circuit's mandate, and that such stay can last up to 90 days until LTL files a petition for writ of certiorari, and continue thereafter until the Supreme Court disposes of the petition. LTL has advised the Information Officer that until such time periods have expired and the Third Circuit's mandate has issued, the New Jersey Bankruptcy Court does not have jurisdiction to dismiss the Chapter 11 Case and the Extended Injunction remains in place. The Injunction Recognition Order recognizes and enforces the injunction in Canada until the expiry of the Extended Injunction Order by its terms unless further extended by the New Jersey Bankruptcy Court or the New Jersey District Court.

48. On February 13, 2023, LTL filed a petition for rehearing and rehearing *en banc* with the Third Circuit (the "**Rehearing Petition**"). The Information Officer has been advised by counsel to LTL that doing so has the effect of delaying the issuance of the mandate from the Third Circuit and that until the mandate issues, and the New Jersey Bankruptcy Court enters an order dismissing the Chapter 11 Case, the case remains pending. A copy of the Rehearing Petition is attached hereto as **Appendix "B"**.

49. The Information Officer will update the CCAA Court as additional information becomes available on the appeal of the Third Circuit Opinion and the implications for these CCAA Recognition Proceedings.

50. The Information Officer intends to advise the service list in these proceedings when any steps are taken that would impact the stay of proceedings in the Chapter 11 Case or the Extended Injunction.

CANADIAN TALC LITIGATION UPDATE

51. In Canada, as of the Petition Date, there were five talc-related proceedings commenced against Old JJCI, Johnson & Johnson Inc. (a Canadian subsidiary), and other parties (the "**Canadian Litigation**"). Counsel in each of the actions, including each of the proposed class actions and the certified class action in Quebec, were served with notice of the CCAA.

52. Prior to the Third Report, the Debtor advised the Information Officer that in March 2022, the Debtor became aware of twelve (12) additional statements of claim issued in Ontario (collectively, the "**Post-filing Claims**"). The Information Officer wrote to counsel to the plaintiffs and advised that such actions contravene the Extended Injunction Order and the Injunction Recognition Order, and that accordingly, no further steps may be taken by the named plaintiffs to advance the Post-filing Claims. As described in the Third Report, the Debtor and the Information Officer conferred with the applicable plaintiffs' counsel regarding the operation of the Extended Injunction Order and the Injunction Recognition Order. The Information Officer and the Debtor do not intend to take any further action regarding the Post-filing Claims, provided no further claims are served and no further steps are taken in connection with the Post-filing Claims.

53. On January 26 and 27, 2023, immediately prior to the Third Circuit Opinion, approximately 25 notices of civil claim were issued in respect of talc claims against among others, Old JJCI (the "**Additional Post-filing Claims**"). The Information Officer has contacted counsel to the plaintiffs, advising that the Injunction Recognition Order remains in place and requesting that counsel confirm it will abide by the terms of this CCAA Court's Orders. The Information Officer will advise the Court if it is unable to reach a similar agreement with counsel in respect of the Additional Post-filing Claims.

CONCLUSION

54. The future of the bankruptcy case of LTL is dependent upon the outcome of the Rehearing Petition, any motion for a stay of the mandate from the Third Circuit and any further appeals. Until the applicable courts in the United States have issued operative orders, the Information Officer does not believe that any relief is necessary from the CCAA Court.

All of which is respectfully submitted this 16th day of February, 2023.

ERNST & YOUNG INC.
Solely In its capacity as Information Officer of
LTL Management LLC, and not in its personal capacity

Per: Alex Morrison Senior Vice President	Per: Stuart Clinton Senior Vice President

Court File No. CV-21-00673856-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF LTL MANAGEMENT LLC

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

PROCEEDING COMMENCED AT
TORONTO

FIFTH REPORT TO COURT

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Shane Kukulowicz LSO #: 30729S
Tel: 416.860.6463
skukulowicz@cassels.com

Natalie Levine   LSO #: 64908K
Tel: 416.860.6568
nlevine@cassels.com

Alec Hoy   LSO #85489K
Tel: 416.860.2976
ahoy@cassels.com

Lawyers for the Information Officer

APPENDIX "B"

Court File No. CV-21-00673856-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED

AND IN THE MATTER OF LTL MANAGEMENT LLC
APPLICATION OF LTL MANAGEMENT LLC

UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT

SIXTH REPORT OF THE INFORMATION OFFICER

MARCH 27, 2023

INTRODUCTION

1. LTL Management LLC (the "**Debtor**" or "**LTL**") is an indirect subsidiary of Johnson & Johnson ("**J&J**"), which operates a worldwide business in healthcare, pharmaceuticals, and consumer goods. The Debtor was formed through a corporate restructuring within the J&J group of companies that was completed prior to the Debtor commencing proceedings under the U.S. Bankruptcy Code (the "**2021 Corporate Restructuring**").[1] As part of the corporate restructuring, LTL was allocated certain assets and liabilities, including the liabilities of its predecessor company (the entity formerly known as Johnson & Johnson Consumer Inc. ("**Old JJCI**")) arising from talc-related claims against it.

[1] Capitalized terms not defined have the meaning set forth below.

2. Since December 1, 2021, the parties in the Chapter 11 Case have been engaged in litigation regarding (i) certain motions to dismiss the Chapter 11 Case and (ii) a related preliminary injunction which currently stays litigation against certain third parties related to Enjoined Talc Claims[2]. The U.S. litigation has been described in detail in the Information Officer's prior reports.

3. On February 16, 2023, the Information Officer issued a report advising that a panel of the United States Court of Appeals for the Third Circuit (the "**Third Circuit**") had issued an opinion directing the New Jersey Bankruptcy Court to dismiss the Chapter 11 Case (the "**Fifth Report**"). The Fifth Report further advised that the Debtor had taken steps to seek a rehearing on the matter and that pending a ruling on the petition for rehearing, the stay in the United States and the stay granted by the CCAA Court, would remain in place by their terms.

PURPOSE

4. The purpose of this Sixth Report of the Information Officer (the "**Sixth Report**") is to provide information to the CCAA Court and Canadian stakeholders with respect to:

(i) the Chapter 11 Case including, among other things, the status of the Chapter 11 Case and the appeals in the Third Circuit; and

(ii) the status of these CCAA Recognition Proceedings and anticipated next steps.

---

[2] "Enjoined Talc Claims" means, collectively, any talc-related claims against the Debtor, including all claims relating in any way to talc or talc containing materials that were formerly asserted (or that could have been asserted) against Old JJCI on any theory of liability (whether direct, derivative, joint and several, successor liability, vicarious liability, fraudulent or voidable transfer or conveyance, alter ego or otherwise). For the avoidance of doubt, Enjoined Talc Claims include, without limitation, all talc personal injury claims and other talc-related claims allocated to the Debtor from Old JJCI in the documents implementing the 2021 Corporate Restructuring. The Enjoined Talc Claims do not include talc-related claims for which the exclusive remedy is provided under workers' compensation statutes and similar laws.

TERMS OF REFERENCE

5. In preparing this Sixth Report and making the comments herein, the Information Officer has relied solely on information and documents provided by the Debtor and its Canadian and U.S. legal counsel and on publicly available court documents filed by various parties (collectively, the "**Information**").

6. The Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Information Officer has not audited, or otherwise attempted to verify the accuracy or completeness of such information in a manner that would wholly or partially comply with Generally Accepted Assurance Standards ("**GAAS**") pursuant to the *Chartered Professional Accountants Canada Handbook* and, accordingly, the Information Officer expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.

7. Unless otherwise indicated, the Information Officer's understanding of factual matters expressed in this Sixth Report concerning the Debtor and its businesses is based on the Information, and not independent factual determinations made by the Information Officer.

STATUS OF THE PROCEEDINGS

8. On October 14, 2021, LTL commenced a case (the "**Chapter 11 Case**") by filing a voluntary petition for relief under chapter 11 of title 11 of the United States Code (the "**U.S. Bankruptcy Code**") with the United States Bankruptcy Court for the Western District of North Carolina (the "**North Carolina Bankruptcy Court**").

9. The Debtor commenced the Chapter 11 Case following, among other things, an increase in the number and pace of filing of lawsuits against Old JJCI and J&J, which allege that

JOHNSON'S® Baby Powder and, in some cases, a product called "Shower to Shower", cause ovarian cancer and mesothelioma. The Debtor is of the view that these claims have no valid scientific basis. The plaintiffs take the opposite view.

10. Following the first day hearings held on October 20, 2021 and October 22, 2021, the North Carolina Bankruptcy Court granted certain administrative orders and a temporary restraining order that enjoined talc claims solely against the Debtor and Old JJCI.

11. The North Carolina Bankruptcy Court entered an order on November 15, 2021: (i) declaring that the automatic stay applies to prohibit; and (ii) preliminarily enjoining the commencement or continuation of Enjoined Talc Claims against certain "Protected Parties", as set out in the order, for 60 days (i.e., until January 14, 2022), subject to modification or extension by an order of any court (the "**U.S. Preliminary Injunction Order**").

12. On that same day, the North Carolina Bankruptcy Court made a ruling (reflected in an order dated November 16, 2021) transferring the Chapter 11 Case to the District of New Jersey. The case is now before Judge Kaplan of the United States Bankruptcy Court for the District of New Jersey (the "**New Jersey Bankruptcy Court**").

13. On December 1, 2021 and the following days, the Official Committee of Talc Claimants filed a motion to dismiss the Chapter 11 Case, which was followed by similar motions and joinders from other parties representing individual plaintiffs (collectively, the "**Motions to Dismiss**"). The Motions to Dismiss argued, among other things, that the Chapter 11 Case was not filed in good faith and that the plaintiffs should be permitted to pursue their claims against the Debtor and its non-Debtor affiliates in the tort system.

14. On December 15, 2021, the New Jersey Bankruptcy Court entered an order authorizing the Debtor to act as foreign representative (in such capacity, the "**Foreign Representative**") on behalf of its estate (the "**Foreign Representative Order**").

15. On December 16, 2021, the Debtor served an application pursuant to Part IV of the *Companies' Creditors Arrangement Act* (the "**CCAA**") to have the Chapter 11 Case recognized by the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**") as a foreign main proceeding (the "**CCAA Recognition Proceedings**").

16. On December 17, 2021, the CCAA Court issued two orders pursuant to Part IV of the CCAA:

(i) the Initial Recognition Order (Foreign Main Proceeding) (the "**Initial Recognition Order**"), which, *inter alia*, recognizes the Debtor as the "foreign representative" and the Chapter 11 Case as a "foreign main proceeding", as defined in section 45 of the CCAA, and stays all proceedings in Canada against the Debtor; and

(ii) the Supplemental Order (Foreign Main Proceeding) (the "**Supplemental Order**"), which, *inter alia*, recognizes the U.S. Preliminary Injunction Order and the Foreign Representative Order, gives the U.S. Preliminary Injunction Order and the Foreign Representative Order full force and effect in all provinces and territories in Canada pursuant to section 49 of the CCAA, and appoints Ernst & Young Inc. (the "**Information Officer**") as Information Officer in the CCAA Recognition Proceedings.

17. On January 15, 2022, the New Jersey Bankruptcy Court entered an order *inter alia* extending the terms of the U.S. Preliminary Injunction Order to February 28, 2022.

18. From February 14 to 18, 2022, the New Jersey Bankruptcy Court conducted a hearing of the Motions to Dismiss and the motion for an extension of the U.S. Preliminary Injunction Order (the "**Extended Injunction**").

19. On February 25, 2022, the New Jersey Bankruptcy Court released two opinions, denying the Motions to Dismiss (the "**Dismissal Opinion**") and granting the Extended Injunction (the "**Injunction Opinion**").

20. Also on February 25, 2022, Justice Conway granted an extension of the stay of proceedings set out in the Supplemental Order to March 8, 2022, to allow all parties in Canada the opportunity to review and consider the impact of the New Jersey Bankruptcy Court's decisions.

21. On March 1, 2022, the Foreign Representative served a motion record, seeking an order recognizing the order implementing the Extended Injunction (the "**Extended Injunction Order**") to be entered by the New Jersey Bankruptcy Court.

22. On March 7, 2022, Justice Wilton-Siegel granted an order which, among other things, recognizes the Extended Injunction Order and gives the Extended Injunction Order full force and effect in all provinces and territories in Canada pursuant to section 49 of the CCAA (the "**Injunction Recognition Order**"). The Injunction Recognition Order, in addition to recognizing the Extended Injunction Order, stays the Enjoined Talc Claims in Canada "until the expiry of the Extended Injunction Order by its terms" unless further modified by the applicable U.S. courts.

THE APPEALS AND THE THIRD CIRCUIT OPINION

23. As described in detail in the Fifth Report, certain talc claimants appealed the Dismissal Opinion and the Injunction Opinion, and the related orders (the "**Appealing Parties**"), through a procedure that allowed for an expedited appeal to the Third Circuit (bypassing a lower court).

24. On January 30, 2023, the Third Circuit issued an opinion dismissing the bankruptcy filing of LTL (the "**Third Circuit Opinion**") and finding that the dismissal of the Chapter 11 Case will annul the litigation stay and render review of the Injunction Opinion moot.

25. On February 13, 2023, LTL filed a petition for rehearing and rehearing *en banc* with the Third Circuit (the "**Rehearing Petition**"). Because the Debtor filed the Rehearing Petition, the Third Circuit has not yet issued its mandate, which means that the Chapter 11 Case remains pending and the Extended Injunction remains in place.

26. On February 23, 2023, the Third Circuit entered an order directing the Appealing Parties to file responses to the Rehearing Petition within the following fourteen days.

27. On March 22, 2023, the Third Circuit entered an order denying the Rehearing Petition (the "**Petition Order**"). A copy of the Petition Order is attached hereto as **Appendix "A"**.

28. On March 23, 2023, LTL filed a motion with the Third Circuit seeking to stay the issuance of the mandate and advising that LTL intends to seek certiorari of the Third Circuit Opinion to the United States Supreme Court (the "**Mandate Stay Motion**"). A copy of the Mandate Stay Motion is attached hereto as **Appendix "B"**.

29. At the direction of the Third Circuit, responses to the Mandate Stay Motion are due on or before March 28, 2023. US Counsel to the Debtor advises that it is possible that the Third Circuit

could permit the Debtor to file a reply, which could delay a ruling on the Mandate Stay Motion. US counsel to the Debtor has also advised that the applicable rules provide that the Third Circuit would issue a mandate seven days after a denial of the Mandate Stay Motion if there is no stay issued by the United States Supreme Court. Thus, if the Mandate Stay Motion is denied on or about March 28, 2023 and there is no stay by the United States Supreme Court, the Third Circuit would issue the mandate on or before April 4, 2023. If the Third Circuit issues its mandate, the New Jersey Bankruptcy Court would still need to enter an order dismissing the Chapter 11 Case and dissolving the injunctions.

CONCLUSION

30. The Information Officer understands that if the New Jersey Bankruptcy Court enters an order dismissing the Chapter 11 Case and the preliminary injunction is terminated, the stay in favour of the Debtor and the other parties in the Injunction Recognition Order will terminate, consistent with its terms. The stay in favour of the Debtor provided for in the Initial Recognition Order is a separate stay issued pursuant to this CCAA Court's jurisdiction and remains in place subject to a further order of this CCAA Court. In the event that there is an order dismissing the Chapter 11 Case, Canadian counsel to the Foreign Representative has advised the Information Officer that, in consultation with the Information Officer, it would promptly return to the CCAA Court to seek appropriate relief.

31. The Information Officer further understands that notwithstanding the dismissal of the Chapter 11 Case, the New Jersey Bankruptcy Court may retain jurisdiction to address administrative matters related to the Chapter 11 Case that require resolution following the termination of the proceeding.

32. The Information Officer reminds stakeholders that as of the date of this Sixth Report, the stay of proceedings found in the Injunction Recognition Order, the Initial Recognition Order and the Supplemental Order remain in place and no action should be taken in violation of that stay and any such action will be brought to this Court's attention.

All of which is respectfully submitted this 27th day of March, 2023.

ERNST & YOUNG INC.
Solely In its capacity as Information Officer of
LTL Management LLC, and not in its personal capacity

Per: Alex Morrison Senior Vice President	Per: Stuart Clinton Senior Vice President

Court File No. CV-21-00673856-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF LTL MANAGEMENT LLC

ONTARIO
SUPERIOR COURT OF JUSTICE
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Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Shane Kukulowicz LSO #: 30729S
Tel: 416.860.6463
skukulowicz@cassels.com

Natalie Levine LSO #: 64908K
Tel: 416.860.6568
nlevine@cassels.com

Alec Hoy LSO #85489K
Tel: 416.860.2976
ahoy@cassels.com

Lawyers for the Information Officer

APPENDIX “C”

UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

No. 22-2003/22-2004/22-2005/22-2006/22-2007/22-2008/22-2009/22-2010/22-2011

In Re: LTL MANAGEMENT LLC, Debtor

OFFICIAL COMMITTEE OF TALC CLAIMANTS, Appellant

v.

THOSE PARTIES LISTED ON APPENDIX A TO COMPLAINT AND JOHN AND JANE DOES 1-1000

(Agency No. 21-bk-30589, 21-ap-03032)

Present: AMBRO*, RESTREPO and FUENTES, Circuit Judge

1. Motion filed by Appellee LTL Management LLC in 22-2003, 22-2004, 22-2005, 22-2006, 22-2007, 22-2008, 22-2009, 22-2010, 22-2011 to stay mandate.

2. Response filed by Appellant Official Committee of Talc Claimants in 22-2003 to motion to stay mandate.

3. Response filed by Appellant Arnold & Itkin LLP in 22-2009 to motion to stay mandate.

4. Reply by Appellee LTL Management LLC to Appellees' Responses to motion to stay mandate.

Respectfully,
Clerk/JK

ORDER

The foregoing motion to stay mandate is DENIED.

By the Court,

s/ Thomas L. Ambro
Circuit Judge

* Judge Ambro assumed senior status on 02/06/2023

Dated: March 31, 2023
JK/cc: All Counsel of Record

APPENDIX “D”

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

Nos. 22-2003, 22-2004, 22-2005, 22-2006, 22-0007,
22-2008, 22-2009, 22-2010, 22-2011

In re: LTL MANAGEMENT, LLC
Debtor

LTL MANAGEMENT, LLC

v.

THOSE PARTIES LISTED ON APPENDIX A TO COMPLAINT
AND JOHN AND JANE DOES 1-1000

*OFFICIAL COMMITTEE OF TALC CLAIMANTS,
Appellant in case Nos. 22-2003, 22-2004 and 22-2005

*OFFICIAL COMMITTEE OF TALC CLAIMANTS; PATRICIA COOK;
EVAN PLOTKIN; RANDY DEROUEN; KRISTIE DOYLE,
as estate representative of Dan Doyle; KATHERINE TOLLEFSON;
TONYA WHETSEL, as estate representative of Brandon Wetsel;
GIOVANNI SOSA; JAN DEBORAH MICHELSON-BOYLE,
Appellants in case Nos. 22-2006, 22-2007 and 22-2008

ARNOLD & ITKIN LLP, on behalf of certain personal injury
claimants represented by Arnold & Itkin,
Appellant in case No. 22-2009

AYLSTOCK WITKIN KREIS & OVERHOLTZ PLLC, on behalf of more
than three thousand holders of talc claims,
Appellant in case Nos. 22-2010 and 22-2011

*(Amended per Court's Order dated 06/10/2022)

Appeal from the United States Bankruptcy Court
for the District of New Jersey
(District Court No.: 21-bk-30589; 21-ap-03032)
Bankruptcy Judge: Honorable Michael B. Kaplan

Argued September 19, 2022

Before AMBRO, RESTREPO, and FUENTES, Circuit Judges

JUDGMENT

These cases came to be heard on the record before the United States Bankruptcy Court for the District of New Jersey and were argued on September 19, 2022.

On consideration whereof, IT IS ORDERED AND ADJUDGED by this Court that the order of the Bankruptcy Court entered March 2, 2022 is reversed and the case is remanded with the instruction to dismiss Appellee's Chapter 11 petition. The order of the Bankruptcy Court entered March 4, 2022 is vacated as moot. Costs taxed against the Appellee.

All of the above in accordance with the Opinion of this Court.

ATTEST:

s/ Patricia S. Dodszuweit
Clerk

Dated: January 30, 2023

Certified as a true copy and issued in lieu of a formal mandate on 03/31/2023

Teste: Patricia S. Dodszuweit
Clerk, U.S. Court of Appeals for the Third Circuit

PRECEDENTIAL

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

Nos. 22-2003, 22-2004, 22-2005, 22-2006, 22-0007,
22-2008, 22-2009, 22-2010, 22-2011

In re: LTL MANAGEMENT, LLC
Debtor

LTL MANAGEMENT, LLC

v.

THOSE PARTIES LISTED ON APPENDIX A TO COMPLAINT
AND JOHN AND JANE DOES 1-1000

*OFFICIAL COMMITTEE OF TALC CLAIMANTS,
Appellant in case Nos. 22-2003, 22-2004 and 22-2005

*OFFICIAL COMMITTEE OF TALC CLAIMANTS;
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EVAN PLOTKIN; RANDY DEROUEN; KRISTIE DOYLE, as estate representative of Dan Doyle; KATHERINE TOLLEFSON;
TONYA WHETSEL, as estate representative of Brandon Wetsel;
GIOVANNI SOSA; JAN DEBORAH MICHELSON-BOYLE,

Appellants in case Nos. 22-2006, 22-2007 and 22-2008

ARNOLD & ITKIN LLP, on behalf of certain personal injury claimants represented by Arnold & Itkin,
Appellant in case No. 22-2009

AYLSTOCK WITKIN KREIS & OVERHOLTZ PLLC, on behalf of more
than three thousand holders of talc claims,
Appellant in case Nos. 22-2010 and 22-2011

*(Amended per Court's Order dated 06/10/2022)

Appeal from the United States Bankruptcy Court
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(District Court No.: 21-bk-30589; 21-ap-03032)
Bankruptcy Judge: Honorable Michael B. Kaplan

Argued September 19, 2022

Before AMBRO, RESTREPO, and FUENTES, Circuit Judges

(Opinion filed: January 30, 2023)

Brad J. Axelrod
Skadden Arps Slate Meagher & Flom
One Rodney Square
920 North King Street, 7th Floor
Wilmington, DE 19801

Caitlin K. Cahow
Brad B. Erens
Jones Day
110 North Wacker Drive
Suite 4800
Chicago, IL 60606

Paul R. DeFilippo
Wollmuth, Maher & Deutsch
500 Fifth Avenue
12th Floor
New York, NY 10110

Kristen R. Fournier
King & Spalding
1185 Avenue of the Americas
New York, NY 10036

Kathleen A. Frazier
Shook, Hardy & Bacon
600 Travis Street
JP Morgan Chase Tower, Suite 3400
Houston, TX 77002

Gregory M. Gordon
Daniel B. Prieto
Mark W. Rasmussen
Amanda Rush
Jones Day
2727 North Harwood Street
Suite 600
Dallas, TX 75201

Robert W. Hamilton
Jones Day
901 Lakeside Avenue
North Point
Cleveland, OH 44114

James M. Jones
Jones Day
500 Grant Street
Suite 4500
Pittsburgh, PA 15219

Neal K. Katyal **(Argued)**
Sean M. Marotta
Hogan Lovells US
555 Thirteenth Street, N.W.
Columbia Square
Washington, DC 20004

Glenn M. Kurtz
Jessica C. Lauria
White & Case
1221 Avenue of the Americas
New York, NY 10020

James N. Lawlor
Joseph F. Pacelli
Wollmuth, Maher & Deutsch
500 Fifth Avenue
12th Floor
New York, NY 10110

C. Kevin Marshall
Jones Day
51 Louisiana Avenue, N. W.
Washington, DC 20001

John R. Miller, Jr.
Miller, Kistler, Campbell, Miller, Williams & Benson
124 North Allegheny Street
Bellefonte, PA 16823

Matthew L. Tomsic
Rayburn, Cooper, Durham
227 West Trade Street
Suite 1200
Charlotte, NC 28202

Lyndon M. Treeter
Wollmuth, Maher & Deutsch
12th Floor
New York, NY 10110

Counsel for Debtor-Appellee

Melanie L. Cyganowski
Adam C. Silverstein
Otterbourg
230 Park Avenue
29th Floor
New York, NY 10169

Angelo J. Genova
Genova Burns
494 Broad Street
Newark, NJ 07102

Jeffrey A. Lamken **(Argued)**
MoloLamken
600 New Hampshire Avenue, N. W.
The Watergate
Washington, DC 20037

Jonathan S. Massey
Massey & Gail
1000 Maine Avenue, S. W.
Suite 450
Washington, DC 20024

David J. Molton
Michael S. Winograd
Brown Rudnick
7 Times Square
47th Floor
New York, NY 10036

Counsel for Petitioner-Appellant Official
Committee of Talc Claimants

Matthew I.W. Baker
Genova Burns
494 Broad Street
Newark, NJ 07102

Sunni P. Beville
Shari I. Dwoskin
Jeffrey L. Jonas
Brown Rudnick
One Financial Center
Boston, MA 02111

Donald W. Clarke
Wasserman, Jurista & Stolz
110 Allen Road
Suite 304
Basking Ridge, NJ 07920

Daniel Stolz
Genova Burns LLC
110 Allen Road
Suite 304
Basking Ridge, NJ 07920

Jennifer S. Feeney
Otterbourg
230 Park Avenue
29th Floor
New York, NY 10169

Leonard M. Parkins
Charles M. Rubio
Parkins & Rubio
700 Milam Street
Pennzoil Place, Suite 1300
Houston, TX 77002

Robert J. Stark
Brown Rudnick
7 Times Square
47th Floor
New York, New York 10036

Counsel for Petitioner Official Committee of Talc Claimants I

Ellen Relkin
Weitz & Luxemberg
700 Broadway
New York, NY 10003

Counsel for Petitioner Patricia Cook

Deepak Gupta
Jonathan E. Taylor
Matthew W.H. Wessler
Gupta Wessler

2001 K Street, N.W.
Suite 850 North
Washington, D.C. 20006

Counsel for Petitioners Evan Plotkin, Katherine Tollefson, Giovanni Sosa, Jan Deborah Michelson-Boyle

Jerome Block
Amber Long
Moshe Maimon
Levy Konigsberg
605 Third Avenue
33rd Foor
New York, NY 10158

Counsel for Petitioner Randy Derouen

John M. August
Saiber
18 Columbia Turnpike
Suite 200
Florham Park, NJ 07932

Counsel for Petitioner Kristie Doyle, as estate representative of Dan Doyle

Suzanne Ratcliffe
Clay Thompson
Maune Raichle Hartley French & Mudd
150 West 30th Street
Suite 201
New York, NY 10001

Counsel for Petitioner Katherine Tollefson

David A. Chandler
Karst & von Oiste
505 Main Street
Port Jefferson, NY 11777

Counsel for Petitioner Tonya Whetsel

Jeffrey M. Dine
Karen B. Dine
Pachulski Stang Ziehl & Jones
780 Third Avenue
34th Floor
New York, NY 10017

Matthew Drecun
David C. Frederick **(Argued)**
Ariela Migdal
Gregory G. Rapawy
Kellogg Hansen Todd Figel & Frederick
1615 M Street, N.W.
Sumner Square, Suite 400
Washington, DC 20036

Laura D. Jones
Peter J. Keane
Colin R. Robinson
Pachulski Stang Ziehl & Jones
919 North Market Street
P. O. Box 8705, 17th Floor
Wilmington, DE 19801

Isaac M. Pachulski
Pachulski Stang Ziehl & Jones
10100 Santa Monica Boulevard
Suite 2300
Los Angeles, CA 00067

Counsel for Respondent Arnold & Itkin, LLP

Samuel M. Kidder
Nir Maoz
Robert J. Pfister
Michael L. Tuchin
Klee, Tuchin, Bogdanoff & Stern
1801 Century Park East
26th Floor
Los Angeles, CA 90067

Paul J. Winterhalter
Offit Kurman
99 Wood Avenue South
Suite 302
Iselin, NJ 08830

Counsel for Respondent Aylstock, Witkin, Kreis & Overholtz, PLLC

Allen J. Underwood, II
Lite, DePalma, Greenberg & Afanador
570 Broad Street
Suite 1201
Newark, NJ 07102

Counsel for Respondent DeSanto Canadian Class Action Creditors

Mark Tsukerman
Cole Schotz
1325 Avenue of the Americas
19th Floor
New York, NY 10019
Felice C. Yudkin
Cole Schotz
25 Main Street
Court Plaza North, P.O. Box 800
Hackensack, NJ 07601

Counsel for Respondent Claimants Represented by Barnes Law Group

Arthur J. Abramowitz
Alan I. Moldoff
Ross J. Switkes
Sherman, Silverstein, Kohl, Rose & Podolsky
308 Harper Drive
Suite 200, Eastgate Corporate Center
Moorestown, NJ 08057

Kevin W. Barrett
Maigreade B. Burrus
Bailey & Glasser
209 Capitol Street
Charleston, WV 25301

Thomas B. Bennett
Brian A. Glasser
Bailey & Glasser
1055 Thomas Jefferson Street, N.W.
Suite 540
Washington, DC 20007

Michael Klein
Evan M. Lazerowitz
Lauren A. Reichardt
Erica J. Richards
Cullen D. Speckhart
Cooley
55 Hudson Yards
New York, NY 10001

James C. Lanik
Jennifer B. Lyday
Thomas W. Waldrep
Waldrep, Wall, Babcock & Bailey
370 Knollwood Street
Suite 600
Winston-Salem, NC 27103

Kevin L. Sink
Waldrep, Wall, Babcock & Bailey
3600 Glenwood Avenue
Suite 210
Raleigh, NC 27612

Counsel for Respondent Official Committee
of Talc Claimants II

Lauren Bielskie
Jeffrey M. Sponder
Office of United States Trustee
1085 Raymond Boulevard
One Newark Center, Suite 2100
Newark, NJ 07102
Sean Janda **(Argued)**
United States Department of Justice
Appellate Section
Room 720
950 Pennsylvania Avenue, N. W.
Washington, D. C. 20530

Counsel for Amicus Appellant United States
Trustee

Cory L. Andrews
John M. Masslon, II
Washington Legal Foundation
2009 Massachusetts Avenue, N. W.
Washington, D. C. 20036

Counsel for Amicus Appellee Washington Legal Foundation

R. Craig Martin
DLA Piper
1202 North Market Street
Suite 2100
Wilmington, DE 19801

Ilana H. Eisenstein
DLA Piper
1650 Market Street
One Liberty Place, Suite 5000
Philadelphia, PA 19103

Counsel for Amici Appellees United States Chamber of Commerce and American Tort Reform Association

Natalie D. Ramsey
Robinson & Cole
1650 Market Street
One Liberty Place, Suite 3030
Philadelphia, PA 19103

Counsel for Amicus Appellant Erwin Chemerinsky

Jaime A. Santos
Benjamin T. Hayes
Goodwin Procter
1900 N. Street, N. W.
Washington, D. C. 20036

Counsel for Amici Appellees National Association of Manufacturers and Product Liability Advisory Council, Inc.

Sean E. O'Donnell
Stephen B. Selbst
Steven B. Smith
Herrick Feinstein
2 Park Avenue
New York, NY 10016

Counsel for Amici Appellants Kenneth Ayotte, Susan Block-Lieb, Jared Ellias, Bruce A. Markell, Yesha Yadav, Robert K. Rasmussen and Diane Lourdes Dick

Peter M. Friedman
O'Melveny & Myers
1625 Eye Street, N. W.
Washington, D. C. 2006

Emma L. Persson
Laura L. Smith, Esq.
O'Melveny & Myers
2501 North Harwood Street
Suite 1700
Dallas, TX 75201

Daniel S. Shamah
O'Melveny & Myers
7 Times Square
Time Square Tower, 33rd Floor
New York, NY 10036

Counsel for Amici Appellees Samir Parikh, Anthony Casey, Joshua C. Macey and Edward Morrison

Glen Chappell
Allison W. Parr
Hassan A. Zavareei
Tycko & Zavareei
2000 Pennsylvania Avenue, N.W.
Suite 1010
Washington, DC 20006

Counsel for Amicus Appellant Public Justice

Jeffrey R. White
American Association for Justice
777 6th Street, N.W.
Suite 200
Washington, DC 20001

Counsel for Amicus Appellant American Association of Justice

Thomas A. Pitta
Emmet, Marvin & Martin
120 Broadway
32nd Floor
New York, NY 10005

Counsel for Amici Appellants Maria Glover, Andrew Bradt, Brooke Coleman, Robin Effron, D. Theodore Rave, Alan M. Trammell, and Adam Zimmerman

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OPINION OF THE COURT

AMBRO, Circuit Judge

Johnson & Johnson Consumer Inc. ("Old Consumer"), a wholly owned subsidiary of Johnson & Johnson ("J&J"), sold healthcare products with iconic names branded on consumers' consciousness—Band-Aid, Tylenol, Aveeno, and Listerine, to list but a few. It also produced Johnson's Baby Powder, equally recognizable for well over a century as a skincare product. Its base was talc, a mineral mined and milled into a fine powder. Concerns that the talc contained traces of asbestos spawned in recent years a torrent of lawsuits against Old Consumer and J&J alleging Johnson's Baby Powder has caused ovarian cancer and mesothelioma. Some of those suits succeeded in verdicts, some failed (outright or on appeal), and others settled. But more followed into the tens of thousands.

With mounting payouts and litigation costs, Old Consumer, through a series of intercompany transactions primarily under Texas state law, split into two new entities: LTL Management LLC ("LTL"), holding principally Old Consumer's liabilities relating to talc litigation and a funding support agreement from LTL's corporate parents; and Johnson & Johnson Consumer Inc. ("New Consumer"), holding virtually all the productive business assets previously held by Old Consumer. J&J's stated goal was to isolate the talc liabilities in a new subsidiary so that entity could file for Chapter 11 without subjecting Old Consumer's entire operating enterprise to bankruptcy proceedings.

Two days later, LTL filed a petition for Chapter 11 relief in the Bankruptcy Court for the Western District of North Carolina. That Court, however, transferred the case to the Bankruptcy Court for the District of New Jersey.

Talc claimants there moved to dismiss LTL's bankruptcy case as not filed in good faith. The Bankruptcy Court, in two thorough opinions, denied those motions and extended the automatic stay of actions against LTL to hundreds of nondebtors that included J&J and New Consumer. Appeals followed and are consolidated before us.

We start, and stay, with good faith. Good intentions—such as to protect the J&J brand or comprehensively resolve litigation—do not suffice alone. What counts to access the Bankruptcy Code's safe harbor is to meet its intended purposes. Only a putative debtor in financial distress can do so. LTL was not. Thus we dismiss its petition.

I. BACKGROUND

A. J&J, Baby Powder, and Old Consumer

The story of LTL begins with its parent company, J&J. It is a global company and household brand well-known to the public for its wide range of products relating to health and well-being. Many are consumer staples, filling pharmacies, supermarkets, and medicine cabinets throughout the country and beyond.

One of these products was Johnson's Baby Powder, first sold by J&J in 1894. It became particularly popular, being used by or on hundreds of millions of people at all stages of life.

J&J has not always sold baby powder directly, though. In 1979, it transferred all assets associated with its Baby Products division, including Johnson's Baby Powder, to Johnson & Johnson Baby Products Company ("J&J Baby Products"), a wholly owned subsidiary (the "1979 Spin-Off"). A series of further intercompany transactions in ensuing decades ultimately transferred Johnson's Baby Powder to Old Consumer.

So since 1979 only Old Consumer and its predecessors, and not J&J, have directly sold Johnson's Baby Powder. LTL maintains that the 1979 Spin-Off included an agreement between J&J and J&J Baby Products that makes Old Consumer, as successor to the latter, responsible for indemnifying J&J for all past, present, and future liabilities stemming from Johnson's Baby Powder. Thus, according to LTL, Old Consumer was liable for all claims relating to Johnson's Baby Powder, either directly or indirectly through its responsibility to indemnify J&J.

B. Baby Powder Litigation

Talc triggered little litigation against J&J entities before 2010. There had been but a small number of isolated claims alleging the products caused harms such as talcosis (a lung disease caused by inhalation of talc dust or talc), mesothelioma (a cancer of organ membranes, typically in the lungs, associated with exposure to asbestos), and rashes. But trials in 2013 and 2016 resulted in jury verdicts for plaintiffs alleging Old Consumer's talc-based products caused ovarian cancer. Despite the first resulting in no monetary award, and the second being reversed on appeal, these trials ushered in a wave of lawsuits alleging Johnson's Baby Powder caused ovarian cancer and mesothelioma.[1] Governmental actions, including the U.S. Food and Drug Administration's finding of asbestos traces in a sample of Johnson's Baby Powder in 2019 and Health Canada's confirmation in 2021 of its 2018 finding of a significant association between exposure to talc and ovarian

[1] The talc litigation also involves claims regarding Shower to Shower, a different talc-containing product initially produced by J&J and later by Old Consumer and its predecessors. LTL maintains intercompany transactions involving J&J and Old Consumer ultimately made the latter responsible for all claims stemming from Shower to Shower. Because the talc litigation concerns mainly Johnson's Baby Powder, for convenience references herein to that name may include other talc products.

cancer, also heightened J&J's and Old Consumer's potential exposure.

With the door wide open, over 38,000 ovarian cancer actions (most consolidated in federal multidistrict litigation in New Jersey) and over 400 mesothelioma actions were pending against Old Consumer and J&J when LTL filed its Chapter 11 petition. Expectations were for the lawsuits to continue, with thousands more in decades to come. The magnitude of the award in one case also raised the stakes. There, a Missouri jury awarded $4.69 billion to 22 ovarian cancer plaintiffs, reduced on appeal to $2.24 billion to 20 plaintiffs who were not dismissed. *Ingham v. Johnson & Johnson*, 608 S.W.3d 663 (Mo. Ct. App. 2020), *cert. denied*, 141 S. Ct. 2716 (2021).

Yet other trials reaching verdicts for plaintiffs were not so damaging to J&J entities. Since 2018, damages in all other monetary awards to plaintiffs that were not reversed averaged about $39.7 million per claim. Moreover, Old Consumer and J&J often succeeded at trial. According to LTL's expert, of 15 completed ovarian cancer trials, only *Ingham* resulted in a monetary award for the plaintiffs that was not reversed; and of 28 completed mesothelioma trials, fewer than half resulted in monetary awards for the plaintiffs that were not reversed (and many of those were on appeal at the time of LTL's bankruptcy filing). In addition, Old Consumer and J&J often avoided trial before bankruptcy, settling roughly 6,800 talc-related claims for just under $1 billion in total and successfully obtaining dismissals without payment of about 1,300 ovarian cancer, and over 250 mesothelioma, actions.

Undoubtedly, the talc litigation put financial pressure on Old Consumer. Before LTL's petition, it paid approximately $3.5 billion for talc-related verdicts and settlements. It also paid nearly $1 billion in defense costs, and the continuing run rate was between $10 million to $20 million per month. LTL's expert identified talc-related costs as a primary driver that caused the income before tax of J&J's Consumer Health business segment (for which Old Consumer was the primary operating company in the U.S.) to drop from a $2.1 billion profit in 2019 to a $1.1 billion loss in 2020.

Old Consumer also faced billions in contested indemnification obligations to its bankrupt talc supplier, Imerys Talc America, Inc. and affiliates (collectively "Imerys"), as well as parties who had owned certain of Imerys's talc mines. These remained after J&J's settlement proposal of about $4 billion to $5 billion in the Imerys bankruptcy case—which, per LTL, had been tentatively agreed by attorneys for talc plaintiffs—ultimately fell through by June 2021. An LTL representative testified that, if that proposal succeeded, it would have settled (subject to an opt-out) virtually all ovarian cancer claims in the multidistrict tort litigation and corresponding additional claims against J&J entities in the Imerys case. Old Consumer was also the target of both state and federal talc-related governmental complaints and investigations, as well as securities and shareholder actions, that could result in their own financial penalties and defense costs. LTL's expert opined, and the Bankruptcy Court accepted, that the total talc-related liabilities threatened Old Consumer's ability to make substantial talc-related payments from working capital or other readily marketable assets while funding its costs of operations (including marketing, distribution, research and development).

Still, Old Consumer was a highly valuable enterprise, estimated by LTL to be worth $61.5 billion (excluding future talc liabilities), with many profitable products and brands. And much of its pre-filing talc costs were attributable to the payment of one verdict, *Ingham*, a liability J&J described in public securities filings as "unique" and "not representative of other claims." App. 2692-93. Further, while it allocated all talc-related payments to Old Consumer per the 1979 Spin-Off, J&J functionally made talc payments from its accounts and received an intercompany payable from Old Consumer in return. Addressing the scope of its litigation exposure in an October 2021 management representation letter to its auditors, J&J valued its and its subsidiaries' probable and reasonably estimable contingent loss for products liability litigation, including for talc, under Generally Accepted Accounting Principles ("GAAP"), at $2.4 billion for the next 24 months.[2] It also continued to stand by the safety of its talc products and deny liability relating to their use.

Consistent with their fiduciary duties, and likely spurred by the U.S. Supreme Court's denial of certiorari in *Ingham*, members of J&J's management explored ways to mitigate Old Consumer's exposure to talc litigation. In a July 2021 email with a ratings agency, J&J's treasurer described a potential restructuring that would capture all asbestos liability in a subsidiary to be put into bankruptcy.

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[2] Adam Lisman, assistant controller for J&J, suggested in his trial testimony that it was J&J's general policy to consider the next 24 months when calculating contingent costs under GAAP.

C. Corporate Restructuring and Divisional Merger

On October 12, 2021, Old Consumer moved forward with this plan, undergoing a corporate restructuring relying principally on a merger under Texas law. Counterintuitively, this type of merger involves "the division of a [Texas] entity into two or more new . . . entities." Tex. Bus. Orgs. Code Ann. § 1.002(55)(A); *see generally id.* §§ 10.001 *et seq*. When the original entity does not survive the merger, it allocates its property, liabilities, and obligations among the new entities according to a plan of merger and, on implementation, its separate existence ends. *Id*. §§ 10.003, 10.008(a)(1). Except as otherwise provided by law or contract, no entity created in the merger is "liable for the debt or other obligation" allocated to any other new entity. *Id.* § 10.008(a)(4). In simplified terms, the merger splits a legal entity into two, divides its assets and liabilities between the two new entities, and terminates the original entity. While some pejoratively refer to it as the first step in a "Texas Two-Step" when followed by a bankruptcy filing, we more benignly call it a "divisional merger."

In our case, Old Consumer's restructuring was designed as a series of reorganizational steps with the divisional merger at center.[3] Ultimately, the restructuring created two new

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[3] A slightly abbreviated summary of the many steps is as follows. Old Consumer merged into Chenango Zero, LLC, a Texas limited liability company and indirect, wholly owned subsidiary of J&J ("Chenango Zero"), with Chenango Zero surviving the merger. Chenango Zero (formerly Old Consumer) effected a divisional merger under the Texas Business Organizations Code by which two new Texas limited liability companies were created, Chenango One LLC

entities, LTL and New Consumer, and on its completion Old Consumer ceased to exist. It also featured the creation of a Funding Agreement, which had Old Consumer stand in momentarily as the payee, but ultimately (after some corporate maneuvers[4]) gave LTL rights to funding from New Consumer and J&J.

As the most important step, the merger allocated LTL responsibility for essentially all liabilities of Old Consumer tied to talc-related claims.[5] This meant, among other things, it would take the place of Old Consumer in current and future talc lawsuits and be responsible for their defense.

(“Chenango One”) and Chenango Two LLC (“Chenango Two”), and Chenango Zero ceased to exist. Chenango One then converted into a North Carolina limited liability company and changed its name to “LTL Management LLC.” Chenango Two merged into Curahee Holding Company Inc., the direct parent company of LTL (“Curahee”). Curahee survived the merger and changed its name to “Johnson & Johnson Consumer Inc.” (now New Consumer).

[4] On the day of the divisional merger, the Funding Agreement was executed by Chenango Zero (formerly Old Consumer), as payee, along with J&J and Curahee, as payors. Then, per the divisional merger, LTL was allocated rights as payee under the Funding Agreement, replacing Chenango Zero. Chenango Two (which assumed Old Consumer’s assets not allocated to LTL) then merged into Curahee, one of the two original payors, and became New Consumer.

[5] LTL’s liability was for all talc claims except those where the exclusive remedy existed under a workers’ compensation statute or similar laws.

Old Consumer also transferred to LTL assets in the merger, including principally the former's contracts related to talc litigation, indemnity rights, its equity interests in Royalty A&M LLC ("Royalty A&M"), and about $6 million in cash. Carved out from Old Consumer and its affiliates just before the divisional merger, Royalty A&M owns a portfolio of royalty streams that derive from consumer brands and was valued by LTL at approximately $367.1 million.

Of the assets Old Consumer passed to LTL, most important were Old Consumer's rights as a payee under the Funding Agreement with J&J and New Consumer. On its transfer, that gave LTL, outside of bankruptcy, the ability to cause New Consumer and J&J, jointly and severally, to pay it cash up to the value of New Consumer for purposes of satisfying any talc-related costs as well as normal course expenses. In bankruptcy, the Agreement gave LTL the right to cause New Consumer and J&J, jointly and severally, to pay it cash in the same amount to satisfy its administrative costs and to fund a trust, created in a plan of reorganization, to address talc liability for the benefit of existing and future claimants. In either scenario, there were few conditions to funding and no repayment obligation.[6] The value of the payment right could

[6] For LTL to require J&J and New Consumer to fund, certain customary representations and warranties made by LTL must be true, such as those addressing its good standing under state law, the due authorization of the Funding Agreement, and the absence of any required governmental approval. And LTL must not have violated its covenants, specifically, that it will use the funds for only permitted uses and materially perform its indemnification obligations owed to New Consumer for all talc liabilities as set out in the plan of divisional merger.

not drop below a floor defined as the value of New Consumer measured as of the time of the divisional merger, estimated by LTL at $61.5 billion, and was subject to increase as the value of New Consumer increased after it.[7]

On the other side of the divisional-merger ledger, New Consumer received all assets and liabilities of Old Consumer not allocated to LTL. It thus held Old Consumer's productive business assets, including its valuable consumer products, and, critically, none of its talc-related liabilities (except those related to workers' compensation). After this, the organizational chart was reshuffled to make New Consumer the direct parent company of LTL.

When the ink dried, LTL—having received Old Consumer's talc liability, rights under the Funding Agreement, a royalties business, and cash—was prepared to fulfill its reason for being: a bankruptcy filing. Meanwhile, New Consumer began operating the business formerly held by Old Consumer and would essentially remain unaffected (save for its funding obligation) by any bankruptcy filing of LTL.

LTL became in bankruptcy talk the "bad company," and New Consumer became the "good company." This completed the first steps toward J&J's goal of "globally resolv[ing] talc-related claims through a chapter 11 reorganization without subjecting the entire Old [Consumer] enterprise to a bankruptcy proceeding." App. 450 (Decl. of John Kim 6).

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[7] In each calculation of New Consumer's value, its obligation under the Funding Agreement is not included.

D. LTL Bankruptcy Filing and Procedural History

On October 14, 2021, two days after the divisional merger, LTL filed a petition for Chapter 11 relief in the Bankruptcy Court for the Western District of North Carolina. It also sought (1) to extend the automatic stay afforded to it under the Bankruptcy Code to talc claims arising from Johnson's Baby Powder asserted against over six hundred nondebtors (the "Third-Party Claims"), including affiliates such as J&J and New Consumer, as well as insurers and third-party retailers (all nondebtors collectively the "Protected Parties"), or alternatively, (2) a preliminary injunction enjoining those claims. LTL's first-day filings described the bankruptcy as an effort to "equitably and permanently resolve all current and future talc-related claims against it through the consummation of a plan of reorganization that includes the establishment of a [funding] trust." App. 3799 (LTL's Compl. for Decl. and Inj. Relief 2); App. 316 (LTL's Info. Br. 1).

A month later, the North Carolina Bankruptcy Court issued an order enjoining Third-Party Claims against the Protected Parties. But the order expired after 60 days and would not bind a subsequent court. The next day, following motions from interested parties (including representatives for talc claimants) and a Show Cause Order, the Court transferred LTL's Chapter 11 case to the District of New Jersey under 28 U.S.C. § 1412. It rejected what it viewed as LTL's effort to "manufacture venue" and held that a preference to be subject to the Fourth Circuit's two-prong bankruptcy dismissal standard[8] could not justify its filing in North Carolina. App. 1515 (N.C. Transfer Order 10).

With the case pending in the Bankruptcy Court for the District of New Jersey, the Official Committee of Talc Claimants (the "Talc Claimants' Committee") moved to dismiss LTL's petition under § 1112(b) of the Bankruptcy Code as not filed in good faith. Soon after, Arnold & Itkin LLP, on behalf of talc claimants it represented ("A&I"), also moved for dismissal on the same basis. LTL opposed the motions. Two other law firms—including Aylstock, Witkin, Kreis & Overholtz, PLLC, on behalf of talc claimants ("AWKO")—joined the motions. For ease of reference, we refer collectively to the Talc Claimants' Committee, A&I, and AWKO as the "Talc Claimants."

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[8] In the Fourth Circuit, a court can only dismiss a bankruptcy petition for lack of good faith on a showing of the debtor's "subjective bad faith" and the "objective futility of any possible reorganization." *Carolin Corp. v. Miller*, 886 F.2d 693, 694 (4th Cir. 1989). The Bankruptcy Court in the District of New Jersey described this as a "much more stringent standard for dismissal of a case for lacking good faith" than the Third Circuit's test. App. 13 (Mot. to Dismiss Op. 13). Perhaps not by coincidence then, debtors formed by divisional mergers and bearing substantial asbestos liability seem to prefer filing in the Fourth Circuit, with four such cases being filed in the Western District of North Carolina in the years before LTL's filing. *See In re Bestwall LLC*, Case No. 17-31795 (Bankr. W.D.N.C.); *In re DBMP LLC*, Case No. 20-30080 (Bankr. W.D.N.C.); *In re Aldrich Pump LLC*, Case No. 20-30608 (Bankr. W.D.N.C.); *In re Murray Boiler LLC*, Case No. 20-30609 (Bankr. W.D.N.C.).

At the same time, LTL urged the New Jersey Bankruptcy Court to extend the soon-to-expire order enjoining Third-Party Claims against the Protected Parties. The Talc Claimants' Committee and AWKO opposed this motion.

In February 2022, the Bankruptcy Court held a five-day trial on the motions to dismiss and LTL's third-party injunction motion. It denied soon thereafter the motions to dismiss and granted the injunction motion. App. 1, 57, 140, 194 (Mot. to Dismiss Op.; Mot. to Dismiss Order; Third-Party Inj. Op.; Third-Party Inj. Order).

In its opinion addressing the motions to dismiss, the Bankruptcy Court applied Third Circuit case law and held that LTL filed its bankruptcy petition in good faith. The Court ruled the filing served a valid bankruptcy purpose because it sought to resolve talc liability by creating a trust for the benefit of claimants under § 524(g) of the Bankruptcy Code. At a high level, that provision allows a debtor satisfying certain conditions to establish, in a plan of reorganization, a trust for the benefit of current and future claimants against which an injunction channels all asbestos litigation.[9] The Court highlighted what it viewed as several benefits of claims administration through a § 524(g) trust, compared to mass asbestos litigation in trial courts, including the possibility it could resolve claims more efficiently (from both a cost and time perspective), ensure more balanced recoveries among claimants, and preserve funds for future claimants.

[9] Under certain conditions, the injunction can also channel to the trust claims against third parties affiliated with the debtor. 11 U.S.C. § 524(g)(4).

The Court also held LTL was in financial distress. It focused on the scope of litigation faced by Old Consumer (and transferred to LTL), the historic costs incurred by Old Consumer in connection with talc litigation, and the effect of these costs on its business. It suggested that extrapolating this talc liability into the future showed the "continued viability of all J&J companies [was] imperiled." App. 36 (Mot. to Dismiss Op. 36). Yet it appeared to doubt LTL would completely exhaust its payment right under the Funding Agreement. App. 35 (*Id.* at 35).

Finally, the Court determined LTL's corporate restructuring and bankruptcy were not undertaken to secure an unfair tactical litigation advantage against talc claimants, but constituted "a single integrated transaction" that did not prejudice creditors and eliminated costs that would otherwise be imposed on Old Consumer's operating business had it been subject to bankruptcy. App. 43 (*Id.* at 43). The Court ultimately saw the bankruptcy forum as having a superior ability, compared to trial courts, to protect the talc claimants' interests, viewing this as an "unusual circumstance[]" that precluded dismissal under 11 U.S.C. § 1112(b)(2). App. 13 (*Id*. at 13 n.8).

At the same time the Bankruptcy Court grappled substantively with existing Circuit case law, it made much of LTL's novel design and the reasons for it. Its bankruptcy, the Court believed, presented a "far more significant issue" than equitable limitations on bankruptcy filings: "which judicial system [better served talc claimants]—the state/federal court trial system, or a trust vehicle established under a chapter 11 reorganization plan . . . [in Bankruptcy Court]." App. 12-13

(*Id*. at 12-13). Answering this question, it provided a full defense of its "strong conviction that the bankruptcy court is the optimal venue for redressing the harms of both present and future talc claimants in this case." App. 19 (*Id.* at 19).[10]

The Talc Claimants timely appealed the Bankruptcy Court's order denying the motions to dismiss. The Talc Claimants' Committee and AWKO also appealed the order enjoining Third-Party Claims against the Protected Parties. On request of the Talc Claimants, the Bankruptcy Court certified the challenged orders to our Court under 28 U.S.C. § 158(d)(2). In May 2022, we authorized direct appeal of the orders under the same statute.

The Bankruptcy Court had jurisdiction of the bankruptcy case under, *inter alia*, 28 U.S.C. §§ 157(a) and 1334(a).[11] We have jurisdiction of the appeals under 28 U.S.C. § 158(d)(2)(A).

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[10] In the separate opinion explaining its order preserving the injunction of Third-Party Claims against Protected Parties, the Court held that "unusual circumstances" warranted extension of the automatic stay to those claims under Bankruptcy Code §§ 362(a)(1) and 362(a)(3). It also held that Bankruptcy Code § 105(a) provided it independent authority to issue a preliminary injunction enjoining them. App. 140 (Third-Party Inj. Op.).

[11] The parties contest whether the Bankruptcy Court had jurisdiction to issue the order enjoining the Third-Party Claims against the Protected Parties. Dismissing LTL's petition obviates the need to reach that question.

II. ANALYSIS

A. Standard of Review

We review for an abuse of discretion the Bankruptcy Court's denial of the motions to dismiss the Chapter 11 petition for lack of good faith. *In re 15375 Mem'l Corp. v. BEPCO, L.P.*, 589 F.3d 605, 616 (3d Cir. 2009). That exists when the decision "rests upon a clearly erroneous finding of fact, an errant conclusion of law, or an improper application of law to fact." *Id.* (citation omitted). We give fresh (*i.e.*, plenary or *de novo*) review to a conclusion of law and review for clear error findings of fact leading to the decision. *Id.*

Facts subject to clear-error review include those that are basic, "the historical and narrative events elicited from the evidence presented at trial . . .," and those that are inferred, which are "drawn from basic facts and are permitted only when, and to the extent that, logic and human experience indicate a probability that certain consequences can and do follow from the basic facts." *Universal Mins., Inc. v. C.A. Hughes & Co.*, 669 F.2d 98, 102 (3d Cir. 1981). These are distinguished from an "ultimate fact," which is a "legal concept with a factual component." *Id.* at 103. Examples include negligence or reasonableness. *Wells Fargo, N.A. v. Bear Stearns & Co. (In re HomeBanc Mortg. Corp.),* 945 F.3d 801, 810 (3d Cir. 2019). Reviewing an ultimate fact, "we separate [its] distinct factual and legal elements . . . and apply the appropriate standard to each component." *Universal Mins.*, 669 F.2d at 103.

Concluding a bankruptcy petition is filed in good faith is an "ultimate fact." *BEPCO*, 589 F.3d at 616. While the underlying basic and inferred facts require clear-error review, the culminating determination of whether those facts support a conclusion of good faith gets plenary review as "essentially[] a conclusion of law." *Id.*; *see also U.S. Bank Nat'l Ass'n ex. rel. CWCapital Asset Mgmt. LLC v. Vill. at Lakeridge, LLC*, 138 S. Ct. 960, 966-68 (2018). A conclusion of financial distress, like the broader good-faith inquiry of which it is a part, likewise is subject to mixed review. Whether financial distress exists depends on the underlying basic facts, such as the debtor's ability to pay its current debts, and inferred facts, such as projections of how much pending and future liabilities (like litigation) could cost it in the future. But the ultimate determination, like with good faith, is essentially a conclusion of law that gets a fresh look. *See id.*

B. Good Faith

Chapter 11 bankruptcy petitions are "subject to dismissal under 11 U.S.C. § 1112(b) unless filed in good faith." *BEPCO*, 589 F.3d at 618 (citing *NMSBPCSLDHB, L.P. v. Integrated Telecom Express, Inc. (In re Integrated Telecom Express, Inc.)*, 384 F.3d 108, 118 (3d Cir. 2004)). Section 1112(b) provides for dismissal for "cause." A lack of good faith constitutes "cause," though it does not fall into one of the examples of cause specifically listed in the statute. *See In re SGL Carbon Corp.*, 200 F.3d 154, 159-62 (3d Cir. 1999). Because the Code's text neither sets nor bars explicitly a good-faith requirement, we have grounded it in the "equitable nature of bankruptcy" and the "purposes underlying Chapter 11." *Id.* at 161-62 ("A debtor who attempts to garner shelter under the Bankruptcy Code . . . must act in conformity with the Code's underlying principles.").

Once at issue, the burden to establish good faith is on the debtor. *BEPCO*, 589 F.3d at 618 (citing *Integrated Telecom*, 384 F.3d at 118); *SGL Carbon*, 200 F.3d at 162 n.10. We "examine the totality of facts and circumstances and determine where a petition falls along the spectrum ranging from the clearly acceptable to the patently abusive." *BEPCO*, 589 F.3d at 618 (internal quotation marks omitted) (citing *Integrated Telecom*, 384 F.3d at 118). Though a debtor's subjective intent may be relevant, good faith falls "more on [an] objective analysis of whether the debtor has sought to step outside the 'equitable limitations' of Chapter 11." *Id.* at 618 n.8 (citing *SGL Carbon*, 200 F.3d at 165).

"[T]wo inquiries . . . are particularly relevant": "(1) whether the petition serves a valid bankruptcy purpose[;] and (2) whether [it] is filed merely to obtain a tactical litigation advantage." *Id.* at 618 (internal quotation marks omitted) (citing *Integrated Telecom*, 384 F.3d at 119-20). Valid bankruptcy purposes include "preserv[ing] a going concern" or "maximiz[ing] the value of the debtor's estate." *Id.* at 619. Further, a valid bankruptcy purpose "assumes a debtor in financial distress." *Integrated Telecom*, 384 F.3d at 128.

C. <u>Financial Distress as a Requirement of Good Faith</u>

Our precedents show a debtor who does not suffer from financial distress cannot demonstrate its Chapter 11 petition serves a valid bankruptcy purpose supporting good faith. We first applied this principle in *SGL Carbon*. The debtor there filed for Chapter 11 protection in the face of many antitrust lawsuits—in its words, to "protect itself against excessive demands made by plaintiffs" and "achieve an expeditious resolution of the claims." 200 F.3d at 157. But we dismissed the petition for lack of good faith, relying on the debtor's strong financial health. *Id.* at 162-70. We rejected arguments that the suits seriously threatened the company and could force it out of business, suggesting the magnitude of potential liability would not likely render it insolvent. *Id.* at 162-64. And the filing was premature, as one could be later made—without risking the debtor's ability to reorganize—at a time a company-threatening judgment occurred. *Id*. at 163. Finally, in considering whether the petition served a valid bankruptcy purpose, we discerned none in light of the debtor's substantial equity cushion and a lack of evidence suggesting it had trouble paying debts or impaired access to capital markets. *Id.* at 166. Were the debtor facing "serious financial and/or managerial difficulties at the time of filing," the result may have been different. *Id.* at 164.

Integrated Telecom made clear that "good faith *necessarily requires* some degree of financial distress on the part of a debtor." 384 F.3d at 121 (emphasis added). That debtor was a non-operating, nearly liquidated shell company that was "highly solvent and cash rich at the time of the bankruptcy." *Id.* at 124. And its financial condition was key to the petition's dismissal. We said that Chapter 11 could not improve its failing business model nor resolve pending securities litigation in a way that increased recoveries for creditors. *Id.* at 120-26. Thus the proceeding could preserve no "value that otherwise would be lost outside of bankruptcy," showing those problems were not the kinds of financial issues Chapter 11 aimed to address. *Id.* at 120, 129. And absent financial distress, the debtor's desire to benefit from certain Code provisions (such as those capping claims for future rents) could not justify its presence in bankruptcy. *Id.* at 126-29.

We note that, when considering the whole of the circumstances in these decisions, we evaluated rationales for filing offered by the debtor that were only modestly related to its financial health—even after recognizing it was not in financial distress. Yet we rejected all of them and stuck to the debtor's financial condition. *Id.*; *SGL Carbon*, 200 F.3d at 167-68.

The theme is clear: absent financial distress, there is no reason for Chapter 11 and no valid bankruptcy purpose. "Courts, therefore, have consistently dismissed . . . petitions filed by financially healthy companies with no need to reorganize under the protection of Chapter 11. . . . [I]f a petitioner has no need to rehabilitate or reorganize, its petition cannot serve the rehabilitative purpose for which Chapter 11 was designed." *Integrated Telecom*, 384 F.3d at 122 (quoting *SGL Carbon*, 200 F.3d at 166).

But what degree of financial distress justifies a debtor's filing? To say, for example, that a debtor must be in financial distress is not to say it must necessarily be insolvent. We recognize as much, as the Code conspicuously does not contain any particular insolvency requirement. *See SGL Carbon*, 200 F.3d at 163; *Integrated Telecom*, 384 F.3d at 121. And we need not set out any specific test to apply rigidly when evaluating financial distress. Nor does the Code direct us to apply one.

Instead, the good-faith gateway asks whether the debtor faces the kinds of problems that justify Chapter 11 relief. Though insolvency is not strictly required, and "no list is exhaustive of all the factors which could be relevant when analyzing a particular debtor's good faith," *SGL Carbon*, 200 F.3d at 166 n.16, we cannot ignore that a debtor's balance-sheet insolvency or insufficient cash flows to pay liabilities (or the future likelihood of these issues occurring) are likely always relevant. This is because they pose a problem Chapter 11 is designed to address: "that the system of individual creditor remedies may be bad for the creditors *as a group* when there are *not enough assets to go around*." *Integrated Telecom*, 384 F.3d at 121 (second set of italics added) (quoting Thomas H. Jackson, *The Logic and Limits of Bankruptcy Law* 10 (1986)).

Still, we cannot today predict all forms of financial difficulties that may in some cases justify a debtor's presence in Chapter 11. Financial health can be threatened in other ways; for instance, uncertain and unliquidated future liabilities could pose an obstacle to a debtor efficiently obtaining financing and investment. As we acknowledged in *SGL Carbon*, certain financial problems or litigation may require significant attention, resulting in "serious . . . managerial difficulties." 200 F.3d at 164. Mass tort cases may present these issues and others as well, like the exodus of customers and suppliers wary of a firm's credit-risk. *See, e.g.*, Mark J. Roe, *Bankruptcy and Mass Tort*, 84 Colum. L. Rev. 846, 855 (1984) (describing the "adverse" and "severe" effects large-scale, future tort claims may have on a firm). So many spokes can lead to financial distress in the right circumstances that we cannot divine them all. What we can do, case-by-case, is consider all relevant facts in light of the purposes of the Code.

Financial distress must not only be apparent, but it must be immediate enough to justify a filing. "[A]n attenuated possibility standing alone" that a debtor "may have to file for bankruptcy in the future" does not establish good faith. *SGL Carbon*, 200 F.3d at 164; *see, e.g., Baker v. Latham*

Sparrowbush Assocs. (In re Cohoes Indus. Terminal, Inc.), 931 F.2d 222, 228 (2d Cir. 1991) ("Although a debtor need not be *in extremis* in order to file[,] . . . it must, at least, face such financial difficulty that, if it did not file at that time, it could anticipate the need to file in the future."). Yet we recognize the Code contemplates "the need for early access to bankruptcy relief to allow a debtor to rehabilitate its business before it is faced with a hopeless situation." *SGL Carbon*, 200 F.3d at 163. A "financially troubled" debtor facing mass tort liability, for example, may require bankruptcy to "enable a continuation of [its] business and to maintain access to the capital markets" even before it is insolvent. *Id.* at 169.

Still, encouragement of early filing "does not open the door to premature filing." *Id.* at 163. This may be a fine line in some cases, but our bankruptcy system puts courts, vested with equitable powers, in the best position to draw it.

Risks associated with premature filing may be particularly relevant in the context of a mass tort bankruptcy. Inevitably those cases will involve a bankruptcy court estimating claims on a great scale—introducing the possibility of undervaluing future claims (and underfunding assets left to satisfy them)[12] and the difficulty of fairly compensating

[12] *See* Report of the National Bankruptcy Review Commission 343-44 (Oct. 20, 1997) (recognizing claims-estimation accuracy is an important component of the integrity of the mass tort bankruptcy process and noting underestimation of claims occurred in the Johns-Manville case, one of the earliest asbestos bankruptcy cases, while also pointing to the adequate funding of trusts in subsequent cases to show those risks are surmountable).

claimants with wide-ranging degrees of exposure and injury. On the other hand, a longer history of litigation outside of bankruptcy may provide a court with better guideposts when tackling these issues.[13]

To take a step back, testing the nature and immediacy of a debtor's financial troubles, and examining its good faith more generally, are necessary because bankruptcy significantly disrupts creditors' existing claims against the debtor: "Chapter 11 vests petitioners with considerable powers—the automatic stay, the exclusive right to propose a reorganization plan, the discharge of debts, etc.—that can impose significant hardship on particular creditors. When *financially troubled* petitioners seek a chance to remain in business, the exercise of those powers is justified." *Integrated Telecom*, 384 F.3d at 120 (emphasis added) (citing *SGL Carbon*, 200 F.3d at 165-66). Accordingly, we have said the availability of certain debtor-favored Code provisions "assume[s] the existence of a valid bankruptcy, which, in turn, assumes a debtor in financial

[13] For instance, the A.H. Robins claimants' trust has been recognized as one that functioned effectively and remained solvent for years. There the Court and stakeholders had the benefit of data from 15 years of tort litigation by A.H. Robins before its filing. *See* Report of the National Bankruptcy Review Commission 328 n.813, 344-45 (Oct. 20, 1997) (citing Jack B. Weinstein, *Individual Justice in Mass Tort Litigation: The Effect of Class Actions, Consolidations, and other Multiparty Devices* 280 n.88, 326 n.149 (Northwestern Press 1995), and Ralph R. Mabey & Peter A. Zisser, *Improving Treatment of Future Claims: The Unfinished Business Left by the Manville Amendments*, 69 Am. Bankr. L.J. 487, 497 n.45 (1995)).

distress." *Id.* at 128. Put another way, "Congress designed Chapter 11 to give those businesses teetering on the verge of a fatal financial plummet an opportunity to reorganize on solid ground and try again, not to give profitable enterprises an opportunity to evade contractual or other liability." *Cedar Shore Resort, Inc v. Mueller (In re Cedar Shore Resort, Inc.)*, 235 F.3d 375, 381 (8th Cir. 2000) (internal quotation marks omitted).

Our confidence in the conclusion that financial distress is vital to good faith is reinforced by the central role it plays in other courts' inquiries.[14] Chapter 11's legislative history also

[14] *See, e.g.*, *Little Creek Dev. Co. v. Commonw. Mortg. Corp. (In re Little Creek Dev. Co.)*, 779 F.2d 1068, 1072 (5th Cir. 1986) ("Determining whether the debtor's filing for relief is in good faith depends largely upon the bankruptcy court's on-the-spot evaluation of the debtor's financial condition, motives, and the local financial realities."); *Cedar Shore Resort, Inc.*, 235 F.3d at 379-80 (in evaluating good faith, courts "consider the totality of the circumstances, including . . . the debtor's financial condition, motives, and the local financial realities"; dismissing petition, in part, because the debtor was "not in dire financial straits"); *In re James Wilson Assocs.*, 965 F.2d 160, 170 (7th Cir. 1992) (recognizing that, while the Code permits a firm to file though it is not insolvent, such filings usually involve "impending insolvency"); *Cohoes Indus. Terminal*, 931 F.2d at 228 (in the context of whether a petition was frivolous under Bankruptcy Rule 9011, stating "[a]lthough a debtor need not be *in extremis* in order to file[,] . . . it must, at least, face such financial difficulty that, if it did not file at that time, it could anticipate the need to file in the future"); *see also, e.g.*, *Barclays-Am./Bus. Credit, Inc. v. Radio WBHP, Inc.* (*In*

suggests it was meant to "deal[] with the reorganization of a financially distressed enterprise." *SGL Carbon*, 200 F.3d at 166 (quoting S. Rep. No. 95-989, at 9, *reprinted in* 1978 U.S.C.C.A.N. 5787, 5795).

The takeaway here is that when financial distress is present, bankruptcy may be an appropriate forum for a debtor to address mass tort liability. Our *SGL Carbon* decision specifically addressed this in distinguishing the financial distress faced by Johns-Manville in its Chapter 11 case. It was prompted by a tide of asbestos litigation that, but for its filing, would have forced the debtor to book a $1.9 billion liability reserve "trigger[ing] the acceleration of approximately $450 million of outstanding debt, [and] possibly resulting in a forced liquidation of key business segments." *In re Johns-Manville Corp.*, 36 B.R. 727, 730 (Bankr. S.D.N.Y. 1984). That created a "compelling need [for the debtor] to reorganize in order to meet" its obligations to creditors. *Id.* This urgency stood in stark contrast to the circumstances in *SGL Carbon*, where the debtor faced no suits, or even liquidated judgments, that threatened its ongoing operations.

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re Dixie Broad., Inc.), 871 F.2d 1023, 1027-28 (11th Cir. 1989) (stating that whether a debtor is "financially distressed" is one factor evidencing bad faith and that "the Bankruptcy Code is not intended to insulate 'financially secure' [debtors]"); *Carolin Corp.*, 886 F.2d at 701 (one prong of the good-faith inquiry is meant to ensure the petition bears "some relation to the statutory objective of resuscitating a financially troubled [debtor]") (brackets in original) (citing *Connell v. Coastal Cable T.V., Inc. (In re Coastal Cable T.V., Inc.)*, 709 F.2d 762, 765 (1st Cir. 1983)).

A.H. Robins Company, before its bankruptcy, faced financial woes like Johns-Manville's, in both cases caused by mass product liabilities litigation. Before filing, Robins had only $5 million in unrestricted funds and a "financial picture . . . so bleak that financial institutions were unwilling to lend it money." *In re A.H. Robins Co., Inc.*, 89 B.R. 555, 558 (Bankr. E.D.V.A. 1988). The Court concluded Robins "had no choice but to file for relief under Chapter 11." *Id.*

And in Dow Corning's Chapter 11 case, the Court described the company's resolve to address mass tort liability as "a legitimate effort to rehabilitate a solvent but *financially-distressed* corporation." *In re Dow Corning Corp.*, 244 B.R. 673, 676-77 (Bankr. E.D. Mich. 1999) (emphasis added). It specifically recognized that "the legal costs and logistics of defending the worldwide product liability lawsuits against the [d]ebtor threatened its vitality by depleting its financial resources and preventing its management from focusing on core business matters." *Id.* at 677.

These cases show that mass tort liability can push a debtor to the brink. But to measure the debtor's distance to it, courts must always weigh not just the scope of liabilities the debtor faces, but also the capacity it has to meet them. We now go there, but only after detouring to a problem particular to our case: For good-faith purposes, should we judge the financial condition of LTL by looking to Old Consumer—the operating business with valuable assets, but damaging tort liability, that the restructuring and filing here aimed to protect? Or should we look to LTL, the entity that actually filed for bankruptcy? Or finally, like the Bankruptcy Court, should we consider "the financial risks and burdens facing both Old [Consumer] and [LTL]"? App. 14 (Mot. to Dismiss Op. 14).

D. <u>Only LTL's Financial Condition is Determinative.</u>

Weighing the totality of facts and circumstances might seem on the surface to require that we evaluate the state of affairs of both Old Consumer and LTL when judging the latter's financial distress. That said, we must not underappreciate the financial reality of LTL while unduly elevating the comparative relevance of its pre-bankruptcy predecessor that no longer exists. Even were we unable to distinguish the financial burdens facing the two entities, we can distinguish their vastly different sets of available assets to address those burdens. On this we part from the Bankruptcy Court.

Thus for us, the financial state of LTL—a North Carolina limited liability company formed under state law and existing separate from both its predecessor company (Old Consumer) and its newly incorporated counterpart company (New Consumer)—should be tested independent of any other entity. That means we focus on its assets, liabilities, and, critically, the funding backstop it has in place to pay those liabilities.

Doing so reflects the principle that state-law property interests should generally be given the same effect inside and outside bankruptcy: "Property interests are created and defined by state law. Unless some federal interest requires a different result, there is no reason why such interests should be analyzed differently simply because an interested party is involved in a bankruptcy proceeding." *Butner v. United States*, 440 U.S. 48, 55 (1979). No one doubts that the state-law divisional merger passed talc liabilities to LTL. Why in bankruptcy would we recognize the effectiveness of this state-law transaction, but at the same time ignore others that augment LTL's assets, such as its birth gift of the Funding Agreement? To say the financial condition of Old Consumer prior to the restructuring—which was not bolstered by such a contractual payment right—determines the availability of Chapter 11 to LTL would impose on the latter a lookback focused on the nonavailability of a funding backstop to what is now a nonentity.

Instead, we must evaluate the full set of state-law transactions involving LTL to understand the makeup of its financial rights and obligations that, in turn, dictate its financial condition. Even were we to agree that the full suite of reorganizational steps was a "single integrated transaction," App. 43 (Mot. to Dismiss Op. 43), this conclusion does not give us license to look past its effect: the creation of a new entity with a unique set of assets and liabilities, and the elimination of another. Only the former is in bankruptcy and subject to its good-faith requirement. *See* Ralph Brubaker, *Assessing the Legitimacy of the "Texas Two-Step" Mass-Tort Bankruptcy*, 42 No. 8 Bankr. L. Letter NL 1 (Aug. 2022) (observing that the Bankruptcy Code is designed to address the financial distress of the entity *in* bankruptcy).

We cannot say a "federal interest requires a different result." *See Butner*, 440 U.S. at 55. That is because the Bankruptcy Code is an amalgam of creditor-debtor tradeoffs balanced by a Congress that assumed courts applying it would respect the separateness of legal entities (and their respective assets and liabilities). "[T]he general expectation of state law and of the Bankruptcy Code . . . is that courts respect entity separateness absent compelling circumstances calling equity . . . into play." *In re Owens Corning*, 419 F.3d 195, 211

(3d Cir. 2005). Put differently, as separateness is foundational to corporate law, which in turn is a predicate to bankruptcy law, it is not easily ignored. It is especially hard to ignore when J&J's pre-bankruptcy restructuring—ring-fencing talc liabilities in LTL and forming the basis for this filing—depended on courts honoring this principle.

The Bankruptcy Code is designed in important part to protect and distribute a debtor's assets to satisfy its liabilities. It strains logic then to say the condition of a defunct entity should determine the availability of Chapter 11 to the only entity subject to it. To do so would introduce uncertainty regarding how far back and to what entities a court can look when evaluating a debtor's financial distress.

Thus, while we agree with the Bankruptcy Court that both entities are part of our discussion of financial distress, the financial condition of Old Consumer is relevant only to the extent it informs our view of the financial condition of LTL itself.

E. LTL Was Not in Financial Distress.

With our focus properly set, we now evaluate the financial condition of LTL. It is here we most disagree with the Bankruptcy Court, as it erred by overemphasizing the relevance of Old Consumer's financial condition. And while we do not second-guess its findings on the scope and costs of talc exposure up to the filing date, we do not accept its projections of future liability derived from those facts.

After these course corrections, we cannot agree LTL was in financial distress when it filed its Chapter 11 petition. The value and quality of its assets, which include a roughly

$61.5 billion payment right against J&J and New Consumer, make this holding untenable.

The Funding Agreement merits special mention. To recap, under it LTL had the right, outside of bankruptcy, to cause J&J and New Consumer, jointly and severally, to pay it cash up to the value of New Consumer as of the petition date (estimated at $61.5 billion) to satisfy any talc-related costs and normal course expenses. Plus this value would increase as the value of New Consumer's business and assets increased. App. 4316-17 (Funding Agreement 4-5, § 1 Definition of "JJCI Value").[15] The Agreement provided LTL a right to cash that was very valuable, likely to grow, and minimally conditional. And this right was reliable, as J&J and New Consumer were highly creditworthy counterparties (an understatement) with the capacity to satisfy it.

As for New Consumer, it had access to Old Consumer's cash-flowing brands and products along with the profits they produced, which underpinned the $61.5 billion enterprise value of New Consumer as of LTL's filing. And the sales and adjusted income of the consumer health business showed steady growth in the last several years when talc costs were excluded. Most important, though, the payment right gave LTL direct access to J&J's exceptionally strong balance sheet. At the time of LTL's filing, J&J had well over $400 billion in equity value with a AAA credit rating and $31 billion just in

[15] While, as described above, the uses for which LTL may draw on the payment right change in bankruptcy (*i.e.*, LTL is permitted to draw on it to fund a claimant trust and satisfy administrative expenses), we focus on the rights available to it just prior to its filing for good-faith purposes.

cash and marketable securities. It distributed over $13 billion to shareholders in each of 2020 and 2021. It is hard to imagine a scenario where J&J and New Consumer would be unable to satisfy their joint obligations under the Funding Agreement. And, of course, J&J's primary, contractual obligation to fund talc costs was one never owed to Old Consumer (save for the short moment during the restructuring that it was technically a party to the Funding Agreement).

Yet the Bankruptcy Court hardly considered the value of LTL's payment right to its financial condition. True, it noted its jurisdictional authority could "ensure that [LTL] pursue[d] its available rights" under the Funding Agreement. App. 43 (Mot. to Dismiss Op. 43). But, in discussing LTL's financial condition, the Court was "at a loss to understand, why—merely because [LTL] contractually has the right to exhaust its funding options [under the Funding Agreement]"—it was "not to be regarded as being in 'financial distress.'" App. 35 (*Id.* at 35). It speculated that a draw on the payment right could force J&J to deplete its available cash or pursue a forced liquidation of New Consumer and have a "horrific impact" on those companies. *Id.* The assumption seems to be that, out of concern for its affiliates, LTL may avoid drawing on the payment right to its full amount. But this is unsupported and disregards the duty of LTL to access its payment assets.

Ultimately, whether this assumption was made or not, the Bankruptcy Court did not consider the full value of LTL's backstop when judging its financial condition. And at the same time it acutely focused on how talc litigation affected *Old Consumer*. *See, e.g.,* App. 34 (Mot. to Dismiss Op. 34) ("The evidence confirms that the talc litigation . . . forced *Old [Consumer]* into a loss position in 2020"); App. 36 (*Id.* at 36)

("*Old [Consumer]* was not positioned to continue making substantial [t]alc [l]itigation payments"); App. 38 (*Id.* at 38) ("*Old [Consumer]* need not have waited until its viable business operations were threatened past the breaking point") (emphasis added in each citation). Directing its sight to Old Consumer and away from the Funding Agreement's benefit to LTL essentially made the financial means of Old Consumer, and not LTL, the lodestar of the Court's financial-distress analysis. This misdirection was legal error.

We also find a variable missing in the Bankruptcy Court's projections of future liability for LTL extrapolated from the history of Old Consumer's talc litigation: the latter's successes. To reiterate, before bankruptcy Old Consumer had settled about 6,800 talc-related claims for under $1 billion and obtained dismissals of about 1,300 ovarian cancer and over 250 mesothelioma claims without payment. And a minority of the completed trials resulted in verdicts against it (with some of those verdicts reversed on appeal). Yet the Court invoked calculations that just the legal fees to defend all existing ovarian cancer claims (each through trial) would cost up to $190 billion. App. 37 (*Id.* at 37). It surmised "one could argue" the exposure from the existing mesothelioma claims alone exceeded $15 billion. App. 17 (*Id.* at 17). These conjectures ballooned its conclusion that, "[e]ven without a calculator or abacus, one can multiply multi-million dollar or multi-billion dollar verdicts by tens of thousands of existing claims, let alone future claims," to see that "the continued viability of all J&J companies is imperiled." App. 36 (*Id.* at 36).

What these projections ignore is the possibility of meaningful settlement, as well as successful defense and dismissal, of claims by assuming most, if not all, would go to and succeed at trial. In doing so, these projections contradict the record. And while the Bankruptcy Court questioned the continuing relevance of the past track record after *Ingham* and the breakdown of the Imerys settlement talks, this assumes too much too early. Nothing in the record suggests *Ingham*—one of 49 pre-bankruptcy trials and described even by J&J as "unique" and "not representative," App. 2692-93—was the new norm. Nor is there anything that shows all hope of a meaningful global or near-global settlement was lost after the initial Imerys offer was rebuffed. The Imerys bankruptcy remained a platform to negotiate settlement. And the progression of the multidistrict litigation on a separate track would continue to sharpen all interested parties' views of mutually beneficial settlement values.

Finally, we cannot help noting that the casualness of the calculations supporting the Court's projections engenders doubt as to whether they were factual findings at all, but instead back-of-the-envelope forecasts of hypothetical worst-case scenarios. Still, to the extent they were findings of fact, we cannot say these were inferences permissibly drawn and entitled to deference. *See Universal Mins.*, 669 F.2d at 102. Hence, they were clearly erroneous. And as we locate no other inferences or support in the record to bear the Court's assertion that the "talc liabilities" "far exceed [LTL's] capacity to satisfy [them]," we cannot accept this conclusion either.[16] App. 23 (Mot. to Dismiss Op. 23).

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[16] Because we arrive at the same result assuming the Bankruptcy Court was correct to determine LTL was responsible to indemnify J&J for *all* talc costs it incurs, we need not opine on this conclusion. Still, we note certain

In this context, it becomes clear that, on its filing, LTL did not have any likely need in the present or the near-term, or even in the long-term, to exhaust its funding rights to pay talc liabilities. In the over five years of litigation to date, the aggregate costs had reached $4.5 billion (less than 7.5% of the $61.5 billion value on the petition date), with about half of these costs attributable to one ovarian cancer verdict, *Ingham*, to date an outlier victory for plaintiffs. While the number of talc claims had surged in recent years, still J&J, as of October 2021, valued the probable and reasonably estimable contingent loss for its products liability litigation, including for talc, under GAAP, at $2.4 billion for the next two years. Further, though settlement offers are only that, we do not disregard LTL's suggestion that $4 billion to $5 billion was at one time considered by plaintiffs' lawyers to be in the ballpark to resolve

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pertinent factors lack full discussion in the Court's analysis of the indemnity agreement relating to Johnson's Baby Powder in the 1979 Spin Off. App. 163-69 (Third-Party Inj. Op. 24-30). For example, it is not obvious LTL must indemnify J&J for the latter's independent, post-1979 conduct that is the basis of a verdict rendered against it. *See* App. 4957 (Agreement for Transfer of Assets and Bill of Sale 5 ¶ 4) (Old Consumer's predecessor agrees to assume and indemnify J&J against "all . . . liabilities and obligations of every kind and description *which are allocated on the books or records of J&J* as pertaining to the BABY Division.") (emphasis added). It is also not clear the indemnity should be read to reach punitive damage verdicts rendered against J&J for its own conduct. Additionally, the Court never discussed how it reached its conclusion that Old Consumer assumed responsibility from J&J for *all* claims relating to Shower to Shower.

virtually all multidistrict ovarian cancer claims as well as corresponding additional claims in the Imerys bankruptcy. And as noted, we view all this against a pre-bankruptcy backdrop where Old Consumer had success settling claims or obtaining dismissal orders, and where, at trial, ovarian cancer plaintiffs never won verdicts that withstood appeal outside of *Ingham* and mesothelioma plaintiffs had odds of prevailing that were less than stellar.

From these facts—presented by J&J and LTL themselves—we can infer only that LTL, at the time of its filing, was highly solvent with access to cash to meet comfortably its liabilities as they came due for the foreseeable future. It looks correct to have implied, in a prior court filing, that there was not "*any imminent or even likely need of [it] to invoke the Funding Agreement to its maximum amount or anything close to it.*" App. 3747 (LTL's Obj. to Mots. for Cert. of Direct Appeal 22) (emphasis added). Indeed, the Funding Agreement itself recited that LTL, after the divisional merger and assumption of that Agreement, held "assets having a value at least equal to its liabilities and had financial capacity sufficient to satisfy its obligations as they become due in the ordinary course of business, *including any [t]alc [r]elated [l]iabilities*." App. 4313 (Funding Agreement 1, ¶ E) (emphasis added). This all comports with the theme LTL proclaimed in this case from day one: it can pay current and future talc claimants in full. *See* App. 630 (Transcript of N.C. "First Day" Hearing, October 20, 2021) (LTL's counsel telling the North Carolina bankruptcy court in his opening remarks that "[LTL], New [Consumer], and J&J believe that *$2 billion exceeds* any liability [LTL] could reasonably have for talc-related claims . . . ." (emphasis added)).

We take J&J and LTL at their word and agree. LTL has a funding backstop, not unlike an ATM disguised as a contract, that it can draw on to pay liabilities without any disruption to its business or threat to its financial viability. It may be that a draw under the Funding Agreement results in payments by New Consumer that in theory might someday threaten its ability to sustain its operational costs. But those risks do not affect LTL, for J&J remains its ultimate safeguard. And we cannot say any potential liquidation by LTL of Royalty A&M—a collection of bare rights to streams of payments cobbled together on the eve of bankruptcy—to pay talc costs would amount to financial distress. Plus LTL had no obligation, outside of bankruptcy, to sell those assets for cash before drawing on the Funding Agreement.

At base level, LTL, whose employees are all J&J employees, is essentially a shell company "formed," almost exclusively, "to manage and defend thousands of talc-related claims" while insulating at least the assets now in New Consumer. App. 449 (Decl. of John Kim 5). And LTL was well-funded to do this. As of the time of its filing, we cannot say there was any sign on the horizon it would be anything but successful in the enterprise. It is even more difficult to say it faced any "serious financial and/or managerial difficulties" calling for the need to reorganize during its short life outside of bankruptcy. *SGL Carbon*, 200 F.3d at 164.[17]

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[17] In saying the nature of the payment right and a lack of meaningful operations show that LTL did not suffer from sufficient kinds of financial distress, we focus on the special circumstances here and do not suggest the presence of these characteristics would preclude a finding of financial distress in every case.

But what if, contrary to J&J's statements, *Ingham* is not an anomaly but a harbinger of things to come? What if time shows, with the progression of litigation outside of bankruptcy, that cash available under the Funding Agreement cannot adequately address talc liability? Perhaps at that time LTL could show it belonged in bankruptcy. But it could not do so in October 2021. While LTL inherited massive liabilities, its call on assets to fund them exceeded any reasonable projections available on the record before us. The "attenuated possibility" that talc litigation may require it to file for bankruptcy in the future does not establish its good faith as of its petition date. *Id.* at 164. At best the filing was premature.[18]

In sum, while it is unwise today to attempt a tidy definition of financial distress justifying in all cases resort to Chapter 11, we can confidently say the circumstances here fall outside those bounds. Because LTL was not in financial distress, it cannot show its petition served a valid bankruptcy purpose and was filed in good faith under Code § 1112(b).[19]

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[18] Some might read our logic to suggest LTL need only part with its funding backstop to render itself fit for a renewed filing. While this question is also premature, we note interested parties may seek to "avoid any transfer" made within two years of any bankruptcy filing by a debtor who "receive[s] less than a reasonably equivalent value in exchange for such transfer" and "became insolvent as a result of [it]." 11 U.S.C. § 548(a). So if the question becomes ripe, the next one might be: Did LTL receive reasonably equivalent value in exchange for forgoing its rights under the Funding Agreement?

[19] Because we conclude LTL's petition has no valid bankruptcy purpose, we need not ask whether it was filed "merely to obtain

F. <u>"Unusual Circumstances" Do Not Preclude Dismissal</u>

The Bankruptcy Court held, as an independent basis for its decision, that even if LTL's petition were not filed in good faith, § 1112(b)(2) of the Code authorized it nonetheless to deny dismissal. For a petition to be saved under that provision, a court must identify "unusual circumstances establishing that . . . [dismissal] is not in the best interests of creditors and the estate." 11 U.S.C. § 1112(b)(2). The debtor (or any other party in interest) must also establish "the grounds for . . . [dismissal] include an act or omission" (1) "for which there exists a reasonable justification" and (2) "that will be cured within a reasonable period of time." *Id*.

The Bankruptcy Court ruled that "the interests of current tort creditors and the absence of viable protections for future tort claimants outside of bankruptcy . . . constitute such 'unusual circumstances' as to preclude . . . dismissal." App. 13 (Mot. to Dismiss Op. 13 n.8). But what is unusual instead is that a debtor comes to bankruptcy with the insurance accorded LTL. Our ground for dismissal is LTL's lack of

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a tactical litigation advantage." *BEPCO*, 589 F.3d at 618. Yet it is clear LTL's bankruptcy filing aimed to beat back talc litigation in trial courts. Still "[i]t is not bad faith to seek to gain an advantage from declaring bankruptcy—why else would one declare it?" *James Wilson Assoc.*, 965 F.2d at 170. While we ultimately leave the question unaddressed, a filing to change the forum of litigation where there is no financial distress raises, as it did in *SGL Carbon*, the specter of "abuse which must be guarded against to protect the integrity of the bankruptcy system." 200 F.3d at 169.

financial distress. No “reasonable justification” validates that missing requirement in this case. And we cannot currently see how its lack of financial distress could be overcome. For these reasons, we go counter to the Bankruptcy Court’s conclusion that “unusual circumstances” sanction LTL’s Chapter 11 petition.

III. CONCLUSION

Our decision dismisses the bankruptcy filing of a company created to file for bankruptcy. It restricts J&J’s ability to move thousands of claims out of trial courts and into bankruptcy court so they may be resolved, in J&J’s words, “equitably” and “efficiently.” LTL Br. 8. But given Chapter 11’s ability to redefine fundamental rights of third parties, only those facing financial distress can call on bankruptcy’s tools to do so. Applied here, while LTL faces substantial future talc liability, its funding backstop plainly mitigates any financial distress foreseen on its petition date.

We do not duck an apparent irony: that J&J’s triple A-rated payment obligation for LTL’s liabilities, which it views as a generous protection it was never required to provide to claimants, weakened LTL’s case to be in bankruptcy. Put another way, the bigger a backstop a parent company provides a subsidiary, the less fit that subsidiary is to file. But when the backstop provides ample financial support to a debtor who then seeks shelter in a system designed to protect those without it, we see this perceived incongruity dispelled.

That said, we mean not to discourage lawyers from being inventive and management from experimenting with novel solutions. Creative crafting in the law can at times accrue to the benefit of all, or nearly all, stakeholders. Thus we need not lay down a rule that no nontraditional debtor could ever satisfy the Code's good-faith requirement.

But here J&J's belief that this bankruptcy creates the best of all possible worlds for it and the talc claimants is not enough, no matter how sincerely held. Nor is the Bankruptcy Court's commendable effort to resolve a more-than-thorny problem. These cannot displace the rule that resort to Chapter 11 is appropriate only for entities facing financial distress. This safeguard ensures that claimants' pre-bankruptcy remedies—here, the chance to prove to a jury of their peers injuries claimed to be caused by a consumer product—are disrupted only when necessary.

Some may argue any divisional merger to excise the liability and stigma of a product gone bad contradicts the principles and purposes of the Bankruptcy Code. But even that is a call that awaits another day and another case. For here the debtor was in no financial distress when it sought Chapter 11 protection. To ignore a parent (and grandparent) safety net shielding all liability then foreseen would allow tunnel vision to create a legal blind spot. We will not do so.

Because it abused its discretion in denying the motions to dismiss, we reverse the Bankruptcy Court's order denying the motions and remand this case with the instruction to dismiss LTL's Chapter 11 petition. Dismissing its case annuls the litigation stay ordered by the Court and makes moot the need to decide that issue.

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT

Nos. 22-2003, 22-2004, 22-2005, 22-2006, 22-2007,
22-2008, 22-2009, 22-2010, 22-2011

In Re: LTL MANAGEMENT LLC,
Debtor

OFFICIAL COMMITTEE OF TALC CLAIMANTS,
Appellant
v.

THOSE PARTIES LISTED ON APPENDIX A TO COMPLAINT AND JOHN AND JANE DOES 1-1000

(District Court Civil No.: 21-bk-30589; 21-ap-03032)

Present: RESTREPO, FUENTES, and AMBRO* Circuit Judges,

ORDER

The Clerk is directed to file the amended precedential opinion contemporaneously with this order. The changes to the opinion are shown in blue and red text on the pages attached as Exhibit A to this order. As the opinion has not been revised in any material way, no party may file a petition for rehearing.

---

* Judge Ambro assumed senior status on February 6, 2023.

BY THE COURT,

s/ THOMAS L. AMBRO
Circuit Judge

Dated: March 31, 2023
JK/cc: All Counsel of Record

Exhibit A

Revised Text

underlying basic and inferred facts require clear-error review, the culminating determination of whether those facts support a conclusion of good faith gets plenary review as "essentially[] a conclusion of law." *Id.*; *see also U.S. Bank Nat'l Ass'n ex. rel. CWCapital Asset Mgmt. LLC v. Vill. at Lakeridge, LLC*, 138 S. Ct. 960, 966-68 (2018). A conclusion of financial distress, like the broader good-faith inquiry of which it is a part, likewise is subject to mixed review. Whether financial distress exists depends on the underlying basic facts, such as the debtor's ability to pay its current debts, and inferred facts, such as projections of how much pending and future liabilities (like litigation) could cost it in the future. But the ultimate determination ~~conclusion~~, like with good faith, is essentially a conclusion of law that gets a fresh look. *See id.*

B. Good Faith

Chapter 11 bankruptcy petitions are "subject to dismissal under 11 U.S.C. § 1112(b) unless filed in good faith." *BEPCO*, 589 F.3d at 618 (citing *NMSBPCSLDHB, L.P. v. Integrated Telecom Express, Inc. (In re Integrated Telecom Express, Inc.)*, 384 F.3d 108, 118 (3d Cir. 2004)). Section 1112(b) provides for dismissal for "cause." A lack of good faith constitutes "cause," though it does not fall into one of the examples of cause specifically listed in the statute. *See In re SGL Carbon Corp.*, 200 F.3d 154, 159-62 (3d Cir. 1999). Because the Code's text neither sets nor bars explicitly a good-faith requirement, we have grounded it in the "equitable nature of bankruptcy" and the "purposes underlying Chapter 11." *Id.* at 161-62 ("A debtor who attempts to garner shelter under the Bankruptcy Code . . . must act in conformity with the Code's underlying principles.").

dismissal, of claims by assuming most, if not all, would go to and succeed at trial. In doing so, these projections contradict the record. And while the Bankruptcy Court questioned the continuing relevance of the past track record after *Ingham* and the breakdown of the Imerys settlement talks, this assumes too much too early. Nothing in the record suggests *Ingham*—one of 49 pre-bankruptcy trials and described even by J&J as "unique" and "not representative," App. 2692-93—was the new norm. Nor is there anything that shows all hope of a meaningful global or near-global settlement was lost after the initial Imerys offer was rebuffed. The Imerys bankruptcy remained a platform to negotiate settlement. And the progression of the multidistrict litigation on a separate track would continue to sharpen all interested parties' views of mutually beneficial settlement values.

Finally, we cannot help noting that the casualness of the calculations supporting the Court's projections engenders doubt as to whether they were factual findings at all, but instead back-of-the-envelope forecasts of hypothetical worst-case scenarios. Still, to the extent they were findings of fact, we cannot say these were inferences permissibly drawn and entitled to deference. *See Universal Mins.*, 669 F.2d at 102. Hence, they were clearly erroneous. And as we locate no other inferences or support in the record to bear the Court's assertion that the "talc liabilities" "far exceed [LTL's] capacity to satisfy [them]," we cannot accept this conclusion either.[16] App. 23 (Mot. to Dismiss Op. 23).

[16] Because we arrive at the same result assuming the Bankruptcy Court was correct to determine LTL was responsible to indemnify J&J for *all* talc costs it incurs, we need not opine on this conclusion. Still, we note certain

virtually all multidistrict ovarian cancer claims as well as corresponding additional claims in the Imerys bankruptcy. And as noted, we view all this against a pre-bankruptcy backdrop where Old Consumer had success settling claims or obtaining dismissal orders, and where, at trial, ovarian cancer plaintiffs never won verdicts that withstood appeal outside of *Ingham* and mesothelioma plaintiffs had odds of prevailing that were less than stellar.

From these facts—presented by J&J and LTL themselves—we can infer only that LTL, at the time of its filing, was highly solvent with access to cash to meet comfortably its liabilities as they came due for the foreseeable future. It looks correct to have implied, in a prior court filing, that there was not "*any imminent or even likely need of [it] to invoke the Funding Agreement to its maximum amount or anything close to it.*" App. 3747 (LTL's Obj. to Mots. for Cert. of Direct Appeal 22) (emphasis added). Indeed, the Funding Agreement itself recited that LTL, after the divisional merger and assumption of that Agreement, held "assets having a value at least equal to its liabilities and had financial capacity sufficient to satisfy its obligations as they become due in the ordinary course of business, *including any [t]alc [r]elated [l]iabilities*." App. 4313 (Funding Agreement 1, ¶ E) (emphasis added). This all comports with the theme LTL proclaimed in this case from day one: it can pay current and future talc claimants in full. *See* App. 630 (Transcript of N.C. "First Day" Hearing, October 20, 2021) (LTL's counsel telling the North Carolina bankruptcy court in his opening remarks that "[LTL], New [Consumer], and J&J believe that *$2 billion exceeds* any liability [LTL] could reasonably have for talc-related claims . . . ." (emphasis added)).

accrue to the benefit of all, or nearly all, stakeholders. Thus we need not lay down a rule that no nontraditional debtor could ever satisfy the Code's good-faith requirement.

But here J&J's belief that this bankruptcy creates the best of all possible worlds for it and the talc claimants is not enough, no matter how sincerely held. Nor is the Bankruptcy Court's commendable effort to resolve a more-than-thorny problem. These cannot displace the rule that resort to Chapter 11 is appropriate only for entities facing financial distress. This safeguard ensures that claimants' pre-bankruptcy remedies—here, the chance to prove to a jury of their peers injuries claimed to be caused by a consumer product—are disrupted only when necessary.

Some may argue any divisional merger to excise the liability and stigma of a product gone bad contradicts the principles and purposes of the Bankruptcy Code. But even that is a call that awaits another day and another case. For here the debtor was in no financial distress when it sought Chapter 11 protection. To ignore a parent (and grandparent) safety net shielding all liability then foreseen would allow tunnel vision to create a legal blind spot. We will not do so.

Because it abused its discretion in denying the motions to dismiss, w~~W~~e ~~thus~~ reverse the Bankruptcy Court's order denying the motions ~~to dismiss~~ and remand this case with the instruction to dismiss LTL's Chapter 11 petition. Dismissing its case annuls the litigation stay ordered by the Court and makes moot the need to decide that issue.

OFFICE OF THE CLERK

PATRICIA S. DODSZUWEIT

CLERK

UNITED STATES COURT OF APPEALS
FOR THE THIRD CIRCUIT
21400 UNITED STATES COURTHOUSE
601 MARKET STREET
PHILADELPHIA, PA 19106-1790
Website: www.ca3.uscourts.gov

TELEPHONE
215-597-2995

March 31, 2023

Ms. Jeanne A. Naughton
United States Bankruptcy Court for the District of New Jersey
Martin Luther King Jr. Federal Building & United States Courthouse
50 Walnut Street
Newark, NJ 07102

RE: In re: LTL Management LLC
Case Numbers: 22-2003, 22-2003, 22-2005, 22-2006, 22-2007, 22-2008
22-2009, 22-2010, 22-2011
District Court Case Numbers: 21-bk-30589 & 21-ap-03032

Dear District Court Clerk,

Enclosed herewith is the certified judgment together with copy of the opinion in the above-captioned case(s). The certified judgment is issued in lieu of a formal mandate and is to be treated in all respects as a mandate.

Counsel are advised of the issuance of the mandate by copy of this letter. The certified judgment or order is also enclosed showing costs taxed, if any.

Very Truly Yours,

s/ Patricia S. Dodszuweit
Clerk

By: s/ James King
Case Manager
Direct Dial: 267-299-4958

cc:

Cory L. Andrews
John M. August
Lauren Bielskie
Jerome H. Block
David A. Chandler
Glenn Chappell
Melanie L. Cyganowski
Jeffrey M. Dine
Karen B. Dine
Matthew Drecun
Ilana H. Eisenstein
David C. Frederick
Peter M. Friedman
Angelo J. Genova
Rachel Ginzburg
Gregory M. Gordon
Deepak Gupta
Benjamin T. Hayes
Sean Janda
James M. Jones
Laura D. Jones
Neal K. Katyal
Peter J. Keane
Samuel M. Kidder
David R. Kuney
Jeffrey A. Lamken
Amber R. Long
Moshe Maimon
Nir Maoz
Sean M. Marotta
C. Kevin Marshall
R. Craig Martin
Jonathan S. Massey
John M. Masslon II
Ariela Migdal
David J. Molton
Sean E. O'Donnell
Isaac M. Pachulski
Allison W. Parr
Emma L. Persson
Robert J. Pfister
Thomas A. Pitta
Natalie D. Ramsey
Gregory G. Rapawy
Audrey P. Raphael
Suzanne Ratcliffe

Ellen Relkin
Colin R. Robinson
Jaime A. Santos
Stephen B. Selbst
Daniel S. Shamah
Adam C. Silverstein
Laura L. Smith
Steven B. Smith
Jeffrey M. Sponder
Daniel M. Stolz
Jonathan E. Taylor
Clay Thompson
Mark Tsukerman
Michael L. Tuchin
Allen J. Underwood II
Matthew W.H. Wessler
Jeffrey R. White
Michael S. Winograd
Paul J. Winterhalter
Felice C. Yudkin
Hassan A. Zavareei

APPENDIX “E”

JONES DAY

2727 NORTH HARWOOD STREET • DALLAS, TEXAS 75201.1515
TELEPHONE: +1.214.220.3939 • FACSIMILE: +1.214.969.5100

DIRECT NUMBER: (214) 969-4515
DBPRIETO@JONESDAY.COM

April 4, 2023

The Honorable Michael B. Kaplan
United States Bankruptcy Court, District of New Jersey
Clarkson S. Fisher US Courthouse
402 East State Street, Courtroom #8
Trenton, NJ 08608

Re: LTL Management LLC, Case No. 21-30589 (MBK)

Dear Chief Judge Kaplan:

I write regarding the accompanying proposed order that provides for the dismissal of the above-captioned chapter 11 case in accordance with the mandate issued by the United States Court of Appeals for the Third Circuit (the "Third Circuit"). In addition to dismissing the case, the proposed order includes procedures for final requests for compensation and certain other relief.

The proposed order reflects input from the Debtor, the Official Committee of Talc Claimants (the "TCC"), the Future Claimants' Representative (the "FCR"), the Court-appointed expert, and the ad hoc committee of state attorneys general. The United States trustee (the "U.S. Trustee") has informed the Debtor that it may have comments to the proposed order but to date has not provided any feedback on the order. Although the U.S. Trustee has not yet provided comments, the Debtor thought that it was important to forward the current form of order to the Court given that the Third Circuit's mandate issued on Friday, March 31.

It is the Debtor's understanding that the form of the proposed order is acceptable to the Debtor, the TCC, the FCR**,** the Court-appointed expert and the ad hoc committee of state attorneys general except that there is a dispute between the TCC and the FCR with respect to the provision regarding the termination of the FCR's appointment. The FCR has proposed that she will continue to serve as the FCR until such time that any appeal of the Third Circuit's dismissal ruling is exhausted or no longer pursued by the Debtor. The TCC opposes the continued appointment of the FCR and instead has asked that the order provide that the FCR's appointment will terminate upon the entry of the order dismissing the Debtor's chapter 11 case. The Debtor has no objection to the FCR's language but also does not oppose entry of an order that terminates the FCR's appointment upon dismissal. The FCR's proposed language is identified in the enclosed redline of the proposed order.

Subject to the Court's resolution of the open issue between the TCC and the FCR, the Debtor respectfully requests that the Court enter the proposed order at the Court's earliest convenience.

Thank you.

Respectfully submitted,

/s/ Dan B. Prieto
Dan B. Prieto

Enclosure A

(Proposed Dismissal Order)

<table>
<tr><td colspan="2">UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY</td></tr>
<tr><td>GENOVA BURNS LLC
Daniel M. Stolz, Esq.
Donald W. Clarke, Esq.
Gregory S. Kinoian, Esq.
Leonard S. Spinelli, Esq.
dstolz@genovaburns.com
dclarke@genovaburns.com
gkinoian@genovaburns.com
lspinelli@genovaburns.com
110 Allen Road, Suite 304
Basking Ridge, NJ 07920
Tel: (973) 467-2700
Fax: (973) 467-8126
Local Counsel for the
Official Committee of Talc Claimants</td><td>BROWN RUDNICK LLP
David J. Molton, Esq.
Robert J. Stark, Esq.
Michael S. Winograd, Esq.
dmolton@brownrudnick.com
rstark@brownrudnick.com
mwinograd@brownrudnick.com
Seven Times Square
New York, NY 10036
Tel: (212) 209-4800
Fax: (212) 209-4801

and

Jeffrey L. Jonas, Esq.
Sunni P. Beville, Esq.
Eric R. Goodman, Esq.
jjonas@brownrudnick.com
sbeville@brownrudnick.com
egoodman@brownrudnick.com
One Financial Center
Boston, MA 02111
Tel: (617) 856-8200
Fax: (617) 856-8201
Co-Counsel for the
Official Committee of Talc Claimants</td></tr>
<tr><td>BAILEY GLASSER LLP
Brian A. Glasser, Esq.
Thomas B. Bennett, Esq.
Kevin W. Barrett, Esq.
Maggie B. Burrus, Esq.
bglasser@baileyglasser.com
tbennett@baileyglasser.com
kbarrett@baileyglasser.com
mburrus@baileyglasser.com
1055 Thomas Jefferson St. NW, Suite 540
Washington, DC 20007
Tel: (202) 463-2101
Fax: (202) 463-2103
Co-Counsel for the
Official Committee of Talc Claimants</td><td>OTTERBOURG PC
Melanie L. Cyganowski, Esq.
Adam C. Silverstein, Esq.
Jennifer S. Feeney, Esq.
mcyganowski@otterbourg.com
asilverstein@otterbourg.com
jfeeney@otterbourg.com
230 Park Avenue
New York, NY 10169
Tel: (212) 905-3628
Fax: (212) 682-6104
Co-Counsel for the
Official Committee of Talc Claimants</td></tr>
</table>

PARKINS & RUBIO LLP Lenard M. Parkins, Esq. Charles M. Rubio, Esq. lparkins@parkinsrubio.com crubio@parkinsrubio.com Pennzoil Place 700 Milan St., Suite 1300 Houston, TX 77002 Tel: (713) 715-1666 *Special Counsel for the* *Official Committee of Talc Claimants*	**MASSEY & GAIL LLP** Jonathan S. Massey, Esq. Rachel S. Morse, Esq. jmassey@masseygail.com rmorse@masseygail.com 1000 Maine Ave. SW, Suite 450 Washington, DC 20024 Tel: (202) 652-4511 Fax: (312) 379-0467 *Special Counsel for the* *Official Committee of Talc Claimants*

In re: **LTL MANAGEMENT, LLC**,[1] Debtor.	Chapter 11 Case No.: 21-30589 (MBK) Honorable Michael B. Kaplan

[PROPOSED] ORDER (I) DISMISSING DEBTOR'S CHAPTER 11 CASE PURSUANT TO 11 U.S.C. § 1112(b); (II) ESTABLISHING PROCEDURES WITH RESPECT TO REQUESTS FOR COMPENSATION; AND (III) GRANTING RELATED RELIEF

The relief set forth on the following pages is hereby **ORDERED**.

[1] The last four digits of the Debtor's taxpayer identification number are 6622. The Debtor's address is 501 George Street, New Brunswick, New Jersey 08933.

This Court enters this order (this "Dismissal Order") to effectuate dismissal of the chapter 11 case of LTL Management LLC (the "Debtor" or "LTL") pursuant to 11 U.S.C. § 1112(b) as instructed by the Court of Appeals for the Third Circuit (the "Third Circuit") and to address, pursuant to 11 U.S.C. §§ 105(a) and 349(b), certain related matters as necessary to permit an orderly dismissal and for purposes such as fairness, judicial economy, and convenience to interested parties. This Court has jurisdiction pursuant to 28 U.S.C. §§ 157 and 1334; venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The TCC (as defined below), the FCR (as defined below) and the Debtor having agreed to the terms of this Dismissal Order. After due deliberation, this Court has found and determined that good and sufficient cause appears under the facts and applicable law for the relief granted herein.

WHEREAS, on October 14, 2021 (the "Petition Date"), the Debtor filed a voluntary petition (the "Petition") pursuant to chapter 11 of title 11 of the United States Code commencing this case (the "Chapter 11 Case");

WHEREAS, on March 2, 2022, this Court entered the *Order Denying Motions to Dismiss* [ECF No. 1603], denying the motions filed by the Official Committee of Talc Claimants (the "TCC") [ECF No. 632], the law firm of Arnold & Itkin, LLP on behalf of certain talc personal injury claimants [ECF No. 766] and the law firm of Aylstock, Witkin, Kries & Overholtz, PLLC on behalf of certain talc personal injury claimants [ECF No. 1003] that sought an order of this Court dismissing the Chapter 11 Case pursuant to 11 U.S.C. § 1112(b) as not having been filed in good faith;

WHEREAS, on March 4, 2022, this Court entered the *Order (I) Declaring that Automatic Stay Applies to Certain Actions Against Non-Debtors and (II) Preliminarily Enjoining Certain*

Actions [Adv. No. 21-3032, ECF No. 187] (the "Preliminary Injunction Order")[2] granting LTL's motion for an order extending the automatic stay under 11 U.S.C. § 362 and preliminarily enjoining actions against the Protected Parties (as defined in the Preliminary Injunction Order);

WHEREAS, on January 30, 2023, a panel of the Third Circuit issued its *Opinion of the Court* [3d Cir. Case No. 22-2003, ECF No. 150] (the "Third Circuit Opinion")[3] stating "[w]e thus reverse the Bankruptcy Court's order denying the motions to dismiss and remand this case with the instruction to dismiss LTL's Chapter 11 petition" and further stating that "[d]ismissing its case annuls the litigation stay ordered by the [Bankruptcy] Court and makes moot the need to decide that issue";[4]

WHEREAS, also on January 30, 2023, a panel of the Third Circuit entered a *Judgment* [3d Cir. Case No. 22-2003, ECF No. 151-1] (the "Third Circuit Judgment")[5] providing that "the order of the Bankruptcy Court entered March 2, 2022 is reversed and the case is remanded with the instruction to dismiss Appellee's Chapter 11 petition" and further ordering that "[t]he order of the Bankruptcy Court entered March 4, 2022 is vacated as moot";

WHEREAS, the appointment of each of the co-mediators in this Chapter 11 Case was terminated by this Court by order dated March 23, 2023;

WHEREAS, the appointment of the Federal Rule of Evidence 706 estimation expert (the "Court-Appointed Expert") was terminated by this Court by order dated March 23, 2023; and

---

[2] Capitalized terms that are used but are not defined herein shall have the meanings given in the Preliminary Injunction Order.

[3] A certified copy of the Third Circuit Opinion is attached hereto as **Exhibit 1**.

[4] Third Circuit Opinion at 56.

[5] A certified copy of the Third Circuit Judgment is attached hereto as **Exhibit 2**.

WHEREAS, on March 31, 2023, in accordance with Fed. R. App. P. 41, the Third Circuit issued its *Certified Judgment* [3d Cir. Case No. 22-2003, ECF No. 181] (the "Third Circuit Mandate")[6] that remanded the case to this Court with the instruction to dismiss the Petition.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. Dismissal. The Chapter 11 Case is hereby dismissed pursuant to section 1112(b) of the Bankruptcy Code as of the date of this Dismissal Order (the "Dismissal Date").

2. Closing the Chapter 11 Case. This Court directs that the Clerk of this Court close the Chapter 11 Case promptly following the filing of a notice by LTL, with the prior written consent of the Office of the United States Trustee ("U.S. Trustee"), confirming the completion of the following conditions: (i) all monthly operating reports of LTL have been filed, (ii) all fees due and owing in the Chapter 11 Case to the Clerk of this Court and/or the U.S. Trustee pursuant to 28 U.S.C. § 1930 have been paid in full, (iii) all appeals of the Third Circuit Judgment, the Third Circuit Opinion or this Dismissal Order ("Appeals") have been exhausted, (iv) all Substantial Contribution Motions (as defined below) have been heard by this Court and determined pursuant to a final order, (v) all amounts requested pursuant to a Final Fee Statement, a Reimbursement Request or a Post-Dismissal Statement (all as defined below) have been paid by LTL or, if not paid, determined by this Court not to be allowable; and (vi) all amounts owed to the co-mediators, the Court-Appointed Expert and his professionals, and the Fee Examiner (as defined below) and his professionals have been paid by LTL.

3. Preliminary Injunction Order. On the Dismissal Date, the Preliminary Injunction Order is vacated as moot and, accordingly, to the extent not already terminated by this Court, the extension of the automatic stay and preliminary injunction prohibiting and enjoining all

---

[6] A certified copy of the Third Circuit Mandate is attached hereto as **Exhibit 3**.

Defendants (as defined in the Preliminary Injunction Order) from continuing to prosecute any Enjoined Talc Claim (as defined in the Preliminary Injunction Order) against any of the Protected Parties (as defined in the Preliminary Injunction Order) are terminated immediately upon the Dismissal Date. Pursuant to section 105 and in accordance with 11 U.S.C. § 108(c), this Dismissal Order shall toll, as of October 14, 2021, to the extent such period had not expired before then, the expiration of any period under any applicable non-bankruptcy law, any order entered in a non-bankruptcy proceeding, or any agreement that fixes a period under which a Defendant is required to commence or continue a civil action in a court other than this Court on any Enjoined Talc Claim asserted against any of the Protected Parties until the later of: (a) the end of such period, including any suspension of such period occurring on or after October 14, 2021; or (b) 30 days after notice of this Dismissal Order.

4. Termination of Stay. To the extent not already terminated by an order of this Court, the automatic stay with respect to LTL is terminated immediately upon the Dismissal Date. In accordance with 11 U.S.C. § 108(c), this Dismissal Order shall toll, as of October 14, 2021 to the extent such period had not expired before then, the expiration of any period under any applicable non-bankruptcy law, any order entered in a non-bankruptcy proceeding, or any agreement that fixes a period for commencing or continuing a civil action in a court other than this Court on Enjoined Talc Claims until the later of: (a) the end of such period, including any suspension of such period occurring on or after October 14, 2021; or (b) 30 days after notice of this Dismissal Order.

5. Procedures for Final Allowance of Fees and Expenses. A professional retained pursuant to sections 105, 327, 328 or 1103 of the Bankruptcy Code and the professionals retained by the Ad Hoc Committee of State Attorneys General (each a "Retained Professional" and

collectively the "Retained Professionals") may seek final allowance and payment of compensation and reimbursement of expenses in accordance with the following procedure and, solely with respect to the fees and expenses of professionals retained by the Ad Hoc Committee of State Attorneys General, subject to the expense reimbursement agreement dated May 9, 2022, which was attached as Exhibit A to ECF. No. 2338:

a. Each Retained Professional seeking final allowance and payment of its fees and expenses must serve a statement for all of its unpaid fees and expenses incurred in this Chapter 11 Case through the Dismissal Date (a "Final Statement") on LTL no later than 45 days following the Dismissal Date (the "Final Statement Deadline").

b. Unless otherwise provided in the order authorizing the Retained Professional's retention, and in accordance with the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, the local rules of this Court, and the Guidelines established by the Office of the United States Trustee, each Final Statement shall include invoices with fee and expense detail that describe the fees and expenses incurred by such Retained Professional to the extent such invoices have not previously been filed with the Court.

c. LTL shall have 21 days after the Final Statement Deadline to raise any informal objection to final allowance of the fees and expenses sought by a Final Statement or any other fees and expenses incurred by a Retained Professional during the Chapter 11 Case that were previously allowed on an interim basis, by serving on the applicable Retained Professional an objection in writing setting forth the nature of the objection and the amount of fees and expenses at issue (an "Objection"). LTL may withhold payment of the portion of a Final Statement to which any Objection is directed and shall promptly pay amounts not subject to an Objection.

d. Thereafter, LTL and the affected Retained Professional may attempt to resolve the Objection on a consensual basis. If the Objection is not resolved within 14 days after service of the Objection, the affected Retained Professional may file a response to the Objection with the Court. The Court will then schedule a hearing, at the Court's convenience, to consider and dispose of the Objection. LTL may file a reply in support of the Objection within 4 days of the applicable hearing date.

e. All Retained Professionals' fees for services rendered or expenses incurred in the Chapter 11 Case through the Dismissal Date that are not subject to an Objection or are allowed by the Court after considering and disposing of an Objection, shall be allowed on a final basis. LTL shall promptly pay any unpaid amounts that are allowed pursuant to this Order.

f. This Dismissal Order supersedes the *Order Establishing Procedures for the Allowance of Interim Compensation and Reimbursement of Expenses of Retained Professionals* [ECF No. 761] and the *Order Appointing an Independent Fee Examiner and Establishing Procedures* [ECF. No. 1922] to the extent inconsistent with this Dismissal Order.

6. Reimbursement of Expenses Incurred by Committee Member Representatives. A representative of a member of the TCC (a "Representative") may requests payment of expenses incurred pursuant to this Court's *Agreed Order Regarding Procedures for the Reimbursement of Expenses Incurred By Committee Member Representatives* [ECF 3783] (the "Reimbursement Order") in accordance with the following procedures:

a. A Representative may submit a written request for payment of expenses incurred through and including the Dismissal Date (a "Reimbursement Request") by serving such request on LTL no later than 30 days following the Dismissal Date. A Reimbursement Request must include copies of any supporting documentation for the Representative Expenses.

b. LTL shall have 14 days after service of the Reimbursement Request (unless extended by agreement of the parties) to raise any Objection regarding the Reimbursement Requests.

c. If no Objections are raised or Objections are raised as to some but not all of the Representative Expenses (as defined in the Reimbursement Order), LTL shall pay those Representative Expenses not objected to within 21 days after their submission.

d. If the parties are not able to resolve any Objection within 14 days after notification of such Objection, the affected Representative may, within 7 days thereafter, file a response to the Objection with the Court, to which LTL may reply within 4 days of the applicable hearing date. The Court will schedule a hearing, at the Court's convenience, to consider and dispose of the Objection to the Reimbursement Request.

e. This Dismissal Order amends and supersedes the Reimbursement Order to the extent the Reimbursement Order is inconsistent with this Dismissal Order, provided, however, to the extent that any Reimbursement Requests were made prior to the Dismissal Date, LTL shall promptly pay such Reimbursement Requests in accordance with the procedures set forth in the Reimbursement Order.

7. Post-Dismissal Fees. Any Retained Professionals of the TCC seeking compensation for services rendered to the TCC in accordance with this Dismissal Order from the Dismissal Date through and including the date the TCC is dissolved (the "Post-Dismissal Period"), shall

a. serve a statement (the "Post-Dismissal Statement") for all of its fees and expenses incurred during the Post-Dismissal Period (the "Post-Dismissal Request") on LTL periodically, but no more than once every 30 days, with any final Post-Dismissal Statement being served on LTL no later than 45 days following the exhaustion of the Appeals.

b. LTL shall have 14 days after service of the Post-Dismissal Statement (unless extended by agreement of the parties) to raise any Objections regarding the Post-Dismissal Request.

c. If no Objections are raised or Objections are raised as to some but not all of the Post-Dismissal Request, LTL shall pay those fees and expenses not objected to within 21 days after their submission.

d. If the parties are not able to resolve any Objection within 14 days after notification of such Objection, the affected Retained Professional may, within 7 days thereafter, file a response with the Court, to which LTL may reply within 4 days of the applicable hearing date. The Court will schedule a hearing, at the Court's convenience, to consider and dispose of the Objection to the Post-Dismissal Statement.

8. Substantial Contribution Motions. Any party seeking payment of a claim for substantial contribution may file and serve a motion seeking such relief ("Substantial Contribution Motion") no later than 30 days following the Dismissal Date. The Court will schedule a hearing, at the Court's convenience, to consider the Substantial Contribution Motion. LTL may object to the Substantial Contribution Motion no later than 7 days prior to the hearing date, and the movant may reply no later than 4 days prior to the hearing date.

9. Limited Continued Existence of TCC. The TCC shall remain in existence after the Dismissal Date solely to pursue or defend any Appeals and its Retained Professionals shall be authorized to continue to perform services on the TCC's behalf. Upon the date that LTL files a

notice with the Court indicating that the Appeals are exhausted or LTL will not pursue the Appeals, the TCC shall be automatically dissolved, and all members and professionals retained by the TCC shall be discharged from all duties, responsibilities, and obligations arising from, or related to the TCC. Following such dissolution, any attorney-client privilege and similar rights previously held by the TCC shall remain in existence and shall be enforceable by any person or entity that was a member of the TCC as of its dissolution (directly or indirectly through their respective counsel or other representative).

10. Discharge of the FCR. On the Dismissal Date, the appointment of the legal representative for future talc claimants in this Chapter 11 Case (the "FCR") shall be terminated, and all professionals retained by the FCR shall be discharged from all duties, responsibilities, and obligations arising from or related to the FCR. Following such termination, any attorney-client privilege and similar rights previously held by the FCR shall remain in existence and shall be enforceable by the FCR (directly or indirectly through her respective counsel or other representative).

11. Discharge of the Co-Mediators. The co-mediators are discharged of all duties, responsibilities, and obligations from or related to the court-ordered mediation in this Chapter 11 Case. Within 14 days of this Dismissal Order, the co-mediators shall submit to LTL final invoices for services rendered and expenses incurred, and LTL shall promptly pay such invoices.

12. Discharge of Court-Appointed Expert. The Court-Appointed Expert and all professional retained by the Court-Appointed Expert are discharged from all duties, responsibilities, and obligations from or related to the Court-Appointed Expert. Within 30 days of the entry of this Dismissal Order, the Court-Appointed Expert shall submit to LTL final invoices for all unbilled services rendered and expenses incurred by him and his professionals in the manner

described in the *Order Confirming Procedures for Payment and Reimbursement of the Court-Appointed Estimation Expert's Professionals* [ECF No. 3721], and LTL shall promptly pay such invoices.

13. Discharge of the Fee Examiner. On the Dismissal Date, the appointment of the independent fee examiner in this Chapter 11 Case (the "Fee Examiner") shall be terminated, and his professionals shall be discharged from all duties, responsibilities, and obligations arising from or related to their retention by the Fee Examiner. Within fourteen (14) days of the entry of this Dismissal Order, the Fee Examiner and any professional retained by him shall submit to LTL final invoices for services rendered and expenses incurred, and LTL shall promptly pay such invoices.

14. Services of Epiq Corporate Restructuring, LLC. Epiq is authorized to assist LTL with service of this Dismissal Order. On about 30 days after the entry of this Dismissal Order, Epiq Corporate Restructuring, LLC ("Epiq"), as the Debtor's claims and noticing agent, shall (a) forward to the Clerk of the Court an electronic version of all imaged claims, (b) upload the creditor mailing list into CM/ECF, (c) docket a combined final claims register containing claims against the Debtor, and (d) box and transport all original claims to the Philadelphia Federal Records Center, 14700 Townsend Road, Philadelphia, Pennsylvania 19154 and docket a completed SF-135 Form indicating the accession and location numbers of the archived claims. Epiq shall be relieved of its responsibilities as the Debtor's claims and noticing agent in this Chapter 11 Case following the conclusion of such services pursuant to this Dismissal Order. Epiq shall be entitled to payment and reimbursement of its fees and costs from LTL. Epiq is authorized to take all actions necessary and appropriate to effectuate the terms of this Dismissal Order.

15. Dismissal of Adversary Proceedings. On the Dismissal Date, adversary proceedings *LTL Management LLC v. Moline*, Adv. Pro. 22-1393 (MBK); and *LTL Management LLC v. Emory et. al*, Adv. Pro. 23 1022 (MBK) shall each be deemed dismissed without prejudice.

16. Payment of Quarterly Fees. Not later than 30 days of the Dismissal Date, LTL shall pay to the U.S. Trustee any quarterly fees owed through the date of the Dismissal Date pursuant to 28 U.S.C. § 1930(a)(6).

17. Continued Effect of Confidentiality Orders. Notwithstanding any other provision of this Dismissal Order, any obligations arising under confidentiality agreements, joint interest agreements, the order appointing the expert pursuant to Rule of Evidence 706 [ECF No. 2881] and the companion order concerning the payment of his professionals [ECF No. 3721], and protective orders, if any, entered into during the Chapter 11 Case in connection with the Chapter 11 Case shall remain in full force and effect in accordance with their terms; provided, however, that the provisions set forth in paragraph 18 of this Dismissal Order shall supersede any contrary provisions in any agreed protective order entered in this Chapter 11 Case.

18. Destruction of Documents by Third Parties. Reasonably promptly following the closing of the Chapter 11 Case, any mediator appointed in the Chapter 11 Case and the Court-Appointed Expert and his professionals each shall destroy any documents, electronic files or information in his or their possession, custody, or control (or in the possession, custody, or control of their respective agents, experts or consultants) that were provided on a confidential basis by LTL, the FCR, the TCC, or plaintiff law firms or their respective counsel, or any of the TCC members, and shall certify destruction thereof to such providing party.

19. Notice. On or before seven days following the Dismissal Date, LTL shall serve notice of this Dismissal Order (including a copy of this Dismissal Order) pursuant to Bankruptcy

Rules 2002(f)(2) and 2002(k) on the TCC, the U.S. Trustee, the Master Service List, all entities that have requested notice pursuant to Bankruptcy Rule 2002, and such additional persons and entities deemed appropriate by LTL.

20. Retained Jurisdiction. Notwithstanding the dismissal of the Chapter 11 Case, this Court shall retain jurisdiction to hear and determine all matters arising from or related to the Chapter 11 Case, including without limitation, the interpretation, implementation, or enforcement of this Dismissal Order and the Court's prior orders, and to hear and consider Substantial Contribution Motions and any objection to a Final Fee Statement, a Reimbursement Request or a Post-Dismissal Statement.

21. Immediate Effectiveness. Notwithstanding any provisions in the Bankruptcy Rules to the contrary, this Dismissal Order shall be immediately effective and enforceable upon its entry.

Enclosure B

(Redline of Proposed Dismissal Order Including FCR's Comments)

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
GENOVA BURNS LLC Daniel M. Stolz, Esq. Donald W. Clarke, Esq. Gregory S. Kinoian, Esq. Leonard S. Spinelli, Esq. dstolz@genovaburns.com dclarke@genovaburns.com gkinoian@genovaburns.com lspinelli@genovaburns.com 110 Allen Road, Suite 304 Basking Ridge, NJ 07920 Tel: (973) 467-2700 Fax: (973) 467-8126 *Local Counsel for the* *Official Committee of Talc Claimants*	BROWN RUDNICK LLP David J. Molton, Esq. Robert J. Stark, Esq. Michael S. Winograd, Esq. dmolton@brownrudnick.com rstark@brownrudnick.com mwinograd@brownrudnick.com Seven Times Square New York, NY 10036 Tel: (212) 209-4800 Fax: (212) 209-4801 and Jeffrey L. Jonas, Esq. Sunni P. Beville, Esq. Eric R. Goodman, Esq. jjonas@brownrudnick.com sbeville@brownrudnick.com egoodman@brownrudnick.com One Financial Center Boston, MA 02111 Tel: (617) 856-8200 Fax: (617) 856-8201 *Co-Counsel for the* *Official Committee of Talc Claimants*
BAILEY GLASSER LLP Brian A. Glasser, Esq. Thomas B. Bennett, Esq. Kevin W. Barrett, Esq. Maggie B. Burrus, Esq. bglasser@baileyglasser.com tbennett@baileyglasser.com kbarrett@baileyglasser.com mburrus@baileyglasser.com 1055 Thomas Jefferson St. NW, Suite 540 Washington, DC 20007 Tel: (202) 463-2101 Fax: (202) 463-2103 *Co-Counsel for the*	OTTERBOURG PC Melanie L. Cyganowski, Esq. Adam C. Silverstein, Esq. Jennifer S. Feeney, Esq. mcyganowski@otterbourg.com asilverstein@otterbourg.com jfeeney@otterbourg.com 230 Park Avenue New York, NY 10169 Tel: (212) 905-3628 Fax: (212) 682-6104 *Co-Counsel for the* *Official Committee of Talc Claimants*

Official Committee of Talc Claimants	
PARKINS & RUBIO LLP Lenard M. Parkins, Esq. Charles M. Rubio, Esq. lparkins@parkinsrubio.com crubio@parkinsrubio.com Pennzoil Place 700 Milan St., Suite 1300 Houston, TX 77002 Tel: (713) 715-1666 *Special Counsel for the* *Official Committee of Talc Claimants*	MASSEY & GAIL LLP Jonathan S. Massey, Esq. Rachel S. Morse, Esq. jmassey@masseygail.com rmorse@masseygail.com 1000 Maine Ave. SW, Suite 450 Washington, DC 20024 Tel: (202) 652-4511 Fax: (312) 379-0467 *Special Counsel for the* *Official Committee of Talc Claimants*
In re: LTL MANAGEMENT, LLC,[1] Debtor.	Chapter 11 Case No.: 21-30589 (MBK) Honorable Michael B. Kaplan

[PROPOSED] ORDER (I) DISMISSING DEBTOR'S CHAPTER 11 CASE PURSUANT TO 11 U.S.C. § 1112(b); (II) ESTABLISHING PROCEDURES WITH RESPECT TO REQUESTS FOR COMPENSATION; AND (III) GRANTING RELATED RELIEF

The relief set forth on the following pages is hereby ORDERED.

[1] The last four digits of the Debtor's taxpayer identification number are 6622. The Debtor's address is 501 George Street, New Brunswick, New Jersey 08933.

This Court enters this order (this "Dismissal Order") to effectuate dismissal of the chapter 11 case of LTL Management LLC (the "Debtor" or "LTL") pursuant to 11 U.S.C. § 1112(b) as instructed by the Court of Appeals for the Third Circuit (the "Third Circuit") and to address, pursuant to 11 U.S.C. §§ 105(a) and 349(b), certain related matters as necessary to permit an orderly dismissal and for purposes such as fairness, judicial economy, and convenience to interested parties. This Court has jurisdiction pursuant to 28 U.S.C. §§ 157 and 1334; venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The TCC (as defined below), the FCR (as defined below) and the Debtor having agreed to the terms of this Dismissal Order. After due deliberation, this Court has found and determined that good and sufficient cause appears under the facts and applicable law for the relief granted herein.

WHEREAS, on October 14, 2021 (the "Petition Date"), the Debtor filed a voluntary petition (the "Petition") pursuant to chapter 11 of title 11 of the United States Code commencing this case (the "Chapter 11 Case");

WHEREAS, on March 2, 2022, this Court entered the *Order Denying Motions to Dismiss* [ECF No. 1603], denying the motions filed by the Official Committee of Talc Claimants (the "TCC") [ECF No. 632], the law firm of Arnold & Itkin, LLP on behalf of certain talc personal injury claimants [ECF No. 766] and the law firm of Aylstock, Witkin, Kries & Overholtz, PLLC on behalf of certain talc personal injury claimants [ECF No. 1003] that sought an order of this Court dismissing the Chapter 11 Case pursuant to 11 U.S.C. § 1112(b) as not having been filed in good faith;

WHEREAS, on March 4, 2022, this Court entered the *Order (I) Declaring that Automatic Stay Applies to Certain Actions Against Non-Debtors and (II) Preliminarily Enjoining Certain Actions* [Adv. No. 21-3032, ECF No. 187] (the "Preliminary Injunction Order")[2] granting LTL's motion for an order extending the automatic stay under 11 U.S.C. § 362 and preliminarily enjoining actions against the Protected Parties (as defined in the Preliminary Injunction Order);

WHEREAS, on January 30, 2023, a panel of the Third Circuit issued its *Opinion of the Court* [3d Cir. Case No. 22-2003, ECF No. 150] (the "Third Circuit Opinion")[3] stating "[w]e thus reverse the Bankruptcy Court's order denying the motions to dismiss and remand this case with the instruction to dismiss LTL's Chapter 11 petition" and further stating that "[d]ismissing its case annuls the litigation stay ordered by the [Bankruptcy] Court and makes moot the need to decide that issue";[4]

WHEREAS, also on January 30, 2023, a panel of the Third Circuit entered a *Judgment* [3d Cir. Case No. 22-2003, ECF No. 151-1] (the "Third Circuit Judgment")[5] providing that "the order of the Bankruptcy Court entered March 2, 2022 is reversed and the case is remanded with the instruction to dismiss Appellee's Chapter 11 petition" and further ordering that "[t]he order of the Bankruptcy Court entered March 4, 2022 is vacated as moot";

WHEREAS, the appointment of each of the co-mediators in this Chapter 11 Case was terminated by this Court by order dated March 23, 2023;

[2] Capitalized terms that are used but are not defined herein shall have the meanings given in the Preliminary Injunction Order.

[3] A certified copy of the Third Circuit Opinion is attached hereto as **Exhibit 1**.

[4] Third Circuit Opinion at 56.

[5] A certified copy of the Third Circuit Judgment is attached hereto as **Exhibit 2**.

WHEREAS, the appointment of the Federal Rule of Evidence 706 estimation expert (the "Court-Appointed Expert") was terminated by this Court by order dated March 23, 2023; and

WHEREAS, on March 31, 2023, in accordance with Fed. R. App. P. 41, the Third Circuit issued its *Certified Judgment* [3d Cir. Case No. 22-2003, ECF No. 181] (the "Third Circuit Mandate")[6] that remanded the case to this Court with the instruction to dismiss the Petition.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. Dismissal. The Chapter 11 Case is hereby dismissed pursuant to section 1112(b) of the Bankruptcy Code as of the date of this Dismissal Order (the "Dismissal Date").

2. Closing the Chapter 11 Case. This Court directs that the Clerk of this Court close the Chapter 11 Case promptly following the filing of a notice by LTL, with the prior written consent of the Office of the United States Trustee ("U.S. Trustee"), confirming the completion of the following conditions: (i) all monthly operating reports of LTL have been filed, (ii) all fees due and owing in the Chapter 11 Case to the Clerk of this Court and/or the U.S. Trustee pursuant to 28 U.S.C. § 1930 have been paid in full, (iii) all appeals of the Third Circuit Judgment, the Third Circuit Opinion or this Dismissal Order ("Appeals") have been exhausted, (iv) all Substantial Contribution Motions (as defined below) have been heard by this Court and determined pursuant to a final order, (v) all amounts requested pursuant to a Final Fee Statement, a Reimbursement Request or a Post-Dismissal Statement (all as defined below) have been paid by LTL or, if not paid, determined by this Court not to be allowable; and (vi) all amounts owed to

[6] A certified copy of the Third Circuit Mandate is attached hereto as **Exhibit 3**.

the co-mediators, the Court-Appointed Expert and his professionals, and the Fee Examiner (as defined below) and his professionals have been paid by LTL.

3. Preliminary Injunction Order. On the Dismissal Date, the Preliminary Injunction Order is vacated as moot and, accordingly, to the extent not already terminated by this Court, the extension of the automatic stay and preliminary injunction prohibiting and enjoining all Defendants (as defined in the Preliminary Injunction Order) from continuing to prosecute any Enjoined Talc Claim (as defined in the Preliminary Injunction Order) against any of the Protected Parties (as defined in the Preliminary Injunction Order) are terminated immediately upon the Dismissal Date. Pursuant to section 105 and in accordance with 11 U.S.C. § 108(c), this Dismissal Order shall toll, as of October 14, 2021, to the extent such period had not expired before then, the expiration of any period under any applicable non-bankruptcy law, any order entered in a non-bankruptcy proceeding, or any agreement that fixes a period under which a Defendant is required to commence or continue a civil action in a court other than this Court on any Enjoined Talc Claim asserted against any of the Protected Parties until the later of: (a) the end of such period, including any suspension of such period occurring on or after October 14, 2021; or (b) 30 days after notice of this Dismissal Order.

4. Termination of Stay. To the extent not already terminated by an order of this Court, the automatic stay with respect to LTL is terminated immediately upon the Dismissal Date. In accordance with 11 U.S.C. § 108(c), this Dismissal Order shall toll, as of October 14, 2021 to the extent such period had not expired before then, the expiration of any period under any applicable non-bankruptcy law, any order entered in a non-bankruptcy proceeding, or any agreement that fixes a period for commencing or continuing a civil action in a court other than

this Court on Enjoined Talc Claims until the later of: (a) the end of such period, including any suspension of such period occurring on or after October 14, 2021; or (b) 30 days after notice of this Dismissal Order.

5. Procedures for Final Allowance of Fees and Expenses. A professional retained pursuant to sections 105, 327, 328 or 1103 of the Bankruptcy Code and the professionals retained by the Ad Hoc Committee of State Attorneys General (each a "Retained Professional" and collectively the "Retained Professionals") may seek final allowance and payment of compensation and reimbursement of expenses in accordance with the following procedure and, solely with respect to the fees and expenses of professionals retained by the Ad Hoc Committee of State Attorneys General, subject to the expense reimbursement agreement dated May 9, 2022, which was attached as Exhibit A to ECF. No. 2338:

a. Each Retained Professional seeking final allowance and payment of its fees and expenses must serve a statement for all of its unpaid fees and expenses incurred in this Chapter 11 Case through the Dismissal Date (a "Final Statement") on LTL no later than 45 days following the Dismissal Date (the "Final Statement Deadline").

b. Unless otherwise provided in the order authorizing the Retained Professional's retention, and in accordance with the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, the local rules of this Court, and the Guidelines established by the Office of the United States Trustee, each Final Statement shall include invoices with fee and expense detail that describe the fees and expenses incurred by such Retained Professional to the extent such invoices have not previously been filed with the Court.

c. LTL shall have 21 days after the Final Statement Deadline to raise any informal objection to final allowance of the fees and expenses sought by a Final Statement or any other fees and expenses incurred by a Retained Professional during the Chapter 11 Case that were previously allowed on an interim basis, by serving on the applicable Retained Professional an objection in writing setting forth the nature of the objection and the amount of fees and expenses at issue (an "Objection"). LTL may withhold payment of the portion of a Final Statement to which any Objection is directed and shall promptly pay amounts not subject to an Objection.

d. Thereafter, LTL and the affected Retained Professional may attempt to resolve the Objection on a consensual basis. If the Objection is not resolved within 14 days after service of the Objection, the affected Retained Professional may file a response to the Objection with the Court. The Court will then schedule a hearing, at the Court's convenience, to consider and dispose of the Objection. LTL may file a reply in support of the Objection within 4 days of the applicable hearing date.

e. All Retained Professionals' fees for services rendered or expenses incurred in the Chapter 11 Case through the Dismissal Date that are not subject to an Objection or are allowed by the Court after considering and disposing of an Objection, shall be allowed on a final basis. LTL shall promptly pay any unpaid amounts that are allowed pursuant to this Order.

f. This Dismissal Order supersedes the *Order Establishing Procedures for the Allowance of Interim Compensation and Reimbursement of Expenses of Retained Professionals* [ECF No. 761] and the *Order Appointing an Independent Fee Examiner and Establishing Procedures* [ECF. No. 1922] to the extent inconsistent with this Dismissal Order.

6. Reimbursement of Expenses Incurred by Committee Member Representatives. A representative of a member of the TCC (a "Representative") may requests payment of expenses incurred pursuant to this Court's *Agreed Order Regarding Procedures for the Reimbursement of Expenses Incurred By Committee Member Representatives* [ECF 3783] (the "Reimbursement Order") in accordance with the following procedures:

a. A Representative may submit a written request for payment of expenses incurred through and including the Dismissal Date (a "Reimbursement Request") by serving such request on LTL no later than 30 days following the Dismissal Date. A Reimbursement Request must include copies of any supporting documentation for the Representative Expenses.

b. LTL shall have 14 days after service of the Reimbursement Request (unless extended by agreement of the parties) to raise any Objection regarding the Reimbursement Requests.

c. If no Objections are raised or Objections are raised as to some but not all of the Representative Expenses (as defined in the Reimbursement Order),

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LTL shall pay those Representative Expenses not objected to within 21 days after their submission.

d. If the parties are not able to resolve any Objection within 14 days after notification of such Objection, the affected Representative may, within 7 days thereafter, file a response to the Objection with the Court, to which LTL may reply within 4 days of the applicable hearing date. The Court will schedule a hearing, at the Court's convenience, to consider and dispose of the Objection to the Reimbursement Request.

e. This Dismissal Order amends and supersedes the Reimbursement Order to the extent the Reimbursement Order is inconsistent with this Dismissal Order, provided, however, to the extent that any Reimbursement Requests were made prior to the Dismissal Date, LTL shall promptly pay such Reimbursement Requests in accordance with the procedures set forth in the Reimbursement Order.

7. Post-Dismissal Fees. ~~Any~~The FCR and any Retained Professionals of the TCC and the FCR seeking compensation for services rendered to the TCC and the FCR in accordance with this Dismissal Order from the Dismissal Date through and including the date ~~the TCC is dissolved~~that LTL files a notice with the Court indicating that the Appeals are exhausted or LTL will not pursue the Appeals (the "Post-Dismissal Period"), shall

a. serve a statement (the "Post-Dismissal Statement") for all of its fees and expenses incurred during the Post-Dismissal Period (the "Post-Dismissal Request") on LTL periodically, but no more than once every 30 days, with any final Post-Dismissal Statement being served on LTL no later than 45 days following the exhaustion of the Appeals.

b. LTL shall have 14 days after service of the Post-Dismissal Statement (unless extended by agreement of the parties) to raise any Objections regarding the Post-Dismissal Request.

c. If no Objections are raised or Objections are raised as to some but not all of the Post-Dismissal Request, LTL shall pay those fees and expenses not objected to within 21 days after their submission.

d. If the parties are not able to resolve any Objection within 14 days after notification of such Objection, the affected Retained Professional may, within 7 days thereafter, file a response with the Court, to which LTL may reply within 4 days of the applicable hearing date. The Court will schedule a hearing, at the Court's convenience, to consider and dispose of the Objection to the Post-Dismissal Statement.

8. Substantial Contribution Motions. Any party seeking payment of a claim for substantial contribution may file and serve a motion seeking such relief ("Substantial Contribution Motion") no later than 30 days following the Dismissal Date. The Court will schedule a hearing, at the Court's convenience, to consider the Substantial Contribution Motion. LTL may object to the Substantial Contribution Motion no later than 7 days prior to the hearing date, and the movant may reply no later than 4 days prior to the hearing date.

9. Limited Continued Existence of TCC. The TCC shall remain in existence after the Dismissal Date solely to pursue or defend any Appeals and its Retained Professionals shall be authorized to continue to perform services on the TCC's behalf. Upon the date that LTL files a notice with the Court indicating that the Appeals are exhausted or LTL will not pursue the Appeals, the TCC shall be automatically dissolved, and all members and professionals retained by the TCC shall be discharged from all duties, responsibilities, and obligations arising from, or related to the TCC. Following such dissolution, any attorney-client privilege and similar rights previously held by the TCC shall remain in existence and shall be enforceable by any person or entity that was a member of the TCC as of its dissolution (directly or indirectly through their respective counsel or other representative).

10. Discharge of the FCR. ~~On the Dismissal Date~~Upon the date that LTL files a notice with the Court indicating that the Appeals are exhausted or LTL will not pursue the Appeals, the appointment of the legal representative for future talc claimants in this Chapter 11 Case (the "FCR") shall be terminated, and all professionals retained by the FCR shall be discharged from all

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duties, responsibilities, and obligations arising from or related to the FCR. Following such termination, any attorney-client privilege and similar rights previously held by the FCR shall remain in existence and shall be enforceable by the FCR (directly or indirectly through her respective counsel or other representative).

11. Discharge of the Co-Mediators. The co-mediators are discharged of all duties, responsibilities, and obligations from or related to the court-ordered mediation in this Chapter 11 Case. Within 14 days of this Dismissal Order, the co-mediators shall submit to LTL final invoices for services rendered and expenses incurred, and LTL shall promptly pay such invoices.

12. Discharge of Court-Appointed Expert. The Court-Appointed Expert and all professional retained by the Court-Appointed Expert are discharged from all duties, responsibilities, and obligations from or related to the Court-Appointed Expert. Within 30 days of the entry of this Dismissal Order, the Court-Appointed Expert shall submit to LTL final invoices for all unbilled services rendered and expenses incurred by him and his professionals in the manner described in the *Order Confirming Procedures for Payment and Reimbursement of the Court-Appointed Estimation Expert's Professionals* [ECF No. 3721], and LTL shall promptly pay such invoices.

13. Discharge of the Fee Examiner. On the Dismissal Date, the appointment of the independent fee examiner in this Chapter 11 Case (the "Fee Examiner") shall be terminated, and his professionals shall be discharged from all duties, responsibilities, and obligations arising from or related to their retention by the Fee Examiner. Within fourteen (14) days of the entry of this Dismissal Order, the Fee Examiner and any professional retained by him shall submit to LTL final invoices for services rendered and expenses incurred, and LTL shall promptly pay such invoices.

14. Services of Epiq Corporate Restructuring, LLC. Epiq is authorized to assist LTL with service of this Dismissal Order. On about 30 days after the entry of this Dismissal Order, Epiq Corporate Restructuring, LLC ("Epiq"), as the Debtor's claims and noticing agent, shall (a) forward to the Clerk of the Court an electronic version of all imaged claims, (b) upload the creditor mailing list into CM/ECF, (c) docket a combined final claims register containing claims against the Debtor, and (d) box and transport all original claims to the Philadelphia Federal Records Center, 14700 Townsend Road, Philadelphia, Pennsylvania 19154 and docket a completed SF-135 Form indicating the accession and location numbers of the archived claims. Epiq shall be relieved of its responsibilities as the Debtor's claims and noticing agent in this Chapter 11 Case following the conclusion of such services pursuant to this Dismissal Order. Epiq shall be entitled to payment and reimbursement of its fees and costs from LTL. Epiq is authorized to take all actions necessary and appropriate to effectuate the terms of this Dismissal Order.

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16. Payment of Quarterly Fees. Not later than 30 days of the Dismissal Date, LTL shall pay to the U.S. Trustee any quarterly fees owed through the date of the Dismissal Date pursuant to 28 U.S.C. § 1930(a)(6).

17. Continued Effect of Confidentiality Orders. Notwithstanding any other provision of this Dismissal Order, any obligations arising under confidentiality agreements, joint interest agreements, the order appointing the expert pursuant to Rule of Evidence 706 [ECF No. 2881]

and the companion order concerning the payment of his professionals [ECF No. 3721], and protective orders, if any, entered into during the Chapter 11 Case in connection with the Chapter 11 Case shall remain in full force and effect in accordance with their terms; provided, however, that the provisions set forth in paragraph 18 of this Dismissal Order shall supersede any contrary provisions in any agreed protective order entered in this Chapter 11 Case.

18. Destruction of Documents by Third Parties. Reasonably promptly following the closing of the Chapter 11 Case, any mediator appointed in the Chapter 11 Case and the Court-Appointed Expert and his professionals each shall destroy any documents, electronic files or information in his or their possession, custody, or control (or in the possession, custody, or control of their respective agents, experts or consultants) that were provided on a confidential basis by LTL, the FCR, the TCC, or plaintiff law firms or their respective counsel, or any of the TCC members, and shall certify destruction thereof to such providing party.

19. Notice. On or before seven days following the Dismissal Date, LTL shall serve notice of this Dismissal Order (including a copy of this Dismissal Order) pursuant to Bankruptcy Rules 2002(f)(2) and 2002(k) on the TCC, the U.S. Trustee, the Master Service List, all entities that have requested notice pursuant to Bankruptcy Rule 2002, and such additional persons and entities deemed appropriate by LTL.

20. Retained Jurisdiction. Notwithstanding the dismissal of the Chapter 11 Case, this Court shall retain jurisdiction to hear and determine all matters arising from or related to the Chapter 11 Case, including without limitation, the interpretation, implementation, or enforcement of this Dismissal Order and the Court's prior orders, and to hear and consider

Substantial Contribution Motions and any objection to a Final Fee Statement, a Reimbursement Request or a Post-Dismissal Statement.

21. Immediate Effectiveness. Notwithstanding any provisions in the Bankruptcy Rules to the contrary, this Dismissal Order shall be immediately effective and enforceable upon its entry.

Summary report: Litera Compare for Word 11.2.0.54 Document comparison done on 4/4/2023 9:11:13 AM	
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Embedded Excel	0
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APPENDIX "F"

<table>
<tr><td colspan="2">UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY</td></tr>
<tr><td>Caption in Compliance with D.N.J. LBR 9004-1(b)

GENOVA BURNS LLC
Daniel M. Stolz, Esq.
Donald W. Clarke, Esq.
Matthew I.W. Baker, Esq.
dstolz@genovaburns.com
dclarke@genovaburns.com
mbaker@genovaburns.com
110 Allen Road, Suite 304
Basking Ridge, NJ 07920
Tel: (973) 467-2700
Fax: (973) 467-8126
Local Counsel to the Official Committee of Talc Claimants</td><td>BROWN RUDNICK LLP
David J. Molton, Esq.
Robert J. Stark, Esq.
Michael S. Winograd, Esq.
dmolton@brownrudnick.com
rstark@brownrudnick.com
mwinograd@brownrudnick.com
Seven Times Square
New York, NY 10036
Tel: (212) 209-4800
Fax: (212) 209-4801

and

Jeffrey L. Jonas, Esq.
Sunni P. Beville, Esq.
Sharon I. Dwoskin, Esq.
jjonas@brownrudnick.com
sbeville@brownrudnick.com
sdwoskin@brownrudnick.com
One Financial Center
Boston, MA 02111
Tel: (617) 856-8200
Fax: (617) 856-8201
Co-Counsel for the Official Committee of Talc Claimants</td></tr>
<tr><td>BAILEY GLASSER LLP
Brian A. Glasser, Esq.
Thomas B. Bennett, Esq.
Kevin W. Barrett, Esq.
bglasser@baileyglasser.com
tbennett@baileyglasser.com
kbarrett@baileyglasser.com
1055 Thomas Jefferson St. NW, Suite 540
Washington, DC 20007
Tel: (202) 463-2101
Fax: (202) 463-2103
Co-Counsel for the Official Committee of Talc Claimants</td><td>OTTERBOURG PC
Melanie L. Cyganowski, Esq.
Adam C. Silverstein, Esq.
Jennifer S. Feeney, Esq.
mcyganowski@otterbourg.com
asilverstein@otterbourg.com
jfeeney@otterbourg.com
230 Park Avenue
New York, NY 10169
Tel: (212) 905-3628
Fax: (212) 682-6104
Co-Counsel for the Official Committee of Talc Claimants</td></tr>
</table>

PARKINS & RUBIO LLP Lenard M. Parkins, Esq. Charles M. Rubio, Esq. lparkins@parkinsrubio.com crubio@parkinsrubio.com Pennzoil Place 700 Milan St., Suite 1300 Houston, TX 77002 Tel: (713) 715-1666 *Special Counsel to the Official Committee of Talc Claimants*	**MASSEY & GAIL LLP** Jonathan S. Massey, Esq. jmassey@masseygail.com 1000 Maine Ave. SW, Suite 450 Washington, DC 20024 Tel: (202) 652-4511 Fax: (312) 379-0467 *Special Counsel for the Official Committee of Talc Claimants*
In Re: **LTL MANAGEMENT, LLC,**[1] Debtor.	Chapter 11 Case No.: 21-30589 (MBK) Honorable Michael B. Kaplan

END OF CASE STATEMENT BY THE OFFICIAL COMMITTEE OF TALC CLAIMANTS

The Official Committee of Talc Claimants (the "Committee"), by and through its undersigned counsel, respectfully files this end of case statement.

1. With entry of the Dismissal Order, this chapter of Johnson & Johnson's corporate mission to: (i) deny cancer victims' constitutional rights to their day in court; (ii) hinder and delay their tort victims by corporate machination; and (iii) evade full and fair compensation to the victims whose cancer it caused, is over.

[1] The last four digits of the Debtor's taxpayer identification number are 6622. The Debtor's address is 501 George Street, New Brunswick, New Jersey 08933.

2. Juries may once again be empaneled to hold Johnson & Johnson to account; cancer victims can seek justice in their chosen forums. Justice, however, is not complete.

3. As the TCC is responsible for representing the interests of all talc claimants, it must now advise this Court and the public that Johnson & Johnson and/or its affiliates (collectively, "Johnson & Johnson") has threatened **a second bankruptcy filing**.

4. As with their "Texas Two-Step," any second bankruptcy filing will be another step in their misconduct, framed as "restructuring" and guised under the auspices of the Bankruptcy Code. Johnson & Johnson is free to settle with any group of plaintiffs at any time. But constructing yet another bankruptcy, on behalf of a solvent nearly half-trillion-dollar company, is solely intended to coerce and foist further delay on victims who continue to suffer and die from diseases caused by Johnson & Johnson's talc products.

5. There is no reason Johnson & Johnson should be permitted to access the tools of bankruptcy to address their liability at this time. Deals in hand can be completed out of bankruptcy. Further corporate machination, asset stripping, and delay tactics is continued bad faith and fraud.

6. The Court of Appeals for the Third Circuit has found that Johnson & Johnson's (d/b/a LTL Management LLC's) bankruptcy petition was filed in bad faith. Individual debtors do not get to abuse the bankruptcy system through serial filings or manipulation of the bankruptcy system. Solvent corporations should be held to no lesser standard.

7. The Committee believes it is necessary to apprise this Court, the parties to this case, the talc claimants at large, and the public of this development as this case concludes.

* * *

Respectfully submitted,

GENOVA BURNS LLC

By: */s/ Daniel M. Stolz*
Daniel M. Stolz, Esq.
Donald W. Clarke, Esq.
110 Allen Road, Suite 304
Basking Ridge, NJ 07920
Tel: 973-467-2700
Fax: 973-467-8126
Email: dstolz@genovaburns.com
dclarke@genovaburns.com

Local Counsel to the Official Committee of Talc Claimants

APPENDIX “G”

PARKINS & RUBIO LLP
Lenard M. Parkins, Esq.
Charles M. Rubio, Esq.
lparkins@parkinsrubio.com
crubio@parkinsrubio.com
Pennzoil Place
700 Milan St., Suite 1300
Houston, TX 77002
Tel: (713) 715-1666
Special Counsel for the
Official Committee of Talc Claimants

MASSEY & GAIL LLP
Jonathan S. Massey, Esq.
Rachel S. Morse, Esq.
jmassey@masseygail.com
rmorse@masseygail.com
1000 Maine Ave. SW, Suite 450
Washington, DC 20024
Tel: (202) 652-4511
Fax: (312) 379-0467
Special Counsel for the
Official Committee of Talc Claimants

In re: **LTL MANAGEMENT, LLC,**[1] Debtor.	Chapter 11 Case No.: 21-30589 (MBK) Honorable Michael B. Kaplan

MBK ~~[PROPOSED]~~ **ORDER (I) DISMISSING DEBTOR'S CHAPTER 11 CASE PURSUANT TO 11 U.S.C. § 1112(b); (II) ESTABLISHING PROCEDURES WITH RESPECT TO REQUESTS FOR COMPENSATION; AND (III) GRANTING RELATED RELIEF**

The relief set forth on the following pages is hereby **ORDERED**.

Michael B. Kaplan
MICHAEL B. KAPLAN,
USBJ

April 4, 2023

[1] The last four digits of the Debtor's taxpayer identification number are 6622. The Debtor's address is 501 George Street, New Brunswick, New Jersey 08933.

This Court enters this order (this "Dismissal Order") to effectuate dismissal of the chapter 11 case of LTL Management LLC (the "Debtor" or "LTL") pursuant to 11 U.S.C. § 1112(b) as instructed by the Court of Appeals for the Third Circuit (the "Third Circuit") and to address, pursuant to 11 U.S.C. §§ 105(a) and 349(b), certain related matters as necessary to permit an orderly dismissal and for purposes such as fairness, judicial economy, and convenience to interested parties. This Court has jurisdiction pursuant to 28 U.S.C. §§ 157 and 1334; venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. The TCC (as defined below), the FCR (as defined below) and the Debtor having agreed to the terms of this Dismissal Order. After due deliberation, this Court has found and determined that good and sufficient cause appears under the facts and applicable law for the relief granted herein.

WHEREAS, on October 14, 2021 (the "Petition Date"), the Debtor filed a voluntary petition (the "Petition") pursuant to chapter 11 of title 11 of the United States Code commencing this case (the "Chapter 11 Case");

WHEREAS, on March 2, 2022, this Court entered the *Order Denying Motions to Dismiss* [ECF No. 1603], denying the motions filed by the Official Committee of Talc Claimants (the "TCC") [ECF No. 632], the law firm of Arnold & Itkin, LLP on behalf of certain talc personal injury claimants [ECF No. 766] and the law firm of Aylstock, Witkin, Kries & Overholtz, PLLC on behalf of certain talc personal injury claimants [ECF No. 1003] that sought an order of this Court dismissing the Chapter 11 Case pursuant to 11 U.S.C. § 1112(b) as not having been filed in good faith;

WHEREAS, on March 4, 2022, this Court entered the *Order (I) Declaring that Automatic Stay Applies to Certain Actions Against Non-Debtors and (II) Preliminarily Enjoining Certain*

Actions [Adv. No. 21-3032, ECF No. 187] (the "Preliminary Injunction Order")[2] granting LTL's motion for an order extending the automatic stay under 11 U.S.C. § 362 and preliminarily enjoining actions against the Protected Parties (as defined in the Preliminary Injunction Order);

WHEREAS, on January 30, 2023, a panel of the Third Circuit issued its *Opinion of the Court* [3d Cir. Case No. 22-2003, ECF No. 150] (the "Third Circuit Opinion")[3] stating "[w]e thus reverse the Bankruptcy Court's order denying the motions to dismiss and remand this case with the instruction to dismiss LTL's Chapter 11 petition" and further stating that "[d]ismissing its case annuls the litigation stay ordered by the [Bankruptcy] Court and makes moot the need to decide that issue";[4]

WHEREAS, also on January 30, 2023, a panel of the Third Circuit entered a *Judgment* [3d Cir. Case No. 22-2003, ECF No. 151-1] (the "Third Circuit Judgment")[5] providing that "the order of the Bankruptcy Court entered March 2, 2022 is reversed and the case is remanded with the instruction to dismiss Appellee's Chapter 11 petition" and further ordering that "[t]he order of the Bankruptcy Court entered March 4, 2022 is vacated as moot";

WHEREAS, the appointment of each of the co-mediators in this Chapter 11 Case was terminated by this Court by order dated March 23, 2023;

WHEREAS, the appointment of the Federal Rule of Evidence 706 estimation expert (the "Court-Appointed Expert") was terminated by this Court by order dated March 23, 2023; and

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[2] Capitalized terms that are used but are not defined herein shall have the meanings given in the Preliminary Injunction Order.

[3] A certified copy of the Third Circuit Opinion is attached hereto as **Exhibit 1**.

[4] Third Circuit Opinion at 56.

[5] A certified copy of the Third Circuit Judgment is attached hereto as **Exhibit 2**.

WHEREAS, on March 31, 2023, in accordance with Fed. R. App. P. 41, the Third Circuit issued its *Certified Judgment* [3d Cir. Case No. 22-2003, ECF No. 181] (the "Third Circuit Mandate")[6] that remanded the case to this Court with the instruction to dismiss the Petition.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. Dismissal. The Chapter 11 Case is hereby dismissed pursuant to section 1112(b) of the Bankruptcy Code as of the date of this Dismissal Order (the "Dismissal Date").

2. Closing the Chapter 11 Case. This Court directs that the Clerk of this Court close the Chapter 11 Case promptly following the filing of a notice by LTL, with the prior written consent of the Office of the United States Trustee ("U.S. Trustee"), confirming the completion of the following conditions: (i) all monthly operating reports of LTL have been filed, (ii) all fees due and owing in the Chapter 11 Case to the Clerk of this Court and/or the U.S. Trustee pursuant to 28 U.S.C. § 1930 have been paid in full, (iii) all appeals of the Third Circuit Judgment, the Third Circuit Opinion or this Dismissal Order ("Appeals") have been exhausted, (iv) all Substantial Contribution Motions (as defined below) have been heard by this Court and determined pursuant to a final order, (v) all amounts requested pursuant to a Final Fee Statement, a Reimbursement Request or a Post-Dismissal Statement (all as defined below) have been paid by LTL or, if not paid, determined by this Court not to be allowable; and (vi) all amounts owed to the co-mediators, the Court-Appointed Expert and his professionals, and the Fee Examiner (as defined below) and his professionals have been paid by LTL.

3. Preliminary Injunction Order. On the Dismissal Date, the Preliminary Injunction Order is vacated as moot and, accordingly, to the extent not already terminated by this Court, the extension of the automatic stay and preliminary injunction prohibiting and enjoining all

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[6] A certified copy of the Third Circuit Mandate is attached hereto as **Exhibit 3**.

Defendants (as defined in the Preliminary Injunction Order) from continuing to prosecute any Enjoined Talc Claim (as defined in the Preliminary Injunction Order) against any of the Protected Parties (as defined in the Preliminary Injunction Order) are terminated immediately upon the Dismissal Date. Pursuant to section 105 and in accordance with 11 U.S.C. § 108(c), this Dismissal Order shall toll, as of October 14, 2021, to the extent such period had not expired before then, the expiration of any period under any applicable non-bankruptcy law, any order entered in a non-bankruptcy proceeding, or any agreement that fixes a period under which a Defendant is required to commence or continue a civil action in a court other than this Court on any Enjoined Talc Claim asserted against any of the Protected Parties until the later of: (a) the end of such period, including any suspension of such period occurring on or after October 14, 2021; or (b) 30 days after notice of this Dismissal Order.

4. Termination of Stay. To the extent not already terminated by an order of this Court, the automatic stay with respect to LTL is terminated immediately upon the Dismissal Date. In accordance with 11 U.S.C. § 108(c), this Dismissal Order shall toll, as of October 14, 2021 to the extent such period had not expired before then, the expiration of any period under any applicable non-bankruptcy law, any order entered in a non-bankruptcy proceeding, or any agreement that fixes a period for commencing or continuing a civil action in a court other than this Court on Enjoined Talc Claims until the later of: (a) the end of such period, including any suspension of such period occurring on or after October 14, 2021; or (b) 30 days after notice of this Dismissal Order.

5. Procedures for Final Allowance of Fees and Expenses. A professional retained pursuant to sections 105, 327, 328 or 1103 of the Bankruptcy Code and the professionals retained by the Ad Hoc Committee of State Attorneys General (each a "Retained Professional" and

collectively the "Retained Professionals") may seek final allowance and payment of compensation and reimbursement of expenses in accordance with the following procedure and, solely with respect to the fees and expenses of professionals retained by the Ad Hoc Committee of State Attorneys General, subject to the expense reimbursement agreement dated May 9, 2022, which was attached as Exhibit A to ECF. No. 2338:

a. Each Retained Professional seeking final allowance and payment of its fees and expenses must serve a statement for all of its unpaid fees and expenses incurred in this Chapter 11 Case through the Dismissal Date (a "Final Statement") on LTL no later than 45 days following the Dismissal Date (the "Final Statement Deadline").

b. Unless otherwise provided in the order authorizing the Retained Professional's retention, and in accordance with the Bankruptcy Code, Federal Rules of Bankruptcy Procedure, the local rules of this Court, and the Guidelines established by the Office of the United States Trustee, each Final Statement shall include invoices with fee and expense detail that describe the fees and expenses incurred by such Retained Professional to the extent such invoices have not previously been filed with the Court.

c. LTL shall have 21 days after the Final Statement Deadline to raise any informal objection to final allowance of the fees and expenses sought by a Final Statement or any other fees and expenses incurred by a Retained Professional during the Chapter 11 Case that were previously allowed on an interim basis, by serving on the applicable Retained Professional an objection in writing setting forth the nature of the objection and the amount of fees and expenses at issue (an "Objection"). LTL may withhold payment of the portion of a Final Statement to which any Objection is directed and shall promptly pay amounts not subject to an Objection.

d. Thereafter, LTL and the affected Retained Professional may attempt to resolve the Objection on a consensual basis. If the Objection is not resolved within 14 days after service of the Objection, the affected Retained Professional may file a response to the Objection with the Court. The Court will then schedule a hearing, at the Court's convenience, to consider and dispose of the Objection. LTL may file a reply in support of the Objection within 4 days of the applicable hearing date.

e. All Retained Professionals' fees for services rendered or expenses incurred in the Chapter 11 Case through the Dismissal Date that are not subject to an Objection or are allowed by the Court after considering and disposing of an Objection, shall be allowed on a final basis. LTL shall promptly pay any unpaid amounts that are allowed pursuant to this Order.

f. This Dismissal Order supersedes the *Order Establishing Procedures for the Allowance of Interim Compensation and Reimbursement of Expenses of Retained Professionals* [ECF No. 761] and the *Order Appointing an Independent Fee Examiner and Establishing Procedures* [ECF. No. 1922] to the extent inconsistent with this Dismissal Order.

6. Reimbursement of Expenses Incurred by Committee Member Representatives. A representative of a member of the TCC (a "Representative") may requests payment of expenses incurred pursuant to this Court's *Agreed Order Regarding Procedures for the Reimbursement of Expenses Incurred By Committee Member Representatives* [ECF 3783] (the "Reimbursement Order") in accordance with the following procedures:

a. A Representative may submit a written request for payment of expenses incurred through and including the Dismissal Date (a "Reimbursement Request") by serving such request on LTL no later than 30 days following the Dismissal Date. A Reimbursement Request must include copies of any supporting documentation for the Representative Expenses.

b. LTL shall have 14 days after service of the Reimbursement Request (unless extended by agreement of the parties) to raise any Objection regarding the Reimbursement Requests.

c. If no Objections are raised or Objections are raised as to some but not all of the Representative Expenses (as defined in the Reimbursement Order), LTL shall pay those Representative Expenses not objected to within 21 days after their submission.

d. If the parties are not able to resolve any Objection within 14 days after notification of such Objection, the affected Representative may, within 7 days thereafter, file a response to the Objection with the Court, to which LTL may reply within 4 days of the applicable hearing date. The Court will schedule a hearing, at the Court's convenience, to consider and dispose of the Objection to the Reimbursement Request.

e. This Dismissal Order amends and supersedes the Reimbursement Order to the extent the Reimbursement Order is inconsistent with this Dismissal Order, provided, however, to the extent that any Reimbursement Requests were made prior to the Dismissal Date, LTL shall promptly pay such Reimbursement Requests in accordance with the procedures set forth in the Reimbursement Order.

7. Post-Dismissal Fees. Any Retained Professionals of the TCC seeking compensation for services rendered to the TCC in accordance with this Dismissal Order from the Dismissal Date through and including the date the TCC is dissolved (the "Post-Dismissal Period"), shall

a. serve a statement (the "Post-Dismissal Statement") for all of its fees and expenses incurred during the Post-Dismissal Period (the "Post-Dismissal Request") on LTL periodically, but no more than once every 30 days, with any final Post-Dismissal Statement being served on LTL no later than 45 days following the exhaustion of the Appeals.

b. LTL shall have 14 days after service of the Post-Dismissal Statement (unless extended by agreement of the parties) to raise any Objections regarding the Post-Dismissal Request.

c. If no Objections are raised or Objections are raised as to some but not all of the Post-Dismissal Request, LTL shall pay those fees and expenses not objected to within 21 days after their submission.

d. If the parties are not able to resolve any Objection within 14 days after notification of such Objection, the affected Retained Professional may, within 7 days thereafter, file a response with the Court, to which LTL may reply within 4 days of the applicable hearing date. The Court will schedule a hearing, at the Court's convenience, to consider and dispose of the Objection to the Post-Dismissal Statement.

8. Substantial Contribution Motions. Any party seeking payment of a claim for substantial contribution may file and serve a motion seeking such relief ("Substantial Contribution Motion") no later than 30 days following the Dismissal Date. The Court will schedule a hearing, at the Court's convenience, to consider the Substantial Contribution Motion. LTL may object to the Substantial Contribution Motion no later than 7 days prior to the hearing date, and the movant may reply no later than 4 days prior to the hearing date.

9. Limited Continued Existence of TCC. The TCC shall remain in existence after the Dismissal Date solely to pursue or defend any Appeals and its Retained Professionals shall be authorized to continue to perform services on the TCC's behalf. Upon the date that LTL files a

notice with the Court indicating that the Appeals are exhausted or LTL will not pursue the Appeals, the TCC shall be automatically dissolved, and all members and professionals retained by the TCC shall be discharged from all duties, responsibilities, and obligations arising from, or related to the TCC. Following such dissolution, any attorney-client privilege and similar rights previously held by the TCC shall remain in existence and shall be enforceable by any person or entity that was a member of the TCC as of its dissolution (directly or indirectly through their respective counsel or other representative).

10. Discharge of the FCR. On the Dismissal Date, the appointment of the legal representative for future talc claimants in this Chapter 11 Case (the "FCR") shall be terminated, and all professionals retained by the FCR shall be discharged from all duties, responsibilities, and obligations arising from or related to the FCR. Following such termination, any attorney-client privilege and similar rights previously held by the FCR shall remain in existence and shall be enforceable by the FCR (directly or indirectly through her respective counsel or other representative).

11. Discharge of the Co-Mediators. The co-mediators are discharged of all duties, responsibilities, and obligations from or related to the court-ordered mediation in this Chapter 11 Case. Within 14 days of this Dismissal Order, the co-mediators shall submit to LTL final invoices for services rendered and expenses incurred, and LTL shall promptly pay such invoices.

12. Discharge of Court-Appointed Expert. The Court-Appointed Expert and all professional retained by the Court-Appointed Expert are discharged from all duties, responsibilities, and obligations from or related to the Court-Appointed Expert. Within 30 days of the entry of this Dismissal Order, the Court-Appointed Expert shall submit to LTL final invoices for all unbilled services rendered and expenses incurred by him and his professionals in the manner

described in the *Order Confirming Procedures for Payment and Reimbursement of the Court-Appointed Estimation Expert's Professionals* [ECF No. 3721], and LTL shall promptly pay such invoices.

13. Discharge of the Fee Examiner. On the Dismissal Date, the appointment of the independent fee examiner in this Chapter 11 Case (the "Fee Examiner") shall be terminated, and his professionals shall be discharged from all duties, responsibilities, and obligations arising from or related to their retention by the Fee Examiner. Within fourteen (14) days of the entry of this Dismissal Order, the Fee Examiner and any professional retained by him shall submit to LTL final invoices for services rendered and expenses incurred, and LTL shall promptly pay such invoices.

14. Services of Epiq Corporate Restructuring, LLC. Epiq is authorized to assist LTL with service of this Dismissal Order. On about 30 days after the entry of this Dismissal Order, Epiq Corporate Restructuring, LLC ("Epiq"), as the Debtor's claims and noticing agent, shall (a) forward to the Clerk of the Court an electronic version of all imaged claims, (b) upload the creditor mailing list into CM/ECF, (c) docket a combined final claims register containing claims against the Debtor, and (d) box and transport all original claims to the Philadelphia Federal Records Center, 14700 Townsend Road, Philadelphia, Pennsylvania 19154 and docket a completed SF-135 Form indicating the accession and location numbers of the archived claims. Epiq shall be relieved of its responsibilities as the Debtor's claims and noticing agent in this Chapter 11 Case following the conclusion of such services pursuant to this Dismissal Order. Epiq shall be entitled to payment and reimbursement of its fees and costs from LTL. Epiq is authorized to take all actions necessary and appropriate to effectuate the terms of this Dismissal Order.

15. Dismissal of Adversary Proceedings. On the Dismissal Date, adversary proceedings *LTL Management LLC v. Moline*, Adv. Pro. 22-1393 (MBK); and *LTL Management LLC v. Emory et. al*, Adv. Pro. 23 1022 (MBK) shall each be deemed dismissed without prejudice.

16. Payment of Quarterly Fees. Not later than 30 days of the Dismissal Date, LTL shall pay to the U.S. Trustee any quarterly fees owed through the date of the Dismissal Date pursuant to 28 U.S.C. § 1930(a)(6).

17. Continued Effect of Confidentiality Orders. Notwithstanding any other provision of this Dismissal Order, any obligations arising under confidentiality agreements, joint interest agreements, the order appointing the expert pursuant to Rule of Evidence 706 [ECF No. 2881] and the companion order concerning the payment of his professionals [ECF No. 3721], and protective orders, if any, entered into during the Chapter 11 Case in connection with the Chapter 11 Case shall remain in full force and effect in accordance with their terms; provided, however, that the provisions set forth in paragraph 18 of this Dismissal Order shall supersede any contrary provisions in any agreed protective order entered in this Chapter 11 Case.

18. Destruction of Documents by Third Parties. Reasonably promptly following the closing of the Chapter 11 Case, any mediator appointed in the Chapter 11 Case and the Court-Appointed Expert and his professionals each shall destroy any documents, electronic files or information in his or their possession, custody, or control (or in the possession, custody, or control of their respective agents, experts or consultants) that were provided on a confidential basis by LTL, the FCR, the TCC, or plaintiff law firms or their respective counsel, or any of the TCC members, and shall certify destruction thereof to such providing party.

19. Notice. On or before seven days following the Dismissal Date, LTL shall serve notice of this Dismissal Order (including a copy of this Dismissal Order) pursuant to Bankruptcy

Rules 2002(f)(2) and 2002(k) on the TCC, the U.S. Trustee, the Master Service List, all entities that have requested notice pursuant to Bankruptcy Rule 2002, and such additional persons and entities deemed appropriate by LTL.

20. Retained Jurisdiction. Notwithstanding the dismissal of the Chapter 11 Case, this Court shall retain jurisdiction to hear and determine all matters arising from or related to the Chapter 11 Case, including without limitation, the interpretation, implementation, or enforcement of this Dismissal Order and the Court's prior orders, and to hear and consider Substantial Contribution Motions and any objection to a Final Fee Statement, a Reimbursement Request or a Post-Dismissal Statement.

21. Immediate Effectiveness. Notwithstanding any provisions in the Bankruptcy Rules to the contrary, this Dismissal Order shall be immediately effective and enforceable upon its entry.

APPENDIX “H”

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

WOLLMUTH MAHER & DEUTSCH LLP
Paul R. DeFilippo, Esq.
500 Fifth Avenue
New York, New York 10110
Telephone: (212) 382-3300
Facsimile: (212) 382-0050
pdefilippo@wmd-law.com

JONES DAY
Gregory M. Gordon, Esq.
Brad B. Erens, Esq.
Dan B. Prieto, Esq.
Amanda Rush, Esq.
2727 N. Harwood Street
Dallas, Texas 75201
Telephone: (214) 220-3939
Facsimile: (214) 969-5100
gmgordon@jonesday.com
bberens@jonesday.com
dbprieto@jonesday.com
asrush@jonesday.com
(Admitted *pro hac vice*)

ATTORNEYS FOR DEBTOR

In re: LTL MANAGEMENT LLC, Debtor.[1]	Chapter 11 Case No. 21-30589 (MBK) Judge: Michael B. Kaplan

NOTICE OF DEBTOR'S INTENT REGARDING APPEALS

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. On April 4, 2023, this Court entered an *Order (I) Dismissing Debtor's Chapter 11 Case Pursuant to 11 U.S.C. § 1112(b); (II) Establishing Procedures with Respect to Requests for Compensation; and (III) Granting Related Relief* [Dkt. 3938] (the "Dismissal

[1] The last four digits of the Debtor's taxpayer identification number are 6622. The Debtor's address is 501 George Street, New Brunswick, New Jersey 08933.

Order").[2] Pursuant to the Dismissal Order, the official committee of talc claimants (the "TCC") will be automatically dissolved, and all members and professionals retained by the TCC will be discharged from all duties, responsibilities and obligations arising from, or related to the TCC, on the date that LTL files a notice indicating that the Appeals are exhausted or LTL will not pursue the Appeals. Dismissal Order, § 9.

2. LTL hereby provides notice that it will no longer pursue the Appeals.

3. Accordingly, pursuant to the Dismissal Order, the TCC is dissolved as of April 4, 2023.

2 Capitalized terms used herein but not otherwise defined have the meanings given to them in the Dismissal Order.

Dated: April 4, 2023

WOLLMUTH MAHER & DEUTSCH LLP

<u>/s/ Paul R. DeFilippo</u>
Paul R. DeFilippo, Esq.
James N. Lawlor, Esq.
Joseph F. Pacelli, Esq. (*pro hac vice*)
500 Fifth Avenue
New York, New York 10110
Telephone: (212) 382-3300
Facsimile: (212) 382-0050
pdefilippo@wmd-law.com
jlawlor@wmd-law.com
jpacelli@wmd-law.com

JONES DAY
Gregory M. Gordon, Esq.
Brad B. Erens, Esq.
Dan B. Prieto, Esq.
Amanda Rush, Esq.
2727 N. Harwood Street
Dallas, Texas 75201
Telephone: (214) 220-3939
Facsimile: (214) 969-5100
gmgordon@jonesday.com
bberens@jonesday.com
dbprieto@jonesday.com
asrush@jonesday.com
(Admitted *pro hac vice*)

ATTORNEYS FOR DEBTOR

APPENDIX “I”

Court File No. CV-21-00673856-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED

AND IN THE MATTER OF LTL MANAGEMENT LLC

APPLICATION OF LTL MANAGEMENT LLC UNDER SECTION 46 OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*

AFFIDAVIT OF ALEX MORRISON
Sworn April 12, 2023

I, **Alex Morrison** of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY AS FOLLOWS**:

I am a Senior Vice President with Ernst & Young Inc. ("**EYI**"), the Court Appointed Information Officer for LTL Management LLC and, as such, I have knowledge of the matters to which I hereinafter despose. Unless I indicate to the contrary, the facts herein are within my personal knowledge and are true. Where I have indicated that I have obtained facts from other sources, I believe those facts to be true.

1. Attached hereto as **Exhibit "A"** is a schedule summarizing, for each invoice issued by the Information Officer for the period from October, 2022 to March 31, 2023, the fees, disbursements and total fees charged for each invoice.

2. Attached hereto as **Exhibit "B"** is a true copy of the invoices prepared by the Information Officer for fees and disbursements incurred by the Information Officer in the course of these proceedings in respect of the Debtor for the period from October, 2022 to March 31, 2023.

3. To the best of my knowledge, the rates charged by EYI throughout the course of these proceedings are comparable to the rates charged by other accounting firms in the Toronto market for the provision of similar services.

4. I make this affidavit in support of a motion by the Information Officer for, *inter alia,* approval of the fees and disbursements of the Information Officer.

SWORN before me at the City of Toronto, in the Province of Ontario, on this 12th day of April, 2023	))))	**Alex Morrison**

A commissioner for taking oaths, etc.

ROBERT DAVID FERGUSON, a Commissioner, etc., Province of Ontario, for Ernst & Young Inc. Expires September 12, 2025.

THIS IS EXHIBIT "A" REFERRED TO
IN THE AFFIDAVIT OF
ALEX MORRISION SWORN BEFORE
ME THIS 12TH DAY OF APRIL 2023

ROBERT DAVID FERGUSON, a Commissioner,
etc., Province of Ontario, for Ernst & Young Inc.
Expires September 12, 2025.

Ernst & Young Inc.
THE COURT-APPOINTED INFORMATION OFFICER OF LTL MANAGEMENT LLC

Summary of the Information Officer's Fees & Disbursements
For the Period from October 1, 2022 to March 31, 2023

Invoice Date	Invoice #	Billing Dates	Hours	Information Officer's Fees	Out-of-Pocket Expenses	Administrative Expenses	Total
02-Dec-22	CA12C500008689	October 1, 2022 to October 31, 2022	30.2	24,395.00		1,219.75	25,614.75
20-Dec-22	CA12C500008756	November 1, 2022 to November 30, 2022	29.8	24,860.00		1,243.00	26,103.00
17-Jan-23	CA12C500008834	December 1, 2022 to December 31, 2022	30.4	24,190.00		1,209.50	25,399.50
24-Feb-23	CA12C500008938	January 1, 2023 to January 31, 2023	33.6	26,600.00		1,330.00	27,930.00
30-Mar-23	CA12C500009070	February 1, 2023 to February 28, 2023	29.9	23,602.50		1,180.13	24,782.63
12-Apr-23	CA12C500009126	March 1, 2023 to March 31, 2023	29.8	24,357.50		1,217.88	25,575.38
		Total Receiver Fees & Disbursements	**183.70**	**148,005.00**	**-**	**7,400.26**	**155,405.26**

THIS IS EXHIBIT "B" REFERRED TO
IN THE AFFIDAVIT OF
ALEX MORRISION SWORN BEFORE
ME THIS 12TH DAY OF APRIL 2023

ROBERT DAVID FERGUSON, a Commissioner, etc., Province of Ontario, for Ernst & Young Inc. Expires September 12, 2025.

Ernst & Young Inc.
Toronto, ON

Invoice

LTL Management LLC
John Kim
Chief Legal Officer
501 George Street
New Brunswick, NJ 08933
USA

Invoice No.: CA12C500008689
Please include this number with payment

Invoice Date:	December 02, 2022
Due Date:	Upon receipt
Client No.:	0012731004
Engagement No.:	E-66366833

Remit To:
P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5
A/R Queries:
EYCanadaInvoiceInquiry@ca.ey.com

For professional services rendered for the period ended October 31, 2022.

Payee number: 430119441

	Net	Tax	Rate	Tax Amount	**CAD** Total
Fee	24,395.00				
Wire Transfer Charges @ $15 USD	20.40				
Payment of Wire Transfer Charges @ $15 USD	-20.40				
Total Fee	24,395.00				24,395.00
Administrative Expenses @ 5%	1,219.75				1,219.75
	25,614.75				**25,614.75**
Invoice summary	**25,614.75**				
Total:	**25,614.75**				**25,614.75**

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Electronic payment instructions:
Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3.

Wire transfer instructions: Transit #2411 Account #24111000237. Reference the name and address of remitter, invoice number and engagement number.

Electronic fund transfer instructions: Bank ID: 0001 Transit# 24112 Account# 1000237. To ensure accurate allocation of funds, please email gss.canadaaccountsreceivable@xe02.ey.com and include amount paid, invoice number and company name.

LTL Management LLC
Summary of Professional Fees to October 31, 2022

Name	Position	Hours	Rate	Fees
Alex Morrison	Senior Vice President/ Partner	14.7	925	13,597.50
Stuart Clinton	Senior Vice President/ Partner	7.2	925	6,660.00
Allen Yao	Vice President/ Senior Manager	5.3	625	3,312.50
Donna Hatfull	Paraprofessional	2.8	275	770.00
Philip Kan	Paraprofessional	0.2	275	55.00
Subtotal		**30.2**		**$ 24,395.00**

Wire Transfer charges	**$**	**20.40**
Payment of Wire Transfer Charges	**$**	**(20.40)**
Sub total		**24,395.00**
Administrative Expenses @ 5%	$	1,219.75
Sub total	$	25,614.75
Total Invoice	**$**	**25,614.75**

Ernst & Young Inc.
Toronto, ON

Invoice

LTL Management LLC
John Kim
Chief Legal Officer
501 George Street
New Brunswick, NJ 08933
USA

Invoice No.: CA12C500008756
Please include this number with payment

Invoice Date:	December 20, 2022
Due Date:	Upon receipt
Client No.:	0012731004
Engagement No.:	E-66366833

Remit To:
P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5
A/R Queries:
EYCanadaInvoiceInquiry@ca.ey.com

For professional services rendered for the period ended November 30, 2022.

Payee number: 430119441

	Net	Tax	Rate	Tax Amount	**CAD** Total
Fee	24,860.00				24,860.00
Administrative Expenses @ 5%	1,243.00				1,243.00
	26,103.00				**26,103.00**
Invoice summary	**26,103.00**				
Total:	**26,103.00**				**26,103.00**

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Electronic payment instructions:
Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3.

Wire transfer instructions: Transit #2411 Account #24111000237. Reference the name and address of remitter, invoice number and engagement number.

Electronic fund transfer instructions: Bank ID: 0001 Transit# 24112 Account# 1000237. To ensure accurate allocation of funds, please email gss.canadaaccountsreceivable@xe02.ey.com and include amount paid, invoice number and company name.

LTL Management LLC
Summary of Professional Fees to November 30, 2022

Name		Position	Hours	Rate		Fees
Alex Morrison		Senior Vice President/ Partner	14.7	925		13,597.50
Stuart Clinton		Senior Vice President/ Partner	6.2	925		5,735.00
Allen Yao		Vice President/ Senior Manager	8.8	625		5,500.00
Donna Hatfull		Paraprofessional	0.1	275		27.50
	Subtotal		**29.8**		**$**	**24,860.00**

Sub total			**24,860.00**
Administrative Expenses @ 5%		$	1,243.00
Sub total		$	26,103.00
	Total Invoice	**$**	**26,103.00**

EY

Ernst & Young Inc.
Toronto, ON

Invoice

LTL Management LLC
John Kim
Chief Legal Officer
501 George Street
New Brunswick, NJ 08933
USA

Invoice No.: CA12C500008834
Please include this number with payment

Invoice Date:	January 17, 2023
Due Date:	Upon receipt
Client No.:	0012731004
Engagement No.:	E-66366833

Remit To:
P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5
A/R Queries:
EYCanadaInvoiceInquiry@ca.ey.com

For professional services rendered for the period ended December 31, 2022.

Payee number: 430119441

	Net	Tax	Rate	Tax Amount	CAD Total
Fee	24,190.00				24,190.00
Administrative Expenses @ 5%	1,209.50				1,209.50
	25,399.50				**25,399.50**
Invoice summary	**25,399.50**				
Total:	**25,399.50**				**25,399.50**

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Electronic payment instructions:
Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3.

Wire transfer instructions: Transit #2411 Account #24111000237. Reference the name and address of remitter, invoice number and engagement number.

Electronic fund transfer instructions: Bank ID: 0001 Transit# 24112 Account# 1000237. To ensure accurate allocation of funds, please email gss.canadaaccountsreceivable@xe02.ey.com and include amount paid, invoice number and company name.

LTL Management LLC
Summary of Professional Fees to December 31, 2022

Name	Position	Hours	Rate	Fees
Alex Morrison	Senior Vice President/ Partner	14.0	925	12,950.00
Stuart Clinton	Senior Vice President/ Partner	3.3	925	3,052.50
Allen Yao	Vice President/ Senior Manager	13.1	625	8,187.50
Subtotal		**30.4**		**$ 24,190.00**

Sub total		**24,190.00**
Administrative Expenses @ 5%	$	1,209.50
Sub total	$	25,399.50
Total Invoice	**$**	**25,399.50**

Ernst & Young Inc.
Toronto, ON

Invoice

LTL Management LLC
John Kim
Chief Legal Officer
501 George Street
New Brunswick, NJ 08933
USA

Invoice No.: CA12C500008938
Please include this number with payment

Invoice Date:	February 24, 2023
Due Date:	Upon receipt
Client No.:	0012731004
Engagement No.:	E-66366833

Remit To:
P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5
A/R Queries:
EYCanadaInvoiceInquiry@ca.ey.com

For professional services rendered for the period ended January 31, 2023.

Payee number: 430119441

	Net	Tax	Rate	Tax Amount	CAD Total
Fee	26,600.00				26,600.00
Administrative Expenses @ 5%	1,330.00				1,330.00
	27,930.00				**27,930.00**
Invoice summary	**27,930.00**				
Total:	**27,930.00**				**27,930.00**

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Electronic payment instructions:
Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3.

Wire transfer instructions: Transit #2411 Account #24111000237. Reference the name and address of remitter, invoice number and engagement number.

Electronic fund transfer instructions: Bank ID: 0001 Transit# 24112 Account# 1000237. To ensure accurate allocation of funds, please email gss.canadaaccountsreceivable@xe02.ey.com and include amount paid, invoice number and company name.

LTL Management LLC
Summary of Professional Fees to January 31, 2023

Name		Position	Hours	Rate	Fees
Alex Morrison		Senior Vice President/ Partner	14.0	925	12,950.00
Stuart Clinton		Senior Vice President/ Partner	4.9	925	4,532.50
Allen Yao		Vice President/ Senior Manager	14.5	625	9,062.50
Donna Hatfull		Paraprofessional	0.2	275	55.00
	Subtotal		**33.6**		**$ 26,600.00**

Sub total		**26,600.00**
Administrative Expenses @ 5%	$	1,330.00
Sub total	$	27,930.00
Total Invoice	**$**	**27,930.00**

Ernst & Young Inc.
Toronto, ON

Invoice

LTL Management LLC
John Kim
Chief Legal Officer
501 George Street
New Brunswick, NJ 08933
USA

Invoice No.: CA12C500009070
Please include this number with payment

Invoice Date:	March 30, 2023
Due Date:	Upon receipt
Client No.:	0012731004
Engagement No.:	E-66366833

Remit To:
P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5
A/R Queries:
EYCanadaInvoiceInquiry@ca.ey.com

For professional services rendered for the period ended February 28, 2023.

Payee number: 430119441

	Net	Tax	Rate	Tax Amount	**CAD** Total
Fee	23,602.50				23,602.50
Administrative Expenses @ 5%	1,180.13				1,180.13
	24,782.63				**24,782.63**
Invoice summary	**24,782.63**				
Total:	**24,782.63**				**24,782.63**

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Electronic payment instructions:
Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3.

Wire transfer instructions: Transit #2411 Account #24111000237. Reference the name and address of remitter, invoice number and engagement number.

Electronic fund transfer instructions: Bank ID: 0001 Transit# 24112 Account# 1000237. To ensure accurate allocation of funds, please email gss.canadaaccountsreceivable@xe02.ey.com and include amount paid, invoice number and company name.

LTL Management LLC
Summary of Professional Fees to February 28, 2023

Name	Position	Hours	Rate	Fees
Alex Morrison	Senior Vice President/ Partner	12.1	925	11,192.50
Stuart Clinton	Senior Vice President/ Partner	4.4	925	4,070.00
Allen Yao	Vice President/ Senior Manager	13.3	625	8,312.50
Donna Hatfull	Paraprofessional	0.1	275	27.50
Subtotal		**29.9**		**$ 23,602.50**

Sub total		**23,602.50**
Administrative Expenses @ 5%	$	1,180.13
Sub total	$	24,782.63
Total Invoice	**$**	**24,782.63**

EY

Ernst & Young Inc.
Toronto, ON

Invoice

LTL Management LLC
John Kim
Chief Legal Officer
501 George Street
New Brunswick, NJ 08933
USA

Invoice No.: CA12C500009126
Please include this number with payment

Invoice Date:	April 12, 2023
Due Date:	Upon receipt
Client No.:	0012731004
Engagement No.:	E-66366833

Remit To:
P.O. Box 57104, Postal Station A
Toronto, Ontario M5W 5M5
A/R Queries:
EYCanadaInvoiceInquiry@ca.ey.com

For professional services rendered for the period ended March 31, 2023.

Payee number: 430119441

	Net	Tax	Rate	Tax Amount	**CAD** Total
Fee	24,357.50				24,357.50
Administrative Expenses @ 5%	1,217.88				1,217.88
	25,575.38				**25,575.38**
Invoice summary	**25,575.38**				
Total:	**25,575.38**				**25,575.38**

A member of Ernst & Young Global

Terms: Payment due upon receipt. Interest is charged at the rate of 12 % per annum on balances unpaid after 30 days from date of invoice. Any disbursements not charged to your account on the date of this invoice will be billed later.
GST/HST: R123425522 **QST:** 1006354498

Electronic payment instructions:
Send direct and pay to: Bank of Montreal, International Banking, H.O. Montreal, SWIFT BIC Address BOFMCAM2, Ernst & Young LLP, 6 King Street West, Toronto, Ontario, Canada, M5H 1C3.

Wire transfer instructions: Transit #2411 Account #24111000237. Reference the name and address of remitter, invoice number and engagement number.

Electronic fund transfer instructions: Bank ID: 0001 Transit# 24112 Account# 1000237. To ensure accurate allocation of funds, please email gss.canadaaccountsreceivable@xe02.ey.com and include amount paid, invoice number and company name.

LTL Management LLC
Summary of Professional Fees to March 31, 2023

Name	Position	Hours	Rate	Fees
Alex Morrison	Senior Vice President/ Partner	14.0	925	12,950.00
Stuart Clinton	Senior Vice President/ Partner	4.9	925	4,532.50
Allen Yao	Vice President/ Senior Manager	11.0	625	6,875.00
Subtotal		**29.9**		**$ 24,357.50**

Sub total		**24,357.50**
Administrative Expenses @ 5%	$	1,217.88
Sub total	$	25,575.38
Total Invoice	**$**	**25,575.38**

APPENDIX "J"

Court File No. CV-21-00673856-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C 36, AS AMENDED

AND IN THE MATTER OF LTL MANAGEMENT LLC

APPLICATION OF LTL MANAGEMENT LLC
UNDER SECTION 46 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT

AFFIDAVIT OF NATALIE E. LEVINE
(sworn APRIL 12, 2023)

I, NATALIE E. LEVINE, of the City of Toronto, in the Province of Ontario, MAKE OATH AND SAY:

1. I am a lawyer qualified to practice law in Ontario and a Partner[1] with Cassels Brock & Blackwell LLP ("**Cassels**"), counsel for Ernst & Young Inc., in its capacity as Information Officer (the "**Information Officer**") appointed pursuant to the Supplemental Order granted in these proceedings on December 17, 2021. As such, I have knowledge of the matters to which I depose except where stated to be on information and belief, and where so stated, I verily believe it to be true.

2. During the period from October 3, 2022 to March 31, 2023, Cassels incurred fees and disbursements, including HST, in the amount of $280,603.87. Particulars of the work performed are contained in the invoices (the "**Invoices**") attached hereto and marked as **Exhibit "A"** to this affidavit.

3. Attached as **Exhibit "B"** is a schedule summarizing each Invoice in Exhibit "A", the total billable hours charged per Invoice, the total fees charged per Invoice and the average hourly rate charged per Invoice. The average hourly rate charged by Cassels is $808.21.

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[1] My services are provided through a professional corporation.

4. Attached as **Exhibit "C"** is a schedule summarizing the respective years of call and billing rates of each individual at Cassels who acted for the Information Officer, as the case may be.

5. To the best of my knowledge, the rates charged by Cassels throughout the course of these proceedings are comparable to the rates charged by other law firms in the Toronto market for the provision of similar services, and the rates charged by Cassels for services rendered in similar proceedings.

6. I make this affidavit in support of a motion for, *inter alia*, approval of the fees and disbursements of counsel of the Information Officer, and for no other or improper purpose.

SWORN BEFORE ME by videoconference on this 12th day of April, 2023. The affiant and I both were located in the City of Toronto in the Province of Ontario. This affidavit was commissioned remotely in accordance with O. Reg. 431/20, Administering Oath or Declaration Remotely.

A commissioner for Taking Affidavits
(or as may be)

Commissioner Name: William Onyeaju
Law Society of Ontario Number: 81919E

NATALIE E. LEVINE

This is Exhibit “A” referred to in the affidavit of Natalie E. Levine, affirmed before me by videoconference on April 12, 2023 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario.

…………………………………………………...
A Commissioner for Taking Affidavits

Commissioner Name: William Onyeaju
Law Society of Ontario Number: 81919E

EXHIBIT "A"

True Copies of the Invoices issued to the Information Officer for fees and disbursements incurred by Cassels Brock & Blackwell LLP

Cassels

Invoice No:	2184445
Date:	November 25, 2022
Matter No.:	025522-00024
GST/HST No.:	R121379572
Lawyer:	Kukulowicz, Shayne
Tel.:	(416) 860-6463
E-mail:	SKukulowicz@cassels.com

Attn: Alex Morrison
Ernst & Young Inc.
100 Adelaide Street West
Toronto, ON M5H 0B3

Re: Recognition Proceedings of LTL Management

Fees for professional services rendered up to and including October 31, 2022

Our Fees	38,568.50
HST @ 13.00%	5,013.91
TOTAL DUE (CAD)	**43,582.41**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

CAD EFT and Wire:
Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:
Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Scotia Plaza, Suite 2100, 40 King Street West
Toronto, Ontario, M5H 3C2 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No:	2184445
Matter No.:	025522-00024
Amount:	**CAD 43,582.41**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Oct-03-22	S. Kukulowicz	Review of EY comments on draft Fourth Report and review revised report;	1.40
Oct-03-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.10
Oct-04-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.20
Oct-04-22	N. Levine	Correspond with Cassels team regarding docket updates;	0.10
Oct-05-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.10
Oct-06-22	S. Kukulowicz	Review of US Opinion granting preliminary injunction regarding state actions;	0.90
Oct-07-22	N. Levine	Review decision regarding stay extension to states' action; correspond with client regarding same;	1.00
Oct-11-22	N. Levine	Correspond with client regarding additional US filings and precedent cases; revise summary; respond to questions;	0.80
Oct-11-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.10
Oct-11-22	S. Kukulowicz	Review of commentary on Imerys Chapter 11 issues and emails with EY; exchanged emails regarding approval of fees and activities at next motion; review of additional submissions to the Expert on estimation issues;	2.10
Oct-12-22	S. Kukulowicz	Exchanged emails with N. Levine and L. Rogers regarding scheduling for recognition hearing; review of suggested comments from Jones Day on draft of Fourth Report;	1.30
Oct-12-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.20
Oct-12-22	N. Levine	Review comments on report; consider US docket updates; prepare affidavit for court; confer with company counsel regarding hearing;	0.40
Oct-13-22	S. Kukulowicz	Review of emails from EY regarding comments from Jones Day et al. on draft report;	0.30
Oct-13-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.10
Oct-14-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.20
Oct-14-22	N. Levine	Correspond with Cassels team regarding revised report; correspond with company counsel regarding hearing;	0.30
Oct-14-22	S. Kukulowicz	Review of emails regarding recognition hearing and draft Fourth Report;	0.90
Oct-17-22	S. Kukulowicz	Review of Jones Day comments and related emails on draft Fourth Report; review of scheduling for recognition hearing;	0.80
Oct-17-22	D. Bundy	Incorporate comments into draft of Fourth Report of the Information Officer; redact monthly invoices for motion regarding fees; send calendar invite for October 25 Omnibus hearing to Cassels team and client; review and	2.00

Date	Name	Description	Hours
		send daily update on LTL US docket to N. Levine and S. Kukulowicz;	
Oct-17-22	A. Hoy	Preparing Fee Affidavit and Exhibits;	2.70
Oct-17-22	N. Levine	Confer with D. Bundy regarding hearing;	0.10
Oct-18-22	S. Kukulowicz	File administration (fee estimates); review of further commentary regarding Texas divisional merger; review of emails regarding US omnibus hearing;	1.20
Oct-18-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz; review New Jersey Bankruptcy Court's website for updates regarding omnibus hearings;	0.20
Oct-18-22	A. Hoy	Draft Fee Affidavit and review redactions of invoice descriptions;	0.60
Oct-18-22	N. Levine	Consider draft affidavit; confer with S. Kukulowicz regarding report;	0.30
Oct-19-22	S. Kukulowicz	Review of emails regarding Fourth Report and hearing date; review of Fourth Report and provided language to D. Bundy regarding approval of fees and activities; review of emails with Blakes regarding approval language for Notice of Motion and draft Order;	2.20
Oct-19-22	D. Bundy	Draft approval of fees disbursements and activities section for Fourth Report of the Information Officer; review and send daily update on LTL US docket to N. Levine and S. Kukulowicz; review New Jersey Bankruptcy Court's website for updates regarding omnibus hearings;	1.50
Oct-19-22	N. Levine	Revise report; review docket;	0.60
Oct-20-22	S. Kukulowicz	Office conference with N. Levine regarding activity and fee approvals and final version of Fourth Report; review of emails regarding additional revisions and wording for Notice of Motion and Order; review of "final" version of Fourth Report;	2.50
Oct-20-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.10
Oct-20-22	A. Hoy	Update Fee Affidavit and exhibits; review and update Fourth Report;	3.40
Oct-20-22	N. Levine	Finalize report; prepare fee affidavit; review dockets;	1.60
Oct-21-22	A. Hoy	Prepare and commission Fee Affidavit;	0.80
Oct-21-22	S. Kukulowicz	Review of Motion Record of LTL for recognition of Expert Appointment Order; review of final comments on Fourth Report; office conference with N. Levine regarding fee affidavit; circulated updated version of Fourth Report with blackline;	1.60
Oct-21-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.20
Oct-21-22	N. Levine	Finalize fee affidavit; revise report; confer with Cassels team and client;	1.10
Oct-23-22	N. Levine	Review agenda and objections filed; correspond with client regarding hearing;	0.30

Date	Name	Description	Hours
Oct-23-22	S. Kukulowicz	Exchanged emails with N. Levine regarding US hearing on October 25, 2022;	0.20
Oct-24-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.10
Oct-24-22	N. Levine	Finalize fourth report; brief review of appendices; supervise service and revisions to service list;	2.10
Oct-24-22	A. Hoy	Correspondence with Information Officer; draft Fourth Report; serve Fourth Report;	6.00
Oct-24-22	S. Kukulowicz	Review of emails regarding finalizing fee affidavits and report; telephone attendance with N. Levine regarding various issues; review of various filings regarding K. Fineberg (Expert) in U.S. proceedings; review of emails regarding LTL motion materials;	2.40
Oct-25-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.20
Oct-25-22	A. Hoy	Monitor LTL NJB Hearing; correspondence with E&Y regarding NJB Hearing; correspondence with Blakes regarding Service List;	1.00
Oct-25-22	N. Levine	Revise hearing summary; emails with A. Hoy regarding same; supervise service issues and corrections; correspond with client;	0.30
Oct-25-22	S. Kukulowicz	Review of reports on US omnibus hearing and related emails; review of emails regarding service issues;	0.50
Oct-26-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.10
Oct-26-22	N. Levine	Consider supplemental motion record;	0.10
Oct-26-22	S. Kukulowicz	Review of Responding Motion Record of Talc Committee and discussed same with N. Levine; review of email from L. Rogers;	0.70
Oct-27-22	S. Kukulowicz	Review of emails regarding recognition hearing;	0.40
Oct-28-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.20
Oct-28-22	N. Levine	Emails with company counsel regarding service issues; correspond with client regarding change of counsel and hearing prep; prepare for hearing;	0.50
Oct-28-22	S. Kukulowicz	Review of emails regarding upcoming hearings; review of Preliminary Injunction Order regarding various state actions;	0.70
Oct-31-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.10
Oct-31-22	N. Levine	Prepare for hearing; correspond with company counsel regarding same; discuss same with S. Kukulowicz;	0.60
Oct-31-22	S. Kukulowicz	Office conference with N. Levine regarding recognition hearing; preparation for hearing;	2.30
Oct-31-22	A. Hoy	Review documents of Counsel for TCC in advance of hearing;	0.20

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Kukulowicz, Shayne	Partner	22.40	1,075.00	24,080.00
Levine, Natalie	Partner	10.20	735.00	7,497.00
Hoy, Alec	Associate	14.70	400.00	5,880.00
Bundy, Dakota	Law Student	5.70	195.00	1,111.50
Total (CAD)		**53.00**		**38,568.50**

Our Fees	38,568.50	
HST @ 13.00%	5,013.91	
TOTAL FEES & TAXES (CAD)		**43,582.41**

TOTAL FEES	**38,568.50**
TOTAL TAXES	**5,013.91**
TOTAL FEES & TAXES (CAD)	**43,582.41**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2179322	09/28/22	47,996.19	0.00	47,996.19
2181020	10/18/22	46,263.90	0.00	46,263.90
2184445	11/25/22	43,582.41	0.00	43,582.41
Total (CAD)		**137,842.50**	**0.00**	**137,842.50**

Cassels

Invoice No:	2186518
Date:	December 14, 2022
Matter No.:	025522-00024
GST/HST No.:	R121379572
Lawyer:	Kukulowicz, Shayne
Tel.:	(416) 860-6463
E-mail:	SKukulowicz@cassels.com

Attn: Alex Morrison
Ernst & Young Inc.
100 Adelaide Street West
Toronto, ON M5H 0B3

Re: Recognition Proceedings of LTL Management

Fees for professional services rendered up to and including November 30, 2022

Our Fees	55,139.00
HST @ 13.00%	7,168.07
TOTAL DUE (CAD)	**62,307.07**

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44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Scotia Plaza, Suite 2100, 40 King Street West
Toronto, Ontario, M5H 3C2 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No:	2186518
Matter No.:	025522-00024
Amount:	**CAD 62,307.07**
e-Transfer Payments:	payments@cassels.com
Credit Card Payments:	payments.cassels.com

FEE DETAIL

Date	Name	Description	Hours
Nov-01-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.10
Nov-01-22	N. Levine	Participate in hearing; prepare for same; follow up with S. Kukulowicz regarding same; review US docket updates;	1.10
Nov-01-22	S. Kukulowicz	Attended recognition hearing and follow-up discussion with N. Levine; review of US. filings;	1.50
Nov-02-22	D. Bundy	Send calendar invite for November 16th Omnibus Hearing; review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.20
Nov-02-22	N. Levine	Correspond with litigant in BC class action; correspond with client and company counsel;	0.40
Nov-02-22	S. Kukulowicz	Review of appeal notice from US. states; review of Expert Appointment Recognition order and endorsement; office conference with N. Levine regarding opioids related settlement involving Johnson and Johnson and LTL stay of proceedings; review of emails regarding scope of stay;	1.20
Nov-03-22	N. Levine	Call with company counsel; correspond with client; correspond with counsel to claimants; review motion to certify; correspond with client regarding same;	0.70
Nov-03-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.30
Nov-03-22	S. Kukulowicz	Office conference with N. Levine regarding status; review of emails regarding J&J settlement in opioid litigation and discussed same with N. Levine; review of motion by States for certification of direct appeal;	1.40
Nov-04-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.10
Nov-04-22	S. Kukulowicz	Review of pleadings regarding upcoming motions;	1.10
Nov-06-22	N. Levine	Consider docket updates and draft summary of pleadings;	0.20
Nov-07-22	S. Kukulowicz	Review of pleadings regarding Committee of Talc Claimants; exchanged emails with N. Levine regarding US hearing scheduled for November 16, 2022;	0.70
Nov-07-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.20
Nov-08-22	A. Hoy	Reviewed LTL US docket for new relevant materials;	0.20
Nov-10-22	S. Kukulowicz	Review of US dockets and reports on status;	1.10
Nov-11-22	S. Kukulowicz	Review of US docket;	0.70
Nov-11-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.10
Nov-14-22	S. Kukulowicz	Review of pleadings regarding estimator and process for valuing claims; review of various commentary on progress;	1.80
Nov-14-22	D. Bundy	Review and send daily update on LTL US docket to N. Levine and S. Kukulowicz;	0.20
Nov-14-22	N. Levine	Correspond with A. Hoy regarding case status;	0.10
Nov-15-22	S. Kukulowicz	Dealing with administration (fee estimates); review of US	1.20

Date	Name	Description	Hours
		docket update;	
Nov-15-22	N. Levine	Review additional materials filed by talc claimants;	0.50
Nov-15-22	D. Bundy	Update transition memo for A. Hoy;	0.50
Nov-16-22	A. Hoy	Review LTL US docket;	0.70
Nov-17-22	N. Levine	Review estimation status report; correspond with client regarding same; discuss same with S. Kukulowicz;	0.30
Nov-17-22	S. Kukulowicz	Review of further US filings regarding Estimation Order and by plaintiffs for Talc Claimants; office conference with N. Levine; review of original Estimation Order;	1.40
Nov-18-22	N. Levine	Call with client; draft correspondence regarding mediation and estimation;	0.60
Nov-18-22	S. Kukulowicz	Conference zoom with EY regarding updates from Jones Day and Co-Mediator and contacting K. Feinberg (expert on estimation issues); review of draft email to K. Feinberg;	1.20
Nov-19-22	A. Hoy	Review of US LTL docket;	0.30
Nov-20-22	N. Levine	Review motion materials from TCC;	0.40
Nov-21-22	N. Levine	Draft email to client regarding discovery issues; review docket updates; consider additional stay pleadings; correspondence with client regarding mediation; review order of NJ court;	0.50
Nov-21-22	A. Hoy	Review of US LTL docket;	0.20
Nov-21-22	S. Kukulowicz	Drafted emails to Co-Mediator and L. Rogers regarding update request; review of emails from A. Morrison and S. Clinton regarding same; review of TCC motion to compel discovery and related emails; review of US docket update;	2.40
Nov-22-22	N. Levine	Prepare for meeting with mediator; correspondence with client and Cassels team; confer with Cassels class action team; review statements of claim to prepare for call; correspond with estimator;	1.80
Nov-22-22	A. Hoy	Review of US LTL docket and LTL objection to Motion for Direct Appeal;	0.30
Nov-22-22	S. Kukulowicz	Exchanged emails with L. Rogers regarding update on US proceedings; email to Co-Mediator regarding update on mediation; email to K. Feinberg regarding estimation process; review of response from K. Feinberg and discussed same with N. Levine; review of emails regarding meeting with K. Feinberg; email to K. Feinberg confirming meeting;	2.60
Nov-23-22	J. Martin	Prepare for and attend internal call regarding class action/MDL distinctions;	1.00
Nov-23-22	N. Levine	Consider additional pleadings regarding certification; call to Blakes regarding additional court documents for review;	2.30
Nov-23-22	S. Kukulowicz	Review of email from K. Feinberg; dealt with administrative issues; conference call with J. Martin et al. regarding class action issues and claim calculations; review of related emails; email to K. Feinberg;	1.60
Nov-24-22	S. Teversham	Meeting with J. Martin to discuss issue and research	0.80

Date	Name	Description	Hours
		question; research in support of MDL memo;	
Nov-24-22	A. Hoy	Review of US LTL docket;	0.10
Nov-24-22	S. Kukulowicz	Review of emails regarding meeting with K. Feinberg; review of emails regarding follow-up with Co-Mediator;	0.40
Nov-24-22	J. Martin	Background and familiarization; instructing S. Teversham regarding scope of MDL research necessary to prepare internal memorandum outlining differences between that procedure and Canadian/US class actions; beginning work on memorandum;	2.20
Nov-25-22	S. Teversham	Research in support of MDL memo; draft memo;	3.80
Nov-25-22	A. Hoy	Review of US LTL dockets;	0.10
Nov-25-22	N. Levine	Correspond with Cassels team regarding meeting with expert;	0.10
Nov-25-22	S. Kukulowicz	Review of class action information and issue of calculation of Canadian claims; administrative issues;	0.80
Nov-27-22	S. Teversham	Research in support of MDL memo noting differences between MDL procedure and class actions in Canada; draft memo;	2.70
Nov-28-22	S. Teversham	Research in support of MDL memo noting differences between MDL procedure and class actions in Canada; draft memo;	2.60
Nov-28-22	N. Levine	Prepare for hearing; prepare for meeting with estimator; confer with Cassels team; review additional pleadings;	0.70
Nov-28-22	A. Hoy	Review of US LTL docket and agenda for November 30th hearing;	0.40
Nov-28-22	S. Kukulowicz	Review of confirmation from K. Feinberg; review of additional filings regarding certification motions; review of agenda for hearing;	0.90
Nov-29-22	J. Martin	Prepare draft memorandum in advance of client meeting;	9.40
Nov-29-22	N. Levine	Review class action research; correspond with company counsel regarding statements of claim; prepare for hearing and meeting with client;	0.80
Nov-29-22	A. Hoy	Review of US LTL docket regarding LTL Motion to Extend;	0.30
Nov-29-22	S. Kukulowicz	Review of additional filings regarding certification motion;	0.50
Nov-30-22	J. Martin	Preparing for and attending client meeting; internal correspondence in advance of call;	1.20
Nov-30-22	N. Levine	Participate in update call with client and Cassels team to prepare for meeting; review memo; revise second memo; participate in portion of hearing; revise summary of same;	4.00
Nov-30-22	A. Hoy	Meeting with EY for discussion of class action; attend hearing and summarize events for Information Officer; monitor US LTL docket;	5.40
Nov-30-22	S. Kukulowicz	Participated in conference call with EY regarding class actions and Canadian claims; listened to US hearing on certification; review of draft summary of Canadian claims issues;	2.70

Date	Name	Description	Hours
Nov-30-22	J. Martin	Provide feedback and direct citations to group in terms of powers of subrogation and direct action by provincial health insurers in the form of a province-to-province concordance;	1.20

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Levine, Natalie	Partner	14.50	735.00	10,657.50
Kukulowicz, Shayne	Partner	25.20	1,075.00	27,090.00
Martin, Jeremy	Partner	15.00	660.00	9,900.00
Teversham, Sophie	Associate	9.90	400.00	3,960.00
Hoy, Alec	Associate	8.00	400.00	3,200.00
Bundy, Dakota	Law Student	1.70	195.00	331.50
Total (CAD)		**74.30**		**55,139.00**

Our Fees	55,139.00	
HST @ 13.00%	7,168.07	
TOTAL FEES & TAXES (CAD)		**62,307.07**

TOTAL FEES	**55,139.00**
TOTAL TAXES	**7,168.07**
TOTAL FEES & TAXES (CAD)	**62,307.07**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2179322	09/28/22	47,996.19	0.00	47,996.19
2181020	10/18/22	46,263.90	0.00	46,263.90
2184445	11/25/22	43,582.41	0.00	43,582.41
2186518	12/14/22	62,307.07	0.00	62,307.07
Total (CAD)		**200,149.57**	**0.00**	**200,149.57**

Cassels

Invoice No:	2189190
Date:	December 31, 2022
Matter No.:	025522-00024
GST/HST No.:	R121379572
Lawyer:	Kukulowicz, Shayne
Tel.:	(416) 860-6463
E-mail:	SKukulowicz@cassels.com

Attn: Alex Morrison
Ernst & Young Inc.
100 Adelaide Street West
Toronto, ON M5H 0B3

Re: Recognition Proceedings of LTL Management

Fees for professional services rendered up to and including December 31, 2022

Our Fees	39,053.50
HST @ 13.00%	5,076.96
TOTAL DUE (CAD)	**44,130.46**

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Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:
Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Scotia Plaza, Suite 2100, 40 King Street West
Toronto, Ontario, M5H 3C2 Canada

Online Bill Payments:
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Invoice No:	2189190
Matter No.:	025522-00024
Amount:	**CAD 44,130.46**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Dec-01-22	N. Levine	Correspond with Cassels team regarding hearing and judgment; prepare for expert meeting; calls with Cassels team regarding mediation; correspond with client;	1.20
Dec-01-22	S. Kukulowicz	Review of emails with EY regarding certification of appeal to Third Circuit Court; review of draft summary of certification hearing and provided comments; review of discussion points for meeting with J. Feinberg; review of US order;	1.70
Dec-01-22	A. Hoy	Draft review of November 30 Hearing; attend US LTL NJB Hearing and Briefing Information Officer on Proceedings;	1.40
Dec-02-22	A. Hoy	Review of US LTL Docket;	0.30
Dec-02-22	N. Levine	Consider additional status reports; prepare for call with expert; participate in same; follow up discussion with Cassels team regarding same;	2.40
Dec-02-22	J. Martin	Prepare for and attend internal meeting regarding meeting with Evaluator; call with Evaluator;	1.90
Dec-02-22	S. Kukulowicz	Office conference with N. Levine regarding call with K. Feinberg et al.; participated in call regarding estimation process; follow up discussion with N. Levine; exchanged emails regarding download and next steps with EY; review of update reports filed by Meso claimants;	2.40
Dec-04-22	N. Levine	Prepare for meeting with client;	0.10
Dec-05-22	N. Levine	Prepare for and participate in call with client; consider options to assist expert; consider request for information;	0.90
Dec-05-22	A. Hoy	Call regarding meeting with K. Feinberg follow up; review of LTL US Docket;	0.80
Dec-05-22	S. Kukulowicz	Review of correspondence from K. Feinberg's office regarding Canadian law firms representing talc claimants; exchanged emails with N. Levine et al. regarding information requests; conference Zoom with EY;	1.40
Dec-06-22	N. Levine	Confer with S. Kukulowicz; correspond with expert regarding service list; prepare for call with company;	0.30
Dec-06-22	A. Hoy	Review of US LTL Dockets;	0.20
Dec-06-22	S. Kukulowicz	Exchanged emails with L. Rogers regarding conference call involving EY and Jones Day; office conference with N. Levine; review of notes from K. Feinberg call;	0.80
Dec-07-22	N. Levine	Confer with Cassels team; correspond with client; prepare for additional calls;	0.40
Dec-07-22	A. Hoy	Review of US LTL Docket;	0.10
Dec-07-22	S. Kukulowicz	Telephone attendance with L. Rogers regarding discussions with K. Feinberg and EY on estimation of Canadian claims; emails to EY regarding same; telephone attendance with N. Levine;	1.50
Dec-08-22	N. Levine	Consider docket updates; confer with Cassels team regarding case status;	0.40
Dec-08-22	A. Hoy	Review of US LTL Docket;	0.50

Date	Name	Description	Hours
Dec-08-22	S. Kukulowicz	Review of US docket update; telephone attendance with N. Levine regarding claims estimation process and US pleadings;	1.30
Dec-09-22	A. Hoy	Review of US LTL Docket;	0.10
Dec-09-22	N. Levine	Confer with Cassels team regarding upcoming calls; review US docket;	0.20
Dec-09-22	S. Kukulowicz	Email to L. Rogers; telephone attendance with N. Levine; review of notes from meeting with K. Feinberg and prior reports regarding Canadian actions;	1.40
Dec-12-22	N. Levine	Review US docket; confer with S. Kukulowicz regarding next steps;	0.20
Dec-13-22	N. Levine	Prepare for call with company counsel;	0.40
Dec-13-22	S. Kukulowicz	Organize zoom conference with Blakes, Jones Day and EY; telephone attendance with N. Levine regarding estimation process for Canadian claims; review of US docket update;	1.70
Dec-14-22	S. Kukulowicz	Review of estimation issues in preparation for call with Blakes and Jones Day; file administration;	0.80
Dec-14-22	N. Levine	Circulate docket updates and summarize documents;	0.30
Dec-15-22	S. Kukulowicz	Review of LTL response to TCC motion to compel production; review of US pleadings;	0.80
Dec-16-22	S. Kukulowicz	Exchanged emails with L. Rogers regarding cancellation of meeting;	0.80
Dec-16-22	N. Levine	Prepare for meeting regarding expert issues;	0.30
Dec-18-22	N. Levine	Review agenda for hearing;	0.10
Dec-19-22	S. Kukulowicz	Review of agenda for US hearing and pleadings filed regarding motion to compel; office conference with N. Levine regarding class action counsel information for Expert estimator and review of related emails;	1.60
Dec-19-22	A. Hoy	Review of US LTL Docket and provide relevant documents to Information Officer for Hearing on December 20, 2022;	1.40
Dec-19-22	N. Levine	Prepare for hearing; discuss case update with A. Hoy; draft email regarding claimant counsel contact information;	0.70
Dec-20-22	A. Hoy	Attend US LTL hearing regarding Motion to Compel Discovery;	2.00
Dec-20-22	S. Kukulowicz	Listened to US hearing on various issues including TCC motion to compel; review of summary emails; review of draft email to Expert and EY comments;	1.20
Dec-20-22	N. Levine	Participate in US hearing; draft summary of same; review US complaint;	3.20
Dec-21-22	N. Levine	Prepare for call with client, company and others regarding next steps in proceedings; review additional US filings	0.60
Dec-21-22	S. Kukulowicz	Exchanged emails regarding discussion with Jones Day, Blakes and EY; telephone attendance with N. Levine;	0.50
Dec-22-22	N. Levine	Prepare for an participate in call with company and client; call with client regarding next steps;	1.10
Dec-22-22	S. Kukulowicz	Prepared for discussion with Jones Day et al. regarding	1.80

Date	Name	Description	Hours
		communications with K. Feinberg on estimation of Canadian claims; conference call with Jones Day, Blakes and EY; follow up discussion with N. Levine and A. Morrison;	
Dec-23-22	A. Hoy	Review US LTL Docket;	0.20
Dec-23-22	N. Levine	Review US docket updates;	0.20
Dec-23-22	S. Kukulowicz	Review of MRHFM submission to K. Feinberg;	0.30
Dec-28-22	N. Levine	Correspond with counsel to TCC; review US filings; correspond with client;	0.50
Dec-28-22	A. Hoy	Review of US LTL Docket;	0.20
Dec-28-22	S. Kukulowicz	Telephone attendance with N. Levine regarding communications with Expert on estimations and TCC; review of emails regarding scheduling; review of meso plaintiff filing with Judge Kaplan;	0.70
Dec-29-22	N. Levine	Correspond with client regarding hearing and additional pleadings; correspond with TCC;	0.70
Dec-29-22	A. Hoy	Review of US LTL Docket;	0.10
Dec-29-22	S. Kukulowicz	Review of motions for disclosure of third-party funding agreements and to disqualify K. Feinberg; telephone attendance with N. Levine; exchanged emails regarding follow-up discussion with K. Feinberg;	1.20
Dec-30-22	A. Hoy	Review of US LTL Docket;	0.10
Dec-30-22	S. Kukulowicz	Telephone attendance with N. Levine regarding estimation issues; review of emails with C. Biras (counsel for Expert on estimation); review of Expert budget filings;	0.80

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Levine, Natalie	Partner	14.20	735.00	10,437.00
Kukulowicz, Shayne	Partner	22.70	1,075.00	24,402.50
Martin, Jeremy	Partner	1.90	660.00	1,254.00
Hoy, Alec	Associate	7.40	400.00	2,960.00
Total (CAD)		**46.20**		**39,053.50**

Our Fees	39,053.50	
HST @ 13.00%	5,076.96	
TOTAL FEES & TAXES (CAD)		**44,130.46**

TOTAL FEES	**39,053.50**
TOTAL TAXES	**5,076.96**
TOTAL FEES & TAXES (CAD)	**44,130.46**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2186518	12/14/22	62,307.07	0.00	62,307.07
2189190	12/31/22	44,130.46	0.00	44,130.46
Total (CAD)		**106,437.53**	**0.00**	**106,437.53**

Cassels

Invoice No:	2192432
Date:	February 16, 2023
Matter No.:	025522-00024
GST/HST No.:	R121379572
Lawyer:	Kukulowicz, Shayne
Tel.:	(416) 860-6463
E-mail:	SKukulowicz@cassels.com

Attn: Alex Morrison
Ernst & Young Inc.
100 Adelaide Street West
Toronto, ON M5H 0B3

Re: Recognition Proceedings of LTL Management

Fees for professional services rendered up to and including January 31, 2023

Our Fees	44,071.00
HST @ 13.00%	5,729.23
TOTAL DUE (CAD)	**49,800.23**

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Swift Code: NOSCCATT
ABA No.: 026002532

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Scotia Plaza, Suite 2100, 40 King Street West
Toronto, Ontario, M5H 3C2 Canada

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Invoice No:	2192432
Matter No.:	025522-00024
Amount:	**CAD 49,800.23**
e-Transfer Payments:	payments@cassels.com
Credit Card Payments:	payments.cassels.com

FEE DETAIL

Date	Name	Description	Hours
Jan-02-23	N. Levine	Correspond with estimator regarding Canadian process;	0.10
Jan-02-23	S. Kukulowicz	Exchanged emails with N. Levine and EY regarding call with K. Feinberg; review of email from C. Biros;	0.20
Jan-03-23	N. Levine	Review US docket; correspond with client regarding calls; call with TCC;	0.60
Jan-03-23	A. Hoy	Monitor US LTL Docket;	0.20
Jan-03-23	S. Kukulowicz	Conference call with Canadian lawyers for TCC; review of US filing by Meso claimant;	1.20
Jan-04-23	S. Kukulowicz	Review of email from J. Carhart regarding Canadian claims; conference call with K. Feinberg et al. regarding information on Canadian claims; follow-up discussion with A. Morrison and N. Levine; review of emails to Plaintiff counsel in Canada and US trustee; review of form from Expert on estimation for law firms to compile claim information;	2.40
Jan-04-23	N. Levine	Participate in call with estimator; participate in call with client; participate in calls with other parties and organize additional diligence calls;	1.70
Jan-05-23	A. Hoy	Review of US LTL Docket;	0.10
Jan-05-23	S. Kukulowicz	Review of responses from Plaintiff firms and discussed same with N. Levine; review of scheduling emails; review of US docket filings;	0.80
Jan-05-23	N. Levine	Coordinate calls with claimants; confer with client regarding next steps; review US docket;	0.40
Jan-06-23	N. Levine	Review US docket updates;	0.10
Jan-09-23	N. Levine	Correspond with stakeholders; review additional discovery issues;	0.50
Jan-09-23	S. Kukulowicz	Review of emails regarding scheduling calls with Canadian Plaintiff counsel; review of email from L. Rogers regarding follow-up discussion with Jones Day and Blakes regarding Canadian claims; review of further US docket filings;	1.20
Jan-10-23	N. Levine	Prepare for calls with claimants; correspond with Cassels team regarding upcoming hearings;	0.30
Jan-10-23	A. Hoy	Review of US LTL Docket; scheduling Calendar Times for LTL Hearings;	0.50
Jan-10-23	S. Kukulowicz	Review of US pleadings regarding discovery of Dr. Moline;	0.30
Jan-11-23	N. Levine	Prepare for calls with claimants; review draft summary; confer with Cassels team;	1.20
Jan-11-23	A. Hoy	Review of US Docket; provide summary of motion details to Information Officer;	0.80
Jan-11-23	S. Kukulowicz	Zoom conference with Canadian plaintiff counsel (R. Howe), EY et al. regarding information on Canadian claims and estimation process; review of emails regarding scheduling meetings with counsel for other Canadian claimants; review of US docket filings including pleadings on motion to disqualify expert and disclosure motion;	3.20

Date	Name	Description	Hours
Jan-12-23	N. Levine	Prepare for calls with stakeholders; various stakeholder calls regarding mediation and estimation processes; discussion with Cassels team and client regarding case progress; review US pleadings and revise summary for client;	3.00
Jan-12-23	A. Hoy	Correspondence with Information Officer regarding Motion Materials Submitted in US Main Proceeding;	0.90
Jan-12-23	S. Kukulowicz	Office conference with N. Levine regarding calls with Plaintiff counsel; conference call with office of UST regarding cross-border issues; conference call with Plaintiff Counsel (R. Keith) and EY; zoom conference with Plaintiff Counsel (G. Moffat, J. Rochon et al.) and EY regarding estimation process; exchanged emails regarding scheduling additional calls with counsel for various Canadian plaintiffs;	3.20
Jan-13-23	S. Kukulowicz	Exchange emails with N. Levine; email to Judge Schneider regarding mediation update; office conference with N. Levine regarding various issues and scheduling call with J. Schneider; review of exchange of emails with counsel for the TCC; review of update on US docket; review of email from C. Biros;	1.50
Jan-13-23	N. Levine	Correspondence with client and mediator; follow with stakeholders regarding estimation; prepare for hearing;	0.40
Jan-13-23	A. Hoy	Review of US LTL Docket;	0.30
Jan-16-23	N. Levine	Calls with claimant counsel regarding submitting information; discussions with Cassels team regarding hearing; consider new documents;	0.90
Jan-16-23	A. Hoy	Review of US LTL Docket;	0.30
Jan-16-23	S. Kukulowicz	Conference call with E. Merchant et al. regarding claims estimation process; follow-up discussion with N. Levine; review of updated US docket;	1.90
Jan-17-23	S. Kukulowicz	Conference call with the Mediator (J. Schneider) regarding update on mediation; follow-up discussion with A. Morrison and N. Levine; review of additional pleading filed in connection with motion to disqualify K. Feinberg;	1.40
Jan-17-23	N. Levine	Call with mediator; call with client; review pleadings;	1.20
Jan-17-23	A. Hoy	Review of US LTL Docket;	0.20
Jan-18-23	A. Hoy	Monitoring US NJB LTL Omnibus Hearing; reporting to Information Officer on Proceedings;	2.10
Jan-18-23	N. Levine	Prepare for and participate in hearing; review updated pleadings; comment on summary for client;	1.70
Jan-18-23	S. Kukulowicz	Monitor January 18 US Bankruptcy court hearing; review of draft summary of EY; review of US pleadings;	1.20
Jan-19-23	N. Levine	Correspond with client; review US pleadings; confer with Cassels team regarding same;	0.30
Jan-19-23	A. Hoy	Review of US LTL Dockets and new Adv Proc;	0.40
Jan-19-23	S. Kukulowicz	Review of complaint by LTL against plaintiff doctors;	0.80
Jan-20-23	N. Levine	Review additional complaint; revise summary of documents for client;	0.60

Date	Name	Description	Hours
Jan-20-23	A. Hoy	Update Information Officer on US LTL docket filings;	0.20
Jan-20-23	S. Kukulowicz	Review of emails regarding US Complaint;	0.30
Jan-23-23	N. Levine	Confer with plaintiff counsel regarding providing information to estimator; review US docket;	0.30
Jan-23-23	A. Hoy	Review of US LTL Docket;	0.10
Jan-23-23	S. Kukulowicz	Exchanged emails with J. Rochon regarding claims data; review of claims spreadsheet;	0.70
Jan-24-23	A. Hoy	Review of US LTL Docket;	0.10
Jan-24-23	N. Levine	Correspondence with client regarding estimation;	0.10
Jan-24-23	S. Kukulowicz	Email to EY regarding claims spreadsheet from J. Rochon;	0.20
Jan-27-23	A. Hoy	Monitor US Docket;	0.10
Jan-28-23	N. Levine	Brief review of docket;	0.10
Jan-29-23	N. Levine	Consider upcoming hearing issues;	0.10
Jan-30-23	A. Hoy	Review of US LTL Docket and review of Third Circuit Decision;	0.40
Jan-30-23	S. Kukulowicz	Review of Third Circuit decision dismissing petition; office conference with N. Levine regarding issues arising from the decision; exchanged emails with L. Rogers; exchanged emails with EY; review of earlier Bankruptcy Court decision;	2.80
Jan-30-23	N. Levine	Review Third Circuit decision; confer with client; correspondence with company; review press coverage;	0.60
Jan-31-23	N. Levine	Call with company counsel; call with client; review press coverage; review decision in detail;	1.20
Jan-31-23	A. Hoy	Call with Information Officer team regarding next steps;	0.40
Jan-31-23	S. Kukulowicz	Zoom conference with L. Rogers and N. Levine regarding Third Circuit decision; further review of decision; zoom conference with A. Morrison et al. regarding Third Circuit decision; review of Order relating to Third Circuit Decision;	2.50

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Kukulowicz, Shayne	Partner	25.80	1,130.00	29,154.00
Levine, Natalie	Partner	15.40	775.00	11,935.00
Hoy, Alec	Associate	7.10	420.00	2,982.00
Total (CAD)		**48.30**		**44,071.00**

Our Fees	44,071.00	
HST @ 13.00%	5,729.23	
TOTAL FEES & TAXES (CAD)		**49,800.23**

TOTAL FEES	**44,071.00**
TOTAL TAXES	**5,729.23**
TOTAL FEES & TAXES (CAD)	**49,800.23**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2186518	12/14/22	62,307.07	0.00	62,307.07
2189190	12/31/22	44,130.46	0.00	44,130.46
2192432	02/16/23	49,800.23	0.00	49,800.23
Total (CAD)		**156,237.76**	**0.00**	**156,237.76**

Cassels

Invoice No:	2195536
Date:	March 27, 2023
Matter No.:	025522-00024
GST/HST No.:	R121379572
Lawyer:	Kukulowicz, Shayne
Tel.:	(416) 860-6463
E-mail:	SKukulowicz@cassels.com

Attn: Alex Morrison
Ernst & Young Inc.
100 Adelaide Street West
Toronto, ON M5H 0B3

Re: Recognition Proceedings of LTL Management

Fees for professional services rendered up to and including February 28, 2023

Our Fees	46,805.00
HST @ 13.00%	6,084.65
TOTAL DUE (CAD)	**52,889.65**

We are committed to protecting the environment.
Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

CAD EFT and Wire:

Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:

Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Scotia Plaza, Suite 2100, 40 King Street West
Toronto, Ontario, M5H 3C2 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No:	2195536
Matter No.:	025522-00024
Amount:	**CAD 52,889.65**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Feb-01-23	N. Levine	Review email from company; draft correspondence to client regarding report;	0.10
Feb-01-23	S. Kukulowicz	Review of email from L. Rogers regarding LTL plan to appeal Third Circuit decision and effect of decision; review of emails with EY regarding LTL plan; office conference with N. Levine;	0.80
Feb-02-23	S. Kukulowicz	Review of email from A. Morrison et al. regarding effect of Third Circuit decision;	0.30
Feb-06-23	N. Levine	Review Third Circuit docket; consider update email to client;	0.20
Feb-06-23	A. Hoy	Review US LTL Dockets and summarize updates for report to IO;	0.40
Feb-06-23	S. Kukulowicz	Review of US docket filings; review of email exchanges with EY on US filings and upcoming omnibus hearing;	0.80
Feb-07-23	N. Levine	Correspondence with company and TCC; review TCC affidavit; revise report;	1.90
Feb-07-23	A. Hoy	Review LTL docket and update EY; draft Fifth Report of IO;	4.10
Feb-07-23	S. Kukulowicz	Review of proposed filing by TCC on Canadian service list regarding Third Circuit decision; telephone attendance with N. Levine regarding contacting Canadian counsel for TCC and discussions with L. Rogers; telephone call to L. Rogers and left message; review of emails between Blakes and Miller Thompson regarding proposed filing by TCC; review of updated version of draft Fifth Report;	3.20
Feb-08-23	A. Hoy	Draft Fifth Report of the IO;	1.10
Feb-08-23	N. Levine	Revise draft report; discuss same with Cassels team; confer with client regarding same;	0.50
Feb-08-23	S. Kukulowicz	Review of comments from N. Levine on draft Fifth Report and provided additional comments/questions; exchanged emails regarding various issues arising from the Third Circuit decision and Miller Thompson filing; telephone attendance with L. Rogers regarding Miller Thompson filing and issues for the Fifth Report; review of additional US docket filings; review of comments on the draft Fifth Report from EY;	3.10
Feb-09-23	N. Levine	Revise draft report; correspond with company counsel regarding draft report; correspond with claimant counsel;	1.00
Feb-09-23	A. Hoy	Review of US LTL Docket;	0.20
Feb-09-23	S. Kukulowicz	Review of emails from L. Rogers regarding LTL rehearing petition and potential appeal plans; review of emails regarding draft Fifth Report and additional revisions; telephone attendance with N. Levine regarding rehearing/appeal issues; exchanged emails with EY and L. Rogers regarding draft Fifth Report;	2.20
Feb-10-23	N. Levine	Correspond with Cassels team and Blakes team regarding comments on report; review and consider draft letter to counsel; call with Blakes; review docket update;	0.50
Feb-10-23	A. Hoy	Draft response letter to Preszler regarding Stay of	1.40

Date	Name	Description	Hours
		Proceedings for claims; review US Docket;	
Feb-10-23	S. Kukulowicz	Review of emails regarding filing of additional talc claims in B.C. Court; review of comments from Jones Day and Blakes regarding draft Fifth Report; review of draft letter to counsel for B.C. plaintiffs; telephone attendance with N. Levine regarding draft letter and comments on draft report; review of EY emails on various issues;	1.80
Feb-11-23	N. Levine	Revise draft letter; revise draft report; confer with Cassels team regarding same;	1.90
Feb-11-23	A. Hoy	Revise Fifth Report of IO to Court;	0.70
Feb-11-23	S. Kukulowicz	Exchanged emails and telephone attendance with N. Levine regarding letter to counsel for B.C. plaintiffs and violation of the stay of proceedings; review of updated Fifth Report;	0.70
Feb-13-23	N. Levine	Review US docket; prepare for hearing; correspond with claimant counsel; consider report changes;	0.80
Feb-13-23	A. Hoy	Revise and finalize letter for Preszler Law;	0.80
Feb-13-23	S. Kukulowicz	Review of emails from EY on draft report and discussions regarding timing for service; exchanged emails regarding US omnibus hearing in light of Third Circuit decision; exchanged emails with N. Levine and EY regarding status of LTL petition and revisions to the Fifth Report; review of revised letter to counsel for B.C. talc claimants and related emails; review of further US docket filings for omnibus hearing;	2.40
Feb-14-23	A. Hoy	Monitor LTL Omnibus hearing and prepare report to Information Officer; revise IO Report to the Court;	3.50
Feb-14-23	S. Kukulowicz	Monitored zoom hearing in US Court regarding effect of Third Circuit decision and other lift stay issues; office conference with N. Levine regarding US Court hearing and status of the Fifth Report; reviewed summary of hearing; final review and revisions to the Fifth Report; review of LTL petition for rehearing and hearing en banc;	2.90
Feb-14-23	N. Levine	Participate in portion of hearing; consider summary documents; review docket; confer with Cassels team regarding report;	1.60
Feb-15-23	S. Kukulowicz	Exchanged emails regarding filing Fifth Report; made final revisions to the Fifth Report and circulated same to EY and Blakes for review; review of final comments; file administration (fee estimates);	1.90
Feb-15-23	A. Hoy	Prepare Fifth Report to Court;	1.50
Feb-15-23	N. Levine	Revise report; call with company counsel; review petition;	1.10
Feb-16-23	S. Kukulowicz	Final review of Fifth Report and assisted regarding service issues;	1.80
Feb-16-23	A. Hoy	Revise and serve Fifth Report; swear affidavit of service;	1.10
Feb-16-23	N. Levine	Review and commission affidavit; comment on service materials;	0.10
Feb-17-23	S. Kukulowicz	Review of confirmation of filing of Fifth Report; review of US docket filings; review of correspondence from T. Merchant	1.80

Date	Name	Description	Hours
		to B.C. Court regarding scheduling of class action litigation; telephone attendance with N. Levine regarding response to T. Merchant correspondence;	
Feb-17-23	N. Levine	Correspond with company regarding letters to courts; review docket updates and supervise filing;	0.30
Feb-17-23	A. Hoy	Review US LTL docket;	0.20
Feb-18-23	A. Hoy	Draft letter to BC Westminster Court;	1.40
Feb-18-23	N. Levine	Consider draft email and draft letter;	0.20
Feb-18-23	S. Kukulowicz	Review of draft letter to B.C. Court and discussed same with N. Levine and A. Hoy; draft email to T. Merchant and incorporated comments from N. Levine;	1.30
Feb-19-23	S. Kukulowicz	Email to T. Merchant regarding effect of LTL petition to the Third Circuit on B.C. Action; revised letter to the B.C. Court and exchanged emails with N. Levine regarding same; forwarded draft letter to EY and separately to L. Rogers;	1.10
Feb-19-23	N. Levine	Comment on draft letter;	0.20
Feb-19-23	A. Hoy	Draft letter to BC Court regarding continued stay;	1.20
Feb-20-23	S. Kukulowicz	Exchanged emails with L. Rogers regarding additional changes on letter to B.C. Court; finalized letter to B.C. Court;	0.50
Feb-20-23	N. Levine	Comment on letter;	0.10
Feb-20-23	A. Hoy	Revise letter to BC Court and send letter to BC Court; monitor US LTL docket;	0.60
Feb-21-23	S. Kukulowicz	Review of acknowledgment of correspondence from the B.C. Court;	0.10
Feb-22-23	A. Hoy	Review LTL US Docket;	0.20
Feb-23-23	S. Kukulowicz	Review of US docket update;	0.20
Feb-26-23	A. Hoy	Correspondence to EY team and review of upcoming NJB hearing agenda;	0.10
Feb-26-23	N. Levine	Correspondence regarding hearing;	0.10
Feb-27-23	S. Kukulowicz	Review of US docket filings;	0.30
Feb-27-23	A. Hoy	Review of US LTL Docket;	0.20

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Kukulowicz, Shayne	Partner	27.20	1,130.00	30,736.00
Levine, Natalie	Partner	10.60	775.00	8,215.00
Hoy, Alec	Associate	18.70	420.00	7,854.00
Total (CAD)		**56.50**		**46,805.00**

Our Fees	46,805.00	
HST @ 13.00%	6,084.65	
TOTAL FEES & TAXES (CAD)		**52,889.65**

TOTAL FEES	**46,805.00**
TOTAL TAXES	**6,084.65**
TOTAL FEES & TAXES (CAD)	**52,889.65**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2192432	02/16/23	49,800.23	0.00	49,800.23
2195536	03/27/23	52,889.65	0.00	52,889.65
Total (CAD)		**102,689.88**	**0.00**	**102,689.88**

Cassels

Invoice No:	2196379
Date:	April 06, 2023
Matter No.:	025522-00024
GST/HST No.:	R121379572
Lawyer:	Kukulowicz, Shayne
Tel.:	(416) 860-6463
E-mail:	SKukulowicz@cassels.com

Attn: Alex Morrison
Ernst & Young Inc.
100 Adelaide Street West
Toronto, ON M5H 0B3

Re: Recognition Proceedings of LTL Management

Fees for professional services rendered up to and including March 31, 2023

Our Fees	24,670.50
Disbursements	14.50
Total Fees and Disbursements	24,685.00
HST @ 13.00%	3,209.05
TOTAL DUE (CAD)	**27,894.05**

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Please provide your email address to payments@cassels.com to receive invoice and reminder statements electronically.

Payment due upon receipt. Please return remittance advice(s) with cheque.

REMITTANCE ADVICE: ***Email payment details to payments@cassels.com***

CAD EFT and Wire:
Bank of Nova Scotia
44 King St. West,
Toronto, ON, M5H 1H1

Bank I.D.: 002
Transit No.: 47696
Account No.: 0073911
Swift Code: NOSCCATT
ABA No.: 026002532

Cheque Payments:
Cassels Brock & Blackwell LLP
Finance & Accounting (Receipts)
Scotia Plaza, Suite 2100, 40 King Street West
Toronto, Ontario, M5H 3C2 Canada

Online Bill Payments:
Vendor name is **Cassels Brock Blackwell LLP** and you are required to enter the first six digits of the matter #

Invoice No: 2196379
Matter No.: 025522-00024

Amount: **CAD 27,894.05**

e-Transfer Payments: payments@cassels.com

Credit Card Payments: payments.cassels.com

FEE DETAIL

Date	Name	Description	Hours
Mar-01-23	A. Hoy	Review US Docket;	0.20
Mar-02-23	A. Hoy	Review US LTL Docket;	0.10
Mar-02-23	S. Kukulowicz	Review of additional filings on US docket; review of commentary on Third Circuit decision;	0.70
Mar-04-23	S. Kukulowicz	Review of Order from Third Circuit regarding additional briefing; review of filings by Chamber of Commerce and Law Professors in support of re-hearing; exchanged emails with N. Levine regarding Third Circuit issues;	1.30
Mar-04-23	N. Levine	Review Third Circuit updates;	0.60
Mar-08-23	S. Kukulowicz	Review of emails regarding Third Circuit filings;	0.20
Mar-13-23	A. Hoy	Review US LTL Docket and adjournment requests;	0.30
Mar-13-23	S. Kukulowicz	Review of orders adjourning various matters pending Third Circuit decision;	0.20
Mar-17-23	S. Kukulowicz	File administration (fee estimates); exchanged emails with A. Morrison regarding status;	0.30
Mar-18-23	N. Levine	Review Third Circuit docket; correspond with client;	0.30
Mar-19-23	N. Levine	Review US docket; correspond with client;	0.30
Mar-20-23	N. Levine	Confer with client regarding Third Circuit status and update;	0.20
Mar-21-23	A. Hoy	Strategic call with Information Officer for next steps; draft Sixth Report;	1.10
Mar-21-23	N. Levine	Participate in call with client; work on draft report;	0.60
Mar-21-23	S. Kukulowicz	Review of briefs on rehearing; update call with EY;	0.80
Mar-22-23	A. Hoy	Draft Sixth Report;	3.90
Mar-22-23	N. Levine	Revise report; participate in calls regarding same;	1.60
Mar-22-23	S. Kukulowicz	Telephone attendance with L. Rogers regarding status and contingency plans; review of Third Circuit order denying a rehearing and press reports; exchanged emails with L. Rogers regarding rehearing decision; review of draft report;	1.80
Mar-23-23	A. Hoy	Draft and revise Sixth Report;	1.60
Mar-23-23	N. Levine	Revise report; review application for stay; correspond with client and with company counsel; call with company counsel; review docket updates;	1.90
Mar-23-23	S. Kukulowicz	Review of revised draft report regarding Third Circuit decision and discussed further revisions with N. Levine; review of comments on report from EY; review of LTL motion to stay the mandate pending appeal to US supreme Court; review of emails regarding 3M decision and impact o LTL appeal;	2.20
Mar-24-23	N. Levine	Revise report; review additional documents; calls with company counsel and emails with client; review precedent documents for appellate issues;	1.60
Mar-24-23	S. Kukulowicz	Review of emails from L. Rogers and N. Levine regarding draft report;	0.30
Mar-27-23	A. Hoy	Draft and serve Sixth Report;	2.20

Date	Name	Description	Hours
Mar-27-23	S. Kukulowicz	Review of comments on draft report from Blakes and Jones Day; exchanged emails with EY and N. Levine regarding proposed revisions; final review of report and approved for service;	1.30
Mar-27-23	N. Levine	Revise report; correspond with client; supervise service;	1.60
Mar-28-23	A. Hoy	Correspond with Canadian LTL Counsel regarding service list;	0.40
Mar-28-23	N. Levine	Confer with Cassels team regarding service and filing;	0.10
Mar-29-23	A. Hoy	Correspond with client and Canadian Debtor counsel regarding service list;	0.10
Mar-30-23	N. Levine	Review additional US filings; correspond with client regarding same;	0.70
Mar-30-23	S. Kukulowicz	Review of responding briefs of TCC and other claimants;	0.80
Mar-31-23	N. Levine	Consider additional briefing and correspond with client regarding same;	0.20
Mar-31-23	S. Kukulowicz	Review of LTL reply regarding stay request; consider issues in the event the Stay of Proceedings is not granted;	1.60

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Kukulowicz, Shayne	Partner	11.50	1,130.00	12,995.00
Levine, Natalie	Partner	9.70	775.00	7,517.50
Hoy, Alec	Associate	9.90	420.00	4,158.00
Total (CAD)		**31.10**		**24,670.50**

Our Fees	24,670.50	
HST @ 13.00%	3,207.16	
TOTAL FEES & TAXES (CAD)		**27,877.66**

DISBURSEMENT SUMMARY

Taxable Disbursements		
Copies	14.50	
Total Taxable Disbursements	14.50	
HST @ 13.00%	1.89	
Total Taxable Disbursements & Taxes	16.39	
TOTAL DISBURSEMENTS & TAXES (CAD)		**16.39**

TOTAL FEES	**24,670.50**
TOTAL DISBURSEMENTS	**14.50**
TOTAL TAXES	**3,209.05**
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	**27,894.05**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2192432	02/16/23	49,800.23	0.00	49,800.23
2195536	03/27/23	52,889.65	0.00	52,889.65
2196379	04/06/23	27,894.05	0.00	27,894.05
Total (CAD)		**130,583.93**	**0.00**	**130,583.93**

This is Exhibit “B” referred to in the affidavit of Natalie E. Levine, affirmed before me by videoconference on April 12, 2023 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario.

……………………………………………………...
A Commissioner for Taking Affidavits

Commissioner Name: William Onyeaju
Law Society of Ontario Number: 81919E

EXHIBIT "B"

Calculation of Average Hourly Billing Rates of
Cassels Brock & Blackwell LLP
for the period from October 03, 2022 to March 31, 2023

Invoice No./ Period	Fees ($)	Disbursements ($)	HST ($)	Total Fees, Disbursements and HST ($)	Hours Billed	Average Billed Rate ($)
9218445 Oct 03-22 to Oct 31-22	38,568.50	00.00	5,013.91	43,582.41	53.00	727.71
2186518 Nov 01-22 to Nov 30-22	55,139.00	00.00	7,168.07	62,307.07	74.30	742.11
2189190 Dec 01-22 to Dec 31-22	39,053.50	00.00	5,076.96	44,130.46	46.20	845.31
2192432 Jan 02-23 to Jan 31-23	44,071.00	00.00	5,729.23	49,800.23	48.30	912.44
2195536 Feb 01-23 to Feb 28-23	46,805.00	00.00	6,084.65	52,889.65	56.50	828.41
2196379 Mar 01-23 to Mar 31-23	24,670.50	14.50	3,209.05	27,894.05	31.10	793.26
Total	**248,307.50**	**14.50**	**32,281.87**	**280,603.87**	**309.40**	**808.21**

This is Exhibit “C” referred to in the affidavit of Natalie E. Levine, affirmed before me by videoconference on April 12, 2023 in accordance with O. Reg. 431/20. The affiant was located in the City of Toronto in the Province of Ontario and I was located in the City of Toronto in the Province of Ontario.

…………………………………………………...
A Commissioner for Taking Affidavits

Commissioner Name: William Onyeaju
Law Society of Ontario Number: 81919E

EXHIBIT "C"

Billing Rates of Cassels Brock & Blackwell LLP

For the period from October 03, 2022 to March 31, 2023

Year of Call	Individual	Rate ($)	Fees Billed ($)	Hours Worked
1990	Shayne Kukulowicz (2022 rate)	1,075.00	75,572.50	70.30
1990	Shayne Kukulowicz (2023 rate)	1,130.00	72,885.00	64.50
2012	Natalie Levine (2022 rate)	735.00	28,591.50	38.90
2012	Natalie Levine (2023 rate)	775.00	27,667.50	35.70
2013	Jeremy Martin (2022 rate)	660.00	11,154	16.90
2022	Alec Hoy (2022 rate)	400.00	12,040.00	30.10
2022	Alec Hoy (2023 rate)	420.00	14,994.00	35.70
2022	Sophie Teversham (2022 rate)	400.00	3,960.00	9.90
	Dakota Bundy (Law Student) (2022 rate)	195.00	1,443.00	7.40

Court File No. CV-21-00673856-00CL

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF LTL MANAGEMENT LLC

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

PROCEEDING COMMENCED AT TORONTO

AFFIDAVIT OF NATALIE E. LEVINE
SWORN APRIL 12, 2023

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Shayne Kukulowicz LSO #: 30729S
Tel: 416.860.6463
skukulowicz@cassels.com

Natalie Levine LSO #: 64908K
Tel: 416.860.6568
nlevine@cassels.com

Alec Hoy LSO #85489K
Tel: 416.860.2976
ahoy@cassels.com

Lawyers for the Information Officer

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Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON M5H 3C2

Shane Kukulowicz LSO #: 30729S
Tel: 416.860.6463
skukulowicz@cassels.com

Natalie Levine   LSO #: 64908K
Tel: 416.860.6568
nlevine@cassels.com

Alec Hoy   LSO #85489K
Tel: 416.860.2976
ahoy@cassels.com

Lawyers for the Information Officer