Court File No. CV-23-00697824-00CL

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*

THIRD REPORT OF THE INFORMATION OFFICER
September 13, 2023

OVERVIEW

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 in October 2021. 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.) arising from talc-related claims.
2. On April 4, 2023, LTL filed a petition in the United States Bankruptcy Court for the District of New Jersey (the "**New Jersey Bankruptcy Court**") seeking relief under chapter 11 of title 11 of the United States Code (the "**U.S. Bankruptcy Code**") and commencing proceedings in the United States (the "**2023 Chapter 11 Proceeding**").
3. The 2023 Chapter 11 Proceeding is the Debtor's second filing under the U.S. Bankruptcy Code. The Debtor's prior filing under the U.S. Bankruptcy Code (the "**2021 Chapter 11**

Proceeding")[1] was dismissed by an order of the New Jersey Bankruptcy Court on April 4, 2023 after significant litigation and an opinion of the United States Third Circuit Court of Appeals issued on January 30, 2023.[2]

4. On April 13, 2023, the CCAA Court issued the Initial Recognition Order (Foreign Main Proceeding) (the "**2023 Initial Recognition Order**"), recognizing the 2023 Chapter 11 Proceeding as a "foreign main proceeding" and commencing this recognition proceeding before the CCAA Court (the "**2023 Recognition Proceeding**").
5. Since the filing of the 2023 Chapter 11 Proceeding, certain parties including the official committee of talc claimants appointed in the 2023 Chapter 11 Proceeding (the "**TCC**"), certain talc claimants, and the Office of the United States Trustee have argued that the 2023 Chapter 11 Proceeding should be dismissed for the reason that, among other things, the proceeding is a bad faith filing. Beginning on April 24, 2023, multiple parties filed motions to dismiss the 2023 Chapter 11 Proceeding, or joinders thereto (collectively, the "**Motions to Dismiss**").[3]
6. From June 27 to June 30, 2023, the New Jersey Bankruptcy Court held the hearings for the Motions to Dismiss and, on July 28, 2023, Judge Kaplan of the New Jersey Bankruptcy Court released a Memorandum Opinion, granting the Motions to Dismiss (the "**2023 Dismissal Opinion**"). On August 11, 2023, the New Jersey Bankruptcy Court entered an order dismissing the 2023 Chapter 11 Proceeding as of the date therein (the "**2023 Dismissal Order**").

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[1] On December 17, 2021, the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**") granted an order which, among other things, recognized the 2021 Chapter 11 Proceeding as "foreign main proceeding" (the "**2021 Recognition Proceeding**") and appointed Ernst & Young Inc. to act as information officer therein. The 2021 Recognition Proceeding was terminated by an order dated April 13, 2023.

[2] The history of the 2021 Chapter 11 Proceeding is described in detail in the reports filed by Ernst & Young Inc. in its capacity as information officer in the related CCAA recognition proceeding, accessible here: https://documentcentre.ey.com/#/detail-engmt?eid=479.

[3] The Motions to Dismiss are comprised of ten motions filed by the TCC, Maune, Raichle, Hartley, French & Mudd LLC on behalf of the Ad Hoc Group of Mesothelioma Claimants and various talc claimants, Moshe Maimon on behalf of Paul Crouch, the Ad Hoc Committee of States Holding Consumer Protection Claims, the United States Trsutee, Arnold & Itkin, LLP on behalf of certain talc personal injury claimants, the State of Mississippi and the state of New Mexico, the Estate of Melissa Fleming and the Estate of Sherri Gendelman, and two joinders filed by the Barnes Law Group, LLC on behalf of Georgia State Court Claimants and Leah Cylia Kagan on behalf of various talc claimants.

7. On August 24, 2023, the Debtor filed a notice of appeal of the 2023 Dismissal Order (the "**2023 Dismissal Appeal**"), but the Debtor did not seek a stay of the 2023 Dismissal Order.
8. The Debtor is now seeking an order dismissing the 2023 Recognition Proceeding (the "**2023 CCAA Termination Order**").

PURPOSE

9. The purpose of this Third Report (the "**Third Report**") of Ernst & Young Inc. in its capacity as information officer (the "**Information Officer**") is to provide information to the CCAA Court and Canadian stakeholders with respect to:
   i) the status of the 2023 Chapter 11 Proceeding, including the impact of the 2023 Dismissal Opinion and the 2023 Dismissal Appeal;
   ii) the Debtor's motion (the "**2023 CCAA Termination Motion**") for the 2023 CCAA Termination Order, among other things:
      a. recognizing and giving full force and effect in Canada to the 2023 Dismissal Order;
      b. terminating this 2023 Recognition Proceeding, including discharging the Information Officer and granting a release in respect of the Information Officer and its counsel;
      c. approving the activities of the Information Officer as described in this Third Report, the Second Report of the Information Officer dated June 20, 2023 (the "**Second Report**"), the First Report of the Information Officer dated April 21, 2023 and the Supplement to the First Report of the Information Officer dated April 28, 2023 (together, the "**First Report**") and the Pre-Filing Report of the Proposed Information Officer dated April 12, 2023 (the "**Pre-Filing Report**"); and
      d. approving the accounts of the Information Officer and its legal counsel as set out in the Fee Affidavits (as defined below); and
   iii) the Information Officer's recommendation in respect of the 2023 CCAA Termination Motion.

TERMS OF REFERENCE

10. In preparing this Third 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 publicly available information such as court documents and press releases (collectively, the "**Information**").
11. 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.
12. Unless otherwise indicated, the Information Officer's understanding of factual matters expressed in this Third 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

13. On June 20, 2023, the Information Officer issued the Second Report with respect to the status of the 2023 Chapter 11 Proceeding and the related 2023 Recognition Proceeding. A copy of the Second Report is attached hereto as **Appendix "A"**. This Third Report provides an update on the matters summarized in the Second Report.

Motions to Dismiss

14. Commencing on April 24, 2023, several parties, including the TCC, the Ad Hoc Group of Mesothelioma Claimants, Levy Konigsberg LLP, the Ad Hoc Committee of States Holding Consumer Protection Claims, the Mesothelioma Claimants Counsel, Maune Raichle Hartley French & Mudd, LLC, the United States Trustee, the Georgia State Court Claimants and the States of New Mexico and Mississippi filed the Motions to Dismiss (collectively, the "**Moving Parties**").

15. From June 27 to June 30, 2023, the New Jersey Bankruptcy Court held the hearings for the Motions to Dismiss. Several of the Moving Parties made submissions, challenging the legitimacy of the 2023 Chapter 11 Proceeding on the basis that it was commenced for an invalid purpose and was commenced in bad faith. Certain of the Moving Parties also challenged whether the Debtor met the threshold of financial distress required to access relief under the U.S. Bankruptcy Code. The Debtor contested these submissions.

16. On July 28, 2023, the New Jersey Bankruptcy Court released the 2023 Dismissal Opinion, granting the Motions to Dismiss. A copy of the 2023 Dismissal Opinion is attached hereto as **Appendix "B"**.

17. On August 11, 2023, the New Jersey Bankruptcy Court entered the 2023 Dismissal Order. The 2023 Dismissal Order provides, among other things, that: (i) the 2023 Chapter 11 Proceeding was dismissed as of August 11, 2023 (the "**Dismissal Date**"); (ii) the automatic stay granted in favour of LTL was terminated as of the Dismissal Date (iii) the Preliminary Injunction Order (as defined below), and the preliminary injunction granted thereby, was rendered moot, (iv) the future talc claimants representative and the mediators appointed in the 2023 Chapter 11 Proceeding were discharged and terminated; (v) the TCC is permitted to continue in existence for the limited purpose of pursuing or defending any appeals in the 2023 Chapter 11 Proceeding; and (iv) the parties continue to be bound by the confidentiality orders granted in the 2023 Chapter 11 Proceeding. The 2023 Dismissal Order also provides that the limitation periods for claims that were stayed by the automatic stay or enjoined by the preliminary injunction would be tolled from April 4, 2023 and April 24, 2023, respectively, until the latter of the end of the applicable period (including any suspension) and 30 days after notice of the 2023 Dismissal Order.

18. On August 24, 2023, the Debtor filed a notice of appeal of the 2023 Dismissal Order to the United States District Court for the District of New Jersey (the "**District Court**"). The Ad Hoc Committee of Supporting Counsel subsequently filed an additional notice of appeal of the 2023 Dismissal Order on September 5, 2023 to the District Court. The Information Officer understands that no timeline has been set for the appeals and no stay has been sought in respect of the 2023 Dismissal Order.

19. The 2023 Dismissal Order provides that a clerk of the New Jersey Bankruptcy Court will close the 2023 Chapter 11 Proceeding when, among other things, certain administrative matters within the 2023 Chapter 11 Proceeding have been completed and the Debtor, with the prior written acknowledgement from the United States Trustee, files a notice to the New Jersey Bankruptcy Court indicating that all appellate proceedings involving the 2023 Dismissal Order are exhausted or resolved. The Affidavit of John K. Kim sworn September 5, 2023 further notes that if the Debtor is successful on appeal, it expects to seek relief from this CCAA Court at the appropriate time.

Preliminary Injunction

20. On April 25, 2023, Judge Kaplan entered a written order (the "**Preliminary Injunction Order**") which, among other things, granted a limited injunction in favour of the Modified Protected Parties (as defined in the Preliminary Injunction Order). The limited injunction stayed plaintiffs from commencing or conducting any trial or appeal against any of the Modified Protected Parties but permits any party to file a suit against the Modified Protected Parties, subject to certain notification requirements, and commence or proceed with discovery or any pre-trial matters against the Modified Protected Parties. The Preliminary Injunction Order also provided tolling provisions, tolling the time period for a party's talc claims to specific time periods applicable to non-bankruptcy laws, orders entered in non-bankruptcy proceedings, or agreements among relevant parties, or 30 days after the notice of expiry or termination of the stay or the 2023 Preliminary Injunction Order.

21. On May 1, 2023, the CCAA Court issued the 2023 Preliminary Injunction Recognition Order (the "**Preliminary Injunction Recognition Order**"), recognizing the Preliminary Injunction Order and giving it full force and effect in Canada, and extending the scope of the stay and injunction provided for in the order until the later of (i) the expiry of the Preliminary Injunction Order by its terms unless extended by a further order of the New Jersey Bankruptcy Court, or (ii) June 22, 2023.

22. On July 14, 2023, the New Jersey Bankruptcy Court entered an order: (i) modifying the list of Modified Protected Parties to include Janssen Pharmaceuticals, Inc. ("**Janssen**") and Kenvue

Inc. ("**Kenvue**") and extending the scope of the protections under the Preliminary Injunction Order, but not the automatic stay, to Janssen and Kenvue and (ii) extending the scope of the stay and injunction provided for in the Preliminary Injunction Order to August 22, 2023, subject to further extension.

23. The 2023 Dismissal Order rendered the Preliminary Injunction Order moot and addresses the tolling of claims that were stayed in the Preliminary Injunction Order.

2023 CCAA Termination Motion

24. As a result of the 2023 Dismissal Order, there is no longer a foreign proceeding for this Court to recognize and, accordingly, the Debtor has brought the 2023 CCAA Termination Motion seeking the 2023 CCAA Termination Order. The proposed 2023 CCAA Termination Order, if granted, among other things: (i) recognizes the 2023 Dismissal Order; (ii) terminates the 2023 Recognition Proceeding; (iii) terminates the stay of proceedings granted in the 2023 Initial Recognition Order; (iii) terminates the stay of proceedings set out in the Preliminary Injunction Recognition Order; (iv) discharges the Information Officer in the 2023 Recognition Proceeding; and (v) approves the fees and activities of the Information Officer and its counsel.

25. The Information Officer understands that the terms of the relief sought by the Debtor in the proposed 2023 CCAA Termination Order are consistent with the provisions of the 2023 Dismissal Order. If the proposed 2023 CCAA Termination Order is granted and the 2023 Dismissal Order is recognized, the stay granted in the 2023 Recognition Proceeding will be terminated and there will be no remaining restriction from the 2023 Recognition Proceedings on any persons seeking to assert talc-related claims.

APPROVAL OF ACTIVITIES AND FEES AND DISBURSEMENTS OF THE INFORMATION OFFICER AND ITS LEGAL COUNSEL

26. The activities of the Information Officer are set out in this Third Report and the Second Report attached as Appendix "A", the First Report and Pre-Filing Report, copies of which are attached (without appendices) hereto as **Appendix "C"** and **Appendix "D"**, respectively.

27. Pursuant to paragraphs 13 and 14 of the 2023 Supplemental Recognition Order (Foreign Main Proceeding) entered in this 2023 Recognition Proceeding on April 13, 2023: (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 2023 Initial Recognition Order; and (ii) the Information Officer and its legal counsel shall pass their accounts from time to time before the Court.

28. Attached hereto as **Appendix "E"** is the Affidavit of Alex Morrison (the "**Morrison Affidavit**"), attesting to the fees and disbursements of the Information Officer for the period from April 5, 2023 to September 8, 2023 in the aggregate amount of $251,496.01, comprised of fees of $239,520.00[4], and disbursements and expenses of $11,976.01.

29. Attached hereto as **Appendix "F"** 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 April 5, 2023 to September 8, 2023 in the aggregate amount of $494,563.79, comprised of fees of $436,850.50, disbursements of $816.56 and HST of $56,896.73. 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.

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

RECOMMENDATION

30. In all of the circumstances described above, the Information Officer believes that recognition of the 2023 Dismissal Order and termination of this 2023 Recognition Proceeding in respect of the 2023 Chapter 11 Proceeding are both necessary and appropriate.

All of which is respectfully submitted this 13th day of September, 2023.

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

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

Appendix "A"

Court File No. CV-23-00697824-00CL

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*

SECOND REPORT OF THE INFORMATION OFFICER
June 20, 2023

OVERVIEW

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 in October 2021. 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.
2. On April 4, 2023, LTL filed a petition in the United States Bankruptcy Court for the District of New Jersey (the "**New Jersey Bankruptcy Court**") seeking relief under chapter 11 of title 11 of the United States Code (the "**U.S. Bankruptcy Code**") and commencing proceedings in the United States (the "**2023 Chapter 11 Proceeding**").
3. The 2023 Chapter 11 Proceeding is the Debtor's second filing under the U.S. Bankruptcy Code. The Debtor's prior filing under the U.S. Bankruptcy Code (the "**2021 Chapter 11**

Proceeding”)[1] was dismissed by an order of the New Jersey Bankruptcy Court on April 4, 2023 after significant litigation and an opinion of the United States Third Circuit Court of Appeals (the “**Third Circuit**”) issued on January 30, 2023.[2]

4. On April 13, 2023, the CCAA Court issued the Initial Recognition Order (as defined below), recognizing the 2023 Chapter 11 Proceeding as a “foreign main proceeding” and commencing this recognition proceeding before the CCAA Court (the “**2023 Recognition Proceeding**”).
5. On April 25, 2023, the New Jersey Bankruptcy Court entered the Preliminary Injunction Order (as defined below), granting a limited injunction in favour of the Modified Protected Parties (as defined in the Preliminary Injunction Order). On May 1, 2023, the CCAA Court issued the 2023 Preliminary Injunction Recognition Order (the “**Preliminary Injunction Recognition Order**”), recognizing and giving full force and effect in Canada to the Preliminary Injunction Order, subject to certain provisos discussed below.
6. At the hearing on May 1, 2023 and as documented in the endorsement made that day, the CCAA Court requested that Ernst & Young Inc., in its capacity as information officer (the “**Information Officer**”) appointed in this proceeding, provide a report on the status of the 2023 Chapter 11 Proceeding by mid-June 2023.

PURPOSE

7. While the Information Officer anticipates additional developments in the 2023 Chapter 11 Proceeding in the upcoming weeks, the Information Officer is providing this report (the “**Second Report**”) consistent with paragraph 15 of the Endorsement of Justice Osborne dated May 1, 2023. The purpose of this Second Report is to provide information to the CCAA Court and Canadian stakeholders with respect to:

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[1] On December 17, 2021, the Ontario Superior Court of Justice (Commercial List) (the “**CCAA Court**”) granted an order which, among other things, recognized the 2021 Chapter 11 Proceeding as “foreign main proceeding” (the “**2021 Recognition Proceeding**”) and appointed Ernst & Young Inc. to act as information officer therein. The 2021 Recognition Proceeding was terminated by an order dated April 13, 2023.

[2] The history of the 2021 Chapter 11 Proceeding is described in detail in the reports filed by Ernst & Young Inc. in its capacity as information officer in the related CCAA recognition proceeding, accessible here: https://documentcentre.ey.com/#/detail-engmt?eid=479.

i) the status of the proceeding before the New Jersey Bankruptcy Court, including the status of the preliminary injunction, the Motions to Dismiss (as defined below), the appointment of a future talc claims representative, and the mediation process;

ii) the current plan of reorganization proposed by the Debtor and the potential for additional plans to be filed by other parties;

iii) the talc litigation claims filed in Canada and the recent steps taken against the Modified Protected Parties; and

iv) the anticipated next steps in this 2023 Recognition Proceeding.

8. The Information Officer anticipates providing further updates in a supplemental report or a further report, as such information becomes available.

TERMS OF REFERENCE

9. In preparing this Second 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 publicly available information such as court documents and press releases (collectively, the "**Information**").

10. 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.

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

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

STATUS OF THE 2023 CHAPTER 11 PROCEEDING

13. On April 5, 2023, the New Jersey Bankruptcy Court issued an order granting the Debtor a temporary restraining order (as amended on April 6, 7 and 10, the "**2023 TRO**") on an *ex parte* basis, enjoining talc personal injury claims against the Debtor, certain affiliates and certain indemnified parties, referred to as the "Protected Parties".[3]
14. On April 12, 2023, the New Jersey Bankruptcy Court entered an order authorizing the Debtor to act as foreign representative (in such capacity, the "**2023 Foreign Representative Order**") on behalf of its estate.
15. On April 13, 2023, pursuant to an application commenced by the Debtor under Part IV of the CCAA, the CCAA Court issued two orders:

    i) the Initial Recognition Order (Foreign Main Proceeding) (the "**Initial Recognition Order**"), which, *inter alia*, recognizes the Debtor as the "foreign representative" and the 2023 Chapter 11 Proceeding 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), which, *inter alia*, recognizes the 2023 TRO and the 2023 Foreign Representative Order, gives the 2023 TRO and the 2023 Foreign Representative Order full force and effect in all provinces and territories in Canada pursuant to section 49 of the CCAA, and appoints the Information Officer in the 2023 Recognition Proceeding.

Preliminary Injunction

16. On April 18, 2023, the New Jersey Bankruptcy Court conducted a hearing in respect of certain matters, including a motion by the Debtor for an order, among other things: (i) declaring that

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[3] The "Protected Parties" are Johnson & Johnson, former Johnson & Johnson Consumer Inc., Johnson & Johnson Holdco (NA) Inc. (formerly known as Johnson & Johnson Consumer Inc.), Johnson & Johnson Inc. (a federal corporation incorporated under the laws of Canada), and certain third-party retailers who sold talc-containing products supplied by the Debtor's affiliates and other third parties whom the Debtor has indemnified contractually. Pursuant to a Notice of Filing of Supplemented Appendices to Debtor's Verified Complaint for Declaration and Injunctive Relief filed by the Debtor on April 17, 2023, the Debtor has sought to add certain additional entities to those parties listed as "Protected Parties" in the 2023 TRO.

the automatic stay applied or extended to certain actions against the Protected Parties and (ii) preliminarily enjoining such actions.

17. Also on April 20, 2023, the New Jersey Bankruptcy Court granted the 2023 Preliminary Injunction Order, in an oral ruling from the bench, with a written order to follow. On April 25, 2023, Judge Kaplan entered the written order (the "**Preliminary Injunction Order**") which, among other things, dissolved the 2023 TRO and granted a limited injunction in favour of the Modified Protected Parties (as defined in the Preliminary Injunction Order). The limited injunction stays plaintiffs from commencing or conducting any trial or appeal against any of the Modified Protected Parties, but permits any party to file a suit against the Modified Protected Parties, subject to certain notification requirements, and commence or proceed with discovery or any pre-trial matters against the Modified Protected Parties. The Preliminary Injunction Order also provides tolling provisions, tolling the time period for a party's talc claims to specific time periods applicable to non-bankruptcy laws, orders entered in non-bankruptcy proceedings, or agreements among relevant parties, or 30 days after the notice of expiry or termination of the stay or the 2023 Preliminary Injunction Order. A copy of the Preliminary Injunction Order is attached hereto as **Appendix "A"**.

18. On May 1, 2023, the CCAA Court issued the Preliminary Injunction Recognition Order, recognizing the Preliminary Injunction Order and giving it full force and effect in Canada, and extending the scope of the stay and injunction provided for in the order until the later of (i) the expiry of the Preliminary Injunction Order by its terms unless extended by a further order of the New Jersey Bankruptcy Court, or (ii) June 22, 2023. A copy of the Preliminary Injunction Recognition Order is attached hereto as **Appendix "B"**.

19. Following the entry of the Preliminary Injunction Order, multiple parties filed appeals of the order and/or brought motions seeking direct certification to the Third Circuit, including the official committee of talc claimants appointed in the 2023 Chapter 11 Proceeding (the "**TCC**"), the Ad Hoc Group of Mesothelioma Claimants, and a firm representing other individual claimants. On May 15, 2023, Judge Kaplan entered an order denying the motions seeking direct certification.

20. On May 31, 2023, the Debtor filed a motion seeking a bridge order that would either (i) confirm that certain actions that include successor liability claims against two of the Debtor's affiliates (Janssen Pharmaceuticals, Inc. ("**Janssen**") and Kenvue Inc. ("**Kenvue**")) are stayed pursuant to the automatic stay under chapter 11 or (ii) temporarily extend the preliminary injunction to include Janssen and Kenvue. The Debtor argued that the bridge order was necessary to prevent plaintiffs counsel from advancing successor liability claims against Janssen and Kenvue that properly belong to the Debtor. At the June 2, 2023 hearing, the Court declined to enter an order on shortened notice, and the parties agreed to adjourn the requests as to Janssen and Kenvue until a later date.

21. On June 5, 2023, the Debtor filed a motion seeking (i) an order (a) extending the Preliminary Injunction Order and (ii) modifying the list of Protected Parties to include Janssen, Kenvue and Johnson and Johnson Consumer Companies, Inc. and (b) an order confirming that the automatic stay applies to prohibit the continuation or commencement of talc-based actions on the basis of successor liability against the Debtor's non-debtor affiliates. Under the proposed order, the discovery permitted against the Protected Parties would not be permitted to continue against the non-debtor affiliates.

22. On June 13, 2023, the New Jersey Bankruptcy Court advised that it would enter an order extending the Preliminary Injunction Order to August 22, 2023 and thus, the stay and injunction provided for in the Preliminary Injunction Recognition Order remains in force and effect until August 22, 2023, as may be further extended. The New Jersey Bankruptcy Court indicated that it would address the issue of whether successor liability talc claims are captured by the Preliminary Injunction Order at a hearing scheduled for June 22, 2023.

Motions to Dismiss

23. Since the filing of the 2023 Chapter 11 Proceeding, certain parties including the TCC, certain talc claimants, and the Office of the United States Trustee have argued that the 2023 Chapter 11 Proceeding should be dismissed for the reason, among others, that the proceeding is a "bad faith filing".

24. Beginning on April 24, 2023, parties including the TCC, the Ad Hoc Group of Mesothelioma Claimants, Levy Konigsberg LLP, the Ad Hoc Committee of States Holding Consumer Protection Claims, the Mesothelioma Claimants Counsel, Maune Raichle Hartley French & Mudd, LLC, the United States Trustee, the Georgia State Court Claimants and the States of New Mexico and Mississippi (each as set out more particularly in their respective motion to dismiss) filed motions to dismiss the 2023 Chapter 11 Proceeding, or joinders thereto (collectively, the "**Motions to Dismiss**").

25. Judge Kaplan has scheduled hearings for the Motions to Dismiss for June 27-30, 2023 and has advised the parties that the administration of the 2023 Chapter 11 Proceeding and the development of the Chapter 11 Plan (as defined below) should continue on a dual track.

Mediation

26. The New Jersey Bankruptcy Court has encouraged the parties to engage in good faith discussions to narrow the scope of the disputes before the court.

27. To that end, on May 8, 2023, the New Jersey Bankruptcy Court entered an order (the "**2023 Mediation Order**") appointing Eric D. Green and Gary Russo as mediators (collectively, the "**Co-Mediators**"), designating the Debtor and its affiliates, TCC, the FTCR (as defined below), the Ad Hoc Committee of States Holding Consumer Protection Claims, certain identified insurers, Canadian Representative Plaintiffs,[4] and any other party who wishes to participate in the mediation and be bound by the terms of the 2023 Mediation Order as the "Mediation Parties" (the "**Mediation Parties**"), and directing the Mediation Parties to participate in a mediation process in accordance with the 2023 Mediation Order and as deemed appropriate by the Co-Mediators. Mr. Russo was appointed to act as a co-mediator in the 2021

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[4] The "**Canadian Representative Plaintiffs**" includes the representative plaintiff in the actions styled *DiSanto v Johnson & Johnson* before the Alberta Court of King's Bench (File No. 1901-11748), the proposed representative plaintiff in the action styled *Baker v Johnson & Johnson* before the Ontario Superior Court of Justice (Court File No. CV-16-533046CP), the proposed representative plaintiff in the action styled *Williamson v Johnson & Johnson* before the British Columbia Supreme Court (Case No. 179011), and any other Canadian representative that wishes to participate in the mediation and agrees to be bound by the terms of the 2023 Mediation Order if the Co-Mediators determine such representative should participate in the mediation.

Chapter 11 Proceeding, but Mr. Green has replaced Judge Joel Schneider who was appointed in the prior proceedings. The 2023 Mediation Order also imposes confidentiality provisions on the Mediation Parties.

28. On May 25, 2023, the New Jersey Bankruptcy Court entered an amended mediation order (the "**Amended 2023 Mediation Order**") that requires the estimation expert appointed in the 2021 Chapter 11 Proceeding to provide the Co-Mediators with certain information on a confidential basis. A copy of the Amended 2023 Mediation Order is attached hereto as **Appendix "C".**

29. The Information Officer has contacted the Co-Mediators to request an update on the mediation.

<u>Future Talc Claimants Representative</u>

30. On April 10, 2023, the Debtor filed a motion to appoint Randi S. Ellis as the "Future Claimants' Representative" (the "**FTCR**") to represent the interests of Future Talc Claimants[5] in the 2023 Chapter 11 Proceeding and the development of a plan under the Bankruptcy Code.

31. Certain of the talc claimants opposed Ms. Ellis's appointment as FTCR for among other reasons, that she served in the same role in the 2021 Chapter 11 Proceeding and is alleged to have been engaged in discussions with the Debtor regarding a plan support agreement and the commencement of the 2023 Chapter 11 Proceeding prior to the termination of the 2021 Chapter 11 Proceeding. The talc claimants have also alleged that Ms. Ellis is not independent of the Debtor and thus is not able to advocate for the rights of Future Talc Claimants.

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[5] "**Future Talc Claimants**" means all natural persons or the representatives of estates of natural persons, including those in Canada or in the United States, that may assert a demand for payment, present or future, that: (a) is not a claim during the proceedings prior to the entry of an order confirming a plan of reorganization (the "**Plan**"), because such natural person was diagnosed with disease after such time; and (b) arises out of the same or similar conduct or events that gave rise to the claims to be addressed by an injunction issued to enjoin entities from taking legal action for the purpose of directly or indirectly collecting, recovering, or receiving payment or recovery with respect to any claim or demand that, under the Plan, is to be paid in whole or in part by a trust established pursuant to section 524(g)(2)(B)(i) and/or 105(a) of the Bankruptcy Code.

32. On May 18, 2023, the New Jersey Bankruptcy Court entered an order appointing Randi S. Ellis as the FTCR (the "**FTCR Appointment Order**"). A copy of the FTCR Appointment Order is attached hereto as **Appendix "D"**.

33. On May 26, 2023, the TCC filed an appeal of the FTCR Appointment Order with the United States District Court for the District of New Jersey. Ms. Ellis continues to serve as FTCR at this time.

CANADIAN TALC LITIGATION UPDATE

34. On May 19, 2023, the Information Officer wrote letters to each of the Canadian courts that have pending proceedings involving LTL or its affiliates to provide an update on LTL's proceedings under the U.S. Bankruptcy Code and the CCAA. The letters note, among other things, that: (i) the 2021 Chapter 11 Proceeding and 2021 Recognition Proceeding have been dismissed, (ii) the 2023 Chapter 11 Proceeding and 2023 Recognition Proceeding have been commenced, and (iii) the Preliminary Injunction Order and the Preliminary Injunction Recognition Order had been granted and provided for a limited injunction in favour of the Modified Protected Parties.

35. On May 24, 2023, the Information Officer received a letter from Merchant Law Group LLP (the "**Merchant Group**"), plaintiff counsel to a class action commenced before the British Columbia Supreme Court (New Westminster) (the "**BC Court (New Westminster)**"), enclosing a proposed letter to the BC Court (New Westminster) advising that, in accordance with their understanding of the terms of the Preliminary Injunction Recognition Order, they would be taking steps toward certification in their class action proceeding before the BC Court (New Westminster) as a pre-trial matter. Debtor's counsel contacted the Merchant Group on May 29, 2023 and have taken the position that with respect to JJCCI, the Merchant Group's proposed actions are not permitted by the terms of the Preliminary Injunction Recognition Order, but that the certification process may continue with respect to the other Modified Protected Parties. The Merchant Group has requested a case planning conference with the BC Court (New Westminster). Justice Armstrong has advised that he is available for a case planning conference at the end of August 2023.

36. The Information Officer understands that the Merchant Group has indicated that it is unwilling to wait for Justice Armstrong's availability in August and that it has scheduled a case planning conference before a master for June 27, 2023. The Debtor contests the Merchant Group's authority to schedule the case planning conference other than as directed by Justice Armstrong. The Information Officer understands that the parties continue to exchange correspondence with the BC Court (New Westminster) and each other in an effort to resolve this matter.

37. The Information Officer has also been contacted by Thornton Grout Finnigan LLP ("**TGF**"), insolvency counsel in respect of a proposed class action before the Ontario Superior Court of Justice, requesting confirmation that the Preliminary Injunction Recognition Order doesn't stay their commencement of a certification motion. The Information Officer has engaged in discussions with TGF on this issue and expects the New Jersey Bankruptcy Court to provide further clarity at a hearing scheduled for June 22, 2023.

38. The Information Officer notes that this Court has expressly retained jurisdiction over matters arising from or relating to the interpretation of the Preliminary Injunction Recognition Order.

THE CHAPTER 11 PLAN

39. On May 15, 2023, the Debtor filed the Chapter 11 Plan of Reorganization of LTL Management (the "**Chapter 11 Plan**") and the Disclosure Statement related thereto (the "**Disclosure Statement**"). A copy of the Disclosure Statement, which attaches the Chapter 11 Plan at Exhibit "A", is attached hereto as **Appendix "E"**. The Debtor has advised that the Chapter 11 Plan is subject to ongoing negotiation among the stakeholders and is subject to change.

40. The Information Officer understands that the Chapter 11 Plan is the product of negotiation among the Debtor, its affiliates, and certain counsel who have signed plan support agreements including the members of the Ad Hoc Group of Supporting Counsel (the "**AHC**"). The AHC has advised the New Jersey Bankruptcy Court that it is continuing to negotiate the proposed Chapter 11 Plan and requested that the parties be directed to participate in mediation.

41. The Chapter 11 Plan provides for the resolution of all current and future talc claims against the Debtor, various J&J affiliates and additional third parties that the Debtor has contractually agreed to indemnify in connection with talc claims.

42. The Disclosure Statement provides at pages 9 & 10 that the Chapter 11 Plan:

> (a) [will establish] a trust and provides it with funding of $8.9 billion on a net present value basis to resolve and pay all current and future talc-related claims, including all ovarian cancer claims and all mesothelioma claims, and (b) provides for the issuance of an injunction that will permanently protect the Debtor, its affiliates, and certain other parties from further talc-related claims arising from products manufactured and/or sold by Old JJCI (as defined below), or for which Old JJCI may otherwise have had legal responsibility, pursuant to sections 524(g) and/or 105(a) of the Bankruptcy Code.

43. As set out in the Disclosure Statement, the Debtor believes that, as a result of the cash contributions that will be provided to the talc trust under the Chapter 11 Plan, the talc-related claims will be paid in full.

44. The talc trust proposed under the Chapter 11 Plan contains two sub-trusts for the payment of talc-related claims: one for all talc-related claims that are not governmental unit claims (the "**Talc Personal Injury Trust**"), and the other for governmental unit claims (the "**Talc Governmental Trust**"). The Chapter 11 Plan provides that the sub-trusts will be funded with a total of $12.08 billion over 25 years (a net present value of $8.9 billion), consisting of $11.68 billion in cash (which will be allocated among the sub-trusts as set out below) and $400 million in the form of a promissory note executed by the Debtor (the "**Talc PI Note**"). The payments will be made as follows:

    i) <u>Talc Personal Injury Trust</u>: the Debtor will make a series of payments to the Talc Personal Injury Trust with a total consideration of $11.68 billion and consisting of: (A) $2.6 billion in cash and $400 million in the form of the Talc PI Note, due immediately upon the Effective Date (as defined in the Chapter 11 Plan); (B) $2.5 billion, payable upon the first (1st) anniversary of the Effective Date; (C) $1.0 billion, payable every five years, commencing upon the second (2nd) anniversary from the Effective Date and ceasing on the twenty-second (22nd) anniversary date, for a total of $5.0 billion; and

(D) $1.18 billion, payable upon the twenty-fifth (25^{th}) anniversary from the Effective Date.

ii) Talc Governmental Trust: the Debtor will make a cash payment of $400 million to the Talc Governmental Trust, payable immediately upon the Effective Date.

45. The Chapter 11 Plan also includes trust distribution procedures pursuant to which talc claims would be processed, liquidated, and paid by the talc trust. Similar to other mass tort trust distribution procedures, the proposed procedures provide for a process toward the resolution and payment for talc claims based on the nature of the injury being claimed, potential mitigating factors, exposure to other products and the claimants' personal characteristics and predispositions. In their current form, the proposed trust distribution procedures provide for both a detailed reconciliation process and an expedited process, which would permit a claimant to accept a fixed-point value. In each case, the point values assigned will ultimately determine the potential recovery available to talc claimants.

46. In the current draft of the trust procedures, Canadian claimants electing for the accelerated resolution process will be entitled to a scheduled value that is 50% of that assigned to similarly situated claimants within the United States. The Information Officer has requested information from the Debtor to analyze this proposed allocation and the factors considered in the development of the trust distribution procedures.

47. The Information Officer understands that the Debtor continues to review and analyze the proposed trust distribution procedures. It has also reached out to counsel to the Canadian plaintiffs on the service list but has not yet had an opportunity to discuss the plan and the trust distribution procedures with counsel to the Canadian plaintiffs.

48. On June 5, 2023, the TCC filed a motion seeking to terminate plan "exclusivity" and file and prosecute a competing chapter 11 plan (the "**Motion to Terminate Exclusivity**"). The TCC alleges that it can propose an alternative plan that will provide superior recoveries to claimants while preserving the due process rights of claimants who wish to liquidate their claims in the

tort system. The Debtor and the Ad Hoc Committee of Supporting Counsel filed objections opposing the Motion to Terminate Exclusivity.

49. On June 13, 2023, Judge Kaplan held a hearing on the Motion to Terminate Exclusivity, but advised that he would reserve his decision until August 2, 2023, following the hearings on the Motions to Dismiss. At the hearing, the TCC informed the New Jersey Bankruptcy Court that it has developed a competing chapter 11 plan (the "**TCC Plan**"). The New Jersey Bankruptcy Court directed the TCC and the Debtor to meet and confer to determine whether the TCC Plan should be filed under seal prior to August 2, 2023, and if so, to whom it should be made available.

50. At the hearing, Judge Kaplan also advised that he would enter an order scheduling a hearing for August 22, 2023 to determine the adequacy of the Disclosure Statement. The Debtor has agreed to file an amended version of the Chapter 11 Plan and Disclosure Statement by July 11, 2023.

CONCLUSION

51. The Information Officer is supportive of Canadian stakeholders having an opportunity to negotiate and vote on a plan that is intended to resolve all talc claims.
52. As noted, the Chapter 11 Plan, and any competing plans, are subject to ongoing negotiations and modification is anticipated. The Information Officer will provide regular updates as to the status of the Chapter 11 Plan, any competing plans, and any of the litigation discussed above.
53. The Information Officer invites any Canadian plaintiff with views on the Chapter 11 Plan and the trust procedures to contact the Information Officer or its counsel.

All of which is respectfully submitted this 20th day of June, 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-23-00697824-00CL

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

SECOND REPORT OF THE INFORMATION OFFICER

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Appendix “B”

FOR PUBLICATION

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY **Caption in Compliance with D.N.J. LBR 9004-2(c)**	Case No. 23-12825 (MBK)
In re: LTL MANAGEMENT, LLC, Debtor.	Chapter 11 Hearing Date: June 26-30, 2023 Judge: Michael B. Kaplan

All Counsel of Record

MEMORANDUM OPINION

At a point early in the first chapter 11 filing of LTL Management, LLC ("Debtor" or "LTL") (Case No. 21-30589, "LTL 1.0"), the Court queried of Debtor's counsel the origin of the name given the 2021 Corporate Restructuring Project—Project Plato—which gave rise to the initial bankruptcy filing. The Court was familiar with comparable divisive merger efforts undertaken by other companies in chapter 11 cases pending in North Carolina, which employed project names such as "Project Omega"[1] or "Project Horizon"[2], but thought there may be other relevance attached to the chosen project name in this matter. While Debtor's counsel suggested that the project name was selected randomly, this Court harbors some doubts and imputes far greater significance to the denomination, "Plato". Indeed, with the long-awaited opportunity to

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[1] Bestwall LLC (Case No. 17-31795, Bankr. W.D.N.C. Nov. 2, 2017) filed on November 2, 2017.

[2] DBMP LLC (Case No. 20-30080, Bankr. W.D.N.C. Jan. 23, 2020) filed on January 23, 2020.

draw finally upon the lessons instilled in my mandatory undergraduate philosophy course,[3] the Court perceives a far more relevant—if unintended— meaning.[4]

It is well acknowledged, without need of citation, that Plato was one of the earliest ancient Greek philosophers and is undoubtedly one of the most prominent thinkers of Western philosophy. In his influential work, the *Republic*, Plato suggests that a right or just action can be defined as one which flows naturally from a just disposition.[5] In other words, whether an action is "good" or "bad" depends on the outcome. This ethical philosophy is commonly identified as "consequentialism," in which actions are judged right or wrong based on their consequences.[6] For consequentialists, the ends necessarily justify the means.

So, the ultimate inquiry for this Court would be whether the aptly named Project Plato, with its corporate restructuring in 2021, as modified in 2023, and resulting two chapter 11 filings, could, in fact, produce a just and right result, notwithstanding the highly debatable means undertaken. For the reasons discussed below, and based on the evidence at trial,[7] this Court is

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[3] With appreciation to the late Dr. Thomas P. McTighe, Past Chair of the Philosophy Department at Georgetown University.

[4] It should be noted, of course, that the Court's observation reflects little more than conjecture, and that the truth may well rest on the mere fact that an attorney involved in the underlying transaction has a dog or cat named "Plato".

[5] PLATO, THE REPUBLIC 443-444, Book 4 (c. 375 BCE).

[6] CONSEQUENTIALISM, BRITANNICA.COM, https://www.britannica.com/topic/consequentialism (last visited July 27, 2023).

[7] Given the extensive number of witnesses offered by all parties and the considerable data-driven nature of the evidence, direct testimony of the witnesses was submitted by declaration. The witnesses were present at the trial for live cross examination and re-direct. The direct testimony was admitted with limited or no objection. The experts' reports and rebuttal reports were attached as exhibits to the declarations. Although the reports are technically hearsay, no party objected exclusively on such grounds and other limited objections were resolved by the Court on the record.

constrained to bypass this challenging inquiry and dismiss this chapter 11 proceeding, as the evidentiary record fixed at trial does not establish sufficient "imminent" or "immediate" financial distress to satisfy the criteria enunciated by the Third Circuit in *In re LTL Mgmt., LLC*. 64 F.4th 84 at 102, 108 (3d Cir. 2023). Simply put, the Debtor does not meet the more exacting gateway requirement implemented by the Circuit with respect to "good faith" under 11 U.S.C. §1112(b), which would allow LTL to take advantage of the tools available under the Bankruptcy Code to resolve its present and future talc liabilities. Therefore, for the reasons expressed below, the Court GRANTS the motions seeking dismissal of the within bankruptcy proceeding as having been filed in bad faith (collectively, "Motions").[8] The Court issues the following findings of fact and conclusions of law as required by FED. R. BANKR. P. 7052.[9]

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[8]The Motions—ten in total, with two joinders—were filed by the Official Committee of Talc Claimants (ECF No. 286), by Maune, Raichle, Hartley, French & Mudd LLC on behalf of the Ad Hoc Group of Mesothelioma Claimants (ECF No. 335) and Various Talc Claimants (ECF No. 358), by Moshe Maimon on behalf of Paul Crouch (ECF No. 346), by the Ad Hoc Committee of States Holding Consumer Protection Claims (ECF No. 350), by the United States Trustee (ECF No. 379), by the law firm of Arnold & Itkin, LLP on behalf of certain talc personal injury claimants (ECF No. 384), by the State of Mississippi and the State of New Mexico (ECF No. 480); and two motions mistakenly filed in the Adversary Proceeding by the Estate of Melissa Fleming (ECF No. 117 in Adv. Pro. No. 23-01092) and the Estate of Sherri Gendelman (ECF No. 118 in Adv. Pro. No. 23-01092) (together, "Movants"). Joinders to the Motions were filed by the Barnes Law Group, LLC on behalf of Georgia State Court Claimants (ECF No. 473) and by Leah Cylia Kagan on behalf of Various Talc Claimants (ECF No. 352).

[9] To the extent that any of the findings of fact might constitute conclusions of law, they are adopted as such. Conversely, to the extent that any conclusions of law constitute findings of fact, they are adopted as such.

I. Venue and Jurisdiction

The Court has jurisdiction over this contested matter under 28 U.S.C. §§ 1334(a) and 157(a) and the Standing Order of the United States District Court dated July 10, 1984, as amended September 18, 2012, referring all Bankruptcy cases to the Bankruptcy Court. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2)(A). Venue is proper in this Court pursuant to 28 U.S.C. § 1408.

II. Background & Procedural History

The parties are familiar with the factual background and procedural history of this case. LTL Management, LLC, which is an indirect subsidiary of Johnson & Johnson ("J&J"), traces its roots back to Johnson & Johnson Baby Products, Company, a New Jersey company incorporated in 1970 as a wholly owned subsidiary of J&J. *Declaration of John K. Kim in Support of First Day Pleadings* ("*Kim First Day Decl.*") ¶¶ 13-15, ECF No. 4 in Case No. 23-12825.[10] A thorough discussion of the history of J&J and its talc products can be found in this Court's February 25, 2022, Opinion Denying the Motions to Dismiss and the Court will limit its recitation of the factual background here. *See In re LTL Mgmt., LLC*, 637 B.R. 396 (Bankr. D.N.J. 2022). In relevant part, in 1979, J&J transferred all its assets associated with the Baby Products division to J&J Baby Products Company (the "1979 Agreement"). Thereafter, as the result of intercompany transactions, one of J&J's corporate subsidiaries, Johnson & Johnson Consumer Inc. ("Old JJCI")

[10] Unless otherwise specified, all ECF Nos. will refer to docket entries in the instant bankruptcy case ("LTL 2.0"), Case No. 23-12825.

assumed responsibility for all claims alleging that J&J's talc-containing products caused ovarian cancer and mesothelioma. *Kim First Day Decl.* ¶¶ 16-21, ECF No. 4.

On October 12, 2021, Old JJCI engaged in a series of transactions pursuant to the Texas divisional merger statute, *See* TEX. BUS. ORGS. CODE ANN. §§ 10.001 *et seq.* (the "2021 Corporate Restructuring") through which it ceased to exist and two new companies, LTL and Johnson & Johnson Consumer Inc. ("New JJCI"), were formed. *Kim First Day Decl.* ¶ 24, ECF No. 4. The alleged purpose of this restructuring was to "globally resolve talc-related claims through a chapter 11 reorganization without subjecting the entire Old JJCI enterprise to a bankruptcy proceeding." *Kim Decl. in Support of First Day Pleadings* ¶ 21, ECF No. 5 in Case No. 21-30589. As a result of the restructuring, LTL assumed responsibility for all Old JJCI's talc-related liabilities. *Id*. Through the restructuring, LTL also received rights under a funding agreement (the "2021 Funding Agreement"). *Kim Decl.* ¶ 32, ECF No. 4. Under the 2021 Funding Agreement, J&J and New JJCI were obligated to pay, *inter alia*, the "Payee's Talc-Related Liabilities", as well as "any and all costs and expenses" LTL incurs during its bankruptcy case, "including the costs of administering the Bankruptcy Case" to the extent necessary. *Kim First Day Decl. Annex 2 – Funding Agreement* 6, ECF No. 5 in Case No. 21-30589; *see also Kim First Day Decl.* ¶ 32, ECF No. 4.

On October 14, 2021, LTL filed its initial voluntary petition for chapter 11 relief in the United States Bankruptcy Court for the Western District of North Carolina. *Petition*, ECF No. 1 in Case No. 21-30589. One week after the chapter 11 filing, Debtor initiated an adversary proceeding (the "Talc Adversary Proceeding"), seeking declaratory and injunctive relief against plaintiffs (the "Talc Claimants") who had filed federal and state actions against Debtor's affiliates and other entities for talc-related claims (the "Talc Actions"). *Complaint*, ECF No. 1 in Adv. Pro. No. 21-03032. By way of the Talc Adversary Proceeding, the Debtor sought an order declaring that the automatic stay applies to those actions against non-debtors or, in the alternative, to enjoin such actions and grant a temporary restraining order pending a final hearing. Debtor simultaneously filed a motion requesting a preliminary injunction enjoining the prosecution of actions outside of the chapter 11 case on account of the same talc claims that exist against the Debtor in the chapter 11 case. *Motion*, ECF No. 2 in Adv. Pro. No. 21-03032. Ultimately, the chapter 11 and related adversary proceeding case were transferred to the District of New Jersey. Following a five-day evidentiary hearing—during which the Court contemporaneously heard arguments on the pending motions to dismiss and continuation of the preliminary injunction—the Court denied the motions to dismiss in the underlying bankruptcy case and granted the motion for preliminary injunction in the Talc Adversary Proceeding. *See In re LTL Mgmt., LLC*, 637 B.R. 396 (Bankr. D.N.J. 2022) (denying motions to dismiss); *In re LTL Management, LLC*, 638 B.R. 291, 297 (Bankr. D.N.J. 2022) (granting preliminary injunction). Several other adversary proceedings followed wherein Debtor sought similar relief. *See Securities Adversary Proceeding*, Adv. Pro. No. 22-01073; *Consumer Protection Adversary Proceeding*, Adv. Pro. No. 22-01231. This Court likewise granted the motion for preliminary injunction and extended the automatic stay to non-debtor defendants in those actions. *See In re LTL Mgmt., LLC*, 640 B.R. 322 (Bankr. D.N.J. 2022); *In re LTL Mgmt., LLC*, 645 B.R. 59 (Bankr. D.N.J. 2022).

Meanwhile, several parties appealed this Court's denial of the motions to dismiss and its imposition of a preliminary injunction in the Talc Adversary Proceeding. While the appeals were pending, New JJCI—which had continued consumer health operations—changed its name to Johnson & Johnson HoldCo (NA) Inc. ("HoldCo") in December 2022. *Kim First Day Decl.* ¶ 26, ECF No. 4. HoldCo is the direct parent of the Debtor. *Id.* at ¶ 27. In early January 2023, HoldCo spun off its consumer health business assets to its parent entity, Janssen Pharmaceuticals, Inc. *Id.* at ¶ 26; *see also TCC's Proposed Findings of Fact and Conclusions of Law* ¶ 121, ECF No. 1075. "The transfer was in connection with the long-contemplated transfer of the [c]onsumer [b]usiness as a new entity, called Kenvue, Inc., which was publicly announced in November 2021." *Lisman Decl.* ¶ 21, Trial Ex. D-4. The evidence presented supports Debtor's contention that "[t]here was no relationship between the transfer of the [c]onsumer [b]usiness and the filing of either the 2021 or the 2023 Chapter 11 Case." *Id.*; *see also Debtor's Reply in Support of Motion to Extend and Modify Preliminary Injunction* 2, ECF No. 185 in Adv. Pro. No. 23-01092; *Exhibits C & D to Supplemental Decl. of Amanda Rush in Support of Motion to Extend and Modify Preliminary Injunction*, ECF Nos. 185-4 & 185-5 in Adv. Pro. No. 23-01092.

On January 30, 2023, the Third Circuit ruled on the pending appeals and issued an opinion directing this Court to dismiss the 2021 Chapter 11 Case (the "Third Circuit Opinion"). *See In re LTL Mgmt., LLC*, 58 F.4th 738 (3d Cir. 2023) as amended by 64 F.4th 84 (3d Cir. 2023). Specifically, the Third Circuit determined that the case was not filed in good faith due to Debtor's lack of imminent and apparent financial distress. The Debtor filed a petition for rehearing and rehearing *en banc* with the Third Circuit, which the Circuit denied on March 22, 2023. The Debtor then filed a motion seeking a stay of the Third Circuit's mandate, pending appeal to the United States Supreme Court, which the Circuit denied on March 31, 2023. After the Third Circuit's

Opinion was issued, LTL, J&J, and various plaintiff law firms—with the assistance of the court-appointed mediators and pursuant to the Court's mediation order—continued negotiating a potential consensual resolution of the case. *Murdica Decl.* ¶ 40, Trial Ex. D-5; *Watts Decl.* ¶ 25, Trial Ex. D-6; *Onder Decl.* ¶¶ 23-24, Trial Ex. D-7; *June 28, 2023 Hr'g Tr. (vol. 2) – Onder Redirect*, 117:16-118:9, ECF No. 957.

This Court entered an order dismissing the initial chapter 11 bankruptcy case on April 4, 2023. *Dismissal Order*, ECF No. 3938 in Case No. 21-30589. Approximately two hours later, Debtor initiated the instant bankruptcy case, the impetus of which was a proposal by law firms representing nearly 60,000 talc claimants for a bankruptcy resolution of the Debtor's talc liability. Mikal Watts, a plaintiff lawyer representing over 16,000 talc claimants, had contacted James Murdica of Barnes & Thornburg to discuss a final, global resolution of the talc liability, including all present and future claims, to be efficiently administered through a second bankruptcy by LTL. *Murdica Decl.* ¶¶ 40-41; *Watts Decl.* ¶¶ 7, 25-26; *June 28, 2023 Hr'g Tr. (vol. 1) – Murdica Cross*, 39:3-9, ECF No. 956. Mr. Murdica, J&J's long-time settlement counsel who has worked for over three years to resolve the talc litigation, was authorized by LTL and J&J to negotiate on their behalf. *June 27, 2023 Hr'g Tr. – Kim Cross*, 238:8-15, ECF No. 933; *June 28, 2023 Hr'g Tr. (vol. 1) – Murdica Cross*, 8:21-9:8. In early 2023, Mr. Watts and other plaintiffs' lawyers (including Mr. James Onder, who represents over 20,000 talc claimants) negotiated with Mr. Murdica and Erik Haas, J&J's Worldwide Head of Litigation, regarding terms of a Plan Support Agreement ("PSA"), pursuant to which the parties agreed to work together to finalize and seek confirmation of a plan of reorganization that, if confirmed and consummated, would fully resolve all current and future talc claims. *Murdica Decl.* ¶ 43; *Watts Decl.* ¶¶ 26-27; *June 28, 2023 Hr'g Tr. (vol. 2) – Watts Cross*, 32:5-11; *Onder Decl.* ¶¶ 24-27.

Once the deal terms were agreed upon, LTL, J&J, and 17 law firms executed PSAs that were substantially identical. *Murdica Decl.* ¶¶ 42-43; *Watts Decl.* ¶ 28; *Onder Decl.* ¶ 28; *Kim Decl.* ¶ 29, Trial Ex. D-1; *Kim Decl.* Exs. A-V, Trial Ex. D-1; *First Supplemental Verified Statement of Paul Hastings LLP*, Trial Ex. D-486; *Verified Statement of Paul Hastings LLP*, Trial Ex. D-563. According to the 2019 statements filed with the Court, these supporting law firms disclosed that they represent approximately 58,392 claimants. *See Verified Statement of Paul Hastings LLP*, Trial Ex. D-563; *First Supplemental Verified Statement of Paul Hastings LLP*, Trial Ex. D-486. The 17 firms that signed PSAs formed the Ad Hoc Committee of Supporting Counsel ("AHC") to advance their common interests in connection with LTL's second bankruptcy. *Id.* The AHC include counsel to members of the mass tort plaintiffs' bar who have decades of experience in mass tort litigation generally and who have led the talc litigation specifically. *Id.*; *Onder Decl.* ¶ 29. Thousands of their clients filed talc lawsuits before LTL commenced the 2021 Chapter 11 Case. *Id.* Two of the 17 firms that comprise the AHC—Nachawati Law Firm (f/k/a Fears Nachawati) and OnderLaw, LLC—were previously counsel to members of the Official Committee of Talc Claimants in the 2021 Chapter 11 Case. *Murdica Decl.* ¶ 44.

Thereafter, in conjunction with the Petition, Debtor filed the PSA and term sheet which provided for a plan of reorganization that includes the establishment of a trust funded in the amount of $8.9 billion on a net present value basis. *Murdica Decl.* ¶ 47; *Kim Decl.* ¶ 28; *id.* Exs. A-V. One key issue that was also resolved in principle relates to medical liens on settlement amounts that claimants would be entitled to receive under the Plan. *June 28, 2023 Hr'g Tr. (vol. 2) – Onder Redirect*, 120:4-19, ECF No. 957. Additionally, a settlement has been reached with counsel to private lienholders, which hold around 85-90% of the medical liens. *Id*. at 134:5-135:25. This resolution would allow payments to claimants to be made faster, which is a primary goal of the AHC. *Id.* Members of the AHC anticipated recommending to their clients that they vote in favor of the plan, once finalized. *June 28, 2023 Hr'g Tr. (vol. 2) – Watts Redirect*, 26:12-18, 58:5-11, ECF No. 957; *id. – Onder Redirect* at 121:14-122:9.

Along with the execution of the PSAs and term sheets, the Debtor also structured new funding arrangements in anticipation of the new chapter 11 filing. Specifically, the Debtor authorized the execution of three agreements to implement the April 4, 2023, changes to its funding arrangements. First, Debtor executed a Termination and Substitution Agreement (the "TSA") with HoldCo and J&J to terminate the 2021 Funding Agreement. *Termination and Substitution Agreement*, TCC Trial Ex. 1081. Second, Debtor executed a new 2023 Funding Agreement ("2023 Funding Agreement") with HoldCo, which obligated HoldCo to provide funding to Debtor for talc liabilities and other costs in the normal course of business. *2023 Funding Agreement*, TCC Trial Ex. 1082. Third, Debtor executed a Support Agreement with J&J ("J&J Support Agreement") and HoldCo, for J&J to provide a funding backstop only upon the confirmation of a Chapter 11 Plan consistent with the PSAs and term sheet. *J&J Support Agreement*, TCC Trial Ex. 1083. Debtor contends that the substitution of a new funding agreement was necessary to address issues raised by both J&J and the Debtor as to the continuing enforceability of the 2021 Funding Agreement.

Under the 2023 Funding Agreement, Debtor (as Payee) has a right to seek from HoldCo (as Payor) a funding request for any permitted funding use, the only restriction being that Debtor may not request more than it needs for permitted funding uses. *2023 Funding Agreement* 6-7, TCC Trial Ex. 1082. A "permitted funding use" includes the "payment of any and all costs and expenses of the Payee incurred in the normal course of its business . . . at any time when there is no proceeding under the Bankruptcy Code pending with respect to the Payee," as well as "the funding of any amounts to satisfy (i) the Payee's Talc Related Liabilities . . . at any time when there is no proceeding under the Bankruptcy Code pending with respect to the Payee . . . and (iii) in the case of either (i) or (ii),any ancillary costs and expenses of the Payee associated with such Talc Related Liabilities and any litigation thereof, including the costs of any appeals." *Id.* at 4-5. The J&J Support Agreement applies inside bankruptcy only and requires J&J to backstop HoldCo's payment obligations under the 2023 Funding Agreement solely to fund plan trusts created in connection with this bankruptcy. *J&J Support Agreement* 4 (§ 2(a)(i)), TCC Trial Ex. 1083. The J&J Support Agreement also confirms that HoldCo's funding obligation to Debtor exists outside of bankruptcy. *Id.* at 1 (Recital B).

Shortly after filing the Petition, Debtor commenced an Adversary Proceeding (Adv. Pro. No. 23-01092) and filed a motion seeking to extend the automatic stay and issue an injunction preventing continued litigation directed at certain named "Protected Parties". The Court issued an *ex parte* Temporary Restraining Order (ECF No. 9 in Adv. Pro No. 23-01092), which was thrice amended (ECF Nos. 15, 16, and 20 in Adv. Pro No. 23-01092). After considering objections and arguments raised during a hearing April 18, 2023, the Court entered a limited preliminary injunction (the "Preliminary Injunction") that dissolved the prior temporary restraints, extended the automatic stay, and granted limited relief. *Preliminary Injunction*, ECF No. 91 in Adv. Pro. No. 23-01092. Apart from the Multi-District Litigation ("MDL"), the limited Preliminary Injunction prohibited only the commencement or continuation of any trial and appellate practice against any of the parties identified in Appendix B to the Verified Complaint, as amended.[11] The Motions to Dismiss were filed shortly after the Court issued the Preliminary Injunction.

Notably, when the Court issued the Preliminary Injunction, the Court declined to rule at that time on a Motion for Relief from Stay filed in the main case (ECF No. 71) by Joseph Satterley, Esq. on behalf of talc claimant, Anthony Hernandez Valadez. Instead, that matter was carried to May 3, 2023. On that date, the Court granted relief from the automatic stay and from the Preliminary Injunction—permitting the plaintiff to proceed to trial and verdict in the case captioned *Anthony Hernandez Valadez v. Johnson & Johnson, et al*. (the "*Valadez* Case"), which was pending in the Superior Court of California, County of Alameda, against the Debtor and certain parties protected by the Preliminary Injunction. *Order Granting Movant Anthony Hernandez Valadez Relief from the Automatic Stay and Preliminary Injunction*, ECF No. 585. The *Valadez* Case proceeded to trial before a California court, while the remaining parties proceeded in this Court and—with the Court's assistance—established a briefing schedule and selected hearing dates for the Motions to Dismiss.

[11] As discussed on the record during the April 20, 2023, hearing, Janssen Pharmaceuticals, Inc. and Kenvue Inc. were excluded, and the Preliminary Injunction does not extend to those entities.

The Debtor and the AHC filed objections to the Motions (ECF Nos. 614 & 613, respectively), certain Movants filed Replies and Joinders[12], and Debtor and the AHC filed sur-replies.[13] On June 27, 2023, the Court commenced a four-day evidentiary hearing to address the Motions and the continuation of the Preliminary Injunction in the pending Adversary Proceeding (ECF No. 2 in Adv. Pro. No. 23-01092). Prior to the hearing, the Movants, Debtor and AHC stipulated to the admission of certain evidence. *Evidentiary Stipulation*, ECF No. 852. Both sides presented oral argument and introduced fact and expert witnesses. Specifically, the Court considered live testimony from the following fact witnesses:

- Robert O. Wuesthoff, President of LTL Management, LLC and President of Royalty A&M LLC
- Richard Dickinson, Chief Financial Officer of LTL Management, LLC and member of Board of Managers
- John H. Kim, Chief Legal Officer of LTL Management, LLC
- James Murdica, Esq., Barnes & Thornburg, LLP, J&J's national settlement counsel
- Mikal Watts, Esq., Member of the Ad Hoc Committee of Supporting Counsel ("AHC")
- James Onder, Esq., Member of the AHC
- Adam Lisman, Vice President and Assistant Corporate Controller of Johnson & Johnson

The Court also heard testimony from five expert witnesses including:

- Charles H. Mullin, PhD, Managing Partner at Bates White Economic Consulting for Debtor
- Sheila Birnbaum, Esq., Co-Chair, Products Liability & Mass Tort Group, Dechert, LLP, for Debtor
- Saul E. Burian, Managing Director at Houlihan Lokey, for Movants

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[12] Replies were filed by the Official Committee of Talc Claimants (ECF No. 857), the Ad Hoc Committee of States (ECF No. 863), the United States Trustee (ECF No. 862), Arnold & Itkin, on behalf of certain talc claimants (ECF No. 854), Maune Raichle Harley French & Mudd, LLC (ECF No. 855), State of New Mexico and State of Mississippi (ECF No. 872), and one Joinder was filed by the Ad Hoc Group of Mesothelioma Claimants (ECF No. 866).

[13] *AHC's Sur-Reply*, ECF No. 900; *Debtor's Sur-Reply*, ECF No. 906.

- Hon. Royal Fergeson, U.S.D.J. (ret.), for Movants
- Prof. Theodore Rave, University of Texas School of Law, for Movants

Additionally, the Court has reviewed declarations and/or video deposition testimony for the following witnesses:

- Gregory K. Bell, PhD, Group Vice President of Charles River Associates, for Debtor
- John R. Castellano, Managing Director at Alix Partners, for Debtor
- Matthew Diaz, Senior Managing Director at FTI Consulting, Inc., for Movants
- Majed Nachawati, Esq., Member of the AHC, for Debtor
- Adam Pulaski, Esq., Member of the AHC, for Debtor
- Erik Haas, Esq., Counsel for Johnson & Johnson, for Debtor

On June 30, 2023, the Court heard closing arguments and the parties submitted their electronic slide decks to the Court. At the Court's instruction, the parties submitted a stipulation of admitted exhibits. *Joint Stipulation and Agreed Order Regarding the Admission of Exhibits and Deposition Designations*, ECF No. 1100. The Court also directed the parties to submit proposed findings of fact and conclusions of law no later than July 19, 2023.

III. Discussion

A. Overview

Movants have asked this Court to dismiss Debtor's case "for cause" under 11 U.S.C §1112(b), as not having been filed in good faith. *See In re SGL Carbon Corp*., 200 F.3d 154, 162 (3d Cir. 1999) (explaining that "a Chapter 11 petition is subject to dismissal for 'cause' under 11 U.S.C. § 1112(b) unless it is filed in good faith"). Under the standard employed in the Third Circuit, a petition is filed in good faith if it (i) serves a valid bankruptcy purpose and (ii) is not filed merely to obtain a tactical litigation advantage. *LTL Mgmt.*, 64 F.4th at 100-01 (citing *In re*

15375 Mem'l Corp. v. BEPCO, L.P., 589 F.3d 605, 618 (3d Cir. 2009) and *In re Integrated Telecom Express, Inc.*, 384 F.3d 108, 119-20 (3d Cir. 2004)). The parties' arguments—both in their briefing and during the four-day trial—touch on a significant issue previously debated in LTL 1.0: namely, whether and to what extent a corporation facing staggering mass tort claims may employ the bankruptcy courts to resolve its mass tort liabilities. The Court expressed its thoughts on this issue in its Opinion denying the Motions to Dismiss in the LTL 1.0 case. *See In re LTL Mgmt., LLC*, 637 B.R. 396 (Bankr. D.N.J. 2022). This Court's views remain unchanged; nor did the Third Circuit's ruling delve much into the merits and value of the tools that bankruptcy offers for resolving mass torts, apart from noting, "[t]he takeaway here is that when financial distress is present, bankruptcy may be an appropriate forum for a debtor to address mass tort liability." *In re LTL Mgmt.*, 64 F.4th at 104. Nevertheless, this Court's beliefs as to the benefits and advantages of bankruptcy, or the appropriateness of employing a chapter 11 filing to resolve mass tort liability are of no moment for resolution of the pending Motions. Taking guidance from the Third Circuit, this Court "start[s], and stay[s], with good faith" and the requirement of financial distress. *In re LTL Mgmt., LLC*, 64 F.4th at 93.

B. Financial Distress Requirement of Good Faith

"[A] Chapter 11 petition is subject to dismissal for 'cause' under 11 U.S.C. § 1112(b) unless it is filed in good faith." *In re SGL Carbon Corp.*, 200 F.3d 154, 162 (3d Cir. 1999). It is well-established in the Third Circuit that "good faith necessarily requires some degree of financial distress on the part of a debtor." *In re Integrated Telecom Express, Inc.*, 384 F.3d 108, 121 (3d Cir. 2004); *see also In re LTL Mgmt., LLC*, 64 F.4th at 101 ("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."); *In re SGL Carbon Corp.*, 200 F.3d at 166. "Once at issue, the burden to establish good faith is on the debtor." *Id.* at 100. "Whether the good faith requirement has been satisfied is a 'fact intensive inquiry' in which the court must 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.'" *In re 15375 Mem'l Corp. v. Bepco, L.P.*, 589 F.3d at 618 (citing *In re Integrated Telecom Express, Inc.*, 384 F.3d at 118) (other citations omitted). Here, Debtor's good faith—specifically, the financial distress requirement—has been placed squarely at issue. Thus, the burden shifts to the Debtor to demonstrate that it was financially distressed at the time of the chapter 11 filing.

The Third Circuit has not "set out any specific test to apply rigidly when evaluating financial distress." *In re LTL Mgmt., LLC* 64 F.4th at 102. To be sure, the Circuit confirms that it is not possible to "predict all forms of financial difficulties that may in some cases justify a debtor's presence in [c]hapter 11." *Id.* ("So many spokes can lead to financial distress in the right circumstances that we cannot divine them all."). Rather, considering "all relevant facts in light of the purposes of the Code," "the good-faith gateway asks whether the debtor faces the kinds of problems that justify [c]hapter 11 relief." *Id.*

Financial distress serves as a gating requirement for relief under chapter 11; in denying the motions to dismiss in LTL 1.0, this Court found LTL to be distressed sufficiently to avail itself of the bankruptcy system. *See In re LTL Mgmt., LLC*, 637 B.R. at 417-421 (discussing Debtor's financial distress). Nevertheless, the Third Circuit reached an opposite conclusion. The chief difference lies in the perceived lack of "immediacy" of such financial distress. *See In re LTL Mgmt., LLC*, 64 F.4th at 102 ("[f]inancial distress must not only be apparent, but it must be immediate enough to justify a filing."). The Third Circuit mandated that the Debtor's financial distress must be "immediate", "imminent" and "apparent"; the Circuit further advanced that "an attenuated possibility standing alone" regarding a bankruptcy filing does not establish good faith. *Id.* (quoting *SGL Carbon*, 200 F.3d at 164). One can view the Third Circuit's ruling as being somewhat at odds with a pro-active approach to trouble. When one smells smoke, the wise course of action is to get out of the house and call for help. However, as it stands now, in gauging financial distress, observing smoke may not be enough—one must see flames. Indeed, as noted by the TCC:

> The Court of Appeals referred to "businesses teetering on the verge of a fatal financial plummet", [*LTL Mgmt.,* 64 F.4th] at 103, and drew comparisons to *In re Johns-Manville Corp.*, 36 B.R. 727, 730 (Bankr. S.D.N.Y. 1984), where the debtor faced "urgency," including "forced liquidation of key business segments," and *In re A.H. Robins Co., Inc.*, 89 B.R. 555, 558 (E.D. Va. 1988), which "had only $5 million in unrestricted funds" and was unable to borrow. *LTL Mgmt.*, 64 F.4th at 103–04. The Third Circuit did not treat such "urgen[t]" circumstances as ***merely one illustrative type*** of financial distress that would warrant bankruptcy. *Id.* at 104. Rather, it treated them as an ***essential precondition*** for a bankruptcy filing, warning that "[r]isks associated with premature filing may be particularly relevant in the context of a mass tort bankruptcy" and explaining that further litigation in the tort system would help, not hinder, LTL's reorganization.

TCC's Proposed Findings of Fact and Conclusions of Law ¶ 5, ECF No. 1075 (citation omitted) (emphasis in original).

Few will argue that from a financial restructuring perspective, a "wait and see" approach often gives rise to serious risks and increased costs that may threaten the viability of the business. Chapter 11 professionals know all too well that companies which flounder too long without restructuring assistance face increased borrowing costs, diminished goodwill, and a lethal loss of leverage with vendors and lenders. Drawing upon the history of mass tort bankruptcies, most companies fare no better when trying to ride out massive, decades-long litigation firestorms. Here, "LTL inherited massive liabilities," *In re LTL Mgmt., LLC*, 64 F.4th at 109, and faces tens of thousands of potential lawsuits involving various types of cancer, *id.* at 108 (conceding that "the number of talc claims had surged in recent years"). This case involves more than the mere possibility of threatened litigation. In point of fact, the record suggests that there are tens of thousands of additional claims since LTL's first filing, and that the Debtor expects to face tens of thousands more in the future. While it is difficult to assess the eventual cost to defend and resolve the talc claims, there is nothing speculative about the fact the Debtor faces substantial liability. It has already incurred billions of dollars in judgments, settlements, and litigation costs. And, due to the backlog that developed during LTL 1.0, the Debtor faces significant increases in the number of individual trials, the dollar-value of settlement demands, and related defense costs. As counsel conceded during the hearing, Movants have already sought—and intend to pursue—consolidated trials (like the one that resulted in the multi-billion-dollar *Ingham* judgment). These trials pose enhanced verdict risk—both in terms of an increased risk of a verdict for the claimants and an increased risk of larger dollar awards. *Kim Decl.* at ¶ 36; *see also June 27, 2023 Hr'g Tr. – Kim Redirect*, 261:2-262:20.

The $4.5 billion verdict in *Ingham* has been described as an "outlier" in the few trials that proceeded to verdict. *In re LTL Mgmt., LLC*, 64 F.4th at 107. Yet, how many more *Ingham*-sized verdicts must be rendered before the claims are deemed a threat to LTL's resources? Is it unreasonable to anticipate a dozen or more such "outliers" out of tens of thousands of current claims, let alone future claims? Indeed, in the recent single-plaintiff *Valadez* Case, plaintiff's counsel asked the jury to return a $500 million verdict against J&J—$50 million for compensatory damages and "nine times" that amount for punitive damages. In the end, notwithstanding counsel's plea, the jury returned a verdict of $18.8 million in compensatory damages and no punitive damages in favor of the plaintiff. *July 18, 2023 Jury Verdict Transcript (Valadez Case)*, Trial Ex. D-566. At what frequency must large verdicts be handed out before it is apparent that a debtor will come close to exhausting its funding capacity? These are questions for another day.

Unquestionably, the Third Circuit recognizes that "the Code contemplates 'early access to bankruptcy relief to allow a debtor to rehabilitate its business before it is faced with a hopeless situation;'" however, the prospect and benefits of an early filing must be balanced against the potential for, and risks of, premature filings. *In re LTL Mgmt., LLC*, 64 F.4th at 102 (quoting *SGL Carbon*, 200 F.3d at 163). The Circuit acknowledges that there is often a "fine line" between a proper, early filing and an abusive, premature filing, and reaffirms that bankruptcy courts are "in the best position to draw it." *Id.* By way of these Motions, this Court has been asked again to draw such a line. Given the Circuit's focus on immediacy and certainty, this Court rules, as discussed in greater detail below, that on the petition date, LTL fell on the wrong side of the line.

It is undisputed that, as of the filing date of LTL 2.0, Debtor was solvent and—with assistance from HoldCo and the 2023 Funding Agreement—was able to satisfy its liabilities. *See, e.g. Wuesthoff Decl.* ¶ 26; *Tr. of June 27, 2023 Hrg. – Wueshoff Cross* 71:1-14; *Tr. of June 27, 2023 Hrg. – Dickinson Cross* 134:19-21. Although "balance-sheet insolvency or insufficient cash flows to pay liabilities (or the future likelihood of these issues occurring) are likely always relevant," the Third Circuit has been clear in holding that a debtor is not required to be insolvent—either from a balance-sheet or equitable perspective—to file for chapter 11 relief. *See In re LTL Mgmt., LLC*, 64 F.4th. at 102 ("We recognize as much, as the Code conspicuously does not contain any particular insolvency requirement.") (citing *In re SGL Carbon Corp.*, 200 F.3d at 163; *Integrated Telecom*, 384 F.3d at 121). Thus, the threshold issue for a chapter 11 filing is not "insolvency" but "financial distress." Nevertheless, Debtor's solvency as of the petition date provides this Court with a starting point for the financial distress analysis.

With respect to assets available to the Debtor as of its April 4, 2023, filing, the Court looks first to its cash position and future revenues. The Debtor has $14.5 million in cash, annual royalty revenue streams and access to approximately $1.3 billion in cash from HoldCo, the obligor under the 2023 Funding Agreement, including a $912 million dividend that HoldCo received in June 2023. *Expert Report of Gregory K. Bell, Ph.D. ("Bell Report")* ¶¶ 39-41, June 7, 2023, Trial Ex. D-66; *Supplemental Expert Report of Gregory K. Bell, Ph.D.* (*"Supp. Bell Report")* ¶ 8, June 20, 2023, Trial Ex. D-67. Specifically, on June 22, 2023, HoldCo received a dividend of $912 million from its indirect subsidiary GH Biotech, through several intermediate subsidiaries. *Id*. Nothing in the record suggests that the receipt of this dividend was extraordinary. Rather, HoldCo expects significant ongoing future dividends, according to Debtor's expert, Dr. Bell. *Bell Report* ¶ 71, Trial Ex. D-66; *see also Bell Report Ex. N*. An independent third party's free cash flow forecasts for Janssen Sciences Ireland Unlimited Company ("JSI"), relied upon by Dr. Bell, estimates between $3.6 billion and $5.6 billion in annual total free cash flows over the next decade, which would translate into billions of dollars of dividends to HoldCo. *Bell Report Ex. M*. HoldCo has other subsidiaries that also generate hundreds of millions of dollars in annual cash flow. *Rebuttal Expert Report of Saul Burian ("Burian Rebuttal Report")* 34, TCC Trial Ex. 1112.

As to other assets— as of the date of the chapter 11 filing—LTL owned the equity interest in Royalty A&M, worth nearly $400 million and, again, has access to the value of HoldCo's equity interests, valued at approximately $29.9 billion or, if discounted in a forced liquidation, $22.3 billion. *Bell Report* ¶ 39-41, 58. In this regard, Dr. Bell testified that HoldCo holds 36.1143% minority interests in two J&J affiliates domiciled in Ireland, JSI and Janssen Irish Finance Unlimited Company ("JIFC"). *Bell Report* ¶ 45. As of April 4, 2023, JSI's fair market value was $34,672,900,000, for a HoldCo share of $12,521,875,000, and JIFC's fair market value was $26,569,100,000, for a HoldCo share of $9,595,244,000. *Bell Report Ex. H*; *Lisman Decl.* ¶ 24, Trial Ex. D-4. HoldCo's other major assets are 100% holdings in Janssen-Cilag GmbH, valued at $4,007,900,000, and Janssen France Treasury Unlimited Company valued at $1,778,407,000. *Bell Report Ex. H*; *Lisman Decl.* at 9, Figure 1. HoldCo also holds several other interests valued at a total of $1,972,941,000, along with $300 million in cash. *Bell Report Ex. H*; *Lisman Decl.* at 9, Figure 1. According to Dr. Bell, if forced to liquidate its equity interests, HoldCo would receive $22.3 billion, after applying a 10% "minority interest discount" to JSI and JIFC and a marketability discount of 20.6%, for sales of restricted stock. *Bell Report* ¶ 51.

Debtor posits that—although it can meet its debts *now*—its liabilities will increase in both the short and long term. However, LTL's Chief Financial Officer, Mr. Wuestoff, did not have any financial flow analysis if the talc claims were returned to the tort system. *See, e.g., June 27, 2023 Hr'g Tr. – Wuestoff Cross*, 58:13-16. He knew only what had been historically spent on defense costs. *Id.* at 137:9. Likewise, in advance of the chapter 11 filing, LTL had not performed any evaluation of how much cash flow it would need in the tort system over the next three or even five years. *June 27, 2023 Hr'g Tr. – Dickinson Cross*, 163:17–22. J&J's assistant controller testified that outside of bankruptcy, "J&J has no aggregate estimate of talc liability." *June 28, 2023 Hr'g Tr. (vol. 2) – Lisman Cross*, 144:12-15. Without such estimate, Debtor has opted to present expert opinions to buttress its financial distress contentions. Dr. Charles H. Mullin opined that LTL faces a "wave of litigation" in the near future. *Mullin Report* ¶ 64. Dr. Mullin constructed three hypothetical "cash flow" scenarios and pegs the estimated short-term defense and resolution costs upon a return to the tort system in a range between $3 billion and $7 billion over the next 3 years.[14] *Id.* at ¶ 12; *Debtor's Proposed Findings of Fact and Conclusions of Law* ¶75, ECF No. 1079. Yet, these figures are bottomed on assumptions which are dramatically at odds with the historical run rates as to both trial costs and settlements.

On rebuttal, Movants' expert, Mr. Burian, questioned Dr. Mullin's use of 100 trials in two of his three scenarios (or even 20 trials in his third scenario), noting that Mr. Wuestoff had previously testified that LTL could not realistically try more than 10 cases per year, and even 20 was not possible. *Burian Rebuttal Report* 12, TCC Trial Ex. 1112; *Feb. 14, 2022 Hr'g Tr. –*

[14] The three scenarios are: (a) "Litigate All," which assumed 100 trials per year and no settlements or paid judgments (given that all judgments would be appealed) and assumed LTL's non-trial litigation costs would increase by 150%; (b) "Selective Litigation and Settlements (Low End)," which assumed 20 trials per year and certain settlements with no paid judgments (again on account of appeals) and assumed LTL's non-trial litigation costs would decrease by 25%, and (c) "Selective Litigation and Settlements (High End)," which assumed 100 trials per year and substantial settlements and paid judgments, and assumed LTL's non-trial litigation costs would increase by 150%. LTL's total costs in the first three years upon return to the tort system according to Dr. Mullin would be $2.7 billion under the first scenario, $2.65 billion under the second scenario, and $6.9 billion under the third scenario. *Mullin Report* ¶¶ 59-89, Trial Ex. D-65; *id.*, TCC Trial Ex. 1001.

Wuestoff Cross, 180:7-16, ECF No. 1481 in Case No. 21-30589. Mr. Burian further challenged as inflated Dr. Mullin's assumptions with respect to trial and non-trial litigation costs. *Burian Rebuttal Report* at 12-14. Using Dr. Mullin's $40 million quarterly figure for non-trial litigation costs but adjusting other variables (revising per-trial costs to $3.5 million based on the historical average, and assuming an average of ten trials per year, consistent with the historical average and LTL's president's testimony), Mr. Burian performed a re-analysis of Dr. Mullin's short term "cash flow" scenarios. *Id.* With Mr. Burian's adjustments, LTL's total costs in the first three years upon return to the tort system would be only $0.6 billion under the first scenario, $2.6 billion under the second scenario, and $4.8 billion under the third scenario. *Id.* at 15. Ultimately, Mr. Burian's re-analysis provides the more credible projections. And although, on paper, there is not enough cash in either LTL's or HoldCo's coffers to satisfy even the TCC's lower numbers, clearly there are resources readily available to LTL to secure satisfaction of these amounts. Given LTL's assets—including the 2023 Funding Agreement—the record demonstrates that LTL can satisfy these costs; accordingly, there is no imminent financial distress.

Regarding total talc liabilities facing the Debtor, Dr. Mullin provided at trial an "above-expectation" estimate of LTL's total aggregate talc liabilities—which would extend out for "decades" into the future and includes the cost to "defend and resolve" all personal injury talc claims, governmental talc claims, and any indemnification obligations—at approximately $11 billion. *Mullin Report* ¶¶ 7, 102, 104, 112, Trial Ex. D-65; *June 29, 2023 Hr'g Tr. (vol. 2) – Mullin Cross*, 82:7–83:19, 154:13–16.23, ECF No. 1028. Dr. Mullin further performed a "high-end stress test scenario" that estimates a worst-case scenario for talc liability at $21 billion. *Mullin Report*

¶¶ 19, 105; *June 29, 2023 Hr'g Tr. (vol. 2) – Mullin Cross* at 83:3–5. Even assuming total talc liability closer to this worst-case scenario figure, the Debtor still will not have exhausted the total value of the 2023 Funding Agreement. As explained, that asset includes not only LTL's cash and equity interests, HoldCo's cash, HoldCo's anticipated revenue through subsidiaries, and HoldCo's expected future dividends with projected values in the billions, but also HoldCo's $22.3 billion forced liquidation value—which, alone, could cover the Debtor's total estimated worst-case scenario for talc liability.

In further support of its financial distress argument, Debtor points to the unpredictability of future costs. Unquestionably, LTL's precise cash needs are speculative and will depend on LTL's chosen litigation strategy and litigation events, the timing of which may be beyond LTL's control. *See Mullin Report* at ¶ 83. Moreover, Dr. Mullin opined that expenditures in the tort system will become increasingly uncertain and volatile beyond the three-year period used for his analysis. *Id.* at ¶¶ 7, 102, 104, 112. The TCC argues that the Third Circuit's emphasis on "imminent" and "immediate" financial distress forecloses consideration of this "considerable uncertainty" surrounding Debtor's future talc liabilities in the financial distress analysis. This takes the Circuit's ruling too far. There is nothing in the Bankruptcy Code which requires that liabilities be liquidated or certain to justify a voluntary chapter 11 filing—especially in cases invoking § 524(g) to address asbestos liability. Quite the opposite. *See* 11 U.S.C. §524(g)(2)(B)(ii)(II).

In sum, given the freeze in litigation arising from the automatic stay and Preliminary Injunction, this Court is presented with nearly the same record with respect to verdicts and costs as in LTL 1.0. In reviewing that record, the Third Circuit found that LTL's ability to fund its liabilities "exceeded any reasonable projections available on the record." *In re LTL Mgmt., LLC*, 64 F.4th at 109. While recognizing that the tort landscape may change and that LTL may encounter larger verdicts in the future, the Third Circuit stated that "[t]he '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.* This Court abides by that ruling.

Given the submissions and testimony at trial, this Court concludes that LTL is not sufficiently financially distressed to avail itself of bankruptcy at this time. The weight of the evidence indicates that LTL does "not have any likely need in the present or the near-term . . . to exhaust its funding rights to pay talc liabilities." *In re LTL Mgmt., LLC*, 64 F.4th at 108. Consistent with the Third Circuit's instructions, courts analyzing financial distress must focus on the financial state of the debtor. *In re LTL Mgmt., LLC*, 64 F.4th at 105. At the time of filing, LTL had assets valued at approximately $380 million, with approximately $14.5 million in cash. *Debtor's Proposed Findings of Fact and Conclusions of Law* ¶ 61, ECF No. 1079; *Lisman Decl* ¶¶ 12-13; *Bell Report* ¶ 55. Most importantly, the Debtor was contractually entitled to a funding backstop—in the form of the 2023 Funding Agreement—that allowed it to access the value of HoldCo's significant cash holdings, anticipated annual dividends, and equity interests having a value approaching $30 billion—exceeding the projected near term and aggregate talc liability. This asset—which the Third Circuit previously described as "an ATM disguised as a contract"—is properly considered in LTL's financial distress analysis. Thus, "the financial condition of [HoldCo] is relevant only to the extent it informs [this Court's] view of the financial condition of

LTL itself." *In re LTL Mgmt.*, LLC, 64 F.4th at 106. In sum, this Court smells smoke, but does not see the fire.[15] Therefore, the emphasis on certainty and immediacy of financial distress closes the door of chapter 11 to LTL at this juncture.

C. Best Interests of Creditors

Having found cause for dismissal, the Court is compelled to address the possibility of continuing this chapter 11 bankruptcy in the best interests of the creditors. *See* 11 U.S.C. §1112(b)(1) & (2). The Court asked the parties to brief these issues amid the Court's concerns over the obstacles hindering claimants' collective access to recoveries outside of bankruptcy. Many claimants are represented by counsel who have passionately advocated on their behalf both in this bankruptcy and in the tort system. This Court has no doubt that counsel will continue to zealously represent these claimants post-bankruptcy. Still more claimants, however, are either unrepresented, are represented by counsel with limited resources, or are still yet unidentified. The Court queries who will pursue potential fraudulent transfer claims[16] for the benefit of *all*

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[15] It is not lost on the Court that Movants are likely to suggest that, even if there were flames, they exist only because the substitution of the 2023 Funding Agreement served as an accelerant, and that—in any event—J&J has the financial wherewithal to assist Holdco in extinguishing the fire. However, neither this Court, nor the Third Circuit has taken issue with the propriety of the corporate restructuring, nor found that J&J had an independent obligation to satisfy the Debtor's talc liability prior to the bankruptcy. *In re LTL Mgmt.*, 64 F.4th at 106-107.

[16] The TCC contends that the termination of the 2021 Funding Agreement constituted the "largest intentional fraudulent transfer in United States history." *TCC's Motion to Dismiss* 12, ECF No. 286-1. Counsel for Mesothelioma Plaintiff Tollefson and Certain Mesothelioma Plaintiffs further asserts that:

> LTL also maintains a $41.5 billion litigation claim for the transfer of the Consumer Business for no considerations. In addition, the assets of the bankruptcy estate (but not of LTL pre-filing) also consist of the debtor-in-possession's right to bring a potential fraudulent transfer claim against J&J for abandoning its funding backstop without reasonable exchange in value. Dismissing this case returns the right to bring such cause of action (if any) to the creditors of LTL. See, e.g., N.J. Rev. Stat. 25:2-29(a)(1) (Remedies of Creditor) ("In an action for relief against a transfer or obligation

claimants—present and future. Likewise, the Court questions whether there is a stakeholder with the motivation and necessary resources to pursue possible recoveries arising from the termination of the 2021 Funding Agreement (to the extent such claims are appropriate). Finally, the Court harbors the same apprehensions about continued litigation in the tort system expressed in its opinion denying the motions to dismiss in LTL 1.0. *In re LTL Mgmt., LLC*, 637 B.R. at 410-417.

There have been no developments since LTL 1.0 that have abated the Court's concerns or resolved the problems of the extensive tort-claim backlog, or the incontrovertible fact that many plaintiffs are denied any recovery in the tort system altogether. In opposition to Dr. Mullin's report, counsel for Movants repeatedly emphasized that there would be far fewer trials per year than the 100 used by Dr. Mullin in his calculations. Movants—based on historical data and deposition testimony—pegged this number at closer to 10 trials per year. *See, e.g.*, *June 29, 2023 Hr'g Tr. – Mullin Cross*, 94:23-100:3, ECF No. 999; *June 30, 2023 Hr'g Tr. – Ruckdeschel Closing* 48:19-23, ECF No. 1000. This glacial pace coupled with the undeniable surge in the number of new actions means that the vast majority of claimants will not get the opportunity to seek recovery for years to come, if ever. The sluggish speed of the tort system—which plaintiffs' attorneys repeatedly acknowledged during trial—continues to trouble this Court. Further, when a claimant finally gets to trial, that opportunity comes with a very meaningful risk of a defendant's verdict. On the other hand, claims reconciliation through a bankruptcy trust places reduced evidentiary and

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> under this article, a creditor, subject to the limitations in R.S.25:2-30, may obtain (1) Avoidance of the transfer or obligation to the extent necessary to satisfy the creditor's claim. . . .").

MRHFM's Plaintiffs' Proposed Findings of Fact and Conclusions of Law 9 n.17, ECF No. 1068.

causation burdens on claimants, and resolution of claims and payments to victims can be achieved at a far more expeditious pace than through uncertain litigation in the tort system. Indeed, it has been the near decade of frustration, delay, and widely disparate results in the tort system which prompted certain AHC counsel to seek a consensual resolution with J&J's settlement counsel. *Murdica Decl.* ¶¶ 40-41; *Watts Decl.* ¶¶ 7, 25-26; *June 28, 2023 Hr'g Tr. (vol. 1) – Murdica Cross*, 39:3-9, ECF No. 956.

Finally, the Court again emphasizes the need to protect the interests of future claimants—a need that is especially crucial in cases involving diseases with long latency periods, such as the present matter. There are two insurmountable hurdles to globally resolving talc litigation in the tort system—latency periods for injuries and unknown future claimants. Sheila Birnbaum, Esq., who testified for the Debtor, opined that "MDLs are not always a good vehicle to resolve mass personal injury litigation, especially in cases that involve future claims with latent injuries." *June 29, 2023 Hr'g Tr (vol. 1) – Birnbaum Cross*, 59:21-24, ECF No. 968; *Expert Report of Sheila L. Birnbaum ("Birnbaum Rebuttal Report")* 1, Trial Ex. D-68. Latent injuries make it "impossible to identify who the plaintiffs are going to eventually be, because they have no injury at the moment, and their injury may manifest years after their exposure to a particular product, substance, or device." *June 29,* 2023 *Hr'g Tr. (vol. 1) – Birnbaum Cross*, 81:4-11; *see also Birnbaum Rebuttal Report* at 7, 9-11. She also testified about the due process concerns around providing notice and an opportunity to opt out of a settlement to unknown future claimants: "That's a very big problem in the fact of due process. That is one of the reasons that settlements through class actions after *Amchem* and *Ortiz* just never continued because of the problems of . . . notice, of due process, of having people understanding the ability to opt out or even know they've been exposed." *Id.* at 81:12-19 (citing *Amchem Prods., Inc. v. Windsor*, 521 U.S. 591 (1997) (affirming decertification of proposed asbestos class settlement for failure to meet the requirements of Rule 23); *Ortiz v. Fibreboard Corp.*, 527 U.S. 815 (1999) (holding that certification of proposed global asbestos class settlement was impermissible under Rule 23 and that it did not comply with *Amchem*)).

No party or expert has identified even a single example of a global settlement outside of bankruptcy that has been achieved in circumstances like this case—where both latent injuries and unknown future claimants exist—in the more than 20 years since *Amchem* and *Ortiz* were decided. Instead, Movants' experts have offered examples of distinguishable mass tort settlements achieved in non-bankruptcy situations that—in every case—did not involve the large numbers of unidentified future claimants and long latency periods that are central to this chapter 11 case.[17] Far from being an improper litigation management tool, the Debtor's experts suggest that chapter 11 provides the most practicable mechanism to resolve globally the Debtor's talc liability.

During trial, Movant's expert, Professor Theodore Rave offered in rebuttal that there are tools available in the tort system, through the MDL process, to address and protect the rights of unidentifiable, future claimants. *June 29, 2023 Hr'g Tr. (vol. 1) – Prof. Rave Re-Direct* 26:3-28:6, ECF No. 968. He first explained that there could be a structure in place to create a subclass of future claimants with their own, separate counsel who would have financial incentive to protect

[17] In testimony, Professor Theodore Rave pointed to the *In re NFL Concussion* MDL litigation as an example in which a class settlement was achieved. However, unknown future claimants were not a factor in that litigation and Prof. Rave acknowledged that it was significantly different from the talc litigation because the class members did not include unknown future claimants. *June 29, 2023 Hr'g Tr. (vol. 1) – Rave Cross* at 16:2-18. Similarly, the *Vioxx* and *BP Deepwater Horizon* settlements, which he cited in his report (*Rave Report* at ¶¶ 54, 58) did not include either latent injuries or future claimants and that the *Fen-Phen* settlement did not involve latent injuries. *See id.* at 87:24-88:13.

the rights of that subclass. *Id.* at 26:10-27:3. However, Professor Rave viewed the challenge of unidentifiable claimants as a "notice challenge," as opposed to a "structural" issue within the MDL process. *Id.* at 26:15-17. To resolve that challenge, Professor Rave explained that courts could "do a multimedia kind of notice" that would include "print ads and TV ads and internet advertising over a long period of time to make sure that the message is getting out there." *Id.* at 27:16-20. Given the 60-year latency period and the repeated allegations throughout this litigation that Debtor's product is still readily available, the Court is dubious whether multimedia advertising over a long period of time would adequately capture unidentified, future claimants.

In short, the Court remains unconvinced that the procedural mechanisms and notice programs offered in the tort system can protect future claimants' rights in the same manner as the available tools in the bankruptcy system. Given these concerns, the Court considers the possibility that best interests of the creditors warrants continuation of this chapter 11 case.

(1) 11 U.S.C. § 1112(b)(2)

Under § 1112(b)(2), even if "cause" exists, dismissal is precluded where "unusual circumstances" establish that that conversion or dismissal of the case is not in the best interests of the creditors or the bankruptcy estate. 11 U.S.C. § 1112(b)(2); *see also, e.g.*, *In re Alston*, 756 F. App'x 160, 165 (3d Cir. 2019); *In re 1121 Pier Vill. LLC*, 635 B.R. 127, 136–37 (Bankr. E.D. Pa. 2022). The party opposing dismissal bears the burden of proving all the elements of § 1112(b)(2) to prevent dismissal. *See In re Dr. R.C. Samanta Roy Inst. of Sci. Tech. Inc.*, 465 F. App'x 93, 97, 98 (3d Cir. 2011). Therefore, to utilize this subsection, Debtor must establish that unusual circumstances exist, that dismissal is not in the best interests of the creditors, *and* that:

> A) there is a reasonable likelihood that a plan will be confirmed within the timeframes established in sections 1121(e) and 1129(e) of this title, or if such sections do not apply, within a reasonable period of time; and
>
> (B) the grounds for converting or dismissing the case include an act or omission of the debtor other than under paragraph (4)(A)--
>
> (i) for which there exists a reasonable justification for the act or omission; and
>
> (ii) that will be cured within a reasonable period of time fixed by the court.

11 U.S.C. § 1112(b)(2). Moreover, because § 1112(b)(2) is written in the conjunctive, a debtor must establish each element to invoke the exception and prevent dismissal or conversion. *See, e.g.*, *Andover Covered Bridge, LLC,* 553 B.R. 162, 177 n.5 (B.A.P. 1st Cir. 2016); *In re Delta AG Grp., LLC*, 596 B.R. 186, 201 (Bankr. W.D. La. 2019) ("[T]he burden shifted to Debtor to prove this case should not be dismissed or converted by proving each element set forth in § 1112(b)(2)."); *In re Ashley Oaks Dev. Corp*., 458 B.R. 280, 286 (Bankr. D.S.C. 2011); *see also In re Vascular Access Centers, L.P*., 611 B.R. 742, 761 n.5 (Bankr. E.D. Pa. 2020) (explaining all factors that must be established to preclude dismissal or conversion); *In re Korn*, 523 B.R. 453, 469 (Bankr. E.D. Pa. 2014) (discussing debtor's failure to establish separate subsections of § 1112(b)(2) as "independent reasons" for dismissal). The Court assumes—without finding—that "unusual circumstances" exist. Nevertheless, LTL is not able to meet its burden of establishing that all other elements of § 1112(b)(2) are satisfied.

In LTL 1.0, this Court buttressed its ruling on a rationale that employed § 1112(b)(2). *In re LTL Mgmt., LLC*, 637 B.R. at 406 n.8. In LTL 2.0, the Court directed the parties to provide additional briefing on the issue. After reviewing the briefing and giving the matter further reflection, the Court resolves that application of § 1112(b)(2) is not appropriate in this case. LTL's petition was not filed in good faith because it lacks imminent and apparent financial distress under applicable standards. The Third Circuit explained that "[n]o 'reasonable justification' validates that missing requirement" and it could not conceive of a way in which LTL's "lack of financial distress could be overcome." *In re LTL Mgmt., LLC*, 64 F.4th at 110. Because binding precedent—relating to this very Debtor—establishes that LTL is unable to demonstrate either a "reasonable justification" or a possible timely cure of the grounds for dismissal, s*ee* 11 U.S.C. §1112(b)(2)(B)(i) & (ii), the exception to dismissal based on best interests of the creditors under § 1112(b)(2) is unavailable to LTL and this Court's analysis need not go further. Nevertheless, the somewhat murky and conflicting caselaw applying the limited exception under § 1112(b)(2) merits further discussion.

Movants contend that, where cause for dismissal is found based on lack of good faith, the exception to dismissal under § 1112(b)(2) is *never* applicable. *See, e.g.*, *Arnold & Itkin Post-Trial Br.* ¶ 82, ECF No. 1071 (citing *In re Green*, 2016 WL 6699311, at *11 (B.A.P. 9th Cir. Nov. 9, 2016) ("As the bankruptcy court found, filing a petition in bad faith could never be reasonably justified or curable, no matter what plan Debtors could now propose."); *United States Trustee Reply* 19, ECF No. 862 (citing *Layman v. Tennessee State Bank*, 2021 WL 6425951, at *8 (E.D. Tenn. Feb. 2, 2021) (stating that actions amounting to bad faith "cannot be cured"); *In re Hinesley Fam. Ltd. P'ship No. 1*, 460 B.R. 547, 553 (Bankr. D. Mont. 2011) (stating that where cause for dismissal is premised on bad faith, "then section 1112(b)(2) would not apply because, by determining that the debtor filed the case in bad faith, the court would foreclose a reasonable justification for the filing.")); *TCC's Proposed Findings of Fact and Conclusions of Law* ¶ 279, ECF No. 1079 ("As other courts have explained, there can be no reasonable justification for filing a case in bad faith.").

In contrast, Debtor submits that the cases on which Movants rely do not involve a finding of bad faith premised specifically on lack of financial distress. Admittedly, those courts rooted their bad faith findings on other grounds. *See, e.g. Layman*, 2021 WL 6425951 (finding bad faith based on the filing of simultaneous chapter 11 restructuring bankruptcies and making a threatening comment); *In re Hinesley*, 460 B.R. 547 (finding bad faith based on gross mismanagement of the debtor's financial affairs and failure to cooperate/disclose information). As Debtor points out, Movants do not identify any binding authority establishing whether "bad faith," generally, precludes a debtor's ability to either cure or provide a reasonable justification necessary to avoid dismissal under § 1112(b)(2). Conversely, Debtor does not cite any authority establishing that certain types of "bad faith"—such as lack of financial distress—can be cured or justified such that the § 1112(b)(2) exception applies.

In this Court's view, Third Circuit dicta can be interpreted to suggest that certain types of "bad faith" may be capable of curing or justification. Lack of good faith can be based on a variety of factors and the appropriateness of a particular filing ranges from the "clearly acceptable to the patently abusive." *In re SGL Carbon Corp.*, 200 F.3d at 162. The acknowledgement of a spectrum implies that some petitions are filed with less good faith—or more bad faith—than others. Indeed, a footnote in *In re SGL Carbon* states in no uncertain terms that, although a debtor may have engaged in some bad conduct, dismissal may not be the appropriate remedy. *Id.* at 159 n.8 ("[I]n many circumstances, the court might be better advised to address the bad conduct of the debtor (or some other party) in a manner other than through dismissal of the proceedings.") (quoting 7 Collier on Bankruptcy 1112–70 (15th ed. 1996)). However, the Circuit clarifies that alternatives to dismissal are only appropriate "where the debtor otherwise properly belongs in bankruptcy." *Id.*

> In bad faith cases involving the filing of a petition that is an abuse of the bankruptcy process, however, § 1112(b)'s conversion/dismissal choice is inappropriate. **The proponent of an abusive petition does not belong in bankruptcy, so it is unnecessary to ask whether dismissal or conversion is in the interest of the creditors**.

Id. (emphasis added). Here, the Court is faced with a Debtor who does not belong in bankruptcy under applicable tests. *In re LTL Mgmt., LLC*, 64 F.4th at 111 ("Chapter 11 is appropriate only for entities facing financial distress."). Thus, lack of financial distress is not the type of "bad faith" that could be subject to the § 1112(b)(2) exception to prevent dismissal or conversion even under a liberal interpretation of Third Circuit dicta. Further, the decision in *In re SGL Carbon* was issued prior to a 2010 amendment to § 1112(b)[18] and, thus, does not specifically address the now-applicable "unusual circumstances" test under § 1112(b)(2) and the statutory requirements that accompany it. Therefore, it is unclear whether—where bad faith exists—the alternatives to dismissal discussed in *In re SLG Carbon* would include the exception to dismissal under today's

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[18] Prior to 2010, the statute read as follows:

> (b)(1) Except as provided in paragraph (2) of this subsection, subsection (c) of this section, and section 1104(a)(3), on request of a party in interest, and after notice and a hearing, *absent unusual circumstances specifically identified by the court that establish that the requested conversion or dismissal is not in the best interests of creditors and the estate*, the court shall convert a case under this chapter to a case under chapter 7 or dismiss a case under this chapter, whichever is in the best interests of creditors and the estate, if the movant establishes cause.

11 U.S.C. § 1112(b)(1) (superseded) (emphasis added).

§ 1112(b)(2). In any event, what *is* clear is that *In re SLG Carbon*'s underlying holding—that an alternative to dismissal is reserved for only those who properly belong in bankruptcy—remains unchallenged.[19]

Moreover, this Court is not inclined to distinguish between the various grounds supporting a finding of "bad faith." Whatever the basis, it is "bad faith," generally, that is the accepted "cause" for dismissal or conversion in this Circuit. The weight of the case law supports the conclusion that "bad faith" cannot be cured or justified such that the exception to dismissal under § 1112(b)(2) applies. *See, e.g.*, *In re Phoenix Piccadilly, Ltd.*, 849 F.2d 1393, 1395 (11th Cir. 1988) (citing *In re Nat. Land Corp.*, 825 F.2d 296, 298 (11th Cir. 1987) and stating that "[t]he possibility of a successful reorganization cannot transform a bad faith filing into one undertaken in good faith"); *In re Ozcelebi*, 639 B.R. 365, 425 (Bankr. S.D. Tex. 2022) ("[G]iven those [bad faith] findings, there is no reasonable likelihood that Debtor could confirm a plan pursuant to § 1191(b), which incorporates § 1129(a)(2), requiring that '[t]he proponent of the plan complies with the applicable provisions of this title.' "). Rather, this Court is inclined to agree with Movants that the exception to dismissal under § 1112(b)(2) is intended for use where "cause" for dismissal is based on "technical mistakes" or other procedural and ministerial failings. *June 30, 2023 Hr'g Tr. – Jonas Closing Rebuttal*, 168:24-169:5.

Notwithstanding that § 1112(b)(2) cannot serve as an independent bases to deny dismissal, the Court hears the concerns raised by nearly 58,000 claimants and harbors its own apprehension

[19] This is not to say that an alternative to dismissal such as the appointment of a trustee or examiner would not apply. *See* 11 U.S.C. § 1112(b)(1), discussed *supra*. Given the 2010 amendment and the clear statutory text, this Court does not interpret the holding in *In re SLG Carbon* as precluding those alternatives even in the face of bad faith.

regarding the best interests of creditors; specifically, how best to protect all claimants in this case—including their possible need to pursue fraudulent transfer claims or contractual recoveries under the funding agreements. It is clear from the statute that these concerns are better addressed—if at all—under § 1112(b)(1).

(2) 11 U.S.C. § 1112(b)(1) – Appointment of a Trustee or Examiner

As determined, cause for dismissal has been established in the form of lack of imminent financial distress. And, for reasons discussed, LTL cannot establish the requisite elements to avail itself of the exception to dismissal under § 1112(b)(2). Nevertheless, this Court may decline to dismiss the case and, instead, appoint an examiner or trustee under § 1112(b)(1) if such appointment is in the best interests of the creditors.[20] *See* 11 U.S.C. § 1112(b)(1) (explaining that where cause exists, a bankruptcy court shall dismiss or convert a case "unless the court determines that the appointment under section 1104(a) of a trustee or examiner is in the best interests of the creditors and the estate"); 11 U.S.C. § 1104(a)(2) (addressing appointment of a trustee or examiner); *see also In re Dr. R.C. Samanta Roy Inst. of Sci. Tech. Inc.*, 465 F. App'x 93, 96–97 (3d Cir. 2011); *In re Morningstar Marketplace, Ltd*, 544 B.R. 297, 304 (Bankr. M.D. Pa. 2016); *Grasso v. Madison Cap. Co*., 2014 WL 1281123, at *2 (E.D. Pa. Mar. 31, 2014).[21]

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[20] During the hearing on these Motions, counsel for the States of Mississippi and New Mexico suggested this Court *sua sponte* appoint a Chapter 11 trustee under 11 U.S.C. § 1104(a)(2). *June 30, 2023 Hrg. Tr. – Malone Closing*, 45:17-46:1, ECF No. 1000.

[21] Despite what this Court perceives as unambiguous language and informative statutory history, there appears to be some inconsistency in the application of the alternatives or exceptions to dismissal under § 1112(b)—a confusion stemming from the 2010 amendment to the statute. *See* FN 18, *infra*; *see also Grasso v. Madison Cap. Co*., 2014 WL 1281123, at *2 n.9 (E.D. Pa. Mar. 31, 2014) (concisely explaining the 2010 amendment to § 1112(b)). Many courts still conflate the principles in the pre- and post-2010 versions. *See e.g.*, *La Trinidad Elderly LP SE*, 627 B.R. 779, 798 (B.A.P. 1st Cir. 2021) (quoting *In re Costa Bonita Beach Resort, Inc*., 513 B.R. 184, 195 (Bankr. D.P.R. 2014)) ("Once cause is found, 'the burden shifts to the debtor to demonstrate . . . the "unusual circumstances" that establish that

Courts may appoint a trustee or examiner for cause, *see* 11 U.S.C. § 1104(a)(1), or "if such appointment is in the interests of creditors," 11 U.S.C. § 1104(a)(2). This Court has "broad discretion to take judicial notice of the entire file" to determine best interest of creditors. *In re U.S. Min. Prod. Co*., 105 F. App'x 428, 431 (3d Cir. 2004) (quotations and citations omitted). Simply put, the appointment of either a trustee or an examiner is likely to result in little more headway than we have seen to date. For instance, an examiner would retain costly professionals, spend thousands of billable hours producing a report filled with hundreds (if not thousands) of pages of text and exhibits, and offer a conclusion that there are indeed potential causes of action arising from the corporate restructuring transactions. We know all of this already. Likewise, the appointment of a chapter 11 trustee would also engender substantial litigation and extensive delays, all while leading to additional layers of professionals and attendant administrative costs.

The Court takes judicial notice of the approximately 4,900 docket entries that have been filed in these two, chapter 11 cases since their inception, nearly 20 months ago. From the Court's vantage point, the docket speaks to the complexities and far-reaching impact of this case on all parties in interest. This Court does not—and cannot—find that the appointment of an examiner and/or chapter 11 trustee will yield results in the best interests of creditors. Rather, the Court urges

dismissal or conversion to Chapter 7 is not in the best interests of the creditors and the estate.'"); *In re Burgess*, No. 11-1257, 2013 WL 5874616, at *3 (Bankr. N.D.W. Va. Oct. 30, 2013) (same). In its Reply brief, the TCC asserts that "there is only *one* exception to the mandatory duty of dismissal for cause—an exception (now located exclusively in Section 1112(b)(2)) requiring all three conjunctive conditions to be satisfied." *Reply Br.* 68, ECF No. 857. Admittedly, this Court encouraged the parties to focus on the exception to dismissal under § 1112(b)(2) and—although the TCC does not discuss § 1112(b)(1) at length—the TCC does quote the portion of § 1112(b)(1) that references appointment of a trustee or examiner. *Id.* at 65. Accordingly, the TCC's reference to "*one* exception" to dismissal may be purely semantics and not intended to exclude the alternative to dismissal under § 1112(b)(1) in the form of appointment of a trustee or examiner. The Court now examines that possibility.

the parties to build upon the remarkable progress that has been achieved in the past 120 days in reaching a viable global settlement. The foundation for a fair, efficient, and expeditious settlement has been laid by the dogged efforts of the AHC, Debtor and other parties. While the Court is obliged to dismiss this case, the parties should—and are strongly encouraged to—continue to pursue a global resolution. It has been represented that, of the total claimants, approximately 58,000 talc claimants have an "agreement in principle on material financial terms to resolve talc claims through a chapter 11 plan, which, upon final agreement and if confirmed, would constitute the largest settlement in any asbestos bankruptcy case and one of the largest settlements of personal injury claims in U.S. history." *Omnibus Objection of the Ad Hoc Committee of Supporting Counsel Motion to Dismiss* ¶¶ 3 & 12, ECF No. 613. This Court sees no reason why this type of settlement cannot be pursued in a context other than this current bankruptcy case, such as part of the pending *Imerys* chapter 11bankruptcy proceeding in Delaware. As an initial matter, LTL contemplates this notion insofar as the Debtor's Amended Chapter 11 Plan of Reorganization provides that the proceeds from a settlement in *Imerys* would be contributed to the settlement proceeds available in this case for the benefit of talc claimants. *Amended Chapter 11 Plan of Reorganization of LTL Management LLC* § 8.1(g), ECF No. 913. Further, in its opinion dismissing LTL 1.0, the Third Circuit explicitly recognized the continued possibility of settlement in the *Imerys* case. *See In re LTL Mgmt., LLC*, 64 F.4th at 108 ("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."). Little has changed since.

IV. Conclusion

For the foregoing reasons, the Court finds cause for dismissal due to LTL's lack of imminent and immediate financial distress.[22] The Court determines that neither the appointment of a chapter 11 trustee nor an examiner under § 1112(b)(1) is in the best interests of creditors and finds that an exception to dismissal under § 1112(b)(2) is unavailable because the statutory elements have not been satisfied. Accordingly, the Court grants the Motions and dismisses the case. The parties are directed to settle a proposed form of Order consistent with this Opinion.

Michael B. Kaplan, Chief Judge
U.S. Bankruptcy Court
District of New Jersey

Dated: July 28, 2023

[22] The Court notes that Movants raised other "good faith" issues with respect to the Debtor's actions in refiling and its ability to file and confirm a plan. Given that a debtor must first pass through the initial good faith gateway to avail itself of bankruptcy, Debtor's petition is subject to dismissal for lack of imminent financial distress and the Court need not address the other proffered bases for dismissal raised by Movants.

Appendix “C”

Court File No. CV-23-00697824-00CL

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*

FIRST REPORT OF THE INFORMATION OFFICER
April 21, 2023

OVERVIEW

1. On April 4, 2023, LTL Management LLC (the "**Debtor**") filed a petition in the United States Bankruptcy Court for the District of New Jersey (the "**New Jersey Bankruptcy Court**") seeking relief under title 11 of chapter 11 of the United States Code (the "**Bankruptcy Code**"). The Debtor's case (the "**2023 Chapter 11 Proceeding**") has been assigned to Judge Michael B. Kaplan.
2. The 2023 Chapter 11 Proceeding is the Debtor's second filing under the Bankruptcy Code. The Debtor's prior filing under the Bankruptcy Code (the "**2021 Chapter 11 Proceeding**")[1] was dismissed by an order of the New Jersey Bankruptcy Court on April 4, 2023 (the "**Dismissal**

[1] Pursuant to an application served by the Debtor under Part IV of the *Companies' Creditors Arrangement Act* ("**CCAA**") on December 16, 2021, the 2021 Chapter 11 Proceeding was recognized as a "foreign main proceeding" by an order of the Ontario Superior Court of Justice (Commercial List) (the "**CCAA Court**") on December 17, 2021 (the "**2021 Recognition Proceeding**").

Order") after significant litigation and an order of the United States Third Circuit Court of Appeals issued on January 30, 2023.[2]

3. On April 13, 2023, the CCAA Court issued the Initial Recognition Order (as defined below), recognizing the 2023 Chapter 11 Proceeding as a "foreign main proceeding" and commencing this recognition proceeding before the CCAA Court (the "**2023 Recognition Proceeding**").
4. On April 18, 2023, the New Jersey Bankruptcy Court held a hearing on, among other things, the Injunction Motion (as defined below). On April 20, 2023, the New Jersey Bankruptcy Court delivered a decision from the bench on the Injunction Motion that provided for a limited injunction, with a written order to be settled by the parties (the "**2023 Preliminary Injunction Order**").

PURPOSE

5. The purpose of this First Report (the "**First Report**") of Ernst & Young Inc. in its capacity as information officer (the "**Information Officer**") is to provide information to the CCAA Court and Canadian stakeholders with respect to:
   i) the proceeding before the New Jersey Bankruptcy Court and the Injunction Motion;
   ii) the status of talc litigation claims filed in Canada; and
   iii) the status of this 2023 Recognition Proceeding and anticipated next steps.

TERMS OF REFERENCE

6. In preparing this First 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 publicly available information such as court documents and press releases (collectively, the "**Information**").
7. 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

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[2] The history of the 2021 Chapter 11 Proceeding is complex and described in detail in the reports filed by Ernst & Young Inc. in its capacity as information officer in the related CCAA recognition proceeding, accessible here: https://documentcentre.ey.com/#/detail-engmt?eid=479.

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.

8. Unless otherwise indicated, the Information Officer's understanding of factual matters expressed in this First 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

9. On April 5, 2023, the New Jersey Bankruptcy Court issued an order granting the Debtor a temporary restraining order (as amended on April 6, 7 and 10, the "**2023 TRO**") on an *ex parte* basis, enjoining talc personal injury claims against the Debtor, its affiliates and certain indemnified parties, referred to as "Protected Parties" (as defined in the 2023 TRO).

10. On April 12, 2023, the New Jersey Bankruptcy Court entered an order authorizing the Debtor to act as foreign representative (in such capacity, the "**2023 Foreign Representative Order**") on behalf of its estate.

11. On April 13, 2023, pursuant to an application served by the Debtor under Part IV of the CCAA on April 12, 2023, 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 2023 Chapter 11 Proceeding 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 "**2023 Supplemental Recognition Order**"), which, *inter alia*, recognizes the 2023 TRO and the Foreign Representative Order, gives the 2023 TRO and the 2023 Foreign Representative Order full force and effect in all provinces and territories in Canada pursuant to section 49 of the CCAA, and appoints the Information Officer in the 2023 Recognition Proceeding.

12. On April 18, 2023, the New Jersey Bankruptcy Court conducted a hearing in respect of certain matters, including the hearing in respect of a motion brought by the Debtor for an order, among other things: (i) declaring that the automatic stay applied or extended to certain actions against Protected Parties[3] and (ii) preliminary enjoining such actions (the "**Injunction Motion**").

13. On April 20, 2023, the New Jersey Bankruptcy Court granted the 2023 Preliminary Injunction Order, in an oral ruling from the bench, with a written order to follow. The Information Officer understands that the stay in respect of LTL remains in place and is unaffected by the New Jersey Bankruptcy Court's ruling on the Injunction Motion. Based on the Information Officer's review of the transcript of the hearing and its conversations with LTL's counsel, the New Jersey Bankruptcy Court's ruling, among other things, dissolves the 2023 TRO and replaces it with a limited temporary injunction in favour of the Protected Parties, which will be revisited on June 15, 2023 (the "**Temporary Injunction**"). The Temporary Injunction, among other things, permits claimants to file new talc-related claims against the Protected Parties and to advance discovery in respect of talc claims, but prohibits claimants from commencing or continuing any trial against the Protected Parties. Plaintiffs who elect not to commence a claim at this time will have the limitations period tolled while the Temporary Injunction is in place.

14. The New Jersey Bankruptcy Court requested that the Debtor work with the Official Committee of Talc Claimants (the "**TCC**") to settle a version of the 2023 Preliminary Injunction Order by no later than the end of the day on Monday, April 24, 2023. At the time of this First Report, the terms of the formal 2023 Preliminary Injunction Order have not been settled among the parties and the formal 2023 Preliminary Injunction Order has not been entered by the New Jersey Bankruptcy Court.

15. The Information Officer has been informed by the Debtor that, in light of the delay in the issuance of a written version of the 2023 Preliminary Injunction Order and the inability of the

---

[3] Pursuant to a Notice of Filing of Supplemented Appendices to Debtor's Verified Complaint for Declaration and Injunctive Relief filed by the Debtor on April 17, 2023, the Debtor has sought to add certain additional entities to those parties listed as "Protected Parties" in the 2023 TRO.

Canadian parties to review the terms thereof, the Debtor is seeking an order of this CCAA Court extending the effect of the 2023 TRO to May 3, 2023 to give the Canadian stakeholders time to review the form of 2023 Preliminary Injunction Order, once finalized.

CANADIAN TALC LITIGATION UPDATE

16. In Canada, as of the commencement of the 2021 Chapter 11 Proceeding, there were five (5) talc-related proceedings commenced against the entity formerly known as Johnson & Johnson Consumer Inc., Johnson & Johnson Inc. (a Canadian subsidiary), and other parties. 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 2021 Recognition Proceeding and the 2023 Recognition Proceeding.

17. In March 2022, and while the 2021 Chapter 11 Proceeding and the 2021 Recognition Proceeding were ongoing, the Debtor became aware of twelve (12) additional statements of claim issued in Ontario against certain of the Protected Parties (the "**Post-Filing Claims**"). In February 2023, the Debtor advised the Information Officer that on January 26 and 27, 2023, approximately twenty-five (25) notices of civil claim were issued in British Columbia in respect of talc claims against certain of the Protected Parties. In both instances, the Information Officer contacted the plaintiffs' counsel and advised that, pursuant to a March 7, 2022 order of this CCAA Court in the 2021 Recognition Proceeding (the "**Extended Injunction Recognition Order**"), the CCAA Court had recognized the injunction granted by the New Jersey Bankruptcy Court and that no further action could be taken regarding the claims.

18. Between April 13, 2023 and April 21, 2023, the Debtor advised the Information Officer that between May 6, 2022 and April 5, 2023, forty-six (46) additional claims had been issued in Ontario by the same plaintiffs' counsel that had issued the Post-Filing Claims (the "**Additional Post-Filing Claims**"), but which were only served recently. The Information Officer again wrote to plaintiffs' counsel to advise that filing the claims did not comply with the Extended Injunction Recognition Order and the 2023 Supplemental Recognition Order, as applicable.

19. On April 19, 2023, the Information Officer had a telephone call with Russell Howe of Preszler Injury Lawyers regarding the issuance of the Additional Post-Filing Claims. Mr. Howe advised that he had filed the claims out of a concern regarding the limitation period and mistakenly believed he could serve such claims as a result of the termination of the 2021 Recognition Proceeding. Mr. Howe has confirmed in writing that he will cease issuing talc claims against the protected parties until the court clarifies the matter further.

RECOMMENDATION

20. The Debtor is seeking a short extension of the terms of the 2023 TRO to May 3, 2023 to allow the parties in Canada time to understand the implications of the 2023 Preliminary Injunction Order. The Information Officer does not believe that any Canadian party would be prejudiced by this limited extension.
21. The Information Officer is of the view that all the parties should have the opportunity to review the 2023 Preliminary Injunction Order and consider the implications thereof. At that point, the Information Officer will be in a better position to make a further recommendation to this CCAA Court regarding the next steps in the 2023 Recognition Proceeding.

All of which is respectfully submitted this 21st day of April, 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- CV-23-00697824-00CL

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

FIRST REPORT OF THE INFORMATION OFFICER

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

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Tel: 416.860.2976
ahoy@cassels.com

Lawyers for the Information Officer

Appendix “D”

Court File No. CV-23-00697284-00CL

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

PRE-FILING REPORT OF THE PROPOSED INFORMATION OFFICER
April 12, 2023

OVERVIEW

1. On April 4, 2023, LTL Management LLC (the "**Debtor**") filed a petition in the United States Bankruptcy Court for the District of New Jersey (the "**U.S. Bankruptcy Court**") seeking relief under title 11 of chapter 11 of the United States Code (the "**Bankruptcy Code**"). The Debtor's case (the "**2023 Chapter 11 Proceedings**") has been assigned to Judge Michael B. Kaplan.
2. The 2023 Chapter 11 Proceedings are the Debtor's second filing under the Bankruptcy Code. The Debtor's prior filing under the Bankruptcy Code (the "**2021 Chapter 11 Proceedings**")[1] was dismissed by the U.S. Bankruptcy Court on April 4, 2023. After nearly 15 months of litigation, the United States Court of Appeals for the Third Circuit issued a detailed opinion (the "**Third Circuit Opinion**") and directed the U.S. Bankruptcy Court to enter an order dismissing the 2021 Chapter 11 Proceedings. The history of the 2021 Chapter 11 Proceedings is complex and described in detail in the reports filed by Ernst & Young Inc. in its capacity as

[1] Pursuant to an application served by the Debtor under Part IV of the *Companies' Creditors Arrangement Act* ("**CCAA**") on December 16, 2021, the 2021 Chapter 11 Proceedings were recognized as a "foreign main proceeding" by an order of the Ontario Superior Court of Justice (Commercial List) on December 17, 2021 (the "**2021 Recognition Proceedings**").

information officer in the 2021 Recognition Proceedings (in such capacity, the "**2021 Information Officer**").

3. The Debtor has advised that the 2023 Chapter 11 Proceedings differ from the 2021 Chapter 11 Proceedings in two important ways. First, the Debtor has entered into new financing arrangements with its affiliates (including its parent company, and its ultimate parent company) which are intended to comply with the financial distress test outlined in the Third Circuit Opinion. Second, the Debtor advises that it has the support of approximately 60,000 plaintiffs in respect of a proposed plan that will be funded with approximately $8.9 billion (on a net present value basis).
4. Certain plaintiffs have advised the U.S. Bankruptcy Court that they oppose the 2023 Chapter 11 Proceedings and the relief sought therein. The Proposed Information Officer understands that other plaintiffs are supportive of the proceedings and expressed such support at the hearing on April 11, 2023 before the U.S. Bankruptcy Court. If litigation in respect of the 2023 Chapter 11 Proceedings proceeds, it is expected to take place in the United States.

PURPOSE

5. The purpose of this Pre-Filing Report of Ernst & Young Inc. in its capacity as proposed information officer (the "**Proposed Information Officer**") is to provide information to the Court with respect to the relief requested in the application by the Debtor, including, recognition of the 2023 Chapter 11 Proceedings as a foreign main proceeding under the CCAA and recognition of certain orders made by the U.S. Bankruptcy Court (the "**Application**").
6. The Proposed Information Officer notes that a pre-filing report in a recognition proceeding is not required and may be considered unusual. However, given the complex and somewhat novel history of these proceedings, the Proposed Information Officer files this Pre-Filing Report to provide additional context on the Application.

TERMS OF REFERENCE

7. In preparing this Pre-Filing Report and making the comments herein, the Proposed Information Officer has relied solely on information and documents provided by the Debtor and its

Canadian and U.S. legal counsel and publicly available information such as court documents and press releases (collectively, the "**Information**").

8. The Proposed Information Officer has reviewed the Information for reasonableness, internal consistency and use in the context in which it was provided. However, the Proposed 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 Proposed Information Officer expresses no opinion or other form of assurance contemplated under GAAS in respect of the Information.
9. Unless otherwise indicated, the Proposed Information Officer's understanding of factual matters expressed in this Pre-Filing Report concerning the Debtor and its businesses is based on the Information, and not independent factual determinations made by the Proposed Information Officer.
10. Unless otherwise stated, all monetary amounts contained herein are expressed in United States Dollars.

THE FOREIGN REPRESENTATIVE'S APPLICATION

11. By its Application, the Debtor in its capacity as the "Foreign Representative" authorized by the U.S. Bankruptcy Court, seeks:
    i) an order granting recognition of the 2023 Chapter 11 Proceedings as a "foreign main proceeding"; and

    ii) an order granting various supplemental relief in respect of the 2023 Chapter 11 Proceedings, including

        i. recognizing and giving full force and effect in all provinces and territories of Canada to the 2023 TRO (as defined below) and the April 11, 2023 order of the U.S. Bankruptcy Court authorizing the Debtor to act as foreign representative on behalf of its estate (the "**Foreign Representative Order**"); and

        ii. appointing Ernst & Young Inc. as information officer in connection with the recognition proceedings commenced in Canada pursuant to Part IV of the

CCAA with respect to the 2023 Chapter 11 Proceedings.

12. In connection with the materials filed on the first day of the 2023 Chapter 11 Proceedings, the Debtor filed a complaint and a motion seeking a temporary restraining order (the "**2023 TRO**"). The U.S. Bankruptcy Court issued the 2023 TRO on April 5, 2023 (as amended on April 6, 7 and 10) on an *ex parte* basis, enjoining talc personal injury claims against the Debtor, its affiliates and certain indemnified parties, referred to as "Protected Parties" (as defined in the 2023 TRO). A further hearing is scheduled for April 18, 2023.
13. In support of the 2023 TRO, the Debtor's motion materials argued that the requested relief was both appropriate and necessary. In the Debtor's view, permitting the Debtor Talc Claims (as defined in the 2023 TRO) against the Protected Parties while the Debtor simultaneously works to reorganize by resolving the same claims would: (i) defeat the purpose of the 2023 Chapter 11 Proceedings; (ii) result in irreparable harm to the Debtor's estate due to indemnification obligations in favour of certain of the Protected Parties, (iii) undermine and circumvent the purposes and spirit of the automatic stay, and (iv) divert the Debtor from its reorganization efforts.
14. On April 11, 2023, the U.S. Bankruptcy Court conducted a hearing in respect of certain first day matters, including the hearing in respect of the Foreign Representative Order. No party opposed entry of the Foreign Representative Order, but certain claimants' counsel appeared to advise the U.S. Bankruptcy Court that they opposed the 2023 Chapter 11 Proceedings in its entirety and request that the New Jersey Bankruptcy Court *sua sponte* dismiss the 2023 Chapter 11 Proceedings. Other plaintiffs' counsel appeared to speak in favour of the proceedings.
15. The U.S. Bankruptcy Court declined to dismiss the 2023 Chapter 11 Proceedings at the April 11, 2023 hearing.

RECOMMENDATION

16. Consistent with its position in the 2021 Recognition Proceedings, the Proposed Information Officer believes that coordination of the proceedings in the United States and Canada provides the best opportunity to ensure fairness to stakeholders regardless of location. The Proposed Information Officer also believes that if a consensual resolution can be achieved, Canadian

plaintiffs should have an opportunity to consider such resolution on the same terms as their counterparts in the United States.

17. The Proposed Information Officer recommends that this Court grant the relief requested in the Application to promote comity and ensure that no plaintiff is given an advantage solely because of their location.

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

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

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

Court File No.: CV- CV-23-00697284-00CL

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

PRE-FILING REPORT OF THE PROPOSED INFORMATION OFFICER

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Toronto, ON M5H 3C2

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

Lawyers for the Proposed Information Officer

Appendix “E”

Appendix "C"

Court File No. CV-23-00697824-00CL

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 ALEXANDER MORRISON
Sworn September 13, 2023

I, **Alexander 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 depose. 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 April 5, 2023 to September 8, 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 April 5, 2023 to September 8, 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 by video conference on this 13th day of September 2023. The affiant and I both were located 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.	))))	**Alexander Morrison**

Alec Hoy

A commissioner for taking oaths, etc.

Alec Hoy
LSO#: 85489K

This is Exhibit “A” referred to in the affidavit of Alexander Morrison, affirmed before me by videoconference on September 13, 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.

Alec Hoy

Commissioner for taking oaths, etc.

Alec Hoy
LSO#: 85489K

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

Summary of the Information Officer's Fees & Disbursements
For the Period from April 5, 2023 to September 8 2023

Invoice Date	Invoice #	Billing Dates	Hours	Information Officer's Fees	Out-of-Pocket Expenses	Administrative Expenses	Total
11-May-23	CA12C500009257	April 5, 2023 to April 30, 2023	93.0	74,785.00	0.00	3,739.25	78,524.25
20-Jun-23	CA12C500009461	May 1 to May 31, 2023	58.9	45,072.50	0.00	2,253.63	47,326.13
20-Jul-23	CA12C500009562	June 1 to 30, 2023	75.4	61,310.00	0.00	3,065.50	64,375.50
15-Aug-23	CA12C500009642	July 1 to July 31, 2023	34.0	30,070.00	0.00	1,503.50	31,573.50
06-Sep-23	CA12C500009706	August 1 to August 31, 2023	25.3	21,812.50	0.00	1,090.63	22,903.13
12-Sep-23	CA12C500009731	September 1 to September 8, 2023	8.0	6,470.00	0.00	323.50	6,793.50
		Total Fees & Disbursements	**294.6**	**$ 239,520.00**	**$ -**	**$ 11,976.01**	**$ 251,496.01**

This is Exhibit “B” referred to in the affidavit of Alexander Morrison, affirmed before me by videoconference on September 13, 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.

Alec Hoy

Commissioner for taking oaths, etc.

Alec Hoy
LSO#: 85489K

Ernst & Young Inc.
Toronto, ON

Invoice

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

Invoice No.: CA12C500009257
Please include this number with payment

Invoice Date:	May 11, 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 April 05 to April 30, 2023.

Payee number: 430119441

	Net	Tax	Rate	Tax Amount	CAD Total
Fee	74,785.00				74,785.00
Administrative Expenses @ 5%	3,739.25				3,739.25
	78,524.25				**78,524.25**
Invoice summary	**78,524.25**				
Total:	**78,524.25**				**78,524.25**

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 April 30, 2023

Name	Position	Hours	Rate	Fees
Alex Morrison	Senior Vice President/ Partner	27.4	925	25,345.00
Stuart Clinton	Senior Vice President/ Partner	31.4	925	29,045.00
Allen Yao	Vice President/ Senior Manager	31.4	625	19,625.00
Donna Hatfull	Paraprofessional	1.9	275	522.50
Robert Ferguson	Paraprofessional	0.9	275	247.50
Subtotal		**93.0**		**$ 74,785.00**

Sub total		**74,785.00**
Administrative Expenses @ 5%	$	3,739.25
Sub total	$	78,524.25
Total Invoice	**$**	**78,524.25**

Ernst & Young Inc.
Toronto, ON

Invoice

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

Invoice No.: CA12C500009461
Please include this number with payment

Invoice Date:	June 20, 2023
Due Date:	Upon receipt
Client No.:	0012731004
Engagement No.:	E-66366833

Please see last page of the invoice for payment instructions.

For professional services rendered for the period May 01 to May 31, 2023.

Payee number: 430119441

	Net	Tax	Rate	Tax Amount	**CAD** Total
Fee	45,072.50				45,072.50
Administrative Expenses @ 5%	2,253.63				2,253.63
	47,326.13				**47,326.13**
Invoice summary	**47,326.13**				
Total:	**47,326.13**				**47,326.13**

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

Ernst & Young Inc.
Toronto, ON

Payment Options and Instructions

Interac e-Transfer

Email to use for transfer: etransfer.eyllp.cad@ca.ey.com

Auto-deposit is enabled, no password is required.

In Notes/Comments section, please include invoice number(s).

Cheques

P.O. Box 57104
Postal Station A
Toronto, ON M5W 5M5.

Please include the invoice number(s) on the cheque details.

Wire Transfer

Beneficiary:	Ernst & Young LLP
Address:	100 Adelaide Street West Toronto, ON, M5H 0B3
Beneficiary Bank	BMO Bank of Montreal
Bank SWIFT Code:	BOFMCAM2
Code CC:	000124112
Beneficiary's Account #:	24111000237

Electronic Funds Transfer (EFT)

Legal Name:	Ernst & Young LLP
Banking Information:	Bank of Montreal Bank : 001 Transit : **24112** Account #: 1000237

To ensure proper application of your electronic payment, please provide client and invoice number details directly to:
gss.CanadaAccountsReceivable@xe02.ey.com.

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

Name	Position	Hours	Rate	Fees
Alex Morrison	Senior Vice President/ Partner	24.7	925	22,847.50
Stuart Clinton	Senior Vice President/ Partner	9.6	925	8,880.00
Allen Yao	Vice President/ Senior Manager	17.1	625	10,687.50
Marie-Hélène Huot-Langlois	Manager	1.5	475	712.50
Emilie Arsenault Boulay	Senior	5.9	325	1,917.50
Donna Hatfull	Paraprofessional	0.1	275	27.50
Subtotal		**58.9**		**$ 45,072.50**

Sub total		**45,072.50**
Administrative Expenses @ 5%	$	2,253.63
Sub total	$	47,326.13
Total Invoice	**$**	**47,326.13**

Ernst & Young Inc.
Toronto, ON

Invoice

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

Invoice No.: CA12C500009562
Please include this number with payment

Invoice Date:	July 20, 2023
Due Date:	Upon receipt
Client No.:	0012731004
Engagement No.:	E-66366833

Please see last page of the invoice for payment instructions.

For professional services rendered for the period June 01 to June 30, 2023.

Payee number: 430119441

	Net	Tax	Rate	Tax Amount	**CAD** Total
Fee	61,310.00				61,310.00
Administrative Expenses @ 5%	3,065.50				3,065.50
	64,375.50				**64,375.50**
Invoice summary	**64,375.50**				
Total:	**64,375.50**				**64,375.50**

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

Ernst & Young Inc.
Toronto, ON

Payment Options and Instructions

Interac e-Transfer
Email to use for transfer: etransfer.eyllp.cad@ca.ey.com

Auto-deposit is enabled, no password is required.

In Notes/Comments section, please include invoice number(s).

Cheques
P.O. Box 57104
Postal Station A
Toronto, ON M5W 5M5.

Please include the invoice number(s) on the cheque details.

Wire Transfer

Beneficiary:	Ernst & Young LLP
Address:	100 Adelaide Street West Toronto, ON, M5H 0B3
Beneficiary Bank	BMO Bank of Montreal
Bank SWIFT Code:	BOFMCAM2
Code CC:	000124112
Beneficiary's Account #:	24111000237

Electronic Funds Transfer (EFT)

Legal Name:	Ernst & Young LLP
Banking Information:	Bank of Montreal Bank : 001 Transit : **24112** Account #: 1000237

To ensure proper application of your electronic payment, please provide client and invoice number details directly to: gss.CanadaAccountsReceivable@xe02.ey.com.

LTL Management LLC

Summary of Professional Fees to June 30, 2023

Name	Position	Hours	Rate	Fees
Alex Morrison	Senior Vice President/ Partner	28.1	925	25,992.50
Stuart Clinton	Senior Vice President/ Partner	19.3	925	17,852.50
Allen Yao	Vice President/ Senior Manager	27.9	625	17,437.50
Donna Hatfull	Paraprofessional	0.1	275	27.50
Subtotal		**75.4**		**$ 61,310.00**

Sub total		**61,310.00**
Administrative Expenses @ 5%	$	3,065.50
Sub total	$	64,375.50
Total Invoice	**$**	**64,375.50**

Ernst & Young Inc.
Toronto, ON

Invoice

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

Invoice No.: CA12C500009642
Please include this number with payment

Invoice Date:	August 15, 2023
Due Date:	Upon receipt
Client No.:	0012731004
Engagement No.:	E-66366833

Please see last page of the invoice for payment instructions.

For professional services rendered for the period July 01 to July 31, 2023.

Payee number: 430119441

	Net	Tax	Rate	Tax Amount	**CAD** Total
Fee	30,070.00				30,070.00
Administrative Expenses @ 5%	1,503.50				1,503.50
	31,573.50				**31,573.50**
Invoice summary	**31,573.50**				
Total:	**31,573.50**				**31,573.50**

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

Ernst & Young Inc.
Toronto, ON

Payment Options and Instructions

Interac e-Transfer
Email to use for transfer: etransfer.eyllp.cad@ca.ey.com

Auto-deposit is enabled, no password is required.

In Notes/Comments section, please include invoice number(s).

Cheques
P.O. Box 57104
Postal Station A
Toronto, ON M5W 5M5.

Please include the invoice number(s) on the cheque details.

Wire Transfer

Beneficiary:	Ernst & Young LLP
Address:	100 Adelaide Street West Toronto, ON, M5H 0B3
Beneficiary Bank	BMO Bank of Montreal
Bank SWIFT Code:	BOFMCAM2
Code CC:	000124112
Beneficiary's Account #:	24111000237

Electronic Funds Transfer (EFT)

Legal Name:	Ernst & Young LLP
Banking Information:	Bank of Montreal Bank : 001 Transit : **24112** Account #: 1000237

To ensure proper application of your electronic payment, please provide client and invoice number details directly to:
gss.CanadaAccountsReceivable@xe02.ey.com.

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

Name	Position	Hours	Rate	Fees
Alex Morrison	Senior Vice President/ Partner	14.8	925	13,690.00
Stuart Clinton	Senior Vice President/ Partner	14.6	925	13,505.00
Allen Yao	Vice President/ Senior Manager	4.6	625	2,875.00
Subtotal		**34.0**		**$30,070.00**

Sub total		**30,070.00**
Administrative Expenses @ 5%	$	1,503.50
Sub total	$	31,573.50
Total Invoice	**$**	**31,573.50**

Ernst & Young Inc.
Toronto, ON

Invoice

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

Invoice No.: CA12C500009706
Please include this number with payment

Invoice Date:	September 06, 2023
Due Date:	Upon receipt
Client No.:	0012731004
Engagement No.:	E-66366833

Please see last page of the invoice for payment instructions.

For professional services rendered for the period August 01 to August 31, 2023.

Payee number: 430119441

	Net	Tax	Rate	Tax Amount	**CAD** Total
Fee	21,812.50				21,812.50
Administrative Expenses @ 5%	1,090.63				1,090.63
	22,903.13				**22,903.13**
Invoice summary	**22,903.13**				
Total:	**22,903.13**				**22,903.13**

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

Ernst & Young Inc.
Toronto, ON

Payment Options and Instructions

Interac e-Transfer
Email to use for transfer: etransfer.eyllp.cad@ca.ey.com

Auto-deposit is enabled, no password is required.

In Notes/Comments section, please include invoice number(s).

Cheques
P.O. Box 57104
Postal Station A
Toronto, ON M5W 5M5.

Please include the invoice number(s) on the cheque details.

Wire Transfer

Beneficiary:	Ernst & Young LLP
Address:	100 Adelaide Street West Toronto, ON, M5H 0B3
Beneficiary Bank	BMO Bank of Montreal
Bank SWIFT Code:	BOFMCAM2
Code CC:	000124112
Beneficiary's Account #:	24111000237

Electronic Funds Transfer (EFT)

Legal Name:	Ernst & Young LLP
Banking Information:	Bank of Montreal Bank : 001 Transit : **24112** Account #: 1000237

To ensure proper application of your electronic payment, please provide client and invoice number details directly to: gss.CanadaAccountsReceivable@xe02.ey.com.

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

Name	Position	Hours	Rate	Fees
Alex Morrison	Senior Vice President/ Partner	17.4	925	16,095.00
Stuart Clinton	Senior Vice President/ Partner	2.6	925	2,405.00
Allen Yao	Senior Vice President/ Associate Partner	5.3	625	3,312.50
Subtotal		**25.3**		**$21,812.50**

Sub total		**21,812.50**
Administrative Expenses @ 5%	$	1,090.63
Sub total	$	22,903.13
Total Invoice	**$**	**22,903.13**

Ernst & Young Inc.
Toronto, ON

Invoice

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

Invoice No.: CA12C500009731
Please include this number with payment

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

Please see last page of the invoice for payment instructions.

For professional services rendered for the period September 01 to September 08, 2023.

Payee number: 430119441

	Net	Tax	Rate	Tax Amount	**CAD** Total
Fee	6,470.00				6,470.00
Administrative Expenses @ 5%	323.50				323.50
	6,793.50				**6,793.50**
Invoice summary	**6,793.50**				
Total:	**6,793.50**				**6,793.50**

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

Ernst & Young Inc.
Toronto, ON

Payment Options and Instructions

Interac e-Transfer
Email to use for transfer: etransfer.eyllp.cad@ca.ey.com

Auto-deposit is enabled, no password is required.

In Notes/Comments section, please include invoice number(s).

Cheques
P.O. Box 57104
Postal Station A
Toronto, ON M5W 5M5.

Please include the invoice number(s) on the cheque details.

Wire Transfer

Beneficiary:	Ernst & Young LLP
Address:	100 Adelaide Street West Toronto, ON, M5H 0B3
Beneficiary Bank	BMO Bank of Montreal
Bank SWIFT Code:	BOFMCAM2
Code CC:	000124112
Beneficiary's Account #:	24111000237

Electronic Funds Transfer (EFT)

Legal Name:	Ernst & Young LLP
Banking Information:	Bank of Montreal Bank : 001 Transit : **24112** Account #: 1000237

To ensure proper application of your electronic payment, please provide client and invoice number details directly to: gss.CanadaAccountsReceivable@xe02.ey.com.

LTL Management LLC

Summary of Professional Fees to September 8, 2023

Name	Position	Hours	Rate	Fees
Alex Morrison	Senior Vice President/ Partner	3.3	925	3,052.50
Stuart Clinton	Senior Vice President/ Partner	1.6	925	1,480.00
Allen Yao	Senior Vice President/ Associate Partner	3.1	625	1,937.50
Subtotal		**8.0**		**$ 6,470.00**

Sub total		**6,470.00**
Administrative Expenses @ 5%	$	323.50
Sub total	$	6,793.50
Total Invoice	**$**	**6,793.50**

Appendix “F”

Court File No. CV-23-00697824-00CL

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 September 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 April 13, 2023. 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 April 5, 2023 to September 8, 2023, Cassels incurred fees and disbursements, including HST, in the amount of $494,563.79. 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 $668.48.

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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 video conference on this 12th day of September 2023. The affiant and I both were located 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.

Alec Hoy

A commissioner for Taking Affidavits
(or as may be)

NATALIE E. LEVINE

Commissioner Name: Alec Hoy
Law Society of Ontario Number: 85489K

This is Exhibit "A" referred to in the affidavit of Natalie E. Levine, affirmed before me by videoconference on September 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.

Alec Hoy
………………………………………………………...
A Commissioner for Taking Affidavits

Commissioner Name: Alec Hoy
Law Society of Ontario Number: 85489K

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:	2199889
Date:	May 10, 2023
Matter No.:	025522-00025
GST/HST No.:	R121379572
Lawyer:	Kukulowicz, Shayne
Tel.:	(416) 860-6463
E-mail:	SKukulowicz@cassels.com

Attn: Alex Morrison
Ernst & Young Inc.
P.O. Box 251
Ernst & Young Tower
Toronto Dominion Centre
Toronto, ON M5K 1J7

Re: Recognition Proceedings of LTL Management (Second Bankruptcy)

Fees for professional services rendered up to and including April 30, 2023

Our Fees	142,746.50
Disbursements	38.38
Total Fees and Disbursements	142,784.88
HST @ 13.00%	18,562.03
TOTAL DUE (CAD)	**161,346.91**

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:	2199889
Matter No.:	025522-00025
Amount:	**CAD 161,346.91**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Apr-05-23	S. Kukulowicz	Review of J&J/LTL press release; review of correspondence from counsel for LTL to Commercial List regarding new bankruptcy filing; review of LTL refiling documents and pleadings; review of reports from call with Miller Thompson and discussed same with N. Levine; review of emails regarding dissolution of talc committee;	2.70
Apr-05-23	W. Onyeaju	Prepare draft order court materials; review exhibits to the draft order; review fee affidavit document; review Cassels invoices; review schedules to the fee affidavit; review draft report; reviewing appendices to the draft report;	9.10
Apr-05-23	N. Levine	Review funding agreement and support agreement; prepare for call with client; revise report;	4.10
Apr-05-23	N. Levine	Revise draft order; review docket; calls with TCC and company counsel;	2.80
Apr-05-23	C. Valentine	Update fee affidavit; discuss fee affidavit with W. Onyeaju; review and conduct copy edit of draft Order;	1.70
Apr-06-23	W. Onyeaju	Review Cassels invoices; review fee affidavit; draft affidavit of service;	1.20
Apr-06-23	S. Kukulowicz	Review of US motion materials regarding authorizing LTL to act as the foreign representative; dealing with transition issues to new Chapter 11 filing; review of draft CCAA recognition termination order and draft Seventh Report; review of scheduling emails with Commercial Court; review of US dismissal order;	3.50
Apr-06-23	N. Levine	Draft Second Report; prepare for court; confer with company counsel regarding information on US proceeding and preparation of orders for new proceeding;	1.70
Apr-06-23	N. Levine	Revise report and draft order; correspond with client, court and Cassels team;	0.30
Apr-07-23	S. Kukulowicz	Further review and revisions to transition court materials;	1.10
Apr-08-23	N. Levine	Review and address client revisions to draft Seventh Report;	0.20
Apr-08-23	S. Kukulowicz	Review of EY comments on draft Seventh Report;	0.40
Apr-09-23	W. Onyeaju	Revise Seventh Report of the Information Officer; review email correspondence from the Information Officer; review email correspondence from legal counsel for the Foreign Representative;	2.40
Apr-09-23	S. Kukulowicz	Review of Blakes comments on termination order and related emails; review of revised Seventh Report; exchanged emails with L. Rogers and N. Levine regarding further Canadian claims issued in violation of the stay; telephone attendance with N. Levine regarding Preszler claims and various options;	1.70
Apr-09-23	N. Levine	Revise report; review motion materials; correspond with company counsel regarding additional claims served in violation of stay;	2.00
Apr-10-23	W. Onyeaju	Conduct blackline review of the Seventh Report of the	0.30

Date	Name	Description	Hours
		Information Officer;	
Apr-10-23	S. Kukulowicz	Further revisions to draft Court materials; dealing with claims issued in violation of the stay; review of pleadings filed for first day hearing in US Chapter 11 proceeding; reviewed and provided comments regarding LTL notice to service list; review of draft affidavit in support of LTL's termination motion for first proceeding and new recognition order;	3.70
Apr-10-23	N. Levine	Work on Pre-filing Report; discuss orders with Company counsel; discuss comments on advance notice email; comment on motion materials;	2.90
Apr-10-23	N. Levine	Revise Seventh Report;	0.40
Apr-11-23	A. Hoy	Review LTL Docket and Documents for New Filing; review and revise Seventh Report of the Information Officer and Pre-Filing Report of the Proposed Information Officer; monitor US First Day Hearing; draft and revise notes on First Day Hearing to Update Client;	8.20
Apr-11-23	W. Onyeaju	Monitor the U.S. New Jersey Bankruptcy Court First Day Motions Hearing; draft hearing summary for the Information Officer;	9.40
Apr-11-23	N. Levine	Comment on draft orders; comment on summary of proceedings; participate in discussions on next steps; participate in portion of proceedings;	1.80
Apr-11-23	S. Kukulowicz	Monitored first day hearing in U.S. Bankruptcy Court; reviewed and provided comments on LTL affidavit and Information Officer's Pre-filing Report; review of further Ontario talc claims; review of correspondence with counsel for ad hoc committee; review of draft Initial Recognition Order and Supplemental Order;	5.90
Apr-12-23	W. Onyeaju	Review Cassels invoices; finalize Fee Affidavit; review and finalize draft order; finalize affidavit of service; commission Fee Affidavit of N. Levine;	3.60
Apr-12-23	N. Levine	Finalize final Report and fee affidavit; prepare for court;	0.50
Apr-12-23	A. Hoy	Draft Information Officer materials for reports to Court;	7.10
Apr-12-23	S. Kukulowicz	Review of draft materials in support of Termination Order and provided comments; review of fee affidavits;	1.80
Apr-12-23	S. Kukulowicz	Review of summary of US first day hearing; teams meeting regarding document preparation for recognition hearing; reviewed and revised Court materials; various discussions with L. Rogers et al. regarding documents and strategy; email to Justice Osborne regarding hearing materials; review of emails regarding position of the Ad Hoc Committee; review of LTL factum;	4.80
Apr-12-23	N. Levine	Prepare for Court; multiple calls with Company counsel; correspondence with stakeholders; revise Court materials;	7.90
Apr-13-23	A. Hoy	Attend Initial Recognition hearing in ONSC; correspondence with EY regarding proceedings in US; prepare letter to	3.80

Date	Name	Description	Hours
		Preszler law regarding violation of stay proceeding;	
Apr-13-23	N. Levine	Prepare for Court; participate in hearing; calls regarding letters and claims; review materials; comment on communication with client; revise correspondence;	3.10
Apr-13-23	S. Kukulowicz	Attended hearing and made submissions in support of Termination Order;	0.80
Apr-13-23	S. Kukulowicz	Preparation for Court hearing; attended Court hearing and made submissions in support of recognition relief; follow-up discussion with L. Rogers regarding claims issues in violation of stay of proceedings/injunction; exchanged emails with A. Hoy and N. Levine regarding further letter to Preszler;	3.20
Apr-14-23	N. Levine	Revise draft letter to parties; review docket; confer with Cassels team regarding case strategy;	2.10
Apr-14-23	A. Hoy	Further revisions to letter to Preszler regarding stay violations;	2.00
Apr-14-23	S. Kukulowicz	Reviewed and provided comments on letter to Preszler plaintiff firm; telephone attendance with N. Levine regarding Preszler letter and other issues; review of issued orders and endorsement;	0.80
Apr-14-23	S. Kukulowicz	Telephone attendance with L. Rogers regarding Termination Order and missing schedule; review of emails regarding Termination Order;	0.30
Apr-14-23	N. Levine	Correspondence with company regarding Termination Order;	0.10
Apr-17-23	N. Levine	Prepare for hearing; revise letter to claimants; discuss same with client;	1.00
Apr-17-23	A. Hoy	Review of US Docket and Documents for April 18 Hearing;	2.00
Apr-17-23	S. Kukulowicz	Office conference with N. Levine regarding letter to Preszler; review of agenda and filings for US hearing on preliminary injunction; exchanged emails regarding US hearing; reviewed further revisions to Preszler letter and additional claims; review of US creditor list and emails regarding formation of TCC; emails with N. Levine and A. Hoy regarding summary for EY;	3.70
Apr-18-23	N. Levine	Review US docket and filings; participate in portion of US hearing; discuss strategy with Cassels team; consider report; consider additional claims filed;	7.30
Apr-18-23	A. Hoy	Attend LTL Hearing and taking notes to report to Information Officer;	9.50
Apr-18-23	S. Kukulowicz	Monitored US hearing on preliminary injunction and additional filings; exchanged emails with L. Rogers et al. regarding additional claims and Preszler letter; exchanged emails and discussions regarding additional Court report on US hearing;	7.50
Apr-19-23	N. Levine	Call with Cassels team regarding report and claims; prepare for call with client; prepare for call with claimant; revise summary; call with claimant; call with client regarding same;	2.70

Date	Name	Description	Hours
Apr-19-23	A. Hoy	Prepare Report to Information Officer regarding April 18 Hearing; draft Report of IO to Court;	5.30
Apr-19-23	S. Kukulowicz	Exchanged emails with R. Howe regarding issuance of claims discussion; teams conference with EY regarding injunction update report and other issues; telephone attendance with L. Rogers regarding relief at April 24 hearing; telephone attendance with R. Howe and review of confirmatory email; review of draft First Report;	3.50
Apr-20-23	N. Levine	Monitor hearing; summarize ruling; discuss same with client and Company counsel; confer with Cassels team regarding stakeholder views on timing and process; prepare report;	2.30
Apr-20-23	A. Hoy	Prepare First Report of Information Officer; attend NJB Hearing for US Order;	2.70
Apr-20-23	S. Kukulowicz	Review of revisions to First Report; review of supplemental submissions to US Court; review of confirmation of Official Committee of Unsecured Creditors and other pleadings; monitor US hearing regarding decision on preliminary injunction; teams conference regarding US decision; review of emails with TCC regarding stay extension; telephone attendance with counsel for plaintiff in proposed Ontario class action; exchanged emails regarding terms of US Preliminary Injunction; further discussions regarding extension of Canadian stay pending entry of US order; revised First Report and recirculated draft;	4.20
Apr-21-23	N. Levine	Finalize report; review Company materials; confer with client regarding application in Canada; review US materials; supervise service and filing;	2.00
Apr-21-23	A. Hoy	Revise First Report of Information Officer and serve same;	2.00
Apr-21-23	S. Kukulowicz	Review of draft affidavit and extension order from Blakes; review various revisions to First Report and related emails; file administration; telephone attendance with N. Levine regarding filing of Court materials;	3.20
Apr-22-23	S. Kukulowicz	Exchanged emails with Justice Osborne regarding status of extension request; emails and telephone attendance with N. Levine regarding extension hearing; exchanged emails with L. Rogers;	0.80
Apr-24-23	N. Levine	Prepare for Court; confer with Company counsel; draft email to client regarding hearing; attend hearing;	1.60
Apr-24-23	A. Hoy	Review US LTL docket and update Information Officer;	0.60
Apr-24-23	S. Kukulowicz	Review of emails regarding motion to dismiss and motion for direct certification to Third Circuit; review of emails regarding status of PI Order; exchanged emails with Justice Osborne et al. regarding hearing; attended hearing regarding extension of the stay; review of Court endorsement;	1.10
Apr-25-23	N. Levine	Review entered order; correspond with Company counsel regarding hearing; correspond with client regarding same; review MTD;	0.30

Date	Name	Description	Hours
Apr-25-23	S. Kukulowicz	Review of motion to dismiss and appeal of preliminary injunction order; review of emails regarding further J&J spin off transaction; review of PI Order and related emails;	1.40
Apr-26-23	N. Levine	Call with company counsel; confer with client; review US materials for impact on Canadian proceedings; consider Canadian tolling provisions;	1.20
Apr-26-23	A. Hoy	Review endorsement of Osborne J. and Orders of ONSC; review Blakes materials for May 1 motion;	0.50
Apr-26-23	S. Kukulowicz	Telephone attendance with N. Levine regarding Blakes plans from recognition of PI Order; exchanged emails with S. Clinton et al. regarding need for additional materials; review of emails regarding scheduling of hearing; review of April 13 endorsement and acknowledged receipt; review of draft affidavit in support of recognition;	1.50
Apr-27-23	N. Levine	Draft Supplemental Report; review and comment on proposed order; review motion materials; confer with client; confer with Company counsel;	1.70
Apr-27-23	A. Hoy	Review LTL motion materials for May 1; draft Supplemental Report of Information Officer;	2.20
Apr-27-23	S. Kukulowicz	Review of draft order and affidavit from Blakes and related emails and comments; telephone attendance with N. Levine regarding Supplementary Report based on First Report recommendations; emails with EY et al. regarding Draft Supplementary report; review of US Order to satisfy obligations related to Dismissal Order; review of revised recognition order;	1.30
Apr-28-23	N. Levine	Confer with Cassels team regarding Report; finalize same;	0.30
Apr-28-23	A. Hoy	Review changes to Supplemental Report; review US Docket and updating client; assist with service of Supplemental Report;	3.60
Apr-28-23	W. Onyeaju	Review and revise the Supplemental Report to the First Report of the Information Officer; email exchange with counsel to the Foreign Representative; email exchange with the court-appointed Information Officer; service of the Supplemental First Report to the service list; draft affidavit of service; file affidavit of service;	3.70
Apr-28-23	S. Kukulowicz	Review of emails regarding request by TCC for court endorsement preserving rights; review and circulate updated draft Supplementary Report; finalize Supplementary Report and arranged for service; review of US docket update;	1.80
Apr-30-23	N. Levine	Correspond with client regarding endorsement;	0.10
Apr-30-23	S. Kukulowicz	Review of draft language for endorsement proposed by TCC; exchange emails regarding endorsement language;	0.40

FEE SUMMARY				
Name	**Title**	**Hours**	**Rate**	**Amount**
Kukulowicz, Shayne	Partner	61.10	1,130.00	69,043.00
Levine, Natalie	Partner	50.40	775.00	39,060.00
Onyeaju, William	Associate	29.70	455.00	13,513.50
Hoy, Alec	Associate	49.50	420.00	20,790.00
Valentine, Carly	Law Student	1.70	200.00	340.00
Total (CAD)		**192.40**		**142,746.50**

Our Fees	142,746.50	
HST @ 13.00%	18,557.04	
TOTAL FEES & TAXES (CAD)		**161,303.54**

DISBURSEMENT SUMMARY		
Taxable Disbursements		
Copies	20.75	
Meals	17.63	
Total Taxable Disbursements	38.38	
HST @ 13.00%	4.99	
Total Taxable Disbursements & Taxes	43.37	
TOTAL DISBURSEMENTS & TAXES (CAD)		**43.37**

TOTAL FEES	**142,746.50**
TOTAL DISBURSEMENTS	**38.38**
TOTAL TAXES	**18,562.03**
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	**161,346.91**

Cassels

Invoice No:	2203046
Date:	June 16, 2023
Matter No.:	025522-00025
GST/HST No.:	R121379572
Lawyer:	Kukulowicz, Shayne
Tel.:	(416) 860-6463
E-mail:	SKukulowicz@cassels.com

Attn: Alex Morrison
Ernst & Young Inc.
P.O. Box 251
Ernst & Young Tower
Toronto Dominion Centre
Toronto, ON M5K 1J7

Re: Recognition Proceedings of LTL Management (Second Bankruptcy)

Fees for professional services rendered up to and including May 31, 2023

Our Fees	106,757.00
Disbursements	395.75
Total Fees and Disbursements	107,152.75
HST @ 13.00%	13,929.86
TOTAL DUE (CAD)	**121,082.61**

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)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 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:	2203046
Matter No.:	025522-00025
Amount:	**CAD 121,082.61**
e-Transfer Payments:	payments@cassels.com
Credit Card Payments:	payments.cassels.com

FEE DETAIL

Date	Name	Description	Hours
May-01-23	N. Levine	Prepare for court; participate in hearing; correspond with court and serve orders; review US motion materials to prepare for hearing;	2.10
May-01-23	A. Hoy	Review of US Docket matters and providing summary for client;	1.50
May-01-23	S. Kukulowicz	Review of further emails regarding proposed endorsement requested by TCC; review of revisions to recognition order; attended hearing for recognition order;	1.30
May-02-23	N. Levine	Confer with A. Hoy regarding hearing; review motion materials in preparation for hearing;	0.30
May-02-23	A. Hoy	Review of US Docket and provide update to EY;	1.10
May-02-23	S. Kukulowicz	Review of filings including agenda regarding May 3 omnibus hearing; review of endorsement from recognition hearing;	0.80
May-03-23	W. Onyeaju	Attend U.S. hearing regarding the appointment of the Future Claims Representative, the lift of the stay brought by counsel for Mr. A. Valadez, the motions to dismiss; summarize hearing findings for the Information Officer;	7.20
May-03-23	N. Levine	Review and comment on hearing summary; confer with Cassels team regarding same; correspond with team regarding letters to courts;	0.50
May-03-23	A. Hoy	Internal correspondence with W. Onyeaju regarding US Hearing and provide background on US proceedings;	0.40
May-03-23	S. Kukulowicz	Monitored US Omnibus hearing; review of draft summary regarding US hearing and related emails;	3.70
May-04-23	W. Onyeaju	Draft letter correspondence to Canadian courts regarding recent developments in the LTL Chapter 11 Case; review US dockets to provide a summary update to the Information Officer;	5.60
May-04-23	N. Levine	Review summary of hearing for client; discuss next steps with company counsel; confer with Cassels team regarding letters to courts; review US docket;	1.10
May-04-23	S. Kukulowicz	Exchanged emails with W. Onyeaju regarding letter update to various Canadian courts; review of emails regarding Omnibus hearing and press reports; review of draft template for Court letters; review of further US docket filings;	2.20
May-05-23	A. Hoy	Review and revise letter to Canadian courts to provide update on US New Jersey Bankruptcy proceedings;	2.00
May-05-23	N. Levine	Review US docket; comment on letters; discuss Canadian specific plaintiff concerns with S. Kukulowicz;	1.60
May-05-23	S. Kukulowicz	Review of filings regarding mediation issues and related emails; revised letters to Canadian Courts and reviewed comments; telephone attendance with N. Levine regarding various issues that could be addressed by Information Officer;	1.80

Date	Name	Description	Hours
May-06-23	W. Onyeaju	Review email exchange with Cassels team regarding correspondence to Canadian courts; review the Objection to appointment of G. Russo as co-mediator in the 2023 Chapter 11 Case;	0.60
May-07-23	S. Kukulowicz	Email to N. Levine et al. regarding template letter to Canadian Courts; email to EY regarding various issues for IO to address;	0.40
May-08-23	N. Levine	Call with client; revise letters to courts; prepare for hearing;	1.20
May-08-23	A. Hoy	Call with EY team regarding next steps in Canadian proceedings and contacting involved parties; revise letter to Canadian courts regarding update on US proceedings;	0.80
May-08-23	S. Kukulowicz	Zoom conference with EY regarding status and next steps to communicate with Canadian stakeholders; telephone attendance with L. Rogers; provided update to EY; review of emails regarding template update letter to the Canadian courts;	1.80
May-09-23	N. Levine	Participate in US hearing; draft summary of same; correspond with client regarding Canadian claimants;	5.00
May-09-23	A. Hoy	Monitor US Proceedings; review email to client regarding US Proceedings;	1.70
May-09-23	S. Kukulowicz	Exchanged emails with EY regarding Canadian stakeholder issues; monitored US hearing on intervention by supporting law firms and certification of PI appeal; review of summary prepared by N. Levine;	3.20
May-10-23	N. Levine	Comment on draft letters; call with company counsel regarding hearing;	0.40
May-10-23	A. Hoy	Monitor US Docket;	0.10
May-10-23	S. Kukulowicz	File administration; review of Blakes comments on template letter to the Canadian Courts and related emails; review of US docket filings;	2.10
May-11-23	A. Hoy	Monitor US Hearing; review US LTL Docket;	1.00
May-11-23	S. Kukulowicz	Telephone attendance with L. Rogers regarding letter to Canadian Courts and contacting Canadian stakeholders; telephone attendance with N. Levine regarding various issues; revised template letter and re-circulated;	1.30
May-11-23	N. Levine	Review US docket updates; confer with S. Kukulowicz regarding letters to courts;	0.70
May-12-23	A. Hoy	Review of US LTL Docket and prepare summary for client;	0.60
May-12-23	S. Kukulowicz	Reviewed final version of template letter to Courts; office conference with N. Levine regarding various issues; email to A. Morrison et al. regarding status; review of TCC motion to challenge corporate actions taken by or on behalf of LTL; review of additional filings on US. docket;	1.90
May-12-23	N. Levine	Revise draft letters; review STN motion;	0.30
May-15-23	A. Hoy	Review of US LTL Docket; prepare for May 16 Hearing; revise letters to Canadian Courts;	2.10

Date	Name	Description	Hours
May-15-23	N. Levine	Prepare for hearing; summarize outstanding issues for client;	1.30
May-15-23	S. Kukulowicz	Exchanged emails regarding May 16 hearing; exchanged emails with A. Hoy and N. Levine regarding letters to Canadian Courts; review of agenda for May 16 hearing and additional filings;	1.80
May-16-23	A. Hoy	Monitor hearing in New Jersey Bankruptcy Court; providing update to EY regarding hearing proceedings; revise letters to Canadian courts;	6.10
May-16-23	N. Levine	Participate in hearing; review plan; comment on letters;	3.00
May-16-23	S. Kukulowicz	Monitored US hearing; review of further emails regarding Court letters; review of summary of hearing;	3.50
May-17-23	A. Hoy	Revise letter; review of LTL Docket; draft Second Report to the Court;	0.80
May-17-23	N. Levine	Review plan documents; revise summary of hearing; call to company counsel regarding plan questions; revise letters;	1.90
May-17-23	S. Kukulowicz	File administration issues; dealing with letters to Canadian Courts; preliminary review of U.S. Plan;	1.80
May-18-23	A. Hoy	Prepare letters to Canadian courts; draft report to court of information officer; call with Cassels team regarding next steps and debriefing on US Plan and Disclosure Statement;	4.20
May-18-23	S. Kukulowicz	Review of draft Plan and Disclosure Statement; zoom conference to discuss Plan and impact on Canadian stakeholders; review of email from Blakes regarding Plan discussion;	3.20
May-18-23	N. Levine	Review disclosure statement; call with Cassels team regarding questions and Canadian issues;	2.60
May-19-23	J. Martin	Review text and treatment of 3rd Circuit decision;	3.10
May-19-23	A. Hoy	Revise letters and correspond with Canadian courts;	0.90
May-19-23	S. Kukulowicz	Detailed review of Plan and Disclosure Statement; review of final letters to the Canadian Courts and related emails;	2.20
May-19-23	N. Levine	Call with J. Martin regarding class actions in Canada; review plan; correspond with Blakes regarding plan questions;	1.20
May-22-23	S. Kukulowicz	Review of Trust Distribution procedures;	1.10
May-23-23	A. Hoy	Discussion with student regarding monitoring dockets and delegate tasks for daily docket updates; review of US Docket;	0.90
May-23-23	J. Martin	Review dockets and proposed plan process; review previous plan for comparison; review secondary sources for context in American proceedings;	6.10
May-23-23	N. Levine	Correspond with client; correspond with company counsel; consider US docket updates; prepare for meeting with client; review draft letter;	0.70
May-23-23	S. Kukulowicz	Exchanged emails and telephone attendance with N. Levine regarding Plan discussions with EY and Blakes; review of emails with Blakes and EY; review of correspondence from	1.50

Date	Name	Description	Hours
		T. Merchant and discussed same with N. Levine;	
May-24-23	A. Hoy	Draft Report of Information Officer; call with EY regarding US Plan and Disclosure Statement;	2.70
May-24-23	P. Mabanza	Research dockets from the New Jersey Bankruptcy Court; summarize potentially relevant dockets for internal use;	2.00
May-24-23	N. Levine	Review draft letter; call with client; call with company counsel; call with Cassels team regarding plan comments;	1.40
May-24-23	S. Kukulowicz	Conference call with EY regarding draft Plan and correspondence from T. Merchant; review of emails with Blakes et al. regarding scope of stay and Canadian class action issues; review of follow up issues regarding notices to Canadian courts;	1.40
May-25-23	A. Hoy	Review US Docket; update draft Report;	0.20
May-25-23	P. Mabanza	Research dockets from the New Jersey Bankruptcy Court; summarize potentially relevant dockets for internal use;	1.00
May-25-23	J. Martin	Prepare for and attend meeting to discuss plan and disclosure statement;	0.80
May-25-23	J. Martin	Prepare for and attending call with counsel for company; circulate notes; follow-up meeting with N. Lavine; review authorities cited in call; preliminary legal research concerning fixed assumptions of cross-border compensation delta; research individuals identified in call;	3.20
May-25-23	N. Levine	Participate in call with client; discuss upcoming hearing with company counsel; review US docket;	0.60
May-25-23	S. Kukulowicz	Further emails regarding notice to Canadian Courts; zoom conference with Blakes and EY regarding LTL Plan and Disclosure Statement; review of email from Blakes to T. Merchant; review of mediation order; review of notes from J. Martin; further discussions with A. Morrison, J. Martin and N. Levine;	1.50
May-26-23	A. Hoy	Reviewing US Docket; further service of letters to Courts;	0.50
May-26-23	P. Mabanza	Research dockets from the New Jersey Bankruptcy Court; summarize potentially relevant dockets for internal use;	2.50
May-26-23	N. Levine	Review docket update;	0.10
May-26-23	S. Kukulowicz	Review of further correspondence from T. Merchant; review of US docket summary;	0.60
May-27-23	N. Levine	Review US docket; draft email to Cassels team regarding same;	0.60
May-28-23	A. Hoy	Discussion w P. Mabanza regarding New Jersey Bankruptcy US Docket;	0.50
May-29-23	A. Hoy	Review US Docket; discussion with P. Mabanza regarding materials filed on docket;	0.40
May-29-23	P. Mabanza	Research dockets from the New Jersey Bankruptcy Court; summarize potentially relevant dockets for internal use;	3.60
May-29-23	N. Levine	Review recent filings including objections and hearing documents; prepare draft report;	2.80

Date	Name	Description	Hours
May-29-23	S. Kukulowicz	Review of US docket filings regarding motions to dismiss Chapter 11 case;	0.80
May-30-23	A. Hoy	Monitor US LTL New Jersey Bankruptcy hearing and provide update to client; internal strategic call regarding next steps and communication with involved parties;	3.20
May-30-23	P. Mabanza	Research dockets from the New Jersey Bankruptcy Court; summarize potentially relevant dockets for internal use;	1.70
May-30-23	N. Levine	Revise draft report; review additional US filings; call with Cassels team regarding open items;	4.30
May-30-23	S. Kukulowicz	Monitored US hearing and review of summary; review of email from G. McKee to T. Merchant; conference call with N. Levine and A. Hoy regarding next steps;	2.50
May-30-23	J. Martin	Review correspondence between G. McKee and T. Merchant; take notes for further follow-up in terms of projected next steps to advise client;	0.20
May-30-23	P. Mabanza	Research dockets from the New Jersey Bankruptcy Court; summarize potentially relevant dockets for internal use;	0.50
May-31-23	A. Hoy	Revise draft of Second Report to the Court;	1.70
May-31-23	N. Levine	Revise draft report; review US updates; correspondence regarding BC hearing;	0.40
May-31-23	P. Mabanza	Research dockets from the New Jersey Bankruptcy Court; summarize potentially relevant dockets for internal use;	0.30
May-31-23	S. Kukulowicz	Review of hearing summary; exchanged emails with G. McKee and T. Merchant regarding BC case conference; review of scheduling notice from BC Court;	0.60
May-31-23	J. Martin	Advise on correspondence from BC Supreme Court on CPC; scheduling;	0.30

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Martin, Jeremy	Partner	13.70	725.00	9,932.50
Levine, Natalie	Partner	34.10	775.00	26,427.50
Kukulowicz, Shayne	Partner	43.00	1,130.00	48,590.00
Hoy, Alec	Associate	33.40	420.00	14,028.00
Onyeaju, William	Associate	13.40	455.00	6,097.00
Mabanza, Pasha	Law Student	11.60	145.00	1,682.00
Total (CAD)		**149.20**		**106,757.00**

Our Fees	106,757.00	
HST @ 13.00%	13,878.41	
TOTAL FEES & TAXES (CAD)		**120,635.41**

DISBURSEMENT SUMMARY

Taxable Disbursements	
Copies	395.75
Total Taxable Disbursements	395.75
HST @ 13.00%	51.45
Total Taxable Disbursements & Taxes	447.20

TOTAL DISBURSEMENTS & TAXES (CAD)	**447.20**

TOTAL FEES	**106,757.00**
TOTAL DISBURSEMENTS	**395.75**
TOTAL TAXES	**13,929.86**
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	**121,082.61**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2199889	05/10/23	161,346.91	0.00	161,346.91
2203046	06/16/23	121,082.61	0.00	121,082.61
Total (CAD)		**282,429.52**	**0.00**	**282,429.52**

Cassels

Invoice No:	2205592
Date:	July 14, 2023
Matter No.:	025522-00025
GST/HST No.:	R121379572
Lawyer:	Kukulowicz, Shayne
Tel.:	(416) 860-6463
E-mail:	SKukulowicz@cassels.com

Attn: Alex Morrison
Ernst & Young Inc.
P.O. Box 251
Ernst & Young Tower
Toronto Dominion Centre
Toronto, ON M5K 1J7

Re: Recognition Proceedings of LTL Management (Second Bankruptcy)

Fees for professional services rendered up to and including June 30, 2023

Our Fees	113,318.50
Disbursements	382.43
Total Fees and Disbursements	113,700.93
HST @ 13.00%	14,781.12
TOTAL DUE (CAD)	**128,482.05**

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)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 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:	2205592
Matter No.:	025522-00025
Amount:	**CAD 128,482.05**
e-Transfer Payments:	payments@cassels.com
Credit Card Payments:	payments.cassels.com

FEE DETAIL

Date	Name	Description	Hours
Jun-01-23	P. Mabanza	Prepare template for summarizing the upcoming June 2nd hearing; Summarize dockets from the New Jersey Bankruptcy Court;	2.00
Jun-01-23	A. Hoy	Review of US Dockets; revise Second Report of the Information Officer;	1.00
Jun-01-23	S. Kukulowicz	Review of draft Second Report; review of US docket filings including "Bridge Order";	0.60
Jun-01-23	J. Martin	Correspondence with N. Levine regarding BC civil procedure;	0.30
Jun-01-23	N. Levine	Revise draft report; consider additional stay issues;	1.20
Jun-02-23	A. Hoy	Monitoring US NJB hearing; revising P. Mabanza hearing summary;	2.60
Jun-02-23	P. Mabanza	Prepare summary for June 2, 2023 hearing; summarize hearing for client;	4.30
Jun-02-23	P. Mabanza	Research dockets from the New Jersey Bankruptcy Court; summarize potentially relevant dockets for internal use;	1.30
Jun-02-23	S. Kukulowicz	Review of agenda for June 2 Court hearing; monitored court hearing; review of US docket filings; review of hearing summary;	3.10
Jun-02-23	N. Levine	Revise draft report; review additional US filings; consider steps for Canadian participation; monitor US hearing;	1.90
Jun-05-23	A. Hoy	Review US LTL Docket; revise Second Report;	1.60
Jun-05-23	P. Mabanza	Prepare hearing summary; review and summarize court dockets from the New Jersey Bankruptcy Court;	0.80
Jun-05-23	S. Kukulowicz	Exchanged emails with N. Levine regarding summary of June 2 hearing and scheduling of future hearings; further review of draft Second Report and provided comments; review of emails regarding draft report; telephone attendance with N. Levine regarding contacting mediators and Canadian stakeholders; review of email from G. McKee regarding BC case conference; review of US docket filings;	2.10
Jun-05-23	N. Levine	Revise report; review updated dockets; consider discussions with Canadian claimants;	1.00
Jun-06-23	A. Hoy	Review second report of IO and revising;	0.50
Jun-06-23	P. Mabanza	Research dockets from the New Jersey Bankruptcy Court; summarize potentially relevant dockets for internal use;	0.50
Jun-06-23	P. Mabanza	Review and edit draft report;	0.60
Jun-06-23	S. Kukulowicz	Review of TCC motion to terminate exclusivity; telephone attendance with N. Levine regarding various issues; email to co-mediators requesting update calls; review of revised report and provided additional comments; review of email from G. Russo (co-mediator); review of US docket update;	1.70
Jun-06-23	N. Levine	Revise draft report; correspond with mediators; correspond with client; review updated injunction motion;	2.40
Jun-07-23	P. Mabanza	Research dockets from the New Jersey Bankruptcy Court;	0.50

Date	Name	Description	Hours
		summarize potentially relevant dockets for internal use;	
Jun-07-23	N. Levine	Respond to client inquiries; revise report;	0.50
Jun-07-23	S. Kukulowicz	Review of additional comments and questions in respect of draft Second Report; review of follow-up emails;	0.60
Jun-08-23	A. Hoy	Revise Second Report and corresponding with client;	0.60
Jun-08-23	P. Mabanza	Research dockets from the New Jersey Bankruptcy Court; summarize potentially relevant dockets for internal use;	0.50
Jun-08-23	S. Kukulowicz	Review of further comments and revisions to draft of Second Report;	0.80
Jun-08-23	N. Levine	Resolve client questions regarding plan; revise report;	0.50
Jun-09-23	P. Mabanza	Review dockets New Jersey Bankruptcy; summarize relevant dockets;	1.30
Jun-09-23	A. Hoy	Review of US LTL Docket and circulate hearing information;	0.20
Jun-09-23	S. Kukulowicz	Review of June 13 hearing agenda;	0.20
Jun-09-23	N. Levine	Review additional US filings; correspondence with client regarding timing of report;	0.30
Jun-12-23	P. Mabanza	Review dockets New Jersey Bankruptcy; summarize relevant dockets;	0.60
Jun-12-23	N. Levine	Review motion materials; prepare for hearing; call with company counsel;	1.20
Jun-13-23	P. Mabanza	Prepare notes from the June 13, 2023 hearing on the LTL matter at the New Jersey Bankruptcy Court;	7.60
Jun-13-23	P. Mabanza	Prepare summary of the events of the hearing that took place on June 13th;	1.20
Jun-13-23	A. Hoy	Review of NJB Docket; update EY team regarding Agenda for NJB June 13 hearing; revise summary of hearing;	2.20
Jun-13-23	S. Kukulowicz	Monitored US Omnibus hearing; review of draft summary for EY; review of emails regarding B.C. class action proceedings;	2.20
Jun-13-23	N. Levine	Monitor US hearing; correspond with Cassels team regarding next steps; revise hearing summary; call with company counsel;	2.70
Jun-14-23	A. Hoy	Revise summary to client regarding June 13 hearing; revise and prepare Second Report of Information Officer;	2.60
Jun-14-23	P. Mabanza	Draft hearing summary;	2.30
Jun-14-23	S. Kukulowicz	Review of revised summary of June 13 hearing and related emails; review of revised draft of Second Report incorporating additional information;	1.40
Jun-14-23	N. Levine	Revise report; revise hearing summary; review Canadian lit update; call with company counsel re timing of US hearings;	2.50
Jun-15-23	A. Hoy	Revise draft of Second Report of Information Officer and circulate to Debtor's counsel for comments;	0.60
Jun-15-23	P. Mabanza	Summarize relevant dockets from the New Jersey Bankruptcy Court relating to the LTL matter;	0.50
Jun-15-23	S. Kukulowicz	Exchanged emails with EY and N. Levine regarding updating	1.60

Date	Name	Description	Hours
		the draft Second Report; telephone attendance with G. Moffat regarding Canadian stakeholder issues; review of email from G. Moffat regarding certification and scope of stay of proceedings;	
Jun-15-23	N. Levine	Correspondence regarding comments on report; confer with Cassels team regarding file strategy;	0.50
Jun-16-23	S. Kukulowicz	Email to R. Howe (Preszler class action counsel): file administration; exchanged emails regarding TGF certification issue; review of emails regarding BC class action;	0.90
Jun-16-23	N. Levine	Call with Blakes regarding timeline; correspond with Cassels team regarding stay in Canada;	0.90
Jun-19-23	A. Hoy	Revise and update Second Report of the Information Officer;	2.20
Jun-19-23	P. Mabanza	Prepare for dismissal hearing;	2.00
Jun-19-23	S. Kukulowicz	Review of emails with Blakes regarding Second Report; review of emails regarding case conference for BC class action; exchanged emails with N. Levine and A. Hoy regarding Blakes comments on Second Report; telephone attendance with N. Levine; review of revised report;	2.80
Jun-19-23	N. Levine	Brief review of comments on report;	0.40
Jun-20-23	A. Hoy	Revise Second Report; prepare Report for execution and service;	1.90
Jun-20-23	P. Mabanza	Review and summarize relevant dockets from the New Jersey Bankruptcy Court; edit Second Report of the Information Officer;	1.00
Jun-20-23	N. Levine	Revise report; consider next steps; prepare for hearing; supervise service; review additional filings for June 22 hearing;	1.80
Jun-20-23	S. Kukulowicz	Detailed review of draft Second Report and discussed finalizing same; review of position of debtor regarding Ontario class action certification motion; review of final draft of Second Report and related emails; exchanged emails with EY regarding Second Report;	2.30
Jun-21-23	A. Hoy	Correspondence regarding hearing on June 22;	0.10
Jun-21-23	P. Mabanza	Prepare to summarize the June 22nd hearing;	4.30
Jun-21-23	S. Kukulowicz	Draft email to G. Moffat regarding scope of stay and class action certification; exchanged emails with EY and sent email to G. Moffat regarding certification issue; review of 4th Circuit decision on Georgia Pacific "Texas Two-Step"; exchanged emails regarding 4th Circuit decision; review of motion for a claims bar date; review of emails regarding BC case conference; review of additional filings and agenda for June 22 hearing;	4.20
Jun-21-23	N. Levine	Prepare for hearing; review materials; supervise filing and uploading;	1.00
Jun-22-23	P. Mabanza	Prepare to summarize the Motions to Dismiss hearing;	0.60

Date	Name	Description	Hours
Jun-22-23	P. Mabanza	Prepare proceedings summary of the June 22nd hearing for the client;	3.60
Jun-22-23	S. Kukulowicz	Monitor US hearing regarding scope of stay and other contested matters; review of Bestwell (Georgia-Pacific) decision;	2.40
Jun-22-23	N. Levine	Participate in US hearing; revise summary; discuss implications of hearing in Canada with company counsel; draft email to client regarding same; prepare for upcoming hearing;	4.20
Jun-23-23	A. Hoy	Review of summary of LTL US hearing;	0.50
Jun-23-23	P. Mabanza	Prepare proceedings summary of the June 22nd hearing for the client;	1.60
Jun-23-23	P. Mabanza	Prepare to summarize the Motions to Dismiss hearing;	3.90
Jun-23-23	S. Kukulowicz	Exchanged emails regarding draft summary of June 22 hearing;	0.60
Jun-23-23	N. Levine	Prepare for motion to dismiss hearing; review additional filings;	0.80
Jun-24-23	P. Mabanza	Prepare to summarize the Motions to Dismiss hearing;	0.50
Jun-25-23	P. Mabanza	Prepare to summarize the Motions to Dismiss hearing;	6.70
Jun-25-23	N. Levine	Consider Bar Date issues; prepare for hearing;	1.00
Jun-26-23	N. Levine	Prepare for hearing; review additional documents;	0.50
Jun-26-23	P. Mabanza	Prepare to summarize the Motions to Dismiss hearing;	6.80
Jun-26-23	S. Kukulowicz	Review of agenda and additional filings for hearing on motion to dismiss; exchanged emails with Blakes regarding motion to dismiss; review of further emails regarding BC proceedings;	1.40
Jun-27-23	P. Mabanza	Attend the Motions to Dismiss hearing; take notes on the Motions to Dismiss hearing;	8.80
Jun-27-23	S. Kukulowicz	Monitored motion to dismiss; review of draft summary of hearing and provided comments;	7.00
Jun-27-23	N. Levine	Monitor hearing; discuss implications for Canada with company counsel; revise summary for client;	3.00
Jun-28-23	J. Martin	Brief review of fresh materials, summary and docket 913 document;	0.90
Jun-28-23	P. Mabanza	Attend the Motions to Dismiss hearing; take notes on the Motions to Dismiss hearing; draft hearing summary for clients;	9.20
Jun-28-23	S. Kukulowicz	Monitor motion to dismiss; review of summary of trial;	7.50
Jun-28-23	N. Levine	Monitor hearing; review plan and TDP; draft summary for client;	4.30
Jun-29-23	P. Mabanza	Attend the Motions to Dismiss hearing; take notes on the Motions to Dismiss hearing; draft hearing summary for clients;	8.90
Jun-29-23	S. Kukulowicz	Monitored US motion to dismiss; telephone call with N. Levine regarding trial and bar date issues; reviewed and	8.10

Date	Name	Description	Hours
		exchanged emails regarding draft summary of hearing;	
Jun-29-23	N. Levine	Monitor hearing; revise summary for client; review plan documents:	2.70
Jun-30-23	N. Levine	Monitor portion of hearing; comment on update to client;	1.00
Jun-30-23	S. Kukulowicz	Monitored US hearing; review of summary and exchanged emails regarding same;	5.50
Jun-30-23	P. Mabanza	Attend the Motions to Dismiss hearing; take notes on the Motions to Dismiss hearing; draft hearing summary for clients;	7.30

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Martin, Jeremy	Partner	1.20	725.00	870.00
Levine, Natalie	Partner	36.30	775.00	28,132.50
Kukulowicz, Shayne	Partner	57.00	1,130.00	64,410.00
Hoy, Alec	Associate	16.60	420.00	6,972.00
Mabanza, Pasha	Law Student	89.20	145.00	12,934.00
Total (CAD)		**200.30**		**113,318.50**

Our Fees	113,318.50	
HST @ 13.00%	14,731.40	
TOTAL FEES & TAXES (CAD)		**128,049.90**

DISBURSEMENT SUMMARY

Taxable Disbursements

Copies	79.75	
Delivery	302.68	
Total Taxable Disbursements	382.43	
HST @ 13.00%	49.72	
Total Taxable Disbursements & Taxes	432.15	
TOTAL DISBURSEMENTS & TAXES (CAD)		**432.15**

TOTAL FEES	**113,318.50**
TOTAL DISBURSEMENTS	**382.43**
TOTAL TAXES	**14,781.12**
TOTAL FEES, DISBURSEMENTS & TAXES (CAD)	**128,482.05**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2199889	05/10/23	161,346.91	0.00	161,346.91
2203046	06/16/23	121,082.61	0.00	121,082.61
2205592	07/14/23	128,482.05	0.00	128,482.05
Total (CAD)		**410,911.57**	**0.00**	**410,911.57**

Cassels

Invoice No:	2208381
Date:	August 11, 2023
Matter No.:	025522-00025
GST/HST No.:	R121379572
Lawyer:	Kukulowicz, Shayne
Tel.:	(416) 860-6463
E-mail:	SKukulowicz@cassels.com

Attn: Alex Morrison
Ernst & Young Inc.
P.O. Box 251
Ernst & Young Tower
Toronto Dominion Centre
Toronto, ON M5K 1J7

Re: Recognition Proceedings of LTL Management (Second Bankruptcy)

Fees for professional services rendered up to and including July 31, 2023

Our Fees	39,895.50
HST @ 13.00%	5,186.42
TOTAL DUE (CAD)	**45,081.92**

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)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 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:	2208381
Matter No.:	025522-00025
Amount:	**CAD 45,081.92**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Jul-01-23	P. Mabanza	Attend motions to dismiss hearing; take notes on the motions to dismiss hearing; draft hearing summary for clients;	7.30
Jul-03-23	N. Levine	Review plan; consider service considerations in Canada including relevant parties; consider claims procedure issues;	1.50
Jul-04-23	A. Hoy	Review New Jersey Bankruptcy Court Motion to Dismiss Hearing summaries; commencing draft of Third Report of Information Officer;	1.20
Jul-04-23	N. Levine	Confer with Cassels team regarding plan and DS; confer with Cassels team regarding claims order; discuss next report with Cassels team;	1.00
Jul-04-23	S. Kukulowicz	Zoom conference with Blakes regarding Bar Date Motion; follow-up discussion with N. Levine regarding bar date issues and further court report;	0.80
Jul-05-23	A. Hoy	Draft Report of Information Officer; review amended Chapter 11 Plan;	3.30
Jul-05-23	P. Mabanza	Summarize relevant dockets from the New Jersey Bankruptcy Court regarding the LTL matter;	0.80
Jul-06-23	S. Kukulowicz	Review of summary of US docket filings (including post-hearing briefs on motions to dismiss);	0.80
Jul-07-23	P. Mabanza	Summarize relevant dockets from the New Jersey Bankruptcy Court regarding the LTL matter;	0.50
Jul-10-23	A. Hoy	Review of US LTL Dockets; update client on July 11 Hearing;	0.20
Jul-12-23	A. Hoy	Review of US Docket and July 12th Orders;	0.40
Jul-12-23	P. Mabanza	Summarize relevant dockets from the New Jersey Bankruptcy Court regarding the LTL matter;	2.40
Jul-12-23	N. Levine	Correspond with company counsel regarding plan; correspond with Cassels team and client regarding same;	0.20
Jul-12-23	S. Kukulowicz	Review of summary of US docket filings and related emails;	0.70
Jul-13-23	A. Hoy	Review of US LTL Docket; provide client with updates regarding Amended Plan and Amended Disclosure Statement and next steps in US Proceedings;	1.60
Jul-13-23	P. Mabanza	Summarize relevant dockets from the New Jersey Bankruptcy Court regarding the LTL matter;	0.60
Jul-13-23	N. Levine	Summarize updated documents; correspond with client; analysis of claims issues in Canada;	1.30
Jul-13-23	S. Kukulowicz	Review of Plan service details for Canada; review of claims analysis;	0.80
Jul-14-23	S. Kukulowicz	Review of US filing of Amended Disclosure Statement; file administration; review of article on Canadian Talc claims treatment under US Plan;	1.10
Jul-14-23	N. Levine	Calls with company counsel regarding plan and claim issues; review additional filings;	1.10
Jul-17-23	S. Kukulowicz	Review of emails regarding J&J action against doctors	0.80

Date	Name	Description	Hours
		linking talc to cancer; review of LTL complaints; review of order dealing with the scope of the preliminary injunction;	
Jul-17-23	N. Levine	Review additional complaints filed; correspond with Cassels team regarding additional reporting;	0.90
Jul-17-23	P. Mabanza	Summarize dockets relating to LTL matter before the New Jersey Bankruptcy Court; research related matters before the New Jersey District Court;	1.00
Jul-18-23	P. Mabanza	Summarize dockets relating to LTL matter before the New Jersey Bankruptcy Court; Research related matters before the New Jersey District Court;	0.50
Jul-19-23	N. Levine	Brief review of additional filings;	0.20
Jul-19-23	S. Kukulowicz	Review of US docket update;	0.60
Jul-20-23	P. Mabanza	Summarize dockets relating to LTL matter before the New Jersey Bankruptcy Court; research related matters before the New Jersey District Court;	0.90
Jul-20-23	N. Levine	Review letter from TCC; discuss same with client; review docket updates;	0.20
Jul-20-23	S. Kukulowicz	File administration (fee estimates); review of correspondence from Canadian counsel for the TCC; exchanged emails with EY regarding TCC correspondence;	0.80
Jul-20-23	A. Hoy	Review correspondence from Canadian TCC counsel;	0.20
Jul-21-23	P. Mabanza	Summarize dockets relating to the LTL matter before the New Jersey Bankruptcy Court; research related matters before the New Jersey District Court; attend related meetings;	1.60
Jul-21-23	N. Levine	Prepare for and participate in call with client regarding letter from TCC; draft response; review US pleadings regarding Canadian issues; review docket updates;	2.70
Jul-21-23	S. Kukulowicz	Exchanged emails with L. Rogers regarding correspondence from TCC; zoom conference with EY regarding TCC correspondence and further court report; review of further US docket filings;	3.20
Jul-21-23	A. Hoy	Review of New Jersey Bankruptcy Court US LTL Docket and filings; call regarding letter from TCC and response;	0.80
Jul-23-23	A. Hoy	Draft response letter to G. Finlayson and TCC;	2.50
Jul-24-23	N. Levine	Draft letter to TCC; review US dockets;	2.70
Jul-24-23	P. Mabanza	Summarize dockets relating to the LTL matter before the New Jersey Bankruptcy Court; research related matters before the New Jersey District Court; attend related meetings;	0.80
Jul-24-23	S. Kukulowicz	Exchanged emails with counsel for LTL regarding response to TCC letter; review of US docket update;	0.40
Jul-24-23	A. Hoy	Revise letter to Miller Thomson;	0.90
Jul-25-23	S. Kukulowicz	Review of draft letter to Canadian counsel for TCC and provided comments;	0.60
Jul-25-23	A. Hoy	Review of letter to Miller Thomson;	0.20

Date	Name	Description	Hours
Jul-26-23	N. Levine	Confer with client regarding draft letter; discuss case status with company counsel;	0.40
Jul-26-23	S. Kukulowicz	Review of EY emails regarding draft letter to TCC;	0.20
Jul-26-23	P. Mabanza	Summarize dockets relating to the LTL matter before the New Jersey Bankruptcy Court; research related matters before the New Jersey District Court; attend related meetings;	0.60
Jul-27-23	S. Kukulowicz	Review of emails regarding TCC correspondence and dismissal motion;	0.30
Jul-27-23	P. Mabanza	Summarize dockets relating to the LTL matter before the New Jersey Bankruptcy Court; research related matters before the New Jersey District Court; attend related meetings;	0.50
Jul-27-23	N. Levine	Review US docket; follow up with company counsel on outstanding questions for IO;	0.40
Jul-27-23	A. Hoy	Update letter to Miller Thomson;	0.20
Jul-28-23	N. Levine	Review decision; correspond with client regarding next steps in light of decision; call with Cassels team;	0.70
Jul-28-23	A. Hoy	Review New Jersey Bankruptcy Court decision regarding Dismissal of 2023 Chapter 11 Proceedings;	1.30
Jul-28-23	S. Kukulowicz	Review of Opinion granting motions to dismiss; exchanged emails with N. Levine, EY and counsel for the Debtors; telephone attendance with N. Levine;	2.90
Jul-29-23	N. Levine	Call with S. Kukulowicz regarding service of decision;	0.10
Jul-30-23	S. Kukulowicz	Telephone attendance with N. Levine and exchanged emails with EY regarding Dismissal Opinion and providing notice to the Canadian service list;	0.30
Jul-31-23	N. Levine	Correspond with company counsel; correspond with client; draft email to service list; prepare for call with company; prepare for hearing;	1.60
Jul-31-23	S. Kukulowicz	Review of emails with Blakes regarding Dismissal Opinion; review of J&J press release regarding intention to appeal; exchanged emails regarding supplementary report on Dismissal Opinion; review of update email to the service list;	2.60
Jul-31-23	A. Hoy	Revise Third Report of the Information Officer;	3.00

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Levine, Natalie	Partner	15.00	775.00	11,625.00
Kukulowicz, Shayne	Partner	16.90	1,130.00	19,097.00
Hoy, Alec	Associate	15.80	420.00	6,636.00
Mabanza, Pasha	Law Student	17.50	145.00	2,537.50
Total (CAD)		**65.20**		**39,895.50**

Our Fees	39,895.50	
HST @ 13.00%	5,186.42	
TOTAL FEES & TAXES (CAD)		**45,081.92**

TOTAL FEES	**39,895.50**
TOTAL TAXES	**5,186.42**
TOTAL FEES & TAXES (CAD)	**45,081.92**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2205592	07/14/23	128,482.05	0.00	128,482.05
2208381	08/11/23	45,081.92	0.00	45,081.92
Total (CAD)		**173,563.97**	**0.00**	**173,563.97**

Cassels

Invoice No:	2210772
Date:	September 06, 2023
Matter No.:	025522-00025
GST/HST No.:	R121379572
Lawyer:	Kukulowicz, Shayne
Tel.:	(416) 860-6463
E-mail:	SKukulowicz@cassels.com

Attn: Alex Morrison
Ernst & Young Inc.
P.O. Box 251
Ernst & Young Tower
Toronto Dominion Centre
Toronto, ON M5K 1J7

Re: Recognition Proceedings of LTL Management (Second Bankruptcy)

Fees for professional services rendered up to and including August 31, 2023

Our Fees	23,720.50
HST @ 13.00%	3,083.67
TOTAL DUE (CAD)	**26,804.17**

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)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 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:	2210772
Matter No.:	025522-00025
Amount:	**CAD 26,804.17**
e-Transfer Payments:	**payments@cassels.com**
Credit Card Payments:	**payments.cassels.com**

FEE DETAIL

Date	Name	Description	Hours
Aug-01-23	S. Kukulowicz	Review of draft Third Report;	0.60
Aug-01-23	A. Hoy	Review of US Docket; draft Third Report to Court;	0.50
Aug-02-23	A. Hoy	Attend New Jersey Bankruptcy Court US Omnibus Hearing; provide summary to EY;	2.90
Aug-02-23	N. Levine	Monitor US hearing; prepare for call with company counsel; review email to client;	2.20
Aug-02-23	S. Kukulowicz	Monitored US Omnibus hearing; follow up discussion with N. Levine; review of hearing summary;	2.70
Aug-03-23	A. Hoy	Call with Information Officer and LTL Canadian counsel regarding LTL next steps in Chapter 11 Proceedings; revise letter to Canadian counsel for the TCC;	1.90
Aug-03-23	S. Kukulowicz	Review amended letter to Miller Thompson; exchange emails regarding draft Third Report and timing for filing given intention of J&J to appeal dismissal order;	0.40
Aug-03-23	N. Levine	Prepare for call with company; draft letter to MT; participate in call with company; revise report;	1.50
Aug-03-23	P. Mabanza	Summarize relevant dockets from the New Jersey Bankruptcy Court in the LTL matter;	0.30
Aug-04-23	A. Hoy	Review and revise letter to Miller Thomson/TCC Canadian Counsel;	0.40
Aug-04-23	S. Kukulowicz	Revise draft letter to Miller Thompson;	0.90
Aug-08-23	A. Hoy	Revise letter to Miller Thomson/TCC Canadian Counsel; review letters filed in New Jersey Bankruptcy Court regarding dismissal of 2023 Chapter 11 Proceeding; prepare Fee Affidavit;	1.80
Aug-08-23	S. Kukulowicz	Exchange emails regarding correspondence to counsel for TCC; exchange emails regarding fee approvals; review of letters filed regarding form of dismissal order; review of draft dismissal orders;	1.40
Aug-08-23	N. Levine	Comment on letter; review draft orders; correspond with company counsel; review letters to court;	0.80
Aug-09-23	A. Hoy	Correspondence regarding letter to TCC Canadian Counsel;	0.40
Aug-09-23	P. Mabanza	Summarize relevant dockets from the LTL proceedings at the New Jersey Bankruptcy Court;	0.50
Aug-09-23	S. Kukulowicz	Review of various orders granted by the U.S. Court;	0.60
Aug-10-23	A. Hoy	Review US Dockets; send out letter to TCC Canadian Counsel;	0.40
Aug-11-23	A. Hoy	Review LTL Dismissal Order;	0.60
Aug-11-23	S. Kukulowicz	File administration; further review of US Orders;	0.80
Aug-13-23	S. Kukulowicz	Review of LTL dismissal order as entered;	0.20
Aug-14-23	A. Hoy	Update Third Report of the Information Officer regarding Entry of Dismissal Order;	0.80
Aug-14-23	A. Glover	Check for relevant dockets published on Aug. 14 by the New Jersey Bankruptcy Court regarding the LTL matter for A.	0.20

Date	Name	Description	Hours
		Hoy;	
Aug-14-23	S. Kukulowicz	Exchange emails with EY and Blakes regarding next steps after dismissal order; review of dismissal opinion and issues raised by TCC;	1.40
Aug-14-23	N. Levine	Review dismissal order; correspond with company counsel regarding motion to be brought in Canada;	0.20
Aug-15-23	A. Glover	Check for relevant dockets published on August 14 by the New Jersey Bankruptcy Court regarding the LTL matter for A. Hoy;	0.10
Aug-17-23	A. Glover	Check for relevant dockets published by the New Jersey Bankruptcy Court regarding the LTL matter and summarize relevant dockets for A. Hoy;	0.30
Aug-17-23	S. Kukulowicz	Review of correspondence from Canadian counsel for TCC;	0.20
Aug-18-23	S. Kukulowicz	Exchange emails with EY and Blakes regarding TCC correspondence and recognition issues;	0.30
Aug-18-23	N. Levine	Correspond with committee counsel; correspond with company counsel;	0.20
Aug-21-23	A. Hoy	Distribute Dismissal Order to Service List;	0.40
Aug-21-23	A. Glover	Check for relevant dockets published by the New Jersey Bankruptcy Court regarding the LTL matter for A. Hoy;	0.10
Aug-21-23	N. Levine	Correspond with client regarding report and update to service list; confer with company counsel; comment on draft communication; prepare for court; review US motion;	0.90
Aug-21-23	S. Kukulowicz	Review of draft report and dismissal opinion/order; telephone attendance with N. Levine; review of emails regarding notice of dismissal order to service list; file administration; review of emails regarding motion to dismiss the recognition proceedings;	2.30
Aug-23-23	A. Glover	Check LTL Docket for A. Hoy;	0.10
Aug-24-23	S. Kukulowicz	Review of email from A. Morrison regarding professional fee accruals;	0.20
Aug-25-23	A. Glover	Check for and summarize relevant dockets published by the New Jersey Bankruptcy Court regarding the LTL Recognition Proceedings;	0.20
Aug-25-23	S. Kukulowicz	Review of LTL's notice of appeal;	0.40
Aug-28-23	N. Levine	Confer with client regarding reporting; review Notice of Appeal matters;	0.30
Aug-28-23	S. Kukulowicz	File administration (estimate of professional fees August 1-11);	0.30
Aug-30-23	A. Hoy	Review of US Dockets;	0.20

FEE SUMMARY				
Name	**Title**	**Hours**	**Rate**	**Amount**
Kukulowicz, Shayne	Partner	12.70	1,130.00	14,351.00
Levine, Natalie	Partner	6.10	775.00	4,727.50
Hoy, Alec	Associate	10.30	420.00	4,326.00
Glover, Anna	Law Student	1.00	200.00	200.00
Mabanza, Pasha	Law Student	0.80	145.00	116.00
Total (CAD)		**30.90**		**23,720.50**

Our Fees	23,720.50	
HST @ 13.00%	3,083.67	
TOTAL FEES & TAXES (CAD)		**26,804.17**

TOTAL FEES	**23,720.50**
TOTAL TAXES	**3,083.67**
TOTAL FEES & TAXES (CAD)	**26,804.17**

OUTSTANDING INVOICES				
Invoice Number	**Invoice Date**	**Bill Amount**	**Payments / Credits**	**Balance Due**
2205592	07/14/23	128,482.05	0.00	128,482.05
2208381	08/11/23	45,081.92	0.00	45,081.92
2210772	09/06/23	26,804.17	0.00	26,804.17
Total (CAD)		**200,368.14**	**0.00**	**200,368.14**

Cassels

Invoice No:	2211045
Date:	September 11, 2023
Matter No.:	025522-00025
GST/HST No.:	R121379572
Lawyer:	Kukulowicz, Shayne
Tel.:	(416) 860-6463
E-mail:	SKukulowicz@cassels.com

Attn: Alex Morrison
Ernst & Young Inc.
P.O. Box 251
Ernst & Young Tower
Toronto Dominion Centre
Toronto, ON M5K 1J7

Re: Recognition Proceedings of LTL Management (Second Bankruptcy)

Fees for professional services rendered up to and including September 08, 2023

Our Fees	10,412.50
HST @ 13.00%	1,353.63
TOTAL DUE (CAD)	**11,766.13**

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)
Suite 3200, Bay Adelaide Centre - North Tower
40 Temperance St., Toronto, ON, M5H 0B4 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:	2211045
Matter No.:	025522-00025
Amount:	**CAD 11,766.13**
e-Transfer Payments:	payments@cassels.com
Credit Card Payments:	payments.cassels.com

FEE DETAIL

Date	Name	Description	Hours
Sep-01-23	N. Levine	Review draft affidavit;	0.20
Sep-01-23	S. Kukulowicz	Review of draft LTL affidavit in support of termination of the recognition proceedings;	0.60
Sep-03-23	N. Levine	Correspond with client regarding hearing;	0.10
Sep-04-23	S. Kukulowicz	Review of draft LTL affidavit regarding termination of CCAA proceedings; provided comments on draft affidavit; review of emails with EY and Blakes;	0.80
Sep-05-23	N. Levine	Revise report; comment on order;	1.80
Sep-05-23	S. Kukulowicz	Review of emails regarding draft LTL affidavit; exchanged emails with EY and N. Levine regarding professional fees and advice to stakeholders; telephone attendance with N. Levine; review of draft termination order;	1.40
Sep-05-23	A. Hoy	Update Third Report of the Information Officer;	1.70
Sep-06-23	A. Hoy	Review of Fee Affidavit materials; prepare Third Report of Information Officer;	1.30
Sep-06-23	S. Kukulowicz	Review of revised Third Report and made additional revisions; file administration (updated current fees and provided estimates) updating fees and provided estimates; telephone attendance with N. Levine and exchanged further emails regarding Third Report and Fee Affidavit; review of LTL motion record;	1.40
Sep-07-23	N. Levine	Revise report;	0.20
Sep-07-23	A. Hoy	Update Third Report; prepare Fee Affidavit and updating; review of LTL Invoices;	0.90
Sep-07-23	S. Kukulowicz	Further review of LTL motion record to terminate the recognition proceedings; exchanged emails regarding final revisions to the Third Report;	0.80
Sep-07-23	A. Glover	Draft fee affidavit for A. Hoy;	3.40
Sep-08-23	A. Hoy	Update Third Report and Fee Affidavits;	0.50
Sep-08-23	S. Kukulowicz	Exchanged emails regarding Third Report and hearing; review of draft Fee Affidavit;	0.40

FEE SUMMARY

Name	Title	Hours	Rate	Amount
Levine, Natalie	Partner	2.30	775.00	1,782.50
Kukulowicz, Shayne	Partner	5.40	1,130.00	6,102.00
Hoy, Alec	Associate	4.40	420.00	1,848.00
Glover, Anna	Law Student	3.40	200.00	680.00
Total (CAD)		**15.50**		**10,412.50**

Our Fees	10,412.50	
HST @ 13.00%	1,353.63	
TOTAL FEES & TAXES (CAD)		**11,766.13**

TOTAL FEES	**10,412.50**
TOTAL TAXES	**1,353.63**
TOTAL FEES & TAXES (CAD)	**11,766.13**

OUTSTANDING INVOICES

Invoice Number	Invoice Date	Bill Amount	Payments / Credits	Balance Due
2205592	07/14/23	128,482.05	0.00	128,482.05
2208381	08/11/23	45,081.92	0.00	45,081.92
2210772	09/06/23	26,804.17	0.00	26,804.17
2211045	09/11/23	11,766.13	0.00	11,766.13
Total (CAD)		**212,134.27**	**0.00**	**212,134.27**

This is Exhibit “B” referred to in the affidavit of Natalie E. Levine, affirmed before me by videoconference on September 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.

Alec Hoy

…………………………………………………...

A Commissioner for Taking Affidavits

Commissioner Name: Alec Hoy
Law Society of Ontario Number: 85489K

EXHIBIT "B"
Calculation of Average Hourly Billing Rates of
Cassels Brock & Blackwell LLP
for the period from April 5, 2023 to September 8, 2023

Invoice No./ Period	Fees ($)	Disbursements ($)	HST ($)	Total Fees, Disbursements and HST ($)	Hours Billed	Average Billed Rate ($)
2199889 Apr 5-23 to Apr 30-23	142,746.50	38.38	18,562.03	161,346.91	192.40	741.93
2203046 May 1-23 to May 31-23	106,757.00	395.75	13,929.86	121,082.61	149.20	715.53
2205592 Jun 1-23 to Jun 30-23	113,318.50	382.43	14,781.12	128,482.05	200.30	565.74
2208381 Jul 1-23 to Jul 31-23	39,895.50	0.00	5,186.42	45,081.92	65.20	611.89
2210772 Aug 1-23 to Aug 31-23	23,720.50	0.00	3,083.67	26,804.17	30.90	767.65
2211045 Sep 1-23 to Sep 8-23	10,412.50	0.00	1,353.63	11,766.13	15.50	671.77
Total	436,850.50	816.56	56,896.73	494,563.79	653.50	668.48

This is Exhibit “C” referred to in the affidavit of Natalie E. Levine, affirmed before me by videoconference on September 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.

Alec Hoy

………………………………………………………...

A Commissioner for Taking Affidavits

Commissioner Name: Alec Hoy
Law Society of Ontario Number: 85489K

EXHIBIT “C”

Billing Rates of Cassels Brock & Blackwell LLP

For the period from April 5, 2023 to September 8, 2023

Year of Call	Individual	Rate ($)	Fees Billed ($)	Hours Worked
1990	Shayne Kukulowicz	1,130.00	221,593.00	196.10
2013	Natalie Levine	775.00	111,755.00	144.20
2012	Jeremy Martin	725.00	10,802.50	14.90
2021	William Onyeaju	455.00	19,610.50	43.10
2022	Alec Hoy	420.00	54,600.00	130.00
	Carly Valentine (Law Student)	200.00	340.00	1.70
	Anna Glover (Law Student)	200.00	880.00	4.40
	Pasha Mabanza (Law Student)	145.00	17,269.50	119.10

Court File No. CV-23-00697824-00CL

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 SEPTEMBER 12, 2023

Cassels Brock & Blackwell LLP
Suite 3200, Bay Adelaide Centre – North Tower
40 Temperance Street
Toronto, ON M5H 0B4

Shayne Kukulowicz LSO #: 30729S
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Court File No.: CV-23-00697824-00CL

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

THIRD REPORT OF THE INFORMATION OFFICER

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