

United States Bankruptcy Court
District of New Jersey

Transmittal to the District Court
Amended Proposed Findings of Fact and Conclusions of Law for Confirmation

In re:

Chapter 11

DURO DYNE NATIONAL CORP., et al.,¹

Case No. 18-27963 (MBK)

Debtors.

The United States Bankruptcy Court for the District of New Jersey (Hon. Michael B. Kaplan, U.S.B.J.) submits the accompanying Amended Proposed Findings of Fact and Conclusions of Law in this chapter 11 bankruptcy (Exhibit A) for review by the District Court and recommending confirmation of the Third Amended Prenegotiated Plan of Reorganization (“Plan”) (Exhibit B).

Although this matter is a core proceeding under 28 U.S.C. § 157(b)(2)(L), the bankruptcy plan in this case is filed under 11 U.S.C. § 524(g). “Section 524(g) is a special provision of the Bankruptcy Code created by Congress to provide ‘supplemental injunctive relief for an insolvent debtor facing the unique problems and complexities associated with asbestos liability.’” *In re W.R. Grace & Co.*, 475 B.R. 34, 91 (D. Del. 2012) (quoting *In re Combustion Eng'g, Inc.*, 391

¹ The Debtors in these chapter 11 cases are: Duro Dyne National Corp., No. 18-27963-MBK; Duro Dyne Corporation, No. 18-27968-MBK, Duro Dyne Machinery Corp., No. 18-27969-MBK; Duro Dyne MidWest Corp., No. 18-27970-MBK; and Duro Dyne West Corp., No. 18-27971-MBK (collectively, the “Debtors”).

F.3d 190, 234 (3d Cir. 2004)). Under § 524(g), the debtor is able to reorganize through the use of an injunctive trust, which serves to “preserve and facilitate the resolution of current asbestos claims, while simultaneously relieving the insolvent debtor from the uncertainty associated with impending future asbestos litigation.” *Id.* Pursuant to § 524(g)(3)(A), the Plan must be “issued or affirmed by the district court that has jurisdiction over the reorganization case” in order for the injunction to become valid and enforceable. Therefore, this Court submits the instant document to the District Court recommending confirmation of the Plan.

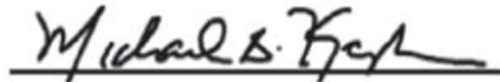
Inherent in confirmation of the Plan is a finding that the Plan and the documents which structure the injunctive trust—the Trust Agreement and the Trust Distribution Procedures—meet the requirements of 11 U.S.C. § 524(g)(2). The Court directs the District Court’s attention to these documents and additional supporting documentation located at Docket Nos. 1294 and 1295 on the bankruptcy docket (Case No. 18-bk-27963) in further support of confirmation.

Additionally, this Court informs the District Court that the Debtors entered into settlements with several of their insurers to resolve certain outstanding coverage disputes, the proceeds of which will be contributed to the injunctive trust. This Court conditionally approved those settlement agreements pending approval of the Plan by the District Court. The proposed orders approving the settlement agreements accompany this Transmittal Form (Exhibits C, D, E & F). In the event these proposed orders and the underlying agreements meet the District Court’s approval, these orders should be executed if and when the Plan is confirmed.²

Finally, this Court has attached as Exhibit G a Proposed Order confirming the Plan. If the District Court is so inclined, this document can be executed through the addition of dates and docket numbers on pages 2 and 29 of the proposed order. In the event an order for confirmation

² Please note that Exhibits C, D, and E require the addition of dates by the District Court on page 13 (¶ 17 or 18, subsections (a) and (c)) – which set deadlines and return dates for motions for reconsideration.

is entered, please return a docketed copy together with copies of related orders approving the settlement agreements so that these can also be docketed with the Bankruptcy Court.

A handwritten signature in black ink, appearing to read "Michael B. Kaplan", is written over a horizontal line.

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