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13 UNITED STATES BANKRUPTCY COURT
14 NORTHERN DISTRICT OF CALIFORNIA
15 SAN FRANCISCO DIVISION

16 In re
17 PLANT INSULATION COMPANY, a
California corporation,
18 Debtor.

19 Tax ID: 94-0292481
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Case No. 09-31347
Chapter 11

**DECLARATION OF ALAN R. BRAYTON
IN SUPPORT OF MOTION FOR ORDER
(A) APPROVING SETTLEMENT
AGREEMENT WITH THE RESOLUTE
CARRIERS, (B) DESIGNATING THE
RESOLUTE CARRIERS AS SETTLING
ASBESTOS INSURERS UNDER THE
PLAN, AND (C) APPROVING THE
SALE OF INSURANCE POLICIES
FREE AND CLEAR OF LIENS,
CLAIMS, AND INTERESTS (D)
APPROVING THE PENDING CLAIMS
CARVEOUT AND ASSOCIATED
PROCEDURES; AND (E) APPROVING
RECONSIDERATION PROCEDURES**

Date: August 29, 2014
Time: 9:00 a.m.
Judge: Hon. Thomas E. Carlson
Place: Courtroom 23
235 Pine Street
San Francisco, CA

1 I, Alan R. Brayton, declare as follows:

2 1. I am an attorney and have actively practiced in the area of asbestos litigation
3 since 1983, representing victims of asbestos related disease. My law firm, Brayton Purcell, and I
4 are counsel for one of the members of the Official Committee of Creditors Holding Unsecured
5 Claims in the above case. I am Co-Chair of the Committee.

6 2. This Declaration is filed in support of the *Plan Proponents' Motion For Order*
7 *(A) Approving Settlement Agreement With the Resolute Carriers, (B) Designating the Resolute*
8 *Carriers As Settling Asbestos Insurers Under The Plan, (C) Approving The Sale Of Insurance*
9 *Policies Free And Clear Of Liens, Claims, And Interests, (D) Approving The Pending Claims*
10 *Carveout And Associated Procedures; And (E) Approving Reconsideration Procedures* (the
11 "Motion"), filed by the Plan Proponents¹ on August 25, 2014 at Docket No. _____. Capitalized
12 terms not defined herein shall have the meanings ascribed to them in the Motion. Except for those
13 matters stated upon information and belief, I have personal knowledge of the matters set forth
14 herein and if called as a witness would testify thereto. As for those matters stated upon
15 information and belief, I believe those matters to be true and correct.

16 3. The vast majority of the work of Brayton Purcell is representing injured
17 plaintiffs in personal injury litigation. Over 90 percent of our work involves representation of
18 victims of asbestos-related disease and their families. The statement under Bankruptcy Rule 2019
19 that we filed in this case sets forth all of the pending cases or current claims against Plant
20 Insulation Company that our firm then believed that we had in our office at the time of the filing
21 of the bankruptcy case by Plant. My law firm has more asbestos related claims against the Debtor
22 than any other firm. On behalf of our clients, my firm voted a total of 4,008 of 6,437 class 4
23 claims voting for the Plan. This represented \$480,573,680 of the \$1.4 billion in claims based on
24 the average matrix values that voted for the Plan.

25
26 _____
27 ¹ "Plan Proponents" means, collectively, Bayside Insulation & Construction, Inc., Reorganized
28 Debtor (the "Debtor"), the Official Committee of Unsecured Creditors (the "Committee"), and the
Court-appointed representative of holders of future asbestos claims (the "Futures Representative").

1 4. I was a founding partner in what is now the Brayton Purcell firm in 1984. My
2 principal office is in Novato, California. We now have 50 lawyers and approximately 250 staff,
3 and maintain additional offices in Salt Lake City, Utah, Portland, Oregon and Los Angeles,
4 California. My asbestos practice has always been concentrated in Northern California, primarily
5 in the Bay Area.

6 5. Over the years, my firm has represented over 10,000 victims of asbestos-related
7 disease, and we have filed over 10,000 lawsuits seeking damages based on exposure to asbestos
8 and resulting asbestos-related disease, against more than a thousand named defendants. My firm
9 has tried to verdict the claims of hundreds of asbestos victims, and has settled many thousands
10 more.

11 6. I have represented clients who have served on the asbestos claimant's
12 committees in the following chapter 11 bankruptcy cases which involve debtors with asbestos
13 related claims asserted against them: Plant Insulation; Thorpe Insulation; J.T. Thorpe Inc; Western
14 Asbestos; EJ Bartells; Porter Hayden; Owens Corning; Quigley, Lake/Asarco; THAN, Leslie
15 Controls and Kaiser Aluminum. I am also familiar with many other asbestos chapter 11 cases as I
16 represent claimants in over 90% of asbestos bankruptcies, and I am active in national
17 organizations involving asbestos. I have been appointed by the courts and currently serve as chair
18 or co-chair of the Trust Advisory Committees on the Western Trust, The J.T. Thorpe Inc. Trust,
19 the Thorpe Insulation Trust, the Plant Insulation Trust, the E.J. Bartels Trust, the Kaiser
20 Aluminum Trust, and the ASARCO Trust. I represented a client who served on the Chrysler
21 creditor's committee, served as co-chair of that committee, and was appointed as the Litigation
22 Manager for Chrysler's Managing Trustee.

23 7. I am the senior person at my firm in charge of overseeing the negotiation of
24 settlements of individual asbestos cases with named defendants and their insurers. In addition, I
25 have a substantial amount of experience negotiating settlements with insurers in the context of
26 524(g) bankruptcy cases – both prior to and during this case – given my extensive involvement in
27 such cases described in paragraph 6 above. Oftentimes, the insurers request that I become
28 involved in these negotiations because they want to ensure that the claimants support the

1 settlement. Among other cases, I have participated in settlement negotiations in the three previous
2 524(g) cases in California: (1) the Western Asbestos case that yielded recoveries to the trust of
3 over \$2 billion, (2) the J.T. Thorpe case that yielded recoveries to the trust of over \$200 million,
4 and (3) the Thorpe Insulation case that resulted in recoveries to the trust of over \$600 million. I
5 have also participated in the negotiation of the previous settlements in this case with Somo,
6 UNIC, Arrowood, Mt. McKinley, the Allianz Companies, the ACE Companies, U.S. Fire, and
7 Safety National and Insurance Company of the West. Accordingly, I am knowledgeable about the
8 range of recoveries to be obtained from insurers in settlement negotiations and whether the
9 settlement proposals made by those insurers would be beneficial to asbestos claimants.

10 8. Based upon my own personal knowledge, including my review of various
11 sworn testimony including depositions, affidavits, and declarations as well as pleadings filed in
12 underlying asbestos lawsuits, this bankruptcy case, and the Declaratory Relief Action, I have the
13 understandings set forth herein. I understand that OneBeacon Insurance Company, OneBeacon
14 America Insurance Company, American Employers' Insurance Company, OneBeacon Insurance
15 Group, Ltd., Transport Insurance Company as successor in interest to Transport Indemnity
16 Company, American Home Assurance Corporation, Insurance Company of the State of
17 Pennsylvania, and Granite State Insurance Company United States Fire Insurance Company
18 (collectively, the "Resolute Carriers") issued or have taken over responsibility for multiple
19 primary liability insurance policies to the Debtor for various policy periods (collectively, the
20 "Policies"). However, in the Declaratory Relief Action in state court, the Resolute Carriers have
21 consistently denied all the substantive allegations and claims asserted against them and have
22 contended that they have no further responsibility under the Policies.

23 9. The terms of the Settlement were arrived at as a result of arm's-length
24 bargaining and good faith negotiation among the parties thereto. I have been active in the
25 negotiations with the Resolute Carriers. I have personally participated in a number of discussions
26 with the Resolute Carriers' principals and their counsel. Based on our joint privilege, the Trust's
27 representatives, the Futures Representative's counsel and I familiarized ourselves with the
28 strengths and weaknesses of the Debtor's position in the Declaratory Relief Action, and utilized

