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UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY

In re:

Chapter 11

THE DIOCESE OF CAMDEN, NEW JERSEY,

Case. No. 20-21257 (JNP) Hon. Jerrold N. Poslusny, Jr.

Debtor.

JOINDER OF GRANITE STATE INSURANCE COMPANY AND LEXINGTON INSURANCE COMPANY TO CENTURY INDEMNITY'S MOTION SEEKING AN ORDER AUTHORIZING REQUESTS FOR PRODUCTION OF DOCUMENTS DIRECTED TO DEBTORS AND AN ADJOURNMENT OF THE DISCLOSURE STATEMENT HEARING

Granite State Insurance Company and Lexington Insurance Company (together,

the "Companies"), by and through their undersigned counsel, hereby submit this Joinder (the

"Joinder") to the Motion Seeking an Order Authorizing Requests for Production of Documents

Directed to Debtor and an Adjournment of the Disclosure Statement Hearing (the "Motion")

[Docket No. 354] filed by Century Indemnity Company ("Century") in the above-captioned case.

In support of this Joinder, the Companies respectfully state:

BACKGROUND

A. <u>The Debtor's Bankruptcy Case.</u>

1. On October 1, 2020 (the "<u>Petition Date</u>"), the Debtor, the Diocese of Camden, New Jersey (the "<u>Debtor</u>"), filed a voluntary petition for relief with this Court under Chapter 11 of Title 11 of the United States Code.

2. On October 23, 2020, the Office of the United States Trustee appointed the Official Committee of Tort Claimant Creditors pursuant to section 1102(a)(1) of the Bankruptcy Code (the "<u>Tort Claimants' Committee</u>").

3. On December 31, 2020, the Debtor filed a Disclosure Statement Pursuant to Section 1125 of the Bankruptcy Code Describing Chapter 11 Plan Proposed by the Debtor-in-Possession (the "<u>Disclosure Statement</u>") [Doc. No. 305], along with its corresponding Plan of Reorganization (the "<u>Plan</u>") [Doc. No. 306].

4. A hearing on the adequacy of the Disclosure Statement (the "<u>Disclosure</u> <u>Statement Hearing</u>") in currently scheduled for February 10, 2021 at 10:00 a.m.¹ <u>See</u> Order and Notice on Disclosure Statement [Docket No. 308].

B. <u>The Adversary Proceeding.</u>

5. On October 21, 2020, the Debtor commenced an adversary proceeding (the "<u>Adversary Proceeding</u>") against the Companies and against a number of other insurers, seeking, among other things, a declaratory judgment with respect to the rights, duties and liabilities of the

¹ Through the Motion, Century requests that the Disclosure Statement Hearing be adjourned for thirty (30) days. The London Market Insurers thereafter joined in Century's adjournment request. <u>See</u> Docket No. 363. By letter dated January 21, 2021 instead of the local form adjournment request, the Tort Claimants' Committee also requested that the Court adjourn the Disclosure Statement Hearing. <u>See</u> Docket No. 365. Through this Joinder, the Companies similarly request a 30-day adjournment of the Disclosure Statement Hearing. To the extent necessary, the Companies shall submit an adjournment request in the form required by Local Rules.

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defendant insurers under various insurance policies as they relate to insurance coverage for the survivor and tort claims (the "<u>Complaint</u>"). <u>See</u> Adv. Pro. No. 20-01573.

6. The Debtor thereafter amended its complaint in the Adversary Proceeding on November 25, 2020, and the defendants' current deadline to answer or otherwise respond to the Debtor's amended complaint is January 29, 2021.

C. <u>The Motion.</u>

7. As set forth in detail in the Motion, Century requests: (i) an order requiring the Debtor to produce documents concerning its assets, liabilities, and insurance, which documents have already been produced by the Debtor to the Tort Claimants' Committee; and (ii) a thirty (30) day adjournment of the Disclosure Statement Hearing so that Century has sufficient time to review and evaluate such documents.

D. <u>The Granite State and Lexington Alleged Insurance Programs.</u>

8. While they are currently confirming issuance of relevant insurance policies, at this time it appears that Granite State Insurance Company and Lexington Insurance Company each issued one or more excess liability policies to the Debtor, which were effective at various times between 1985 and 2002 (the "<u>Policies</u>").

9. The Companies believe that the issues identified by Century in its Motion are substantially similar to the issues that the Companies would raise with respect to information requests and the Disclosure Statement Hearing. Like Century, the Companies have requested from the Debtor copies of information previously produced by the Debtor to the Tort Claimants' Committee.² To date, the Companies have not received the information requested.³

 $^{^2}$ It appears that these documents were produced by the Debtor to the Tort Claimants' Committee without a confidentiality agreement.

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10. The information requested by the Companies is, among other things, necessary to evaluate the Disclosure Statement. The Companies therefore agree with and join the arguments advanced by Century in its Motion, including Century's request that the Court adjourn the Disclosure Statement Hearing for thirty (30) days.

JOINDER

11. For all of the reasons set forth in the Motion, the Companies support and join the Motion. The Companies submit that the Debtor must be ordered to produce the relevant discovery, and that the Disclosure Statement Hearing should be adjourned to allow sufficient time to review such documents once they are produced.

RESERVATION OF RIGHTS

12. The Companies reserve the right to supplement this Joinder and make such other and further objections to the Disclosure Statement as necessary including, but not limited to, upon review of any responses, objections, replies filed in response thereto.

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³ The Companies and the Debtor, along with other insurers, are having discussions with the Debtor over a form of confidentiality agreement, which the Debtor has required the insurers to execute before obtaining any documentation.

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CONCLUSION

WHEREFORE, for all the foregoing reasons, and for the reasons set forth in the Motion, the Companies respectfully request that the Court (i) accept this Joinder as the Companies' responsive pleading to the Motion; (ii) grant the Motion and enter the proposed order substantially in the form submitted with the Motion as **Exhibit A**, and include the Companies in the relief awarded; and (iii) grant the Companies such other and further relief as is just and equitable.

Dated: January 22, 2021 Morristown, New Jersey

RIKER DANZIG SCHERER HYLAND & PERRETTI LLP

/s/ Joseph L. Schwartz Joseph L. Schwartz, Esq.

Counsel for Granite State Insurance Company and Lexington Insurance Company

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