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**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

In re:

THE DIOCESE OF CAMDEN, NEW JERSEY,

Debtor.

Chapter 11

Case. No. 20-21257 (JNP)

Hon. Jerrold N. Poslusny, Jr.

SUPPLEMENTAL OBJECTION OF GRANITE STATE INSURANCE COMPANY AND LEXINGTON INSURANCE COMPANY TO DEBTOR'S DISCLOSURE STATEMENT AND JOINDER TO CERTAIN OF (I) THE OBJECTIONS FILED BY THE LONDON MARKET INSURERS TO THE DEBTOR'S DISCLOSURE STATEMENT, (II) THE OBJECTIONS FILED BY CENTURY INDEMNITY COMPANY TO THE DEBTOR'S DISCLOSURE STATEMENT, AND (III) THE OBJECTIONS FILED BY CENTURY INDEMNITY COMPANY TO SOLICITATION, TABULATION, AND VOTING PROCEDURES PROPOSED BY THE DEBTOR

Granite State Insurance Company and Lexington Insurance Company (together, the "Companies"), by and through their undersigned counsel, hereby submit this Supplemental Objection to the Debtor's Disclosure Statement and Joinder (the "Joinder")¹ to certain of (i) the objections referenced in the Objection of Certain Underwriters at Lloyd's, London and Certain

¹ On January 28, 2021, the Companies filed a Joinder to Certain of (I) The Objections Filed By The Official Committee of Tort Claimant Creditors (the "TCC Initial Objection") and (II) The Objections Filed by the London Market Insurers to the Debtor's Disclosure Statement [Docket No. 384] (the "Initial Joinder"). For the avoidance of doubt, this Joinder supplements the Initial Joinder, including but not limited to the Companies' joinder to the arguments made in the TCC Initial Objection.

London Market Companies (collectively, the “London Market Insurers”) to the Debtor’s Disclosure Statement (the “LMI Disclosure Statement Objection”) [Doc. 472]; (ii) the objections referenced in the Objection of Century Indemnity Company (“Century”) to the Debtor’s Disclosure Statement (the “Century Disclosure Statement Objection”) [Doc. 477]; and (iii) the objections referenced in the Objection of Century to Solicitation, Tabulation, and Voting Procedures Proposed by the Debtor (the “Century Solicitation Objection”) [Doc. 478]. In support of this Objection and Joinder, the Companies respectfully state:

BACKGROUND

A. The Debtor’s Bankruptcy Case.

1. On October 1, 2020 (the “Petition Date”), the Debtor, the Diocese of Camden, New Jersey (the “Debtor”), 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 “Tort Claimants’ Committee”).

3. After significant motion practice, on February 11, 2021, the Court entered an Order Establishing Deadline for Filing Proofs of Claim and Approving the Form and Manner of Notice Thereof [Doc. No. 409], which establishes a bar date of June 30, 2021 for the filing of all prepetition proofs of claim against the Debtor.

B. The Plan and Disclosure Statement.

4. 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 “Disclosure Statement”) [Doc. No. 305], along with its corresponding Plan of Reorganization (the “Plan”) [Doc. No. 306].

5. On February 16, 2021, the Debtor filed its Motion for Entry of an Order (A) Approving Disclosure Statement; (B) Establishing Plan Solicitation, Voting, and Tabulation Procedures; (C) Scheduling a Confirmation Hearing, and Deadline for Filing Objections to Plan Confirmation; and (D) Granting Related Relief (the “Solicitation Motion”) [Doc. No. 415].

6. A hearing on the Solicitation Motion and the adequacy of the Disclosure Statement (the “Disclosure Statement Hearing”) is currently scheduled for March 24, 2021 at 10:00 a.m.

C. The Adversary Proceeding.

7. On October 21, 2020, the Debtor commenced an adversary proceeding (the “Adversary Proceeding”) 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 defendant insurers under various insurance policies as they relate to insurance coverage for the survivor and tort claims (the “Complaint”). See Adv. Pro. No. 20-01573. The Debtor thereafter amended its Complaint on November 25, 2020 (the “First Amended Complaint”). See Adv. Pro. No. 20-01573, Doc. No. 10.

8. On January 29, 2021, the Companies timely filed answers to the First Amended Complaint. See Adv. Pro. No. 20-01573, Doc. Nos. 23 and 24.

D. The Granite State and Lexington Alleged Insurance Programs.

9. 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 “Policies”).

JOINDER

10. The Companies support and join in many of both of LMI's objections, as set forth in the LMI Disclosure Statement Objection, and Century's objections, as set forth in the Century Disclosure Statement Objection, regarding, among other things: (i) the fact that the plan confirmation process is premature and should not go forward at the present time, (ii) the fact that the Disclosure Statement lacks adequate information, and (iii) the patent unconfirmability of the Plan.² The Companies also support and join in certain of the objections set forth in the Century Solicitation Objection regarding the unnecessarily-expedited solicitation and confirmation schedule set forth by the Debtor in the Solicitation Motion, particularly when, again, the plan confirmation process is premature and should not go forward at the present time.

RESERVATION OF RIGHTS

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

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² To the extent that LMI or Century have requested modifications to the Disclosure Statement to include specific reference to an LMI or Century insurance policy or policies, the Companies take no position with respect to such requests.

CONCLUSION

WHEREFORE, for all the foregoing reasons, and for the reasons set forth in the LMI Disclosure Statement Objection, the Century Disclosure Statement Objection, and the Century Solicitation Objection, the Companies respectfully request that the Court decline to approve the Disclosure Statement, deny the relief sought in the Solicitation Motion, and grant such other and further relief as the Court deems just and equitable.

Dated: March 11, 2021
Morristown, New Jersey

RIKER DANZIG SCHERER HYLAND
& PERRETTI LLP

/s/ Joseph L. Schwartz

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