UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF NEW YORK

In re:	Case No. 20-30663-5-wak
The Roman Catholic Diocese of Syracuse, New York,	Chapter 11
Debtor.	

LONDON MARKET INSURERS' OMNIBUS REPLY IN SUPPORT OF MOTION FOR AN ORDER (I) APPROVING CLAIM OBJECTION PROCEDURES, (II) APPROVING DISCOVERY PROCEDURES, AND (III) GRANTING RELATED RELIEF

TABLE OF CONTENTS

Page

TABLE OF AUTHORITIES

Cases

Statutes

Certain Underwriters at Lloyd's, London, and London Market Companies (together "London Market Insurers" or "LMI") hereby file this omnibus reply ("Reply") to the various objections[1] asserted by the Roman Catholic Diocese of Syracuse, New York ("Debtor"), the Official Committee of Unsecured Creditors ("Committee"), and certain sexual abuse claimants ("Abuse Claimants") (collectively, "Objecting Parties") to LMI's *Motion for an Order (i) Approving Claim Objection Procedures, (ii) Approving Discovery Procedures, and (iii) Granting Related Relief* ("Motion") [Doc. No. 1489] and respectfully state as follows:

I. PRELIMINARY STATEMENT

The panic and unsupported concerns raised by the Objecting Parties would make one think settlement and confirmation of a Chapter 11 plan is happening immediately. It is not. There is no settlement or proposed Chapter 11 plan of reorganization before the Court. Given that, LMI intend to keep the bankruptcy case moving forward, which may include continuing settlement negotiations and implementing procedures for the orderly resolution of the bankruptcy case.

In response to LMI's attempt to implement fair procedures for the claims process ("Claims Procedures"), the Objecting Parties[2] raise unfounded and speculative concerns. To the contrary: (1) the Objecting Parties' assertion that a settlement has been reached and a Chapter 11 plan is forthcoming is unsupported as no plan has been filed; (2) LMI are parties-in-interest, with standing to object to Abuse Claims; (3) the Claims Procedures are timely, necessary and will not delay plan

[1] The objections are (1) the Debtor's *Objection to the London Market Insurers' Motion for an Order (i) Approving Claim Objection Procedures, (ii) Approving Discovery Procedures and (iii) Granting Related Relief* ("Debtor Opposition") [Doc. No. 1507]; (2) the Committee's *Response to London Market Insurers' Motion to Approve Claim Objection Procedures* ("Committee Opposition") [Doc. No. 1506]; and the Abuse Claimants' joinder to the Committee's *Response to London Market Insurers' Motion to Approve Claim Objection Procedures* ("Abuse Claimants Opposition") (collectively, "Oppositions") [Doc. No. 1508].

[2] Capitalized Terms not expressly defined herein shall take the meanings defined in the Motion.

confirmation; and (4) the Claims Procedures will not prejudice the claimants. Accordingly, the Motion merits approval.

II. RELEVANT FACTS

LMI subscribed Combined Property, Casualty and Crime Insurance Policies ("LMI Policies") issued to the Debtor for periods from April 16, 1973 through July 1, 1986.[3] These LMI Policies provided General Liability Coverage on an occurrence basis with Specific Excess Coverage limits of: 80% of $150,000 Ultimate Net Loss ("UNL") each occurrence excess of a $50,000 UNL each occurrence Self-Insured Retention ("SIR") for the periods from 1973 to 1976; 80% or 90% of $135,000 UNL each occurrence excess of a $65,000 UNL each occurrence SIR for the periods from 1976 to 1985; and 80% of $100,000 UNL each occurrence excess of a $100,000 UNL each occurrence SIR for the period from 1985 to 1986.

The LMI Package Policies provide only indemnity coverage for UNL incurred for Personal Injury claims arising from an Occurrence where there is legal liability "imposed upon the Assured by law".

The term "Ultimate Net Loss" is defined as:

> the total sum which the Assured becomes obligated to pay by reason of personal injury or property damage claims, either through adjudication or compromise, after making proper deductions for all recoveries and salvages, and shall also include . . . expenses for doctors, lawyers, nurses, . . . and for litigation . . . which are paid as a consequence for any occurrence covered hereunder".

There are two preconditions to payment: 1) the matter is resolved through compromise or adjudication; and, 2) the sum is paid as a consequence for an occurrence covered by the Policy.

[3] LMI also subscribed Package Policies issued to the Debtor for the periods from July 1, 1986 to July 1, 1989, which provided liability coverage on a claims made basis and/or were subject to Sexual Misconduct Exclusions. In addition, LMI subscribed Excess Broadform Polices issued to the Debtor for the periods from July 1, 1979 to July 1, 1985, providing liability coverage excess of $5,000,000 each occurrence underlying insurance. There is limited unconfirmed documentation of another possible high layer excess policy for the period April 16, 1973 to April 16, 1975.

The Package Policies also contain a General Condition as to the timing of a "Loss Payment" which states:

> When it has been determined that Underwriters are liable under this Insurance, Underwriters shall thereafter promptly reimburse the Assured for all payments made in excess of the amounts stated in Subparagraphs A and B of the Limits Agreement. All adjusted claims shall be paid or made good to: the Assured within thirty days after their presentation to Arthur J. Gallagher & Co., and acceptance by Underwriters of satisfactory proof of interest and loss.

Any obligation by LMI to indemnify defense costs as a portion of UNL, or to indemnify a loss payment, happens only if and when there is a determination that the underlying action is covered under the LMI Policies.

The LMI Policies provide excess indemnity coverage above the Debtor's Self Insurance Program and cover the Named Assured Debtor and its Assured Related Entities. As a self-insurer, pursuant to New York law, the Debtor has the duty to defend and settle claims and LMI only reimburse covered defense expenses or a loss payment after the underlying claim is resolved and coverage for that claim has been determined. The LMI Policies require, (i) as a condition precedent liability under the LMI Policies, that the Debtor use a Service Organization, (ii) that the Debtor provides timely notice to LMI, (iii) that the Debtor cooperates with LMI, and (iv) the Debtor's performance of other relevant and material obligations.

III. ARGUMENT

A. LMI have Standing as a Party in Interest to Object to Abuse Claims

LMI have standing to object to proofs of claims where the Debtor, has asked, or will ask, LMI to indemnify it for incurred Ultimate Net Loss.

Under title 11 of the United States Code ("Bankruptcy Code") section 502(a), "A claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest… objects."

Standing of a party in interest considers both constitutional standing and section 1109(b) of the Bankruptcy Code. *In re Quigley Co., Inc.*, 391 B.R. 695, 701-704 (Bankr. S.D.N.Y. 2008). To have Article III standing, LMI need only demonstrate "a personal stake in the outcome of the controversy as to assure . . . concrete adverseness." *Baker v. Carr*, 369 U.S. 186, 204 (1962). To have bankruptcy standing, LMI must be a "party in interest" under section 1109(b), a term broadly interpreted "to mean that *anyone who has a legally protected interest* that could be affected by a bankruptcy proceeding is entitled to assert that interest with respect to any issue to which it pertains." *Quigley*, 391 B.R. at 703 (internal citations and quotations omitted) (emphasis added). Bankruptcy Courts recognize "that a liability insurer is a 'party in interest' where the debtor's insurer is responsible to pay claims brought against the debtor." *In re Heating Oil Partners*, 2009 WL 5110838, at 5 (D. Conn. Dec. 17, 2009), *aff'd sub nom. In re Heating Oil Partners*, LP, 422 F. App'x 15 (2d Cir. 2011) (citing *In re Standard Insulations, Inc.*, 138 B.R. 947, 950 (Bankr. W.D. Mo. 1992)).

The *In re Heating Oil Partners* court relied on an earlier bankruptcy court ruling in *In re Standard Insulations*, where the debtor's insurers objected to personal injury claims arising out of asbestos exposure because the claims were untimely and "show[ed] no exposure to debtor's products." *In re Standard Insulations*, 138 B.R at 950. In *In re Standard Insulations*, the claimants' committee asserted that the insurers lacked standing to object to the claims. However, the bankruptcy court rejected the committee's argument, finding that because the "insurers are responsible for payment of injury claims caused by exposure to debtor's products during covered periods," the insurers were "parties in interest . . . and have standing to object to claims against the estate." *Id.*

LMI have standing to object to claims that their insured, the Debtor, has tendered to LMI for coverage.[4] LMI have a right under section 502(a) of the Bankruptcy Code, as parties-in-interest, to object to any claim filed. LMI also have a right to associate in the defense of the Debtor under the LMI Policies. The Motion is a sensible approach to streamline LMI's rights in objecting to a multitude of claims asserted in this bankruptcy, as allowed under the Bankruptcy Code and the LMI Policies. Taken further, failing to disallow claims threatens direct pecuniary harm to LMI. If a claimant trust subsequently allows otherwise objectionable claims, which occur within LMI's policies, the trust will ask LMI to indemnify those claims.

Hence, LMI have standing to assert the Motion and the relief requested is wholly appropriate.[5]

1. Section 502(b)(1) Affords LMI Rights to Object to Claims if the Claims are Unenforceable Against the Debtor Under New York law

Under section 502(b)(1) of the Bankruptcy Code, claims may be disallowed if they are "unenforceable against the debtor and property of the debtor, under any agreement or applicable law." *See, e.g., In re Residential Capital, LLC*, 518 B.R. 720, 731 (Bankr. S.D.N.Y. 2014). To

[4] The Committee's reliance on *Harrisburg* is to no avail. Doc. No. 1506 at 11, n. 16. Judge Van Eck never, as the Committee implies, made a determination that the insurers did not have standing to object to Abuse Claims. *See* Kugler Decl., Ex. C at 69:3-6, 9-13 (LMI "has provided some really good information for me. And I'm a careful Judge, I want to listen to this again. I want to hear what she said. I want to make sure I understand it….I'd like a summary, I'd like something concise that explains why this injury is so particularized and concrete…I'm always persuadable."). Additionally, the Committee's reliance on *In re Kaiser Gypsum Co.*, 60 F.4th, 73, 87-88 (4th Cir. 2023) in objecting to confirmation of a chapter 11 plan is irrelevant and inapplicable. Doc. No. 1506 at 4. The Committee's characterization of the purportedly forthcoming plan as insurance neutral is wholly unsupported. Therefore, the Committee's assertion that LMI do not have standing to object to Abuse Claims, because the plan is "insurance neutral", is also wholly unsupported.

[5] The Committee's assertions that LMI have sufficient information to reach settlement based somehow on the fact that the Debtor was able to "negotiate a global settlement without claim objections" and that LMI have access to the same information is absurd and irrelevant. Doc. No. 1506 at 3. LMI and the Debtor are different parties with differing legal positions and interests in this case and under the LMI Policies.

determine whether a claim is allowable by law, bankruptcy courts look to "applicable nonbankruptcy law." *Id*.

Although "[t]he proof of claim…constitutes *prima facie* evidence of the validity and amount of the claim under Federal Rule of Bankruptcy 3001(f) and Code section 502(a)," 4 Collier on Bankruptcy ¶ 502.02[3][f] (Alan N. Resnick & Henry J. Sommer eds., 16th ed. 2019), it only constitutes *prima facie* evidence if it alleges facts sufficient to support the claim. Hence, a claimant must assert a plausible basis for imposing a right to payment of an allowed claim. *See In re Residential Cap., LLC*, 531 B.R. 1, 12 (Bankr. S.D.N.Y.) ("Federal pleading standards apply when assessing the validity of a proof of claim."); *In re MF Glob. Inc.*, No. 11-2790, 2015 WL 1239102, at 3 (Bankr. S.D.N.Y. Mar. 16, 2015) (same). For a claim to survive, it must allege "enough facts to state a claim for relief that is plausible on its face." *Vaughn v. Air Line Pilots Ass'n, Int'l,* 604 F.3d 703, 709 (2d Cir.2010) (citing *Ashcroft v. Iqbal,* 556 U.S. 662, 678 (2009)); *cf. Iqbal,* 556 U.S. at 678 ("Where a complaint pleads facts that are merely consistent with a defendant's liability, it stops short of the line between possibility and plausibility of entitlement to relief.") (citation and internal quotation marks omitted).

There is nothing "forestalling" claimants from asserting their rights against the Debtor in bankruptcy. Indeed, the claimants filed proofs of claims asserting those very rights. The Bankruptcy Code affords their claims *prima facie* validity only if the claimant asserts factual allegations supporting all of the elements of a claim under non-bankruptcy law.

The Motion's proposal to segregate objections based on a sufficiency hearing and a merits hearing is a sensible approach to handle the large number of claims filed in this bankruptcy case. There is nothing "unusual" or "unprecedented" in proposing to separate procedures applicable for claim objections that (1) may resolve as a matter of law, because the proof of claim fails to assert factual allegations sufficient to state a claim under applicable New York law [*Vaughn*, 604 F.3d

at 709]; or (2) may raise disputed issues of fact. *See, e.g., In re Roman Catholic Diocese of Rockville Ctr.*, 650 B.R. 765, 774–75 (Bankr. S.D.N.Y. 2023) (adopting claims objection procedures that proceed under sufficiency or merits hearings).

The Objecting Parties' contentions to the contrary are unsupported by facts or law. They do not cite any authority for the proposition that the Claims Procedures are improper or otherwise inconsistent with claim objection procedures approved in other cases. Indeed, the Claims Procedures are entirely consistent with similar relief routinely granted. *See, e.g.*, *Purdue Pharma L.P.*, No. 19-bk-23649 (RDD), Doc. No. 2696 (Bankr. S.D.N.Y. Apr. 19, 2021); *In re Grupo Aeroméxico, S.A.B. de C.V.*, No. 20-11563 (SCC), Doc. No. 904 (Bankr. S.D.N.Y. Feb. 17, 2021); *In re LATAM Airlines Grp. S.A.*, 20-11254 (JLG), Doc. No. 1251 (Bankr. S.D.N.Y. Oct. 26, 2020); *In re Ditech Holding Corp.*, No. 19-10412 (JLG), Doc. No. 1632 (Bankr. S.D.N.Y. Nov. 19, 2019); *In re Windstream Holdings, Inc.*, No. 19-22312 (RDD), Doc. No. 1141 (Bankr. S.D.N.Y. Oct. 10, 2019).

B. The Claims Procedures are Timely, Necessary, and will not Delay Plan Confirmation

The Claims Procedures are timely and necessary to administer the claims that may not have merit. The procedures will not delay[6] plan confirmation, because they are separate and distinct from the confirmation process.

There is nothing questionable about the Motion's timing. The Debtor promised to file something similar nearly eleven months ago, expressing a goal "***to avoid a piecemeal approach to every claim objection process***." Doc. No. 1296 at 5:12-6:4 (emphasis added). Not only had the Committee given comments but the Debtor promised to ask the insurers for their input. *Id.*

[6] There is no support for the contention that the Debtor's plan confirmation cannot move in parallel with the Claims Procedures.

(Debtor's Counsel states: "We have […] draft uniform procedures. We shared that with the Creditor's Committee, but the Creditor's Committee just gave us comments, so we're actively working on that…and we appreciate that the Creditor's Committee gave us comments and we will respond to those and then we will fold in carriers for their input."). This did not happen. After LMI identified, by letter in August 2023, certain Abuse Claims that appeared legally insufficient, the Debtor responded that it reached settlement with the Committee and would no longer object to claims based on that settlement. LMI filed the Motion shortly thereafter, because the Debtor no longer intended to carry out its promise to file its own claim objection procedures.

While LMI understands the Debtor's position, having reached settlement, the Debtor still has a duty to defend these claims under the LMI Policies. This duty does not magically disappear. Hence, LMI filed the Motion specifically to preserve their rights against those claims LMI identified as legally insufficient.

Relief is appropriate, because only claimants with allowed claims may vote on, or receive distributions under, a plan. Doc. No. 1489-1 at 2; 11 U.S.C. § 1126(a). Claims objections have been pursued in many Diocesan bankruptcy cases for many of these same reasons. *See, e.g., In re the Catholic Diocese of Spokane*, No. 04-08822 (Bankr. E.D. Wash. 2004); *In re Roman Catholic Archbishop of Portland*, No. 06-00941 (Bankr. D. Or. 2005); *In re Diocese of Milwaukee*, No. 11-20059 (Bankr. E.D. Wis. 2011); *In re Roman Catholic Diocese of Rochester*, No. 19-20905 (Bankr. W.D.N.Y. 2019); *In re Roman Catholic Diocese of Harrisburg*, No. 20-00599 (Bankr. M.D. Pa. 2020).

Alternatively, if LMI must object to claims serially, or address the procedures around each objection individually, LMI will do so in order to protect their rights, but in that event, the costs and time that would be expended by the parties would necessarily increase.

C. The Claims Procedures do not Prejudice the Claimants

The Objecting Parties argue that the Claims Procedures will prejudice claimants by subjecting them to extensive discovery and a heightened pleading standard in federal court, and deprive the claimants of their right to a jury trial. *See* Doc. Nos. 1506-1508. As outlined below, the Objecting Parties' arguments are misplaced.

1. The Claims Procedures are Appropriate and Should be Approved

The Claims Procedures are reasonable, appropriate, and are entirely consistent with similar procedures routinely put in place in this district. *See, e.g., In re Residential Cap., LLC*, No. 12-12020 (MG), Doc. No. 774 (Bankr. S.D.N.Y. July 13, 2012); *In re MF Global Holdings Ltd.*, No. 11-15059, Doc. No. 906 (Bankr. S.D.N.Y. Nov. 13, 2012); *Purdue Pharma L.P.*, No. 19-23649, Doc. No. 2696 (Bankr. S.D.N.Y. Apr. 22, 2021); *In re Energy Future Holdings Corp.*, No. 1410979, Doc. No. 2564 (Bankr. D. Del. Oct. 17, 2014).

The Bankruptcy Code and Bankruptcy Rules expressly permit discovery in adjudicating claims. *In re Quigley Co., Inc.*, 437 B.R. 102, 149 (Bankr. S.D.N.Y. 2010) ("Bankruptcy Rule 7026 makes Rule 26 of the Federal Rules of Civil Procedure applicable in adversary proceedings, and ***Bankruptcy Rule 9014(c) makes Bankruptcy Rule 7026 applicable in contested matters***.") (emphasis added); *see also In re Roman Catholic Diocese of Rockville Ctr.,* 650 B.R. 765, 777 (Bankr. S.D.N.Y. 2023) (discussion on the claims objection procedures motion adopted by Court to streamline discovery pursuant to the Court's inherent authority under section 105(c)).

Further, should the Abuse Claimants move forward with their threatened motion for stay relief (which, given their filing of proofs of claim herein appears unwarranted given that the claims allowance process is within the Court's core jurisdiction), the Debtor would be subject to even more extensive discovery. Doc. No. 1506-1, Ex. B to Kugler Decl., 37:2-10 ("the State…has been quite missive in permitting discoveries.").

2. The Pleading Standards do not Prejudice the Claimants

The Objecting Parties incorrectly argue that the settlement with the Debtor provides for proper evaluation of claims, or, in the alternative, that the state court is the best forum for the claimants to adjudicate their claims. *See* Doc. Nos. 1506-1508. However, whether or not there is a settlement, the Debtor sought bankruptcy protection because it believed it to be the best forum to resolve Abuse Claims. Doc No. 7 at ¶ 58. Further, if these cases were to be remanded to state court, the Debtor and its parishes would face the same excessive liabilities that caused the Debtor to file bankruptcy. Given that the Debtor has chosen to resolve its liabilities in this Court under the Bankruptcy Code, parties-in-interest must be allowed to protect their rights and interests, as afforded by the Bankruptcy Code and the Bankruptcy Rules.

The Committee and Abuse Claimants further contend that New York State law's pleading standards are more favorable to the claimants and thus, is the preferred forum to adjudicate the Abuse Claims.[7] Doc. Nos. 1506 at 8-9; 1508 at 5. However, the Abuse Claimants came to this Court to seek relief by filing proofs of claim, thereby invoking the Court's power to allow or disallow them. *In re Petrie Retail, Inc.*, 304 F.3d 223, 231 (2d Cir. 2002) (claimant's filing of a proof of claim subjects itself to the bankruptcy court's power to allow or disallow the claim). Moreover, a motion to dismiss under state law and the proposed Claims Procedures offer the same protection to the Abuse Claimants.

The Committee's reliance on *Kenneth R. v. Roman Catholic Diocese of Brooklyn,* 229 A.D.2d. 159, 161 (1997) as cited by *In re Roman Catholic Diocese of Rockville Ctr.*, 651 B.R. 146, 160 (Bankr. S.D.N.Y. 2023) illustrates this point. In *Kenneth R. v. Roman Catholic Diocese*

[7] The Committee also briefly argues that "LMI asks the Court to sanction its taking several 'bites at the apple'….to allow Survivor claim objectors the opportunity to bifurcate claim objections on legal and factual grounds." Doc No. 1506 at 11-12. This is no different than the filing of a motion to dismiss, and a motion for summary judgment that a claimant could face in New York State court.

of Brooklyn, another diocese moved to dismiss a claimant's claims for negligent hiring, retention, and negligent supervision. The court dismissed claims for negligent hiring on the basis that the employer "did not and could not have known of [the employee's] propensities when he arrived here…", "had no reason to believe there was any problem, the [employer] could not be charged with negligence for failing to investigate…" *Id*. at 796-798.

In reaching its determination, the court explained the standard for dismissal under New York state law:

> "the criterion is whether the proponent of the pleading has a cause of action, not whether he has stated one." *Generally, such a determination can be made from the factual allegations in the four corners of the complaint*. Evidentiary material may be considered to "remedy defects in the complaint," "and, unless it has been shown that a material fact as claimed by the pleader to be one is not a fact at all and unless it can be said that no significant dispute exists regarding it," dismissal may not be predicated on such evidentiary material….[a]complaint which contains bare legal conclusions and/or factual claims which are "flatly contradicted by documentary evidence" should be dismissed pursuant to *CPLR 3211 (a) (7)*."

Id. at 793-795 (internal citations omitted) (emphasis added).

Here, LMI propose to implement Claims Procedures, which (1) allow any party-in-interest to object to Abuse Claims; (2) permit the Abuse Claimant to submit a response; (3) contemplate the setting of a non-evidentiary hearing; and (4) authorize the parties to engage in discovery with a proposed schedule if the objection is based upon disputed facts. This is no different from the procedures a claimant would face under New York State law.

3. The Claims Procedures do not Deprive the Claimants of Their Right to a Jury Trial

The Committee contends that the Claims Procedures deprive the Abuse Claimants of their right to a jury trial. Doc No. 1506 at 12-13. This contention is unfounded.

A bankruptcy court may determine whether personal injury claims should be allowed or disallowed. *In re Residential Cap., LLC*, 519 B.R. 890, 902 (Bankr. S.D.N.Y. 2014); *see* also *In re Alper Holdings USA, Inc.,* 398 B.R. 736, 749 (S.D.N.Y. 2008) ("28 U.S.C. § 157(b)(2)(B)

expressly provides that allowance or disallowance of claims is a core proceeding (over which the bankruptcy court has jurisdiction), but excludes the 'liquidation or estimation of contingent or unliquidated personal injury ... claims.' The bankruptcy court clearly had jurisdiction to disallow the personal injury claim."); *In re Chateaugay Corp.,* 111 B.R. 67, 76 (Bankr. S.D.N.Y. 1990) ("[A] *finding that the claim is subject to disallowance as a matter of law is not tantamount to a determination on the merits of the personal injury tort or wrongful death claim.*") (emphasis added).

In *In re Roman Catholic Diocese of Rockville Ctr.*, 650 B.R. 765, 776 (Bankr. S.D.N.Y. 2023), the Bankruptcy Court for the Southern District of New York determined as follows: "[w]hile a Bankruptcy Court cannot assess the substantive merits of a personal injury tort claim, the Court can make a threshold finding whether the claim is sustainable as a matter of law." (*citing and quoting In re Chateaugay Corp.,* 111 B.R. 67, 76–77 (Bankr. S.D.N.Y. 1990), *aff'd,* 130 B.R. 403 (S.D.N.Y. 1991), *aff'd in part, rev'd in part,* 961 F.2d 378 (2d Cir. 1992), *aff'd,* 146 B.R. 339 (S.D.N.Y. 1992)). "Thus, there is no proscription for summarily disposing of claims, which have no basis in law, on a motion to dismiss under Rule 12(b)(6) or a motion for summary judgment under Rule 56." *Id*.; *see e.g., In re The Roman Catholic Diocese of Rockville Ctr.,* No. 1:23-cv-05751-LGS (S.D.N.Y. July 5, 2023), Doc. No. 2 at 18 ("Out of a total of approximately 749 POCs filed in the [Bankruptcy Case], approximately 125 POCs have been disallowed or withdrawn, approximately 65 POCs have been disallowed with leave to amend, and another approximately 60 objections to POCs are under advisement."), Doc. 2335 (expunging 9 claims), Doc. No. 2336 (expunging 8 claims), Doc. No. 2352 (expunging 4 claims entirely, and 25 with leave to amend), Doc. No. 2331 (expunging 5 claims), Doc. No. 2339 (expunging 2 claims), Doc. No. 2541 (expunging 33 claims).

Similarly, the Motion asks the Court to determine whether a claim should be allowed as a matter of law.

D. Seeking Relief from the Automatic Stay will Prejudice the Claimants

In support of its contention the claimants will be prejudiced by the Claims Procedures, the Abuse Claimants threaten to seek relief from stay. Doc. No. 1508 at 4. This threat is unsupported and not well taken.[8]

Here, the Abuse Claimant's reason for threatening relief from stay is to avoid the claims process and procedure. The claimants voluntarily filed their proofs of claim on the Court's docket. The process of claims allowance and disallowance is a core function of the Court. *See Stern v. Marshall*, 564 U.S. 462 (2011). There is no shred of evidence or law supporting a contention that the bankruptcy forum and the claims process is not the best and most efficient way to resolve the Debtor's liabilities—the sole reason the Debtor sought bankruptcy protection to begin with. Doc No. 7 at ¶ 58.

E. The Claims Procedures for Omnibus Objections will Conserve Judicial Reduces and Reduce the Burden on Debtor's Estate

The Debtor and Committee argue that the omnibus objections must be limited to those listed in Federal Rule of Bankruptcy Procedure, rule 3007(d). Notably, that procedure was followed in the *In re Roman Catholic Diocese of Harrisburg* bankruptcy case and LMI are prepared to do so here. However, prudently, the Court requested that streamlined procedures be established. Doc No. 1293 at 39:7-17, 43:9-21. Hence, LMI filed the Motion. The Claims Procedures for omnibus objections will reduce the number of unnecessary pleadings on the Court's docket.

[8] Notably, the filing of an improper motion for stay relief may be considered itself harassive, coercive and in violation of the automatic stay. *In re Guinn*, 102 B.R. 838, 843 (Bankr. N.D. Ala. 1989).

Moreover, "rather than providing each Abuse Claimant with a copy of the entire omnibus objection, the proposed Claim Objection Notice will be personalized for each Abuse Claimant and will only contain exhibits relevant to their individual Abuse Claim." Doc. No. 1489 at 11.

IV. CONCLUSION

WHEREFORE, LMI respectfully request that the Court enter an order substantially in the form attached to the Motion as **Exhibit 2**, granting: (a) the relief requested herein; and (b) such other and further relief to LMI as the Court may deem proper.

Dated: October 30, 2023

Respectfully submitted,

By: */s/ Russell W. Roten*
Russell W. Roten (*pro hac vice*)
Jeff D. Kahane (*pro hac vice*)
Andrew Mina (*pro hac vice*)
Nathan Reinhardt (*pro hac vice*)
Duane Morris LLP
865 S. Figueroa Street, Suite 3100
Los Angeles, CA 90017-5450
Telephone: (213) 689-7400
Facsimile: (213) 689-7401
Email: RWRoten@duanemorris.com

By: */s/ Catalina J. Sugayan*
Catalina J. Sugayan (*pro hac vice*)
Yongli Yang (*pro hac vice*)
Clyde & Co US LLP
55 West Monroe Street, Suite 3000
Chicago, IL 60603
Telephone: (312) 635-7000
Facsimile: (312) 635-6950
Email: catalina.sugayan@clydeco.us

Attorneys for London Market Insurers