

**PALS 2015**

**Las Vegas, NV**

**Thursday May 14th, 8:30 am**

**Bankruptcy Litigation & Trusts**

**Presented by Steven Kazan,  
Managing Partner**

**Kazan, McClain, Satterley & Greenwood  
A Professional Law Corporation**

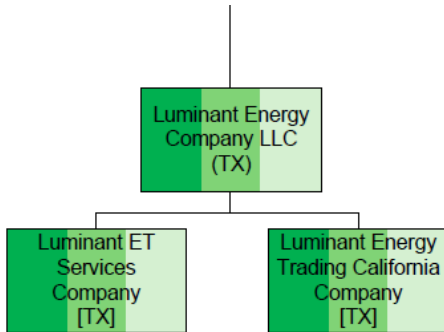
Luminant Holding Company LLC [DE]

(AS OF THE PETITION DATE)

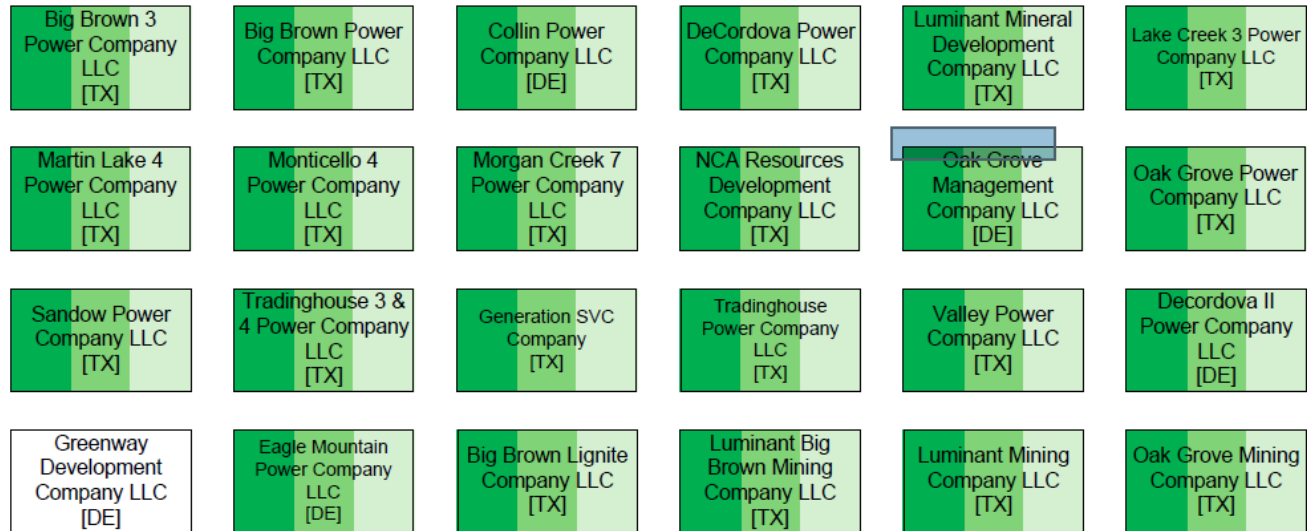
**Energy Future Holdings ("EFH")**

Texas Energy Future Holdings Limited Partnership [TX]

EECI, Inc. [NV]



*Other wholly-owned subsidiaries of Luminant Holding Company LLC*






GO

#### Plants and Mines

**Big Brown Power Plant & Big Brown, Turlington Mines**

**Comanche Peak Plant**

**DeCordova Plant**

**Graham Plant**

**Lake Hubbard Plant**

**Martin Lake Plant & Beckville, Liberty, Oak Hill and Tatum Mines**

**Monticello Plant & Thermo, Winfield Mines**

**Morgan Creek Plant**

**Oak Grove Plant & Kosse Mine**

**Permian Basin Plant**

**Sandow Plant & Three Oaks Mine**

**Stryker Creek Plant**

**Trinidad Plant**

**Valley Plant**

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## POWERING TEXAS

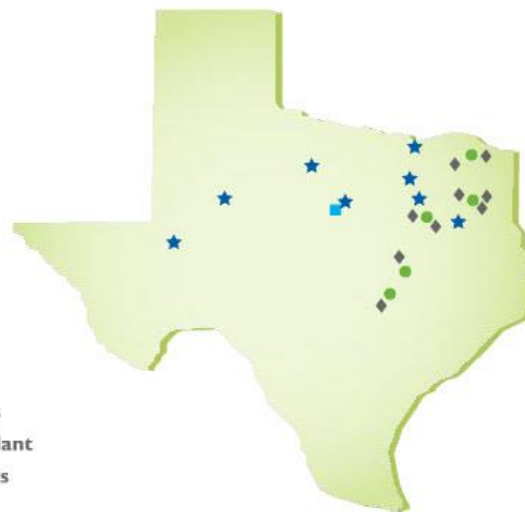
Luminant is the largest generator of electricity in Texas. Through advanced technology and other improvements on our coal units, use of nuclear power and a commitment to wind purchases, we are lighting the way to a cleaner Texas.

Luminant is also the state's No. 1 lignite coal miner. Annual production of more than 30 million tons helps meet the fuel needs of our coal generation.

And for more than 40 years, we have set the standard in responsible land reclamation and management. We have received nearly 90 awards for reclamation excellence, including the nation's top honors.

For more information, please visit the links below and in the column on the left. You can also click on the map icons below to learn more about each of our facilities.

- [Generation Capacity and Energy Production](#)
- [Luminant Facilities Fact Sheet](#)
- [Environmental Stewardship](#)



- ★ Gas Plants
- Nuclear Plant
- Coal Plants
- ◆ Mines



# DESIGN

UNIT	STATE	PLANT	COMPANY	AE	CONSTRUCT	CITY
SUNBURY 4	PA	SUNBURY	WPS POWER DEVELOPMENT INC	EBASCO		Shamokin Dam
OCEAN STATE 1 GT 1	RI	OCEAN STATE	GE GLOBAL O&M SERVICES	EBASCO	EBASCO	Harrisville
OCEAN STATE 1 GT 2	RI	OCEAN STATE	GE GLOBAL O&M SERVICES	EBASCO	EBASCO	Harrisville
OCEAN STATE 1 SC 1	RI	OCEAN STATE	GE GLOBAL O&M SERVICES	EBASCO	EBASCO	Harrisville
OCEAN STATE 2 GT 1	RI	OCEAN STATE	GE GLOBAL O&M SERVICES	EBASCO	EBASCO	Harrisville
OCEAN STATE 2 GT 2	RI	OCEAN STATE	GE GLOBAL O&M SERVICES	EBASCO	EBASCO	Harrisville
OCEAN STATE 2 SC 1	RI	OCEAN STATE	GE GLOBAL O&M SERVICES	EBASCO	EBASCO	Harrisville
PAWTUCKET EMI GT 1	RI	PAWTUCKET EMI	EL PASO MERCHANT ENERGY	EBASCO	EBASCO	Pawtucket
PAWTUCKET EMI SC 1	RI	PAWTUCKET EMI	EL PASO MERCHANT ENERGY	EBASCO	EBASCO	Pawtucket
ROBINSON ONE	SC	ROBINSON ONE	CAROLINA POWER & LIGHT CO	EBASCO	EBASCO	Hartsville
ROBINSON TWO	SC	ROBINSON TWO	CAROLINA POWER & LIGHT CO	EBASCO	EBASCO	Hartsville
BIG BROWN 1	TX	BIG BROWN	TXU ELEC CO	EBASCO	B&RT	Fairfield
BIG BROWN 2	TX	BIG BROWN	TXU ELEC CO	EBASCO	B&RT	Fairfield
CEDAR BAYOU 1	TX	CEDAR BAYOU	RELIANT ENERGY HL&P/ENTEX	EBASCO	EBASCO	Houston
CEDAR BAYOU 2	TX	CEDAR BAYOU	RELIANT ENERGY HL&P/ENTEX	EBASCO	EBASCO	Houston
CEDAR BAYOU 3	TX	CEDAR BAYOU	RELIANT ENERGY HL&P/ENTEX	EBASCO	EBASCO	Houston
COLLIN 1	TX	COLLIN	TXU ELEC CO	EBASCO		Frisco
DALLAS 3	TX	DALLAS	TXU ELEC CO	EBASCO		Dallas
DALLAS 9	TX	DALLAS	TXU ELEC CO	EBASCO		Dallas
DEEPWATER (TX) 9	TX	DEEPWATER (TX)	RELIANT ENERGY HL&P/ENTEX	EBASCO		Houston
EAGLE MOUNTAIN 1	TX	EAGLE MOUNTAIN	TXU ELEC CO	EBASCO		Fort Worth
EAGLE MOUNTAIN 2	TX	EAGLE MOUNTAIN	TXU ELEC CO	EBASCO		Fort Worth
ENCOGEN ONE GT 1	TX	ENCOGEN ONE	EEX POWER SYSTEMS	EBASCO	EBASCO	Sweetwater
ENCOGEN ONE GT 2	TX	ENCOGEN ONE	EEX POWER SYSTEMS	EBASCO	EBASCO	Sweetwater
ENCOGEN ONE SC 1	TX	ENCOGEN ONE	EEX POWER SYSTEMS	EBASCO	EBASCO	Sweetwater
GRAHAM 1	TX	GRAHAM	TXU ELEC CO	EBASCO		Graham
GRAHAM 2	TX	GRAHAM	TXU ELEC CO	EBASCO	EBASCO	Graham
GREENS BAYOU 1	TX	GREENS BAYOU	RELIANT ENERGY HL&P/ENTEX	EBASCO	EBASCO	Houston
GREENS BAYOU 2	TX	GREENS BAYOU	RELIANT ENERGY HL&P/ENTEX	EBASCO	EBASCO	Houston
GREENS BAYOU 3	TX	GREENS BAYOU	RELIANT ENERGY HL&P/ENTEX	EBASCO		Houston
GREENS BAYOU 4	TX	GREENS BAYOU	RELIANT ENERGY HL&P/ENTEX	EBASCO		Houston
GREENS BAYOU 5	TX	GREENS BAYOU	RELIANT ENERGY HL&P/ENTEX	EBASCO	EBASCO	Houston
HANDLEY 1	TX	HANDLEY	TXU ELEC CO	EBASCO	EBASCO	Fort Worth
HANDLEY 2	TX	HANDLEY	TXU ELEC CO	EBASCO		Fort Worth
HIRAM CLARKE 1	TX	HIRAM CLARKE	RELIANT ENERGY HL&P/ENTEX	EBASCO	EBASCO	Houston
HIRAM CLARKE 2	TX	HIRAM CLARKE	RELIANT ENERGY HL&P/ENTEX	EBASCO		Houston
HIRAM CLARKE 3	TX	HIRAM CLARKE	RELIANT ENERGY HL&P/ENTEX	EBASCO		Houston
HIRAM CLARKE 4	TX	HIRAM CLARKE	RELIANT ENERGY HL&P/ENTEX	EBASCO		Houston
LAKE CREEK (TX) 1	TX	LAKE CREEK (TX)	TXU ELEC CO	EBASCO		Riesel
LAKE CREEK (TX) 2	TX	LAKE CREEK (TX)	TXU ELEC CO	EBASCO	B&RT	Riesel
LAKE HUBBARD 1	TX	LAKE HUBBARD	TXU ELEC CO	EBASCO	BW	Mesquite
LIMESTONE 1	TX	LIMESTONE	RELIANT ENERGY HL&P/ENTEX	EBASCO	HBZ	Jewett
LIMESTONE 2	TX	LIMESTONE	RELIANT ENERGY HL&P/ENTEX	EBASCO	HBZ	Jewett
MONTICELLO (TX) 1	TX	MONTICELLO (TX)	TXU ELEC CO	EBASCO	B&RT	Mount Pleasant
MONTICELLO (TX) 2	TX	MONTICELLO (TX)	TXU ELEC CO	EBASCO	B&RT	Mount Pleasant
MORGAN CREEK 2	TX	MORGAN CREEK	TXU ELEC CO	EBASCO		Colorado City
MORGAN CREEK 3	TX	MORGAN CREEK	TXU ELEC CO	EBASCO		Colorado City
MORGAN CREEK 4	TX	MORGAN CREEK	TXU ELEC CO	EBASCO		Colorado City
MORGAN CREEK 5	TX	MORGAN CREEK	TXU ELEC CO	EBASCO		Colorado City
MORGAN CREEK 6	TX	MORGAN CREEK	TXU ELEC CO	EBASCO	EBASCO	Colorado City
MOUNTAIN CREEK 2	TX	MOUNTAIN CREEK	TXU ELEC CO	EBASCO	EBASCO	Dallas
MOUNTAIN CREEK 3	TX	MOUNTAIN CREEK	TXU ELEC CO	EBASCO	EBASCO	Dallas

CONTRACTOR



*In re The Budd Company, Inc.;*  
Case No. 14-11873 (Bankr. N.D. Ill.)

# BACKGROUND AND CREDITOR CONSTITUENCIES

- Budd ceased all manufacturing operations in 2006, but has a long history of manufacturing related to the automobile, rail and other industries and is a wholly-owned subsidiary of ThyssenKrupp North America, Inc.
- Budd commenced its bankruptcy case to liquidate its assets in an orderly manner and dispose of more than \$1.18 billion in creditor claims. Budd estimates that the vast majority, *i.e.*, 97%, of its liabilities are pension and healthcare obligations Budd owes to its union and non-union retirees. The Asbestos Committee disagrees with Budd's analysis.
- Accordingly, there are three primary creditors constituencies: (1) Committee of Non-Union Retirees; (2) UAW, as authorized representative for Budd's Union Retirees; and (3) Committee of Asbestos Personal Injury Claimants.

# ASBESTOS CLAIMS BAR DATE [MARCH 31, 2015] AND CUSTOM PROOF OF CLAIM FORM

- More than 2,100 claims were filed on behalf of asbestos victims whose diseases manifested prior to Budd's March 31, 2014 bankruptcy filing.

## Proof of Claim Form Exposure Criteria:

- 1) Location of a single site of exposure;
- 2) Employer and occupation;
- 3) Asbestos-containing product;
- 4) Dates of exposure; and
- 5) Activity resulting in exposure.

- All claims filed in an unliquidated amount per agreement with Budd.

United States Bankruptcy Court for the Northern District of Illinois, Eastern Div. The Budd Company, Inc., Claims Processing Center c/o Epiq Bankruptcy Solutions, LLC FDR Station, P.O. Box 5011 New York, NY 10150-5011		<b>ASBESTOS PROOF OF CLAIM FORM</b>	
Name of Debtor Against Which Claim is Held: <b>The Budd Company, Inc.</b>		Case No. of Debtor: <b>14-11873</b>	
NOTE: This form should only be used to assert a personal injury or wrongful death claim arising out of or relating to asbestos exposure for which The Budd Company, Inc. is alleged to be liable.			
Name and address of creditor (and name and address where notices should be sent if different from creditor):		<input type="checkbox"/> Check this box to indicate that this claim amends a previously filed claim.	THIS SPACE IS FOR COURT USE ONLY
Telephone number: _____ Email address: _____		Court Claim Number: _____ (If known)	
Name and address where payment should be sent (if different from above):		<input type="checkbox"/> Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.	<b>4. Amount of Claim Entitled to Priority under 11 U.S.C. §507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.</b>  <input type="checkbox"/> Taxes or penalties owed to governmental units - 11 U.S.C. § 507(a)(8). <input type="checkbox"/> Other - Specify applicable paragraph of 11 U.S.C. § 507(a)(____).  <b>Amount entitled to priority:</b>  \$ _____
Telephone number: _____ Email address: _____			
<b>1. Amount of Claim as of Date Case Filed:</b> \$ <u>Unliquidated</u> If all or part of your claim is entitled to priority, complete item 4.			
<b>2. Basis for Claim:</b> <u>Asbestos Exposure</u>			
<b>3. Exposure:</b> For a site at which the injured person was exposed to an asbestos-containing product giving rise to a claim against the debtor, state: (1) the site's name and address, (2) the injured person's employer, occupation, and industry while employed at such site, (3) an asbestos-containing product (or products) the injured person was exposed to at such site that gives rise to a claim against the debtor, (4) the dates of exposure to the identified product(s), and (5) the activity that resulted in asbestos exposure. Use additional pages if more space is required. (See instruction #1 and definitions of "site," "injured person," and "debtor" on reverse side)			



# NEGOTIATION OF CHAPTER 11 PLAN AND POST-CONFIRMATION TREATMENT OF ASBESTOS VICTIMS

- Negotiations are ongoing, however, neither Budd, its insurers nor Budd's parent have expressed an interest in a plan containing a channeling injunction, pursuant to 11 U.S.C. § 524(g). This may change in the future.
- Budd is presently proposing a plan where asbestos personal injury claims would pass through the bankruptcy case unimpaired, and asbestos victims could prosecute their claims in the tort system after plan confirmation. These claims would be brought against a post-bankruptcy trust (non-524(g)) or against a surviving Budd Company.
- Ideally, Budd's insurers would acknowledge coverage and agree to defend and pay asbestos-personal injury claims that are liquidated in the tort system, this remains subject to negotiation.
- Accordingly, the surviving Budd entity must be provided with sufficient funds to litigate with its insurers post-confirmation to the extent necessary, as well as cover any gaps in coverage and insurance deductibles, if any.



**FLINTKOTE  
INVESTMENT AND MANAGEMENT  
SERVICES**

# PURPOSE

- Acquire, Manage and/or Invest in Defendant Companies
  - Small to mid-size
    - Contractors, Distributors, etc
    - Good insurance cover
    - In danger of liquidation or sale
    - Lack of ability/experience/capital to protect insurance

# OBJECTIVES

- Preserve assets for victims
- Replace management with professionals
  - Insurance recovery and management
  - Bankruptcy expertise, if necessary

# ADVANTAGES

- Independent vehicle to preserve insurance for victims
- Income retained for reinvestment
- Counter balance to insurer and private equity investors
- 524g can be used, where value can be enhanced

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  - 415-871-3407



Questions? Please email me at:

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Slides available at:

**www.kazanlaw.com/PALS2015**



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