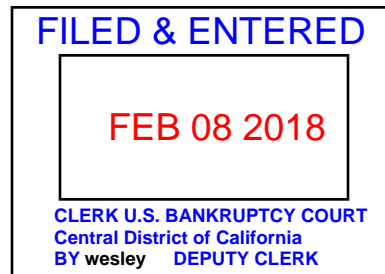


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CHANGES MADE BY COURT

11 *Attorneys for the J.T. Thorpe Settlement Trust and*
Thorpe Insulation Company Asbestos Settlement Trust

12 UNITED STATES BANKRUPTCY COURT
13 CENTRAL DISTRICT OF CALIFORNIA
14 LOS ANGELES DIVISION

15 In re
16 J.T. THORPE, INC.
17 and
18 THORPE INSULATION COMPANY,
19 Debtors.

Chapter 11
Case Nos. 2:02-bk-14216-BB and 2:07-bk-19271-BB
Adv. Case Nos. 2:12-ap-02182-BB and 2:12-ap-02183-BB
On Remand

20 J.T. THORPE SETTLEMENT TRUST and
21 THORPE INSULATION COMPANY
22 ASBESTOS SETTLEMENT TRUST,

23 Plaintiffs,

24 v.

25 MICHAEL J. MANDELBROT and
26 THE MANDELBROT LAW FIRM,

27 Defendants.
28

JUDGMENT FOLLOWING REMAND

Date: February 1, 2018
Time: 10:00 a.m. PT
Place: Courtroom 1539
255 E. Temple St.
Los Angeles, CA 90012
Judge: Honorable Sheri Bluebond

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1 The above-captioned adversary proceedings came before this Court on remand from the
2 District Court’s *Order Remanding Matter to the Bankruptcy Court* [Dkt. No. 299] (the “**Remand**
3 **Order**”) following remand to the District Court from the Ninth Circuit’s decision in *Mandelbrot v.*
4 *J.T. Thorpe Settlement Trust*, 870 F.3d 1121 (9th Cir. 2017) [Dkt. No. 297] (“*Mandelbrot I*”).
5 The purpose of this remand is for this Court to decide “whether federal or state law governs
6 (including whether the federal law argument has been waived), and what impact, if any, *Golden v.*
7 *Cal. Emer. Phys. Med. Group*, 782 F.3d 1083 (9th Cir. 2015) has on this case” and whether in
8 light of those proceedings, to amend, modify, vacate, or supplement the Bankruptcy Court Orders¹
9 that are the subject of this appeal. Remand Order (quoting *Mandelbrot I*, 870 F.3d at 1125).

10 The Bankruptcy Court Orders approved and enforced the settlement agreement, entered
11 into on the record in open court between Plaintiffs J.T. Thorpe Settlement Trust (the “**JTT**
12 **Trust**”) and Thorpe Insulation Company Asbestos Settlement Trust (the “**Thorpe Trust**,” and,
13 with the JTT Trust, the “**Plaintiff Trusts**”), two other § 524(g)² trusts administered by common
14 fiduciaries and claim-handling staff, the Western Asbestos Settlement Trust (the “**Western**
15 **Trust**”) and the Plant Insulation Company Asbestos Settlement Trust (the “**Plant Trust**” and with
16 the Western Trust and the Plaintiff Trusts, the “**Trusts**”), on the one hand, and Michael
17 Mandelbrot and the Mandelbrot Law Firm (together, “**Mandelbrot**”) on the other.

18 The Court conducted a hearing on February 1, 2018. Appearances were made as reflected
19 in the record of the hearing. The Court heard argument from counsel for the Plaintiff Trusts and
20 Mandelbrot, and the parties’ respective declarations were admitted into evidence, except to the
21 extent excluded in the evidentiary rulings set forth below. This Court has considered:

- 22 a. the *Plaintiffs J.T. Thorpe Settlement Trust and Thorpe Insulation Company Asbestos*
23 *Settlement Trust’s Opening Brief on Remand* [Dkt. No. 312], the *Declaration of*
24

25 ¹ The Bankruptcy Court Orders consist of the *Order Granting Motion to Enforce January 23,*
26 *2014 Stipulated Agreement* [Dkt No. 232], the *Order Following Trial on Adversary Complaints*
27 *and Motion for Instructions* [Dkt No. 233], the *Judgment in Adversary Proceedings* [Dkt No.
28 234], and the *Findings of Fact and Conclusions of Law* [Dkt No. 235].

² References to “§ 524(g)” are to 11 U.S.C. § 524(g).

1 *Stephen M. Snyder* [Dkt. No. 313], and the *Statement of the Office of the Futures*
2 *Representative Joining the Thorpe Trusts’ Opening Brief on Remand and Supporting*
3 *Declaration* [Dkt. No. 314];

4 b. the *Brief of Defendants Michael J. Mandelbrot and the Mandelbrot Law Firm*
5 *Regarding Issues on Remand* [Dkt. No. 315] and the *Declaration of Defendant Michael*
6 *J. Mandelbrot Regarding Issues on Remand* [Dkt. No. 316] (the “**Mandelbrot**
7 **Declaration**”);

8 c. the *Plaintiffs J.T. Thorpe Settlement Trust and Thorpe Insulation Company Asbestos*
9 *Settlement Trust’s Reply Brief on Remand* [Dkt. No. 320], the *Declaration of Laura*
10 *Paul* [Dkt. No. 321], the *Declaration of Sasha M. Gurvitz* [Dkt. No. 322], and the
11 *Statement of the Office of the Futures Representative Joining The Thorpe Trusts’ Reply*
12 *Brief on Remand and Supporting Pleading* [Dkt. No. 323];

13 d. the *Responding Brief of Defendants Michael J. Mandelbrot and the Mandelbrot Law*
14 *Firm Regarding Issues on Remand* [Dkt. No. 324], the *Request for Judicial Notice re*
15 *Issues on Remand by Defendants Michael J. Mandelbrot and the Mandelbrot Law Firm*
16 *[Dkt. No. 325]*, and the *Declaration of Michael J. Mandelbrot Regarding Issues on*
17 *Remand* [Dkt. No. 326] (the “**Supplemental Mandelbrot Declaration**”);

18 e. the *Plaintiffs J.T. Thorpe Settlement Trust and Thorpe Insulation Company Asbestos*
19 *Settlement Trust’s Evidentiary Objections to the Declarations of Defendant Michael J.*
20 *Mandelbrot* [Dkt. No. 327] (the “**Evidentiary Objections**”); and

21 f. **the Objections by Defendants Michael J. Mandelbrot and the Mandelbrot Law Firm**
22 **to Plaintiffs’ “[Proposed] Judgment Following Remand” [Dkt. No. 335] (the**
23 **“Judgment Objections”).**

24 Upon consideration of the foregoing pleadings and declarations submitted by the parties on
25 remand, the arguments of counsel at the hearing, and the entire record of these adversary
26 proceedings; and it appearing that this Court has jurisdiction over the above-captioned adversary
27 proceedings and the related above-captioned chapter 11 cases under 28 U.S.C. §§ 157 and 1334;
28 and it appearing that venue of these adversary proceedings and the related chapter 11 cases is

1 proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this Court may enter a final
2 judgment consistent with Article III of the United States Constitution; and it appearing that due
3 and adequate notice has been given under the circumstances and that no other or further notice
4 need be given; **and it appearing that the Judgment Objections are not well-founded and seek**
5 **to include in this Judgment inaccurate statements of fact;** and after due deliberation, for the
6 reasons set forth on the record at the hearing and other good and sufficient cause appearing
7 therefor, it is hereby

8 **ORDERED, ADJUDGED, AND DECREED THAT:**

- 9 1. **The Judgment Objections are OVERRULED.**
- 10 2. The Bankruptcy Court Orders are **REAFFIRMED** as originally entered and shall
11 not be amended, modified, vacated, or supplemented in light of these remand proceedings.
- 12 3. The Court will enter *Supplemental Findings of Fact and Conclusions of Law*
13 *Following Remand* in further support of this Judgment **concurrently herewith.**
- 14 4. With respect to the Evidentiary Objections, for the reasons set forth by this Court
15 on the record at the hearing, the Court rules as follows:
- 16 a. The objection to Mandelbrot Declaration ¶ 7 set forth in Evidentiary Objection ¶ 1
17 is **SUSTAINED.**
- 18 b. The objection to Mandelbrot Declaration ¶ 11 set forth in Evidentiary Objection ¶ 2
19 is **SUSTAINED.**
- 20 c. The objection to Mandelbrot Declaration ¶ 13 set forth in Evidentiary Objection ¶ 3
21 is **SUSTAINED.**
- 22 d. The objection to Mandelbrot Declaration ¶ 14 set forth in Evidentiary Objection ¶ 4
23 is **SUSTAINED.**
- 24 e. The objection to Mandelbrot Declaration ¶ 15 set forth in Evidentiary Objection ¶ 5
25 is **OVERRULED.**
- 26 f. The objection to Mandelbrot Declaration ¶ 16 set forth in Evidentiary Objection ¶ 6
27 is **OVERRULED.**
- 28

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- 1 g. The objection to Mandelbrot Declaration ¶ 16 set forth in Evidentiary Objection ¶ 7
2 is **OVERRULED**.
- 3 h. The objection to Mandelbrot Declaration ¶ 16 set forth in Evidentiary Objection ¶ 8
4 is **SUSTAINED**.
- 5 i. The objection to Mandelbrot Declaration ¶ 17 set forth in Evidentiary Objection ¶ 9
6 is **OVERRULED**.
- 7 j. The objection to Mandelbrot Declaration ¶ 17 set forth in Evidentiary Objection
8 ¶ 10 is **OVERRULED**.
- 9 k. The objection to Mandelbrot Declaration ¶ 17 set forth in Evidentiary Objection
10 ¶ 11 is **SUSTAINED**.
- 11 l. The objection to Mandelbrot Declaration ¶ 17 set forth in Evidentiary Objection
12 ¶ 12 is **SUSTAINED**.
- 13 m. The objection to Mandelbrot Declaration ¶ 17 set forth in Evidentiary Objection
14 ¶ 13 is **SUSTAINED**.
- 15 n. The objection to Mandelbrot Declaration ¶ 18 set forth in Evidentiary Objection
16 ¶ 14 is **OVERRULED**.
- 17 o. The objection to Mandelbrot Supplemental Declaration ¶ 61 set forth in Evidentiary
18 Objection ¶ 15 is **SUSTAINED**.
- 19 p. The objection to Mandelbrot Supplemental Declaration ¶ 61 n.1 set forth in
20 Evidentiary Objection ¶ 16 is **SUSTAINED**.
- 21 q. The objection to Mandelbrot Supplemental Declaration ¶ 63 set forth in Evidentiary
22 Objection ¶ 17 is **SUSTAINED**.
- 23 r. The objection to Mandelbrot Supplemental Declaration ¶ 64 n.2 set forth in
24 Evidentiary Objection ¶ 18 is **SUSTAINED**.
- 25 s. The objection to Mandelbrot Supplemental Declaration ¶ 67 set forth in Evidentiary
26 Objection ¶ 19 is **SUSTAINED**.
- 27 t. The objection to Mandelbrot Supplemental Declaration ¶¶ 68–69 set forth in
28 Evidentiary Objection ¶ 20 is **SUSTAINED**.

