

Caplin & Drysdale Represents Claimants Committee Filing Complaint in CertainTeed Ch. 11 Spinoff

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Kevin Maclay and Todd Phillips are part of the team representing the claimants committee in the CertainTeed Chapter 11 case.

Excerpt taken from Law360's website.

The committee representing asbestos claimants in the Chapter 11 case of a bankrupt CertainTeed spinoff filed a complaint in North Carolina court Saturday that seeks to unwind the spinoff as a fraudulent transfer.

In the complaint, the committee said CertainTeed completed a divisional merger — known colloquially as a "Texas Two-step" — that split off its asbestos liability into a new entity called DBMP, which subsequently filed for Chapter 11 protection. The assets of CertainTeed were also spun off into a new entity called New CertainTeed, while the legacy company ceased to exist.

But the committee alleges no certification of dissolution for Old CertainTeed was ever filed in Texas, where the company incorporated shortly before the divisional merger, so no such termination occurred.

"Through the divisional merger, other corporate transactions, and DBMP's bankruptcy, the defendant significantly hindered, delayed, and sought to fraudulently reduce or eliminate the ability of asbestos victims to recover what was, is, or will be due to them," the complaint said.

For the full article, please visit *Law360's* website.

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