

T-P # 70009. B1035

B 104 (Rev. 2/92)		ADVERSARY PROCEEDING COVER SHEET (Instructions on reverse)		ADVERSARY PROCEEDING NUMBER (Court Use Only)	
PLAINTIFFS Certain Underwriters at Lloyd's London			DEFENDANTS Pneumo Abex Corporation; Pepsi Americas, Inc.; Cooper Industries, Inc. et al.		
ATTORNEYS (Firm Name, Address and Telephone No.) Mendes & Mount LLP Thomas J. Quinn 750 Seventh Avenue New York, New York 10019			ATTORNEYS (If known) For Cooper Industries, Inc.: Gibson, Dunn & Crutcher LLP Lee G. Dunst 200 Park Avenue, New York, NY 10166		
PARTY (Check one box only) <input type="checkbox"/> 1 U.S. PLAINTIFF <input type="checkbox"/> 2 U.S. DEFENDANT <input type="checkbox"/> 3 U.S. NOT A PARTY					
CAUSE OF ACTION (WRITE A BRIEF STATEMENT OF CAUSE OF ACTION, INCLUDING ALL U.S. STATUTES INVOLVED) Declaratory judgement under insurance policies. 02/8053A BK JUDGE DRAIN					
NATURE OF SUIT (Check the most appropriate box only.)					
<input type="checkbox"/> 454 To Recover Money or Property		<input type="checkbox"/> 455 To revoke an order of confirmation of a Chap. 11, Chap. 12 or Chap. 13 Plan		<input type="checkbox"/> 456 To obtain a declaratory judgement relating to any of foregoing causes of action	
<input type="checkbox"/> 435 To Determine Validity, Priority, or Extent of a Lien or Other Interest in Property		<input type="checkbox"/> 426 To determine the dischargeability of a debt 11 U.S.C. §523		<input checked="" type="checkbox"/> 459 To determine a claim or cause of action removed to a bankruptcy court	
<input type="checkbox"/> 458 To Obtain approval for the sale of both the interest of the estate and of a co-owner in property.		<input type="checkbox"/> 434 To obtain an injunction or other equitable relief		<input type="checkbox"/> 498 Other (specify)	
<input type="checkbox"/> 424 To Object or Revoke a discharge 11 U.S.C. §727		<input type="checkbox"/> 457 To subordinate any allowed claim or interest except where such subordination is provided in a plan.			
ORIGIN OF PROCEEDINGS (Check one box only)		<input type="checkbox"/> 1 Original Proceeding		<input checked="" type="checkbox"/> 2 Removed Proceeding	
		<input type="checkbox"/> 4 Reinstated or Reopened		<input type="checkbox"/> 5 Transferred from Another Bankruptcy Court	
				<input type="checkbox"/> CHECK IF THIS IS A CLASS ACTION UNDER F.R.C.P 23	
DEMAND \$		NEAREST THOUSAND		OTHER RELIEF SOUGHT Declaratory Judgment	
				<input type="checkbox"/> JURY DEMAND	
BANKRUPTCY CASE IN WHICH THIS ADVERSARY PROCEEDING ARISES					
NAME OF DEBTOR Federal-Mogul Global, Inc. et al.			BANKRUPTCY CASE NO. 01-10578 RJN		
DISTRICT IN WHICH CASE IS PENDING Delaware		DIVISIONAL OFFICE		NAME OF JUDGE Newsome	
RELATED ADVERSARY PROCEEDING (IF ANY)					
PLAINTIFF		DEFENDANT		ADVERSARY PROCEEDING NO.	
DISTRICT		DIVISIONAL OFFICE		NAME OF JUDGE	
FILING FEE (Check one box only.)		<input checked="" type="checkbox"/> FEE ATTACHED		<input type="checkbox"/> FEE NOT REQUIRED <input type="checkbox"/> FEE IS DEFERRED	
DATE 7/31/02		PRINT NAME DAVID ARROYO		SIGNATURE OF ATTORNEY (OR PLAINTIFF) <i>David Arroyo</i>	

81 #0009

UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

CERTAIN UNDERWRITERS AT LLOYDS,
LONDON (Members of Syndicate Nos. 002, 015,
016, 023, 029, 033, 035, 036, 049, 056, 057, 059,
065, 069, 073, 074, 075, 077, 086, 088, 090, 101,
108, 109, 110, 112, 116, 126, 130, 132, 133, 135,
138, 151, 164, 165, 169, 174, 188, 189, 190, 204,
211, 212, 219, 223, 224, 227, 231, 233, 235, 238,
243, 250, 263, 264, 265, 267, 278, 279, 283, 286,
297, 299, 300, 301, 303, 304, 311, 316, 317, 328,
329, 334, 347, 357, 358, 360, 365, 371, 373, 374,
395, 396, 397, 404, 405, 417, 420, 422, 427, 433,
434, 440, 448, 450, 461, 462, 465, 471, 472, 474,
475, 476, 479, 484, 489, 490, 499, 507, 518, 538,
553, 555, 576, 583, 589, 590, 592, 595, 604, 610,
612, 618, 619, 620, 621, 625, 629, 632, 634, 650,
651, 653, 656, 660, 661, 677, 680, 687, 688, 694,
701, 707, 711, 713, 719, 724, 755, 756, 763, 767,
768, 773, 795, 796, 797, 799, 800, 819, 830, 838,
845, 849, 857, 867, 870, 896, 899, 901, 905, 917,
918, 924, 928, 947, 948, 964, 975, 989, 999);
DOMINION INSURANCE COMPANY LTD.;
AND WORLD AUXILIARY INSURANCE
CORPORATION LTD.,

Plaintiffs,

against

PNEUMO ABEX CORPORATION; PEPSI
AMERICAS, INC.; COOPER INDUSTRIES, INC.;
AIU INSURANCE COMPANY; ALLIANZ
INSURANCE COMPANY; ALLSTATE
INSURANCE COMPANY (as successor-in-interest
to Northbrook Excess Surplus Insurance Company
Formerly Northbrook Insurance Company);
AMERICAN HOME ASSURANCE COMPANY;
AMERICAN REINSURANCE COMPANY;
ARGONAUT INSURANCE COMPANY;
ASSOCIATED INTERNATIONAL INSURANCE
COMPANY; CENTURY INDEMNITY
COMPANY (as successor-in-interest to California
Union Insurance Company); COLUMBLA
CASUALTY; CONTINENTAL INSURANCE

02/8053A

JUDGE DRAIN
DISTRICT COURT SEVEN
02 JUL 30 11 17 AM '99

COMPANY; CONTINENTAL CASUALTY)
 COMPANY; EMPLOYERS MUTUAL)
 CASUALTY COMPANY; EVANSTON)
 INSURANCE COMPANY; FALCON)
 INSURANCE COMPANY; FEDERAL)
 INSURANCE COMPANY; FIREMAN'S FUND)
 INSURANCE COMPANY; FIRST STATE)
 INSURANCE COMPANY; GRANITE STATE)
 INSURANCE COMPANY; GREAT AMERICAN)
 SURPLUS; HARBOR SPECIALTY INSURANCE)
 GROUP; HIGHLANDS INSURANCE)
 COMPANY; THE HOME INSURANCE)
 COMPANY; HUDSON INSURANCE)
 COMPANY; INSURANCE COMPANY OF)
 NORTH AMERICA; INTERNATIONAL)
 INSURANCE COMPANY; MT. MCKINLEY)
 INSURANCE COMPANY (formerly known as)
 Gibraltar Casualty Company); ISOP; NATIONAL)
 SURETY CORP.; NATIONAL UNION FIRE)
 INSURANCE COMPANY OF PITTSBURGH,)
 PA.; NEW HAMPSHIRE INSURANCE)
 COMPANY; STONEWALL INSURANCE CO.;)
 TRAVELERS CASUALTY & SURETY)
 COMPANY; and JOHN DOES 1-100.)

Defendants,

ALBA GENERAL INSURANCE COMPANY)
 LTD.; ANGLO FRENCH INSURANCE)
 COMPANY LTD.; ANGLO SAXON)
 INSURANCE ASSOCIATION LTD.;)
 BISHOPSGATE INSURANCE COMPANY LTD.;)
 BRITISH AVIATION INSURANCE COMPANY)
 LTD.; BRITISH MERCHANTS INSURANCE)
 COMPANY LTD.; BRITTANY INSURANCE)
 COMPANY LTD.; COMPAGNIE D'ASSURANCE)
 MARITIMES AERIENNES & TERRESTRES,)
 S.A.; CITY GENERAL INSURANCE)
 COMPANY; COMPAGNIE EUROPEENNE)
 D'ASSURANCES INDUSTRIELLES. S.A.;)
 CORNHILL INSURANCE PLC; ECONOMIC)
 INSURANCE COMPANY LTD.; EXCESS)
 INSURANCE COMPANY LTD.; FIDELIDADE)
 INSURANCE COMPANY; FOLKSAM)
 INTERNATIONAL INSURANCE COMPANY)
 LTD.; HEDDINGTON INSURANCE (UK) LTD.;)
 HELVETIA-ACCIDENT SWISS INSURANCE)

COMPANY LTD.; LEXINGTON INSURANCE)
 COMPANY (UK) LTD.; LONDON &)
 EDINBURGH INSURANCE COMPANY LTD.;)
 LUDGATE INSURANCE COMPANY LTD.;)
 MINSTER INSURANCE COMPANY LTD.;)
 MITSUI MARINE & FIRE INSURANCE)
 COMPANY (EUROPE) LTD.; OSLO)
 REINSURANCE COMPANY (UK) LTD.; RIVER)
 THAMES INSURANCE COMPANY LTD.;)
 ROYAL SCOTTISH INSURANCE COMPANY)
 LTD.; SPHERE/DRAKE INSURANCE)
 COMPANY LTD.; ST. PAUL INTERNATIONAL)
 INSURANCE COMPANY LTD.; STRONGHOLD)
 INSURANCE COMPANY LTD.; SWISS)
 NATIONAL INSURANCE COMPANY LTD.;)
 SWITZERLAND GENERAL INSURANCE)
 COMPANY; THREADNEEDLE INSURANCE)
 COMPANY LTD.; TOKIO MARINE & FIRE)
 INSURANCE (UK) LTD.; TRENT INSURANCE)
 COMPANY LTD.; VANGUARD INSURANCE)
 COMPANY LTD.; WINTERTHUR SWISS)
 INSURANCE COMPANY; and WORLD)
 MARINE & GENERAL INSURANCE)
 COMPANY LTD.,)
)
Nominal Defendants.)
)
)

DEFENDANT COOPER INDUSTRIES, INC.'S
NOTICE OF REMOVAL

Defendant Cooper Industries, Inc. ("Cooper") hereby files this Notice of Removal pursuant to 28 U.S.C. § 1452, and Federal Rule of Bankruptcy Procedure ("Rule") 9027, and would respectfully show as follows:

1. On or about July 9, 2002, this civil suit was filed in the Supreme Court of New York, New York County, Case No. 02602493, and styled *Certain Underwriters at Lloyds, London et al. v. Pneumo Abex Corp. et al.*, as captioned above (the "State Court Action"). This Notice of Removal is made within thirty days of service of Plaintiffs' Complaint upon Cooper,

and within thirty days of actual receipt of the Complaint by Cooper. It is timely filed under 28 U.S.C. § 1452 and Rule 9027(a)(3).

2. In the State Court Action, Plaintiffs seek declarations, among other things, that (1) certain insurance policies issued by them do not cover asbestos claims asserted against Defendant Pneumo Abex Corporation ("Pneumo Abex") as a result of American Brake Shoe Company's past business of manufacturing, distributing, and selling asbestos-containing friction products¹ and (2) Cooper has no rights under the insurance policies originally issued to American Brake Shoe Company.

3. Cooper's rights under the insurance policies date back to a 1994 transaction between Wagner Electric Corporation ("Wagner"), then a Cooper subsidiary, and Defendant Pneumo Abex. Pursuant to a November 21, 1994 Asset Purchase Agreement (the "Asset Purchase Agreement"), Wagner purchased certain assets of Pneumo Abex's Friction Products Division. In the Asset Purchase Agreement, Wagner assumed certain liabilities related to the Pneumo Abex Friction Products Division, including certain asbestos-related liabilities (the "Assumed Liabilities").² Wagner indemnified Pneumo Abex with respect to the Assumed Liabilities, and Cooper guaranteed Wagner's performance under the Asset Purchase Agreement.

¹ Plaintiffs allege that Pneumo Abex is the successor-in-interest to American Brake Shoe Company.

² Under the Asset Purchase Agreement, Pneumo Abex remained liable for certain asbestos-related claims. For instance, Pneumo Abex retained all liability "to U.S. Employees and Canadian Employees and their beneficiaries and dependents for workers' compensation . . . or toxic tort with respect to claims for injury or death of a U.S. Employee or a Canadian Employee based on or arising out of asbestos exposure in the course of such Employee's employment by Seller or the Canadian Subsidiary." Additionally, Pneumo Abex retained "[a]ll liabilities and obligations relating to claims or causes of action to the extent related to the presence of asbestos in any product shipped (i) by the [Pneumo Abex's Friction Products

[Footnote continued on next page]

4. Contemporaneous with the execution of the Asset Purchase Agreement, Pneumo Abex agreed to "make available to Wagner the benefits, including insurance proceeds, of any insurance under which [Pneumo] Abex or its Affiliates are insured parties to the extent such insurance may respond to claims related to Assumed Liabilities" (the "Insurance Agreement"). Under the Insurance Agreement, Wagner is entitled to submit claims directly to the insurance company on behalf of Pneumo Abex or can direct Pneumo Abex to do so.

5. Wagner subsequently merged with Moog Automotive Products, Inc. ("Moog"), another Cooper subsidiary at the time. Moog, as the surviving corporate entity, thus succeeded to all Wagner's rights to and obligations under the Insurance Agreement and the Asset Purchase Agreement.

6. Pursuant to a Purchase and Sale Agreement dated August 17, 1998 (the "Stock Purchase Agreement"), Cooper sold to Federal-Mogul Corporation and certain of its affiliates (collectively, "Federal-Mogul") the stock of Moog and certain other companies. Federal-Mogul indemnified Cooper for, among other things, (1) all claims related to Wagner friction products, (2) all obligations Wagner might owe to Pneumo Abex arising in connection with the Pneumo Abex-Wagner Asset Purchase Agreement, and (3) Cooper's guaranty in connection with Wagner's purchase of the Pneumo Abex assets. Federal-Mogul also changed the name of Moog to Federal-Mogul Products, Inc. ("F-M Products"). Accordingly, F-M Products succeeded to all

[Footnote continued from previous page]

Division or its predecessors] prior to August 29, 1988 . . . , (ii) by the railroad products division of a predecessor of [Pneumo Abex] and such division's predecessors, or (iii) by [Pneumo Abex's Friction Products Division or its predecessors] on or after August 29, 1988 but prior to the Closing Date which claims or causes of action are filed on or prior to August 29, 1998"

Wagner's rights to and obligations under the Insurance Agreement and Asset Purchase Agreement.

7. As a result of the transactions described above, Federal Mogul and F-M Products (1) assumed asbestos-related liabilities that originally were the obligation of Pneumo Abex and are covered by the insurance policies at issue in this action, (2) assumed Cooper's guarantee to Pneumo Abex of Wagner's (now F-M Product's) obligations under the Asset Purchase Agreement, and (3) indemnified Cooper for F-M Product's obligations to Pneumo Abex. Moreover, F-M Products (along with Pneumo Abex, Cooper and certain others) is a party to a settlement agreement with Liberty Mutual Insurance Company ("Liberty Mutual") that settled certain disputes concerning the availability of insurance coverage for asbestos-related claims against Pneumo Abex and exhausted certain Liberty Mutual insurance policies. It is these very policies that Plaintiffs state in ¶ 84 of their Complaint that they were notified were exhausted. Accordingly, Plaintiffs' allegation in ¶ 42 of their Complaint that they have sought "to ensure that all parties having an interest in the subject matter of this action are before the Court" is erroneous as Federal-Mogul and F-M Products certainly have an interest in the subject matter of this action. Indeed, in order to protect its rights, Cooper intends to join Federal-Mogul Corp. and F-M Products as parties to this litigation as soon as it is able to do so.

8. On October 1, 2001, well before Plaintiffs filed the State Court Action, Federal-Mogul Corp. and certain of its subsidiaries, including F-M Products, filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The bankruptcy cases are currently pending in the United States Bankruptcy Court for the District of Delaware and are being jointly administered under Case No. 01-10578 (SLR) (the "Federal-Mogul Bankruptcy").

9. Pursuant to 28 U.S.C. § 1334(b), this Court has original jurisdiction over the State Court Action because each claim asserted therein is related to the Federal-Mogul Bankruptcy. As a result, this Court has removal jurisdiction pursuant to 28 U.S.C. § 1452. Removal to this District and Division is proper because the State Court Action was filed in New York County, New York. 28 U.S.C. § 1452(a).

10. Each cause of action asserted by the Plaintiffs concerns property of Federal-Mogul's bankruptcy estate, pursuant to 11 U.S.C. § 541, because Federal-Mogul presently has rights to the insurance policies or the proceeds of the insurance policies at issue in this action (or at least arguably has rights to such policies or proceeds). Although Cooper denies Plaintiffs' claims, this action is related to the Federal-Mogul Bankruptcy because, *inter alia*, it could have a direct and substantial impact on the size of the asset pool available for distribution to creditors in the Federal-Mogul Bankruptcy. For example, if the Plaintiffs successfully demonstrate that the insurance policies at issue do not provide coverage for asbestos-related claims, Federal-Mogul and F-M Products will be deprived of a substantial asset of the bankruptcy estate. Moreover, Federal-Mogul and F-M Products will remain liable to Defendants Pneumo Abex and Cooper for such claims pursuant to the Pneumo Abex-Wagner (n/k/a F-M Products) Asset Purchase Agreement and the Cooper-Federal Mogul Stock Purchase Agreement. In addition, on information and belief, F-M Products has a current claim against the Plaintiffs for reimbursement of monies it paid to asbestos claimants prior to October 1, 2001.

11. Pursuant to Rule 9027(a)(1), Cooper states that, upon removal of the State Court Action, the proceeding is non-core. Cooper consents to entry of final orders or judgment by a bankruptcy judge.

12. Shortly hereafter, Cooper may file a Motion to Transfer Venue of this action to the United States District Court for the District of Delaware, which is where the Federal-Mogul Bankruptcy is proceeding.

13. Pursuant to Local Civil Rule 81.1(b), attached to this Notice of Removal behind Tab A are all the documents filed in the State Court Action, and an index thereof.

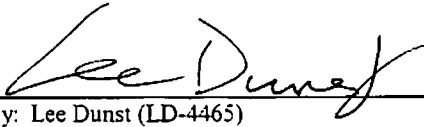
14. Pursuant to Rule 9027(b) & (c), a copy of this Notice of Removal will be filed with the clerk of the Supreme Court of New York, New York County, and will be served upon all parties.

WHEREFORE, Defendant Cooper Industries, Inc. hereby removes this action from the Supreme Court of New York, New York County to this Court, and requests such further and other relief to which they may be justly entitled.

DATE: July 30, 2001

Respectfully submitted

GIBSON, DUNN & CRUTCHER LLP



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-and-

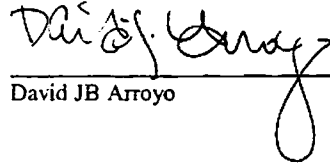
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**ATTORNEYS FOR DEFENDANT COOPER
INDUSTRIES, INC.**

CERTIFICATE OF SERVICE

I certify that a true and correct copy of the foregoing has been served by U.S. Mail, First Class, on counsel for Plaintiffs, Thomas J. Quinn, Mendes & Mount, LLP, 750 Seventh Avenue, New York, New York 10019-6829.



David JB Arroyo

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