

**UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

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	:	Chapter 11
In re:	:	
	:	Case No. 23-90794 (MI)
BMI OLDCO INC., <i>et al.</i> ,	:	
	:	(Jointly Administered)
Debtors. ¹	:	
	X	

NON-DEBTOR AFFILIATES' FOURTH STATUS REPORT

The Non-Debtor Affiliates² submit this report to respond to the Debtors' Eleventh Status Report [Docket No. 1962] (the "Eleventh Report"), correct the record, and update the Court on the status of these chapter 11 cases, which have been abated for more than nine months.³

As stated in prior reports, the Non-Debtor Affiliates remain committed to advancing these chapter 11 cases to a successful resolution, including the reasonable funding of a section 524(g) trust that fairly resolves alleged talc-related liabilities in an efficient and equitable manner. As the Non-Debtor Affiliates have also stated in prior reports, the Non-Debtor Affiliates, through the DIP Lender,⁴ remain committed to funding the reasonable and necessary administrative expenses of

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1. The debtors in the above-captioned chapter 11 cases (the "Debtors"), along with the last four digits of each Debtor's federal tax identification number, are: BMI Oldco Inc. (f/k/a Barretts Minerals Inc.) ("BMI") (8715) and Barretts Ventures Texas LLC (0787). The Debtors' address is 5605 North MacArthur Boulevard, Suite 1000, PMB 139, Irving, Texas 75038.
 2. "Non-Debtor Affiliates" means BMI's direct parent, Specialty Minerals Inc. ("SMI"); SMI's direct parent, Minerals Technologies Inc. ("MTI"); and MTI's wholly-owned subsidiary, Minerals Technologies Investments LLC (the "DIP Lender").
 3. Abatement Order and Report and Recommendation to District Court [Docket No. 1479] (the "Abatement Order").
 4. The DIP Lender funds these chapter 11 cases through the Debtor-in-Possession Credit Agreement (as amended, the "Credit Agreement"), dated as of May 14, 2024, between BMI and the DIP Lender. *See* Order (I) Authorizing Debtors to Enter into Post-Petition Financing Agreement and Obtain Post-Petition Financing Pursuant to Section 364 of the Bankruptcy Code, (II) Authorizing Debtors to Enter into Second Amendment to Shared Services Agreement and (III) Granting Related Relief [Docket No. 917] (approving \$30 million DIP financing); Order

the estate. The Non-Debtor Affiliates agree with the Debtors that meaningful progress towards a confirmable plan has occurred and is continuing. Our focus is on determining the funding necessary to “provide reasonable assurance that the trust will value, and be in a financial position to pay, present claims and future demands that involve similar claims in substantially the same manner.” 11 U.S.C. § 524(g)(2)(B)(ii)(V). The Non-Debtor Affiliates will seek a status conference if the Court’s assistance becomes necessary.

I. DIP Financing Status

The Debtors’ statements in the Eleventh Report that the DIP Lender is not adequately funding the chapter 11 cases are demonstrably false and inconsistent with the record of this case. The DIP Lender has funded \$48 million to the Debtors’ estate since the DIP Credit Agreement was approved in May 2024. This includes more than \$20 million of funding in the nine months since the Bankruptcy Court abated these Chapter 11 Cases in May 2025, stating “I want to quit spending money here.” *See* Hr’g Tr. May 19, 2025 9:14-15.

Since its initial Status Report on September 26, 2025, the DIP Lender has consistently raised concerns regarding the mounting professional fees in these cases and the Debtors’ defaults under the DIP Credit Agreement.⁵ Notwithstanding the Debtors’ admitted defaults under the DIP Credit Agreement,⁶ the DIP Lender has continued to fund these chapter 11 cases and comply with

(I) Authorizing the Debtors to Enter into an Amendment to the DIP Credit Agreement and (II) Granting Related Relief [Docket No. 1403] (approving amendment to increase DIP financing commitment to \$60 million).

5. *See, e.g.*, Non-Debtor Affiliates’ Status Report, dated Sept. 26, 2025 [Docket No. 1745] (stating that despite entry of the Abatement Order, the DIP Lender has been funding approximately \$3 million of professional fees per month, and noting that the Debtors are in default under the DIP Credit Agreement due to, among other things, significant variances from the Approved Budget.”); Non-Debtor Affiliates’ Second Status Report, dated Nov. 5, 2025 [Docket No. 1805] (noting that the Debtors remain in default, and raising serious concerns about the burn rate of the case); Non-Debtor Affiliates’ Third Status Report, dated Dec. 18, 2025 [Docket No. 1866] (noting that estate professionals continue to incur substantial fees and expenses that are not included in any approved DIP budget).
6. *See, e.g.*, Exhibit A, Debtors’ Compliance Certificate, dated February 16, 2026 (“[The Debtors] hereby certify that . . . except with respect to not meeting any milestone under Section 10 of the Loan Agreement, no budget

Borrowing Notices when received from the Debtors. The DIP Lender is not aware of any Borrowing Notices that have not been funded.

The Debtors are not administratively insolvent. As required under the DIP Credit Agreement, the Debtors' financial advisors provide the DIP Lender a variance report each week. The Debtors' March 4, 2026 variance report provides that, as of February 27, 2026, the Debtors had \$17 million of liquidity (\$2.5 million cash on hand and \$14.5 million remaining commitment under the DIP Credit Agreement). The Debtors' March 4, 2026 variance report also provides that the Debtors have approximately \$12.6 million accrued and unpaid professional fees, most of which have not yet come due because fee statements or applications have not been filed. On March 2, 2026, the DIP Lender funded an additional \$2.5 million to the Debtors. The Debtors have sufficient funds to pay every expense that is currently due and owing.

The DIP Lender has attempted to engage with the Debtors on a proposed go-forward plan to resolve the existing defaults under the DIP Credit Agreement, to no avail. By letter to the BMI Special Committee dated January 28, 2026, the DIP Lender proposed a go-forward budget and amendment to the DIP Credit Agreement that would extend the maturity date of the DIP Credit Agreement, waive existing defaults, and result in a budget of approximately \$1.5 million in professional fees per month for the months of January, February and March (which the Non-Debtor Affiliates still believe is too high given the abatement of the case). Despite the passage of five weeks (and the expiration of the period for which the DIP Lender had proposed a budget), the DIP Lender never received a response. On March 4, 2026, the DIP Lender proposed a go-forward

covering the current periods, variances from the previous Approved Budget attributable to the timing of payments and/or higher than forecasted fees evidenced by various Variance Reports delivered by Loan Party between June 18, 2025 and February 11, 2026, and/or the reconstitution of Loan Party's Board of Directors, no Default or Event of Default shall have occurred and be continuing on the date of this Certificate, nor shall either result from the making of the DIP Loan requested in connection with this Certificate.”).

budget of \$2.1 million per month for March and April 2026 (consistent with the average burn rate of these cases for the past four months), and to amend the DIP Credit Agreement and waive existing defaults. In response, the Debtors filed the Eleventh Report. The DIP Lender never received a proposed budget from the Debtors or the Special Committee for March and April 2026 or any comments to its proposed amendment to the DIP Credit Agreement. Neither the Debtors nor the BMI Special Committee has informed the DIP Lender what the Debtors require to move forward on amending the DIP Credit Agreement. The DIP Lender remains willing to discuss these matters.

The Non-Debtor Affiliates remain concerned about whether the substantial fees incurred each month by the more than twelve law firms and financial advisors retained in this case are reasonable or necessary to the success of these chapter 11 cases. As of February 1, 2026, the Debtors have paid approximately \$80.7 million in professional fees and expenses in these chapter 11 cases.⁷ Despite retention of three independent directors (each of whom has incurred more than \$1 million since his appointment), a Chief Restructuring Officer, multiple law firms, and multiple financial advisors charging millions of dollars to discharge their fiduciary obligation to maximize the value of the estate, it does not appear to the Non-Debtor Affiliates that any other stakeholder in this case is interested in implementing any cost control measures. A summary of total fees and expenses paid by firm through December 31, 2025 is attached as **Exhibit A**. The Special Committee alone has incurred more than \$13.5 million in fees and expenses since its formation in April 2025.

The Non-Debtor Affiliates have objected to certain fee statements that are not reasonable or necessary to the estate. Going forward, the Non-Debtor Affiliates will continue to timely object

7. See Monthly Operating Report for the period ending February 1, 2026 [Docket No. 1959]

to any fee statements and fee applications seeking fees that are not reasonable or necessary or would cause a variance from the proposed budget. The Non-Debtor Affiliates continue to reserve all rights with respect to all fee applications (including its rights to object to final fee applications) and the DIP Credit Agreement.

As the Non-Debtor Affiliates stated in prior status reports: every dollar spent on professional fees is a dollar that is not be available to benefit current and future talc claimants. Each of the estate fiduciaries and their professionals should focus on allocating resources towards payment of talc-related claims rather than on ever-ballooning professional fees.

II. District Court Proceeding

The Court's May 14, 2025 recommendation that the District Court determine "whether any of the talc sold by [BMI] contained sufficient quantity and form of asbestos to cause mesothelioma or others asbestos-related diseases" remains *sub judice* before the District Court. (Abatement Order at 1). On October 8, 2025, Judge Hanks indicated that he would address the Abatement Order "as quickly as possible."⁸ As this Court recognized, resolving this gating question as soon as possible will address many of the open issues in these chapter 11 cases, and will benefit all of the stakeholders. (Abatement Order at 2).

III. Testing Claims

While most litigation related to BMI's talc remains stayed pursuant to the Stay Order⁹ or is subject to standstill agreements with plaintiffs' firms, certain plaintiffs continue to pursue testing

8. See Oct. 8, 2025 Hr'g Tr 21:1-7, In re BMI Oldco Inc., Civ. Act. No. 4:25-cv-02193 (S.D. Tex. Oct. 8, 2025) ("I will -- just for the record, I will get a decision back to you as quickly as possible. I got a little sidetracked because we had our six-month list coming up October 1st and I needed to make sure everything was clear. But now that that is done, you guys will be hearing from me shortly.").

9. See Order (I) Declaring that the Automatic Stay Prohibits Actions or, in the Alternative, Preliminarily Enjoining Actions Pursuant to 11 U.S.C. § 105 (the "Stay Order"), *Barretts Minerals Inc. v. Those Parties Listed in Appendix A to the Complaint, et al.* Adv. Pro. No. 23-03225 (Bankr. S.D. Tex. Feb. 5, 2024) [Docket No. 92].

claims against the Non-Debtor Affiliates, including filing new cases, seeking discovery, engaging in motion practice, and setting cases for trial. More than 300 new talc cases against the Non-Debtor Affiliates have been filed since the Abatement Order was entered nine months ago. Most of these new cases violate the Stay Order entered by this Court in February 2024. The Non-Debtor Affiliates continue to vigorously defend against all such claims. The Non-Debtor Affiliates paid nearly \$20 million in talc-related litigation expenses in 2025 alone (in addition to the amounts funded to the Debtors pursuant to the DIP Credit Agreement, discussed above).¹⁰ The Non-Debtor Affiliates firmly believe that amounts spent on defending talc litigation would be better used to fund a trust to resolve current and future talc-related claims.

CONCLUSION

The Non-Debtor Affiliates remain ready and willing to continue discussions regarding a consensual resolution of the chapter 11 cases, including the funding needed to implement such a resolution.

Dated: March 5, 2026

Respectfully submitted,

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Counsel for the Non-Debtor Affiliates

10. See Form 10-K (Minerals Technologies Inc.), dated Feb. 20, 2026, at page 34 (disclosing litigation expenses of \$19.6 million for the twelve months ended December 31, 2025).

EXHIBIT A

Professional Firm	Total Paid through 12/31/25 (in millions)
Latham & Watkins LLP	\$29.3
Brown Rudnick LLP	\$7.8
Province, LLC	\$6.5 ¹¹
Caplin & Drysdale Chartered	\$5.3
Young Conaway Stargatt & Taylor, LLP	\$5.3
Jefferies LLC	\$4.3
M3 Advisory Partners, LLP	\$3.8
Norton Rose Fulbright US LLP	\$2.7
Porter Hedges LLP	\$2.2
Law Offices of Kenneth R. Feinberg, PC	\$2.1
NERA Economic Consulting, Inc.	\$1.7
BMI Special Committee Independent Directors	\$1.6
DJG Services LLC	\$1.4
Togut, Segal & Segal LLP	\$1.4
Sander L. Esserman and Stutzman, Bromberg, Esserman & Plifka, P.C.	\$1.3
Stretto	\$1.2
Ordinary Course Professionals	\$0.9
Smyser Kaplan & Veselka, LLP	\$0.06
TOTAL	\$78.7

11. Province, LLC is retained by both the Official Committee of Unsecured Creditors and the Special Committee of BMI.