

UNITED STATES COURT OF APPEALS FOR THE THIRD CIRCUIT

No. 25-2786

IN RE: IMERYS TALC AMERICA, INC., et al., Debtors

IN RE: CYPRUS MINES CORPORATION, Debtor

RMI Insurers, Appellant

On Appeal from the U.S. District Court, D. Del.
Judge Thomas L. Ambro, No. 1:24-cv-01232

Before: CHAGARES, *Chief Judge*, MATEY and BOVE, *Circuit Judges*
Submitted: Sept. 18, 2026; Filed: Oct. 9, 2026

NONPRECEDENTIAL OPINION*

BOVE, *Circuit Judge*. In this bankruptcy appeal, third party RMI Insurers challenges Debtors' sale of certain indemnification rights to Johnson & Johnson pursuant to 11 U.S.C. § 363(b). Under 11 U.S.C. § 363(m), however, the appeal is moot.

We assume the parties' familiarity with the underlying facts, procedural history, and issues on appeal. Debtors deal in talc. Facing tort liability arising from their operations, including their distribution of talc to Johnson & Johnson, Debtors filed for Chapter 11 bankruptcy. During the bankruptcy proceedings, Debtors agreed to sell certain indemnification rights to Johnson & Johnson. RMI objected. The Bankruptcy Court rejected RMI's objections and approved the sale under 11 U.S.C. § 363(b). The

* This disposition is not an opinion of the full Court and, under 3d Cir. I.O.P. 5.7, is not binding precedent.

Bankruptcy Court, the District Court, and our Court declined to stay the sale. This timely appeal followed.

The Bankruptcy Court had jurisdiction to approve the § 363(b) sale under 28 U.S.C. §§ 1334(a) and 157(a)-(b). The District Court had jurisdiction under 28 U.S.C. § 158(a)(1). We have jurisdiction under 28 U.S.C. § 158(d)(1). *See In re Thomas*, 177 F.4th 493, 501 (3d Cir. 2026).¹

Congress has prohibited appellate modification of a § 363(b) sale where the purchaser acted in good faith and the challenger fails to secure a stay of the sale pending appeal. 11 U.S.C. § 363(m). This “statutory mootness” provision is dispositive here. *In re Boy Scouts of Am.*, 137 F.4th 126, 149-50 (3d Cir. 2025). Johnson & Johnson purchased the property in good faith, and RMI did not obtain a stay. Moreover, RMI’s arguments on appeal, if credited, would “strike at the heart” of the transaction and “affect the validity” of the sale. *Id.* at 150, 158; *In re Energy Future Holdings Corp.*, 949 F.3d 806, 820 (3d Cir. 2020). That is impermissible under § 363(m). Accordingly, we will dismiss the appeal as moot.

¹ Unless otherwise indicated, case quotations omit all internal citations, quotation marks, footnotes, alterations, and subsequent history.