

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF GEORGIA  
ATLANTA DIVISION

In re:	)	Chapter 11
	)	
OTB HOLDING LLC, <i>et al.</i> , <sup>1</sup>	)	Case No. 25-52415 (SMS)
	)	
Debtors.	)	Jointly Administered
	)	

**INSURERS' OBJECTION TO  
AGREED ORDER GRANTING MOTION FOR RELIEF FROM STAY**

Starr Indemnity & Liability Company (“Starr”) and Markel American Insurance Company (“MAIC,” and together with Starr, the “Insurers”) hereby object to the *Agreed Order Granting Motion for Relief from Stay* [Docket No. 600] (the “Stay Relief Order”) pursuant to paragraph 6 thereof. In support, the Insurers respectfully state as follows:

1. On September 8, 2025, this Court entered the Stay Relief Order.
2. The Stay Relief Order granted certain plaintiffs relief from the automatic stay imposed by section 362(a) of the Bankruptcy Code to pursue their wrongful death and personal injury claims in the District Court of Dallas County, Texas, “solely against Debtor OTB Acquisition LLC’s insurer.” Stay Relief Order, ¶ 2.
3. The relief granted by the Stay Relief Order was subject to the proviso that “the insurer may not take collection actions or assert a claim, either as an administrative claim or as an unsecured claim, against the Debtors or their estates for any such amount that is within the self-insured retention of \$250,000.00 or otherwise associated with the Claim, including, without

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, include: OTB Holding LLC (3213), OTB Acquisition LLC (8500), OTB Acquisition of New Jersey LLC (1506), OTB Acquisition of Howard County LLC (9865), Mt. Laurel Restaurant Operations LLC (5100), OTB Acquisition of Kansas LLC (9014), OTB Acquisition of Baltimore County, LLC (6963). OTB Holding LLC’s service address is One Buckhead Plaza, 3060 Peachtree Road, NW, Atlanta, GA 30305.



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limitation, on account of any fees and expenses incurred by the insurer in connection with the defense of the Claim.” *Id.*

4. Starr issued a commercial general liability policy, including liquor liability coverage, under Policy No. 1000100236232 (the “Starr Policy”) to OTB Acquisition LLC (“OTBA”) for the period from December 1, 2023, to December 1, 2024, with a per occurrence limit of \$2,750,000.00, subject to a self-insured retention of \$250,000.00 per occurrence (an “SIR”) under the commercial general liability coverage and an each common cause limit of \$2,750,000.00, subject to a self-insured retention of \$250,000.00 per common cause (an “SIR”) under the liquor liability coverage. MAIC issued a commercial umbrella liability policy under Policy No. MKLM6MM70000820 (the “MAIC Policy,” and together with the Starr Policy, the “Policies”) to OTBA and certain other entities for the period from December 1, 2023, to December 1, 2024, with a per occurrence limit of \$10,000,000.00, also subject to the applicable SIR.

5. Under Texas law, which applies to construction of the Insurers’ Policies, any obligations of the Insurers to defend OTBA or indemnify any liability incurred by OTBA are conditioned upon the actual payment of the SIR. *See, e.g., Mt. Hawley Ins. Co. v. Ne Van Hampton*, 2023 WL 6725735 (S.D. Tex. Oct. 12, 2023) (holding that the policy limits are not due until the insured first pays the SIR); *Pak-Mor Mfg., Co. v. Royal Surplus Lines Ins. Co.*, 2005 WL 3487723 (W.D. Tex. Nov. 3, 2005) (“There is only one reasonable way to interpret the policy, and this interpretation says that Royal does not have to pay anything until Pak-Mor first pays the retained limit.”); *In re Tailored Brands, Inc.*, 2021 WL 2021472 (Bankr. S.D. Tex. May 20, 2021) (holding that a general unsecured bankruptcy claim does not satisfy the SIR). In any event, the Insurers are not required to fund the SIR in place of the Debtors. *See, e.g., In re Keck, Mahin &*

*Cate*, 241 B.R. 583, 596-97 (Bankr. N.D. Ill. 1999) (approving treatment of SIR through a chapter 11 plan).

6. The Stay Relief Order suggests that the Debtors do not intend to satisfy the SIR, and the Stay Relief Order purports to extinguish the right of the Insurers to assert a claim for reimbursement of the SIR to the extent that either of the Insurers incurs defense costs or makes indemnity payments on account of a settlement of the plaintiffs' claims or a judgment in favor of the plaintiffs.

7. Determination of the parties' respective rights and obligations under the Debtors' insurance contracts with Insurers are non-core matters, *see, e.g., Amatex Corp. v. Aetna Cas. & Surety Co. (In re Amatex Corp.)*, 107 B.R. 856, 863 (E.D. Penn. 1989), *aff'd* 908 F.2d 961 (3d Cir. 1990) (holding that insurance coverage declaratory judgment action must be non-core and final orders entered by district court), and respectfully the Insurers do not consent to the entry of final orders or judgments by the bankruptcy court regarding state law insurance coverage matters. *See Wellness Int'l Network Ltd.*, 135 S. Ct. 1932 (2015).

8. The Insurers object to any attempt in the Stay Relief Order to extinguish their rights and claims without compensation.

WHEREFORE, the Insurers respectfully request that the Stay Relief Order be vacated; that any new or amended order granting stay relief to the plaintiffs omit the proviso in paragraph 2 of the Stay Relief Order or any other similar attempt to adjudicate state law insurance contract matters through an order granting relief from stay; that any new or amended order granting stay relief to the plaintiffs make clear that it does not constitute an adjudication or impairment of the Insurers' rights and obligations under their insurance contracts; and for such other and further relief as the Court deems just and proper.

Dated: September 29, 2025

Respectfully submitted,

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**CERTIFICATE OF SERVICE**

I hereby certify that on September 29, 2025, I electronically filed the foregoing Insurers' Objection to Agreed Order Granting Motion For Relief From Stay, using the Court's CM/ECF filing program, which sends a notice of this document and an accompanying link to this document to all of the registered users of the CM/ECF filing program in this instant case. A copy of the foregoing was also served via United States First Class Mail, with adequate postage prepaid on the following parties at the address shown for each:

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Dated: September 29, 2025

Respectfully submitted,

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