

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

)	
In re:)	Chapter 11
)	
STAGE STORES, INC., <i>et al.</i> , ¹)	Case No. 20-32564 (DRJ)
)	(Jointly Administered)
Debtors.)	
)	Re: Docket No. 1164

STIPULATION AND AGREED ORDER BY AND AMONG PLAN ADMINISTRATOR AND DIANA CAMP GRANTING LIMITED RELIEF FROM PLAN INJUNCTION

This stipulation and agreed order (this “**Agreed Order**”) is made and entered into by and among (a) Steven Balasiano, in his capacity as Plan Administrator of the above-captioned debtors and debtors in possession (the “**Plan Administrator**”) and (b) Diana Camp (“**Claimant**”) (together with the Plan Administrator, the “**Parties**,” and each individually a “**Party**”). The Parties hereby stipulate and agree as follows:

WHEREAS, on May 10, 2020, Stage Stores, Inc. and Specialty Retailers, Inc. (together, the “**Debtors**”) filed voluntary petitions for relief pursuant to chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”), initiating the Debtors’ chapter 11 cases (the “**Chapter 11 Cases**”) in the United States Bankruptcy Court for the Southern District of Texas (the “**Court**”). The Chapter 11 Cases are jointly administered under Case No. 20-32564 (DRJ);

WHEREAS, on August 13, 2020, the Debtors filed the *Joint Second Amended Chapter 11 Plan of Stage Stores, Inc. and Specialty Retailers, Inc.* [Docket No. 694] (the “**Plan**”);

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are: Stage Stores, Inc. (6900) and Specialty Retailers, Inc. (1900).



WHEREAS, on August 14, 2020, the Court entered the *Order Confirming the Joint Second Amended Chapter 11 Plan of Stage Stores, Inc. and Specialty Retailers, Inc.* [Docket No. 705] (the “**Confirmation Order**”);

WHEREAS, the Plan became effective on October 30, 2020 (the “**Plan Effective Date**”), *see* Docket No. 898, and Steven Balasiano, in his capacity as Plan Administrator, became the sole representative of the Debtors’ estates pursuant to Article IV.D of the Plan;

WHEREAS, the Plan provides that, upon the Plan Effective Date, the “Plan Administrator shall have the authority: (1) to File, withdraw, or litigate to judgment objections to Claims or Interests; [and] (2) to settle or compromise any Disputed Claim without any further notice to or action, order, or approval by the Bankruptcy Court[.]” Plan Art. VII.B;

WHEREAS, on April 13, 2021, Claimant filed a complaint (the “**Complaint**”) initiating a lawsuit styled as *Diana Camp vs. Specialty Retailers, Inc. d/b/a Peebles d/b/a Gordmans, Defendant*, File No. 21-CVS-819 in the General Court of Justice, Superior Court Division of Davidson County in North Carolina (the “**State Court Action**”) arising out of a personal injury incident occurring on June 6, 2020, and alleging certain claims related to the incident (the “**Claims**”);

WHEREAS on September 15, 2022, Claimant filed the *Motion to Seeking Authority to Move Forward in Pursuit of Claim* [Docket No. 1164] (the “**Motion**”) seeking, among other things, relief from the Plan Injunction to prosecute the Claims in State Court;

WHEREAS, the Plan Administrator opposes the relief sought by Claimant in the Motion and has alleged certain defenses to the Claims;

WHEREAS, the Parties wish to avoid the cost of further litigation and wish to resolve the relief sought in the Motion as set forth herein; and

WHEREAS, to resolve the Motion, the Plan Administrator consents to grant Claimant limited relief from the Plan Injunction on the terms and conditions set forth in this Agreed Order for the exclusive purpose of allowing Claimant to proceed solely against the proceeds of any insurance policies held, at any relevant time, by or on behalf of the Debtors, the Wind-Down Debtors (as defined in the Plan), their estates, or their respective successors (the “**Insurance Policies**”), and solely to the extent provided in this Agreed Order. For the avoidance of doubt, the Plan Administrator and/or estates shall not be liable for any self-insured retention, deductible, obligation to post any security or deposit with any insurance carrier pursuant to the terms of any insurance policy or otherwise, defense costs, or any other costs or liability of any kind including, without limitation, for (i) discovery or (ii) any claims by insurance carriers asserting claims against the Debtors, the Wind-Down Debtors, their estates, or their successors related to the State Court Action or claims arising from or related to the State Court Action due to the limited relief from the Plan Injunction provided in this Agreed Order (collectively, “**Out of Pocket Administrative Costs**”).

NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED, AND UPON APPROVAL BY THE BANKRUPTCY COURT OF THIS STIPULATION AND AGREED ORDER, IT IS SO ORDERED as follows:

1. The above recitals are incorporated by reference into this Agreed Order with the same force and effect as if fully set forth hereinafter.
2. Claimant is granted limited relief from the Plan Injunction with respect to the State Court Action for the exclusive purpose of permitting Claimant to proceed against the Debtors as nominal defendants only, at no cost to the Debtors, the Wind-Down Debtors, their estates, or their

respective successors, so Claimant may establish liability against the Debtors for the sole purpose of recovering from proceeds of the Insurance Policies, if any.

3. Claimant agrees and acknowledges that: (a) any recoveries arising from the State Court Action or related claims (whether by mediation, arbitration, or otherwise) with respect to the Debtors, the Wind-Down Debtors, their estates, or their respective successors are limited solely to proceeds from the Insurance Policies, if any, and not from the Debtors, the Wind-Down Debtors, their estates, or their respective successors; (b) Claimant waives any and all claims arising from or related to the State Court Action that could otherwise be asserted against the Debtors, the Wind-Down Debtors, their estates, or their respective successors, except to the extent necessary to preserve the Debtors' or the Wind-Down Debtors' insurance carrier's obligation to provide defense and indemnity; and (c) as against the Debtors or the Wind-Down Debtors, Claimant may prosecute the State Court Action (and enforce any judgment obtained on account of the State Court Action) solely with respect to proceeds available from the Insurance Policies, if any.

4. No judgment shall be entered in the State Court Action against the Debtors or the Wind-Down Debtors in excess of the Insurance Policies' coverage afforded to the Debtors or the Wind-Down Debtors, and any such judgment in excess of the Insurance Policies' coverage afforded to the Debtors or the Wind-Down Debtors shall remain subject to the Plan Injunction.

5. Claimant must file this Agreed Order in the court in which the State Court Action is pending within five (5) business days after the approval by the Bankruptcy Court and the entry of this Agreed Order on the Bankruptcy Court docket.

6. Nothing in this Agreed Order shall operate to cancel, reduce, or in any way interfere with the obligations of the Debtors' or Wind-Down Debtors' insurance carriers to provide defense

and indemnity against Claimant's claims in the State Court Action or expose any of the Debtors' or Wind-Down Debtors' non-insurance assets to collection by Claimant.

7. Under no circumstances shall the Debtors, the Wind-Down Debtors, their estates, or their respective successors be required to fund any Out of Pocket Administrative Costs.

8. The Plan Administrator and Claimant shall bear their own attorneys' fees and costs in connection with any and all matters relating to the Motion, State Court Action, and the Claims.

9. The Plan Administrator is not waiving and will not be deemed to have waived any available rights, counterclaims, or defenses, including at law, equity, or otherwise with respect to the State Court Action.

10. Neither this Agreed Order nor any negotiations and writings in connection with this Agreed Order will in any way be construed as, or deemed to be evidence of or an admission on behalf of, any Party regarding any claim or right that such party may have against the other Party.

11. Each of the Parties to this Agreed Order represents and warrants it is duly authorized to enter into and be bound by this Agreed Order.

12. This Agreed Order may be executed in multiple counterparts, any of which may be transmitted by facsimile or electronic mail, and each of which will be deemed an original, but all of which together will constitute one instrument.

13. The Court shall retain jurisdiction with respect to all matters relating to the interpretation and implementation of this Agreed Order.

Dated: _____, 2023
Houston, Texas

CHRISTOPHER M. LOPEZ
UNITED STATES BANKRUPTCY JUDGE

Dated: October 31, 2023

/s/ Daniel F. X. Geoghan

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