

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

In re:

STAGE STORES, INC., *et al.*,<sup>1</sup>

Debtors.

AMY STUMPF, Individually and On  
Behalf of All Others Similarly Situated,  
CHRISTINE BAXTER, RACHEL MCCORMACK  
MARGARET PUALK, KRISTIN MCCANDLESS,  
HANNAH SORENSEN, ELIZABETH  
MARTINEZ, CYNTHIA SHEPHERD, BROOKE  
LINDEMAN, ANN SUBRT, ANGELICA  
GALVEZ, ALICIA COOPER, ALANA MCNEAL  
And DENISE AGUILAR,

Plaintiffs,

V.

STAGE STORES, INC. and  
SPECIALTY RETAILERS, INC.

Defendants.

## JOINT STIPULATION OF DISMISSAL WITH PREJUDICE AND AGREED ORDER

Pursuant to Rule 7041 of the Federal Rules of Bankruptcy Procedure and Rule 41 of the Federal Rules of Civil Procedure, the above-captioned Plaintiffs (collectively, the “**Plaintiffs**”) and Steven Balasiano, solely in his capacity as Plan Administrator of Stage Stores, Inc. and

<sup>1</sup> 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).



Specialty Retailers, Inc. (the “**Plan Administrator**,” and, together with the Plaintiffs, the “**Parties**,” and each individually a “**Party**”) hereby file this joint stipulation of dismissal and agreed order (the “**Joint Stipulation of Dismissal and Agreed Order**”) with prejudice to the claims pleaded in the above-captioned adversary proceeding (the “**Adversary Proceeding**”) [Docket No. 1] and hereby stipulate as follows:

1. On July 16, 2020, Plaintiff Amy Stumpf, individually and on behalf of all others similarly situated, filed a complaint (as amended, the “**Complaint**”) against the Debtors, initiating the above captioned Adversary Proceeding. On September 1, 2020, the Complaint was amended to, among other things, join thirteen additional Plaintiffs<sup>2</sup> to the Adversary Proceeding [Docket No. 14].

2. Through the Complaint, Plaintiffs assert claims against the Debtors alleging that they violated the Worker Adjustment Retraining and Notification Act, 29 U.S.C. §§ 2101-2109 by failing to provide advance written notice of a plant closing or mass layoff to affected employees (the “**Claims**”).

3. On September 15, 2020, the Debtors filed the *Defendants’ Combined Answer to Plaintiffs’ First Amended Complaint* [Docket No. 17]. No counterclaims, crossclaims, or third-party claims have been filed in this matter.

4. On October 30, 2020, the *Joint Second Amended Chapter 11 Plan of Stage Stores, Inc. and Specialty Retailers, Inc.* [Main Docket No. 694] (the “**Plan**”) went effective 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.

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<sup>2</sup> The Plaintiffs in the Adversary Proceeding are: Amy Stumpf, Christine Baxter, Rachel McCormack, Margaret Pualk, Kristin McCandless, Hannah Sorensen, Elizabeth Martinez, Cynthia Shepherd, Brooke Lindeman, Ann Subrt, Angelica Galvez, Alicia Cooper, Alana McNeal, and Denise Aguilar.

5. The Plan provides that 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.

6. On December 14, 2020, Plaintiff Amy Stump filed the *Motion to Withdraw the Reference* [Docket No. 22] (the “**Withdrawal Motion**”). On January 22, 2021, the Plan Administrator filed an objection to the Withdrawal Motion [Docket No. 26], and, on March 18, 2021, Plaintiff Amy Stumpf filed her reply [Docket No. 33].

7. On March 17, 2021, Plaintiff Amy Stumpf filed the *Motion for Partial Judgment on the Pleadings as to Priority of WARN Act Claims* [Docket No. 32] (the “**Partial Summary Judgment Motion**”).

8. As of the date hereof, no proof of claim against the Debtors’ estates has been filed by, or on behalf of, any Plaintiff.

9. The Plan Administrator and Plaintiffs have entered into a confidential settlement agreement that resolves the matters raised in the Adversary Proceeding. As a result, the Plan Administrator and Plaintiffs respectfully request that the Adversary Proceeding be dismissed with prejudice.

Accordingly, pursuant to Rule 41(a)(1)(A)(ii) of the Federal Rules of Civil Procedure and Rule 7014 of the Federal Rules of Bankruptcy Procedure, **IT IS ORDERED that:**

1. The Adversary Proceeding is DISMISSED WITH PREJUDICE.
2. The Withdrawal Motion and Partial Summary Judgment Motion are deemed WITHDRAWN.

3. Plaintiffs' undersigned counsel is hereby granted an allowed Class 4 general unsecured claim against Stage Stores, Inc. in an amount not to exceed \$25,000.00 for documented attorneys' fees related to the Adversary Proceeding.

4. Except as otherwise provided in paragraph 3, the Debtors and Plaintiffs shall bear their own attorneys' fees and costs in connection with any and all matters relating to the Adversary Proceeding and the Claims.

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

Dated: \_\_\_\_\_, 2021  
Houston, Texas

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DAVID R. JONES  
UNITED STATES BANKRUPTCY JUDGE

**Dated:** April 30, 2021

/s/ James W. Walker

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- and -

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