

**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.

Chapter 11

Case No. 20-32564 (DRJ)  
(Jointly Administered)

STEVEN BALASIANO, AS PLAN  
ADMINISTRATOR OF STAGE STORES,  
INC., *et al.*,

Plaintiff,

v.

CERTAIN UNDERWRITERS AT LLOYD'S  
LONDON – BRIT SYNDICATE 2987 AND  
BRIT SYNDICATE 2988, EVEREST  
INDEMNITY INSURANCE COMPANY,  
and QBE SPECIALTY INSURANCE  
COMPANY,

Defendants.

**Adv. Pro. No. 22-03142 (DRJ)**

**STIPULATION TO STAY ACTION PENDING MEDIATION**

Steven Balasiano (the “Plaintiff”), in his capacity as the Plan Administrator of Stage Stores, Inc. (“Stage Stores”) and Specialty Retailers, Inc. (together with Stage Stores, the “Debtors”), along with Defendants and Counter-claimants Those Certain Underwriters at Lloyd’s, London subscribing to Policy Number PD-10921-00 – Brit Syndicate 2987 and Brit Syndicate 2988 (“Brit”), Everest Indemnity Insurance Company (“Everest”), and QBE Specialty Insurance

<sup>1</sup> The Debtors, along with the last four digits of each Debtor’s federal tax identification number, are: Stage Stores, Inc. (6900) and Specialty Retailers, Inc. (1900).



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Company (“QBE” and together with Brit and Everest, the “Defendants”) (together with Plaintiff, the “Mediation Parties”), hereby enter into this stipulation (the “Stipulation”) and agree as follows:

**RECITALS**

**WHEREAS**, on May 10, 2020, the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code with this Court;

**WHEREAS**, on August 14, 2020, the Court entered the order confirming the Plan. The effective date of the Plan occurred on October 30, 2020 [Docket No. 898] (the “Effective Date”);

**WHEREAS**, on the Effective Date, the Plan Administrator was appointed the sole representative of the Debtors’ post-confirmation bankruptcy estates for the purpose of, *inter alia*, monetizing any remaining assets, making distributions to the Debtors’ creditors as contemplated under the Plan, and winding-down and closing the bankruptcy cases;

**WHEREAS**, on May 9, 2022, the Plaintiff, in his capacity as the Plan Administrator of the Debtors’ estates, commenced this action as adversary proceeding number 22-03142 (the “Adversary Proceeding”) by filing a complaint against the Defendants seeking damages and declaratory judgment for alleged wrongful denial and refusal to pay a portion of an insurance claim submitted by Stage Stores for damages to its retail stores and inventory caused by Hurricane Harvey in August 2017 [Adv. Pro. Docket No. 1];

**WHEREAS**, on June 17, 2022, Defendants filed their Answer with Affirmative Defenses and Counterclaim denying Plaintiff’s allegations and claims [Adv. Pro. Docket No. 6];

**WHEREAS**, pursuant to FED. R. BANKR. P. 7012(b), Defendants do not consent to entry of final order or judgment by this Bankruptcy Court;

**WHEREAS**, Defendants contend that this matter is non-core and that the District Court’s reference should be withdrawn pursuant to FED. R. BANKR. P. 5011 so that this Adversary Proceeding may be in all things heard and tried by the District Court;

**WHEREAS**, Plaintiff contends that this matter is a core proceeding, and that the District Court's reference should not be withdrawn;

**WHEREAS**, the Parties agree that determination after the expiration of this stay, of whether this Adversary Proceeding is core or non-core and whether the District Court's reference should be withdrawn, will not prejudice Plaintiff and Plaintiff will not object to any motion to determine this matter to be non-core or to withdraw the reference as being untimely, but that Plaintiff reserves the right to contest any such motion(s) on any other grounds;

**WHEREAS**, the Mediation Parties have conferred on a wide range of issues and now mutually agree that a non-binding mediation of this dispute presents the best opportunity to resolve their dispute in an expeditious and cost effective fashion;

**WHEREAS**, the Mediation Parties have agreed to appoint John De Groote of DeGroote partners, LLC in Dallas (the "Mediator") and are in the process of clearing dates for a non-binding mediation to occur on the earliest available date on all parties' respective schedules; and

**WHEREAS**, the Mediation Parties seek to stay the Adversary Proceeding for ninety (90) days to facilitate this process and the agreed-upon mediation.

**NOW, THEREFORE, IT IS HEREBY STIPULATED AND AGREED**, by and between the Mediation Parties:

**STIPULATION**

It is agreed and stipulated as follows:

1. The Mediation Parties agree to participate in a non-binding mediation for the purpose of seeking an expeditious resolution of all claims, causes of action and defenses they have or may assert in relation to the insurance dispute made the subject of this Adversary Proceeding,

which mediation shall be conducted and made subject to FRE 408 and all applicable mediation privileges and exemptions;

2. The Mediation Parties shall coordinate in good faith with the Mediator regarding the mediation schedule, submissions, locations, and attendees for a one day mediation session unless a longer period is agreed to by all Mediation Parties; and

3. All proceedings and deadlines relevant to this Adversary Proceeding are stayed for a period of ninety (90) days or until further order of this Court.

4. All relief not expressly granted herein is denied.

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Dated: June 29, 2022

/s/ James W. Walker

James W. Walker (TX Bar No. 20709600)

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