

Objection Deadline: September 4, 2012 at 4:00 pm (prevailing Eastern Time)
Hearing Date (if necessary): September 11, 2012 at 1:30 pm (prevailing Eastern Time)

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**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PATRIOT COAL CORPORATION., et al.,

Debtors.¹

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**MOTION FOR ENTRY OF AN ORDER AUTHORIZING AND APPROVING
PROCEDURES FOR COMPROMISE AND SETTLEMENT OF
CERTAIN CLAIMS, LITIGATIONS AND CAUSES OF ACTION**

Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”) respectfully represent:

Relief Requested

1. By this motion (the “**Motion**”), the Debtors seek entry of an order in the form attached hereto as Exhibit A authorizing and approving the procedures outlined

¹ The Debtors are the entities listed on Schedule 1 attached hereto. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

below (the “**Settlement Procedures**”) to allow the Debtors to compromise and settle certain existing, pending, threatened or contemplated claims, litigations and causes of action, both prepetition and postpetition, including, but not limited to, prepetition claims threatened or brought against one or more of the Debtors or their estates in judicial, administrative, arbitral or other actions or proceedings (together, the “**Claims**”).

Background and Jurisdiction

2. On July 9, 2012 (the “**Petition Date**”), each Debtor commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. These cases are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and the Court’s Joint Administration Order entered on July 10, 2012 [ECF No. 30].

4. Additional information about the Debtors’ businesses and the events leading up to the Petition Date can be found in the Declaration of Mark N. Schroeder, Patriot Coal Corporation’s Senior Vice President and Chief Financial Officer, filed on July 9, 2012 [ECF No. 4], which is incorporated herein by reference.

5. The Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and may be determined by the Bankruptcy Court. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Basis for Relief

6. Through the Settlement Procedures, the Debtors seek to establish an orderly and cost-effective process for resolving certain Claims that will minimize the administrative burdens on the Debtors' estates and this Court, while preserving the oversight function of the key parties in interest.

7. In the course of the Debtors' operation of their businesses, disputes arise between the Debtors and other parties concerning a variety of matters. These disputes include, but are not limited to, contract claims, tort claims, claims of governmental agencies regarding environmental, health, safety, employment, immigration and other regulations and disputes regarding accounts receivable and payable with parties that do business with the Debtors. The Debtors' chapter 11 filings left many suppliers and vendors with unpaid prepetition payables. The Debtors expect to confront numerous litigation claims and hundreds or thousands of non-litigation claims in these cases, many of which could be settled with *de minimis* allowed claims or payments.

8. Settlement of certain types of Claims is in the ordinary course of the Debtors' businesses. However, out of an abundance of caution and in order to provide certainty to the Debtors' estates and the relevant counterparties, the Debtors seek authority from this Court pursuant to sections 105, 363 and 502 of the Bankruptcy Code and Bankruptcy Rule 9019(b) to resolve certain Claims without further notice or hearing, except as provided by the Settlement Procedures.

9. Absent the relief proposed herein, the Debtors might be required to seek specific court approval for every proposed Claim settlement. This would require drafting and filing individual pleadings and providing parties with an opportunity for a hearing

with respect to each Claim. Resolving all Claims in this manner would be extraordinarily expensive, burdensome and inefficient for all parties, and particularly burdensome on the Court's docket. Indeed, the costs of obtaining such court approval would significantly reduce the benefits of many of these settlements and thereby discourage the Debtors from seeking such settlements in the first place.

10. To aid the Debtors' efforts to reduce expenses, maximize the value of their estates and promote judicial economy, the Debtors respectfully request that the Court approve and authorize the Settlement Procedures set forth below.

A. The Settlement Procedures

11. The Debtors seek to implement the following tiered settlement process with respect to Claims brought by the Debtors against any non-insider third parties (each a "**Settling Party**") or by a Settling Party against any of the Debtors. The tiered settlement process is based upon (i) the settlement amount, (ii) the difference between the settlement amount and the Debtors' best estimate of the actual amount of the Claim (the "**Claim Variance**") and (iii) the Debtors' ability to make *de minimis* cash payments to settle certain postpetition Claims asserted against the Debtors.

12. The Debtors propose the following three-tiered settlement process:

Tier I: (i) With respect to prepetition Claims, the Debtors, in their sole discretion, may enter into, execute and consummate written agreements of settlement with Settling Parties that will be binding on the Debtors and their estates without further action by this Court or notice to any party and (A) grant such Settling Parties allowed prepetition claims in amounts not to exceed \$250,000 per Claim or (B) grant such Settling Parties allowed prepetition claims in amounts exceeding \$250,000 but not exceeding \$1,000,000 per Claim if the Claim Variance is a Permitted Variance², in

² For purposes of the Claims Settlement Procedures, a "Permitted Variance" is a Claim Variance that is less than the greater of (a) \$250,000 and (b) 10 percent of the settlement amount. For the avoidance of doubt, prepetition claims include Claims given statutory priority pursuant to the Bankruptcy Code.

each case in full settlement of such Claims and (ii) with respect to postpetition Claims, the Debtors, in their sole discretion, may enter into, execute and consummate written agreements of settlement with Settling Parties that will be binding on the Debtors and their estates without further action by this Court or notice to any party and grant such Settling Parties cash payments or allowed administrative claims in amounts not to exceed \$250,000 in full settlement of such Claims.

Tier II: (i) With respect to prepetition Claims, the Debtors, in their sole discretion, may enter into, execute and consummate written agreements of settlement with Settling Parties that will be binding on the Debtors and their estates without further action by this Court or notice to any party and (A) grant such Settling Parties allowed prepetition claims in amounts exceeding \$250,000 (where the Claim Variance is not a Permitted Variance) but not exceeding \$1,000,000 per Claim or (B) grant such Settling Parties allowed prepetition claims in amounts exceeding \$1,000,000 but not exceeding \$10,000,000 per Claim if the Claim Variance is a Permitted Variance, in each case in full settlement of such Claims and (ii) with respect to postpetition Claims, the Debtors, in their sole discretion, may enter into, execute and consummate written agreements of settlement with Settling Parties that will be binding on the Debtors and their estates without further action by this Court or notice to any party and grant such Settling Parties cash payments or allowed administrative claims in amounts exceeding \$250,000 but not exceeding \$1,000,000 per Claim in full settlement of such Claims; *provided*, in each case, that the Debtors (a) must provide notice of the terms of any such settlement to (x) the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”), 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Elisabetta G. Gasparini and Paul K. Schwartzberg, (y) attorneys for the administrative agents for the Debtors’ postpetition lenders, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attn: Marcia Goldstein and Joseph Smolinsky and Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019, Attn: Margot B. Schonholtz and Ana Alfonso and (z) attorneys for the official committee of unsecured creditors, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Thomas Moers Mayer, Adam C. Rogoff and Gregory G. Plotko (collectively the “**Notice Parties**”) and (b) must not actually receive a written objection to such proposed settlement (addressed to counsel to the Debtors, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Brian M. Resnick and Michelle M. McGreal) by 4:00 p.m. (prevailing Eastern Time) by the day that is 10 calendar days from the date the Debtors provided such written notice. If the Debtors receive an objection from a Notice Party, the parties will confer and attempt to resolve any differences. Failing that, the Debtors may petition the Court for approval of the settlement in

accordance with the Order Granting Debtors' Motion for an Order Establishing Certain Notice, Case Management and Administrative Procedures entered on July 16, 2012 [ECF No. 84] (the "**Case Management Order**"). An objection by a Notice Party with respect to a given Tier II settlement shall not delay the finality or effectiveness of any other settlement to which an objection has not timely been delivered.

Tier III: (i) With respect to prepetition Claims, the Debtors, in their sole discretion, may enter into, execute and consummate written agreements of settlement with Settling Parties that will be binding on the Debtors and their estates without further action by this Court or notice to any party and (A) grant such Settling Parties allowed prepetition claims in amounts exceeding \$1,000,000 per Claim (where the Claim Variance is not a Permitted Variance) or (B) grant such Settling Parties allowed prepetition claims in amounts exceeding \$10,000,000 per Claim if the Claim Variance is a Permitted Variance, in each case in full settlement of such Claims and (ii) with respect to postpetition Claims, the Debtors, in their sole discretion, may enter into, execute and consummate written agreements of settlement with Settling Parties that will be binding on the Debtors and their estates without further action by this Court or notice to any party and grant such Settling Parties cash payments or allowed administrative claims in amounts exceeding \$1,000,000 per Claim in full settlement of such Claims; *provided*, in each case, that (a) the Debtors must file a notice of settlement with the Court and serve the notice of settlement on the Core Parties (as defined in the Case Management Order) and the relevant settlement counterparties and (b) there must be no objection to such settlement properly filed and served by 4:00 p.m. (prevailing Eastern Time) on the day that is 10 calendar days from the date the notice of settlement is filed (the "**Objection Deadline**"). An objection will be considered properly filed and served only if it is filed with the Court and actually received by the following parties on or before the Objection Deadline: (i) the Chambers of the Honorable Shelley C. Chapman, One Bowling Green, New York, New York 10004, (ii) counsel to the Debtors, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Brian M. Resnick and Michelle M. McGreal, (iii) attorneys for the administrative agents for the Debtors' postpetition lenders, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attn: Marcia Goldstein and Joseph Smolinsky and Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019, Attn: Margot B. Schonholtz and Ana Alfonso and (iv) attorneys for the official committee of unsecured creditors, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Thomas Moers Mayer, Adam C. Rogoff and Gregory G. Plotko. If a Tier III settlement is properly filed and served by the Debtors and no objections are properly filed and served by the Objection Deadline, then at such time a Tier III settlement covered by this

paragraph shall immediately become final and effective without any further action by the Court. If an objection is timely filed and received, the parties will confer and attempt to resolve any differences. Failing that, the Debtors may petition the Court for approval of the settlement in accordance with the Case Management Order. The filing of an objection with respect to a given Tier III settlement shall not delay the finality or effectiveness of any other settlement to which an objection has not timely been filed and served.

13. With respect to any proofs of claim that are settled pursuant to these Settlement Procedures, the Debtors shall so represent in writing to the Debtors' authorized claims and noticing agent, GCG Inc. ("GCG"). If applicable, GCG shall be authorized and directed to amend the claims register accordingly without further order of the Court with such changes as may be agreed by the parties thereto.

14. The Debtors further propose that they be authorized in their discretion, but not directed, to enter into settlement agreements substantially in the form attached hereto as Exhibit B with respect to settled Claims. For the avoidance of doubt, the Debtors propose that they be authorized to settle claims where some or all of the consideration is being provided by a third party and/or where the Debtors are releasing claims against creditors or third parties provided the Debtors otherwise comply with the Settlement Procedures.

15. The Debtors represent that no settlement will be agreed to by the Debtors unless it is reasonable, in the sole discretion of the Debtors, and upon consideration of: (a) the probability of success if the Claim were to be litigated, arbitrated or otherwise resolved, (b) the complexity, expense and likely duration of any litigation, arbitration or resolution, (c) other factors relevant to assessing the settlement and (d) the fairness of the settlement vis-à-vis the Debtors' estates, creditors and shareholders. In addition, these Settlement Procedures will not apply to settlements that involve (a) any claims on

account of postpetition professional fees incurred by any professional retained in the Debtors' chapter 11 cases, (b) any claims arising under or based on sections 503(b)(2), 503(b)(3), 503(b)(4), 503(b)(5) or 503(b)(6) of the Bankruptcy Code, (c) the U.S. Trustee's fees, or (d) any claims of an "insider," as defined in section 101(31) of the Bankruptcy Code.

16. These Settlement Procedures are without prejudice to the right of the Debtors to seek an order of this Court approving additional or different procedures with respect to specific claims or categories of claims.

B. Debtors' Ability to Consent to Relief from the Automatic Stay in Particular Circumstances

17. The Debtors further propose that they be authorized but not required to agree to the modification of the automatic stay of section 362 of the Bankruptcy Code without further court approval to allow entities to continue prosecuting litigation on account of which the Debtors have (or may have or are believed to have) insurance coverage; *provided, however*, that at a minimum each relevant litigation claimant: (a) waives all related claims against the Debtors, their estates and persons and entities related thereto and (b) agrees to enforce any litigation claim (and any judgment on account of such claim) solely against applicable insurance proceeds, if any. The Debtors propose that they be permitted to submit to the Court an executed stipulation substantially in the form attached hereto as Exhibit C evidencing any such agreements to modify the automatic stay and that the stipulations so submitted be eligible to be entered immediately by the Court with no further notice to any party or hearing and be effective immediately upon entry by the Court thereof.

Applicable Authority

18. A settlement of a claim by a debtor constitutes a sale of property of the estate. *See Northview Motors, Inc. v. Chrysler Motors Corp.*, 186 F.3d 346, 350-51 (3d Cir. 1999). If a settlement is outside of the ordinary course of business of the debtor, it requires approval by the bankruptcy court pursuant to section 363(b) of the Bankruptcy Code, after notice and a hearing as required by Bankruptcy Rule 9019. *Id.*

19. Bankruptcy Rule 9019(b) expressly empowers the Court to approve procedures for the settlement of classes of controversies by a debtor in possession: “[a]fter a hearing . . . the court may fix a class or classes of controversies and authorize the trustee to compromise or settle controversies within such class or classes without further hearing or notice.” The rule requires that the proposed procedures be reasonable. *See In re Check Reporting Serv., Inc.*, 137 B.R. 653 (Bankr. W.D. Mich. 1992).

20. The Settlement Procedures are reasonable and appropriate based on the size of the Debtors’ operations and the dollar amounts of the disputes the Debtors seek authority to resolve. Claims settlement procedures similar to those proposed herein have routinely been approved by courts in other large chapter 11 cases. *See, e.g., In re Pinnacle Airlines Corp.*, No. 12-11343 (REG) (Bankr. S.D.N.Y. Apr. 23, 2012); *In re Star Tribune Holdings Corp.*, No. 09-10244 (RDD) (Bankr. S.D.N.Y. Aug. 3, 2009); *In re Frontier Airlines Holdings, Inc.*, No. 08-11298 (RDD) (Bankr. S.D.N.Y. Jun. 23, 2008); *In re Delta Air Lines, Inc.*, No. 05-17923 (ASH) (Bankr. S.D.N.Y. Oct. 12, 2006).

21. Approval of the Settlement Procedures is in the best interests of the Debtors and their estates and will not unduly prejudice the rights of any parties herein. The Settlement Procedures will encourage resolution of Claims, thereby eliminating

unnecessary expenditures of time and money with respect to disputes. Courts recognize the general rule in bankruptcy cases and other litigation that “[s]ettlement is intended to conserve [scarce judicial] resources, and is therefore encouraged.” *Magill v. Springfield Marine Bank (In re Heissinger Resources Ltd.)*, 67 B.R. 378, 382 (C.D. Ill. 1986); *see also Thomas v. Fallon (In re Chicago Rapid Transit Co.)*, 196 F.2d 484, 490 (7th Cir. 1952) (“We fully realize the desirability of settling claims without resort to litigation in bankruptcy matters . . . where any reasonable basis for compromise settlements appears they should be encouraged.”).

22. Seeking separate court approval for each and every Claim settlement covered by the Settlement Procedures would be unduly burdensome on the Court and a drain on the time and other resources of the Debtors and their counsel. The expense of such a practice would significantly reduce the benefits of many of these settlements. Thus, after careful analysis and in the exercise of their sound business judgment, the Debtors have determined and respectfully submit that for purposes of judicial efficiency and maximizing the value of the Debtors’ estates, the Settlement Procedures should be approved.

Notice

23. Consistent with the Case Management Order, the Debtors will serve notice of this Motion on (a) the Core Parties and (b) the Non-ECF Service Parties (as those terms are defined in the Case Management Order). All parties who have requested electronic notice of filings in these cases through the Court’s ECF system will automatically receive notice of this motion through the ECF system no later than the day after its filing with the Court. A copy of this motion and any order approving it will also

be made available on the Debtors' Case Information Website (located at www.PatriotCaseInfo.com). In light of the relief requested, the Debtors submit that no further notice is necessary. Pursuant to paragraph 21 of the Case Management Order, if no objections are timely filed and served in accordance therewith, an order granting the relief requested herein may be entered without a hearing.

No Previous Request

24. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as is just and proper.

Dated: New York, New York
August 28, 2012

By: /s/ Damian S. Schaible
Marshall S. Huebner
Damian S. Schaible
Brian M. Resnick
Michelle M. McGreal

DAVIS POLK & WARDWELL LLP
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*Counsel to the Debtors
and Debtors in Possession*

SCHEDULE 1
(Debtor Entities)

1. Affinity Mining Company
2. Apogee Coal Company, LLC
3. Appalachia Mine Services, LLC
4. Beaver Dam Coal Company, LLC
5. Big Eagle, LLC
6. Big Eagle Rail, LLC
7. Black Stallion Coal Company, LLC
8. Black Walnut Coal Company
9. Bluegrass Mine Services, LLC
10. Brook Trout Coal, LLC
11. Catenary Coal Company, LLC
12. Central States Coal Reserves of Kentucky, LLC
13. Charles Coal Company, LLC
14. Cleaton Coal Company
15. Coal Clean LLC
16. Coal Properties, LLC
17. Coal Reserve Holding Limited Liability Company No. 2
18. Colony Bay Coal Company
19. Cook Mountain Coal Company, LLC
20. Corydon Resources LLC
21. Coventry Mining Services, LLC
22. Coyote Coal Company LLC
23. Cub Branch Coal Company LLC
24. Dakota LLC
25. Day LLC
26. Dixon Mining Company, LLC
27. Dodge Hill Holding JV, LLC
28. Dodge Hill Mining Company, LLC
29. Dodge Hill of Kentucky, LLC
30. EACC Camps, Inc.
31. Eastern Associated Coal, LLC
32. Eastern Coal Company, LLC
33. Eastern Royalty, LLC
34. Emerald Processing, L.L.C.
35. Gateway Eagle Coal Company, LLC
36. Grand Eagle Mining, LLC
37. Heritage Coal Company LLC
38. Highland Mining Company, LLC
39. Hillside Mining Company
40. Hobet Mining, LLC
41. Indian Hill Company LLC
42. Infinity Coal Sales, LLC
43. Interior Holdings, LLC
44. IO Coal LLC
45. Jarrell's Branch Coal Company
46. Jupiter Holdings LLC
47. Kanawha Eagle Coal, LLC
48. Kanawha River Ventures I, LLC
49. Kanawha River Ventures II, LLC
50. Kanawha River Ventures III, LLC
51. KE Ventures, LLC
52. Little Creek LLC
53. Logan Fork Coal Company
54. Magnum Coal Company LLC
55. Magnum Coal Sales LLC
56. Martinka Coal Company, LLC
57. Midland Trail Energy LLC
58. Midwest Coal Resources II, LLC
59. Mountain View Coal Company, LLC
60. New Trout Coal Holdings II, LLC
61. Newtown Energy, Inc.
62. North Page Coal Corp.
63. Ohio County Coal Company, LLC
64. Panther LLC
65. Patriot Beaver Dam Holdings, LLC
66. Patriot Coal Company, L.P.
67. Patriot Coal Corporation
68. Patriot Coal Sales LLC
69. Patriot Coal Services LLC
70. Patriot Leasing Company LLC
71. Patriot Midwest Holdings, LLC
72. Patriot Reserve Holdings, LLC
73. Patriot Trading LLC
74. PCX Enterprises, Inc.
75. Pine Ridge Coal Company, LLC
76. Pond Creek Land Resources, LLC
77. Pond Fork Processing LLC
78. Remington Holdings LLC
79. Remington II LLC
80. Remington LLC
81. Rivers Edge Mining, Inc.
82. Robin Land Company, LLC
83. Sentry Mining, LLC
84. Snowberry Land Company
85. Speed Mining LLC
86. Sterling Smokeless Coal Company, LLC
87. TC Sales Company, LLC
88. The Presidents Energy Company LLC
89. Thunderhill Coal LLC
90. Trout Coal Holdings, LLC
91. Union County Coal Co., LLC
92. Viper LLC
93. Weatherby Processing LLC
94. Wildcat Energy LLC
95. Wildcat, LLC
96. Will Scarlet Properties LLC
97. Winchester LLC
98. Winifrede Dock Limited Liability Company
99. Yankeetown Dock, LLC

Exhibit A

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**ORDER AUTHORIZING AND APPROVING PROCEDURES
FOR COMPROMISE AND SETTLEMENT OF CERTAIN CLAIMS,
LITIGATIONS AND CAUSES OF ACTION**

Upon the motion (the “**Motion**”)² of Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”) for an order authorizing and approving procedures to compromise and settle certain existing, pending, threatened or contemplated claims, litigations and causes of action, both prepetition and postpetition, including, but not limited to, prepetition claims threatened or brought against one or more of the Debtors or their estates in judicial, administrative, arbitral or other actions or proceeding, as more fully described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.) as amended by Standing Order

¹ The Debtors are the entities listed on Schedule 1 attached to the Motion. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

² Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to it in the Motion.

M-431, dated February 1, 2012 (Preska, C.J.); and consideration of the Motion and the relief requested therein being a core proceeding pursuant to 28 U.S.C. § 157(b); and due and proper notice of the Motion having been provided in accordance with the Case Management Order; and it appearing that no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion [and having held a hearing with appearances of parties in interest noted in the transcript thereof]; and the Court having determined that the legal and factual bases set forth in the Motion [and at the hearing] establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the relief requested in the Motion is hereby granted as set forth herein; and it is further

ORDERED that the Debtors are authorized, but not directed, to compromise and settle certain existing, pending, threatened or contemplated claims, litigations and causes of action, both prepetition and postpetition, including, but not limited to, prepetition claims threatened or brought against one or more of the Debtors or their estates in judicial, administrative, arbitral or other actions or proceedings (together, the “**Claims**”) in accordance with the following three-tiered procedures (the “**Settlement Procedures**”). The Settlement Procedures are based upon (i) the settlement amount, (ii) the difference between the settlement amount and the Debtors’ best estimate of the actual amount of the Claim (the “**Claim Variance**”) and (iii) the Debtors’ ability to make *de minimis* cash payments to settle certain postpetition Claims asserted against the Debtors.

Tier I: (i) With respect to prepetition Claims, the Debtors, in their sole discretion, may enter into, execute and consummate written agreements of settlement with Settling Parties that will be binding on the Debtors and their estates without further action by this Court or notice to any party and (A) grant such Settling Parties allowed prepetition claims³ in amounts not to exceed \$250,000 per Claim or (B) grant such Settling Parties allowed prepetition claims in amounts exceeding \$250,000 but not exceeding \$1,000,000 per Claim if the Claim Variance is a Permitted Variance,⁴ in each case in full settlement of such Claims and (ii) with respect to postpetition Claims, the Debtors, in their sole discretion, may enter into, execute and consummate written agreements of settlement with Settling Parties that will be binding on the Debtors and their estates without further action by this Court or notice to any party and grant such Settling Parties cash payments or allowed administrative claims in amounts not to exceed \$250,000 in full settlement of such Claims.

Tier II: (i) With respect to prepetition Claims, the Debtors, in their sole discretion, may enter into, execute and consummate written agreements of settlement with Settling Parties that will be binding on the Debtors and their estates without further action by this Court or notice to any party and (A) grant such Settling Parties allowed prepetition claims in amounts exceeding \$250,000 (where the Claim Variance is not a Permitted Variance) but not exceeding \$1,000,000 per Claim or (B) grant such Settling Parties allowed prepetition claims in amounts exceeding \$1,000,000 but not exceeding \$10,000,000 per Claim if the Claim Variance is a Permitted Variance, in each case in full settlement of such Claims and (ii) with respect to postpetition Claims, the Debtors, in their sole discretion, may enter into, execute and consummate written agreements of settlement with Settling Parties that will be binding on the Debtors and their estates without further action by this Court or notice to any party and grant such Settling Parties cash payments or allowed administrative claims in amounts exceeding \$250,000 but not exceeding \$1,000,000 per Claim in full settlement of such Claims; *provided*, in each case, that the Debtors (a) must provide notice of the terms of any such settlement to (x) the Office of the United States Trustee for the Southern District of New York (the “**U.S. Trustee**”), 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Elisabetta G. Gasparini and Paul K. Schwartzberg, (y) attorneys for the administrative agents for the Debtors’ postpetition lenders, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attn: Marcia Goldstein and Joseph

³ For the avoidance of doubt, prepetition claims include Claims given statutory priority pursuant to the Bankruptcy Code.

⁴ For purposes of the Claims Settlement Procedures, a Permitted Variance is a Claim Variance that is less than the greater of (a) \$250,000 and (b) 10 percent of the settlement amount.

Smolinsky and Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019, Attn: Margot B. Schonholtz and Ana Alfonso and (z) attorneys for the official committee of unsecured creditors, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Thomas Moers Mayer, Adam C. Rogoff and Gregory G. Plotko (collectively the “**Notice Parties**”) and (b) must not actually receive a written objection to such proposed settlement (addressed to counsel to the Debtors, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Brian M. Resnick and Michelle M. McGreal) by 4:00 p.m. (prevailing Eastern Time) by the day that is 10 calendar days from the date the Debtors provided such written notice. If the Debtors receive an objection from a Notice Party, the parties will confer and attempt to resolve any differences. Failing that, the Debtors may petition the Court for approval of the settlement in accordance with the Order Granting Debtors’ Motion for an Order Establishing Certain Notice, Case Management and Administrative Procedures entered on July 16, 2012 [ECF No. 84] (the “**Case Management Order**”). An objection by a Notice Party with respect to a given Tier II settlement shall not delay the finality or effectiveness of any other settlement to which an objection has not timely been delivered.

Tier III: (i) With respect to prepetition Claims, the Debtors, in their sole discretion, may enter into, execute and consummate written agreements of settlement with Settling Parties that will be binding on the Debtors and their estates without further action by this Court or notice to any party and (A) grant such Settling Parties allowed prepetition claims in amounts exceeding \$1,000,000 per Claim (where the Claim Variance is not a Permitted Variance) or (B) grant such Settling Parties allowed prepetition claims in amounts exceeding \$10,000,000 per Claim if the Claim Variance is a Permitted Variance, in each case in full settlement of such Claims and (ii) with respect to postpetition Claims, the Debtors, in their sole discretion, may enter into, execute and consummate written agreements of settlement with Settling Parties that will be binding on the Debtors and their estates without further action by this Court or notice to any party and grant such Settling Parties cash payments or allowed administrative claims in amounts exceeding \$1,000,000 per Claim in full settlement of such Claims; *provided*, in each case, that (a) the Debtors must file a notice of settlement with the Court and serve the notice of settlement on the Core Parties (as defined in the Case Management Order) and the relevant settlement counterparties and (b) there must be no objection to such settlement properly filed and served by 4:00 p.m. (prevailing Eastern Time) on the day that is 10 calendar days from the date the notice of settlement is filed (the “**Objection Deadline**”). An objection will be considered properly filed and served only if it is filed with the Court and actually received by the following parties on or before the Objection Deadline: (i) the Chambers of the Honorable Shelley C. Chapman,

One Bowling Green, New York, New York 10004, (ii) counsel to the Debtors, Davis Polk & Wardwell LLP, 450 Lexington Avenue, New York, New York 10017, Attn: Brian M. Resnick and Michelle M. McGreal, (iii) attorneys for the administrative agents for the Debtors' postpetition lenders, Weil, Gotshal & Manges LLP, 767 Fifth Avenue, New York, New York 10153, Attn: Marcia Goldstein and Joseph Smolinsky and Willkie Farr & Gallagher LLP, 787 Seventh Avenue, New York, New York 10019, Attn: Margot B. Schonholtz and Ana Alfonso and (iv) attorneys for the official committee of unsecured creditors, Kramer Levin Naftalis & Frankel LLP, 1177 Avenue of the Americas, New York, New York 10036, Attn: Thomas Moers Mayer, Adam C. Rogoff and Gregory G. Plotko. If a Tier III settlement is properly filed and served by the Debtors and no objections are properly filed and served by the Objection Deadline, then at such time a Tier III settlement covered by this paragraph shall immediately become final and effective without any further action by the Court. If an objection is timely filed and received, the parties will confer and attempt to resolve any differences. Failing that, the Debtors may petition the Court for approval of the settlement in accordance with the Case Management Order. The filing of an objection with respect to a given Tier III settlement shall not delay the finality or effectiveness of any other settlement to which an objection has not timely been filed and served.

ORDERED that the Debtors are authorized in their sole discretion, but not directed, to enter into settlement agreements substantially in the form attached as Exhibit B to the Motion with respect to settled Claims with such changes as may be agreed by the parties thereto; and it is further

ORDERED that the Debtors are authorized in their sole discretion, but not directed, to settle claims where some or all of the consideration is being provided by a third party and/or where the Debtors are releasing claims against creditors or third parties provided the Debtors otherwise comply with the Settlement Procedures; and it is further

ORDERED that, with respect to any proofs of claim that are settled pursuant to these Settlement Procedures, the Debtors shall so represent in writing to the Debtors' authorized claims and noticing agent, GCG, Inc. ("**GCG**") and GCG shall be authorized

and directed to amend the claims register accordingly without further Order of the Court;
and it is further

ORDERED that the Debtors are authorized but not required to agree to the modification of the automatic stay of section 362 of the Bankruptcy Code without further court approval to allow claimants to commence or continue prosecuting litigation on account of which the Debtors have (or may have or are believed to have) insurance coverage; *provided, however*, that at a minimum each relevant litigation claimant: (a) waives all related claims against the Debtors and their estates and (b) agrees to enforce any litigation claim (and any judgment on account of such claim) solely against applicable insurance proceeds, if any. To modify the automatic stay, the Debtors shall submit to the Court an executed stipulation substantially in the form attached as Exhibit C to the Motion evidencing such agreement, which can be entered immediately by the Court with no further notice to any party; and it is further

ORDERED that the automatic stay is hereby modified (to the extent it is applicable) to permit the Debtors' insurers to pay settled or adjudicated Claims and defense costs related to any Claim, whether incurred pre- or postpetition, in accordance with the terms and conditions of the applicable insurance policies, and subject to all rights, remedies and defenses of the Debtors and any insurer, all of which are preserved pursuant to this Order; and it is further

ORDERED that nothing in this Order shall be construed to impact, impair, affect, determine, release, waive, modify, limit or expand: (i) the terms and conditions of any insurance policy, (ii) any of the rights, remedies, defenses to coverage or other defenses of any insurer under or in respect of any insurance policy (including the right of any

insurer to disclaim coverage) or (iii) any claim or payment right of any insurer against any of the Debtors including, but not limited to, any claim or payment right for, on account of, arising from or related to any premium, deductible, reimbursement, self-insured retention or otherwise. All rights, remedies, defenses, defenses to coverage, claims and payment rights of the Debtors' insurers are expressly preserved, including but not limited to any right to receive notice, participate in the resolution of a controversy, decide upon or approve the resolution of a controversy, and all rights of subrogation and contribution; and it is further

ORDERED that nothing in this Order shall be construed to authorize the Debtors to act on behalf of or as an agent for any insurer of the Debtors; and it is further

ORDERED that the Settlement Procedures are without prejudice to the right of the Debtors to seek an order of this Court approving additional or different procedures with respect to specific claims or categories of claims; and it is further

ORDERED that notwithstanding anything to the contrary contained herein, this Order shall not affect, impair, impede or otherwise alter the right of the Debtors to resolve any prepetition or postpetition controversy arising in the ordinary course of the Debtors' businesses, or resolve any controversy authorized by any other order of the Court; and it is further

ORDERED that nothing in this Order or the Motion shall constitute a determination or admission of liability or of the validity or priority of any claim against the Debtors, and the Debtors reserve their rights to dispute the validity or priority of any claim asserted; and it is further

ORDERED that nothing in this Order or the Motion shall constitute an approval, assumption or rejection of any agreement, contract or lease; and it is further

ORDERED that the following claims shall not be subject to the Settlement Procedures: (a) any claims on account of postpetition professional fees incurred by any professional retained in the Debtors' chapter 11 cases, (b) any claims arising under or based on sections 503(b)(2), 503(b)(3), 503(b)(4), 503(b)(5) or 503(b)(6) of the Bankruptcy Code, (c) the U.S. Trustee's fees or (d) any claims of an "insider," as defined in section 101(31) of the Bankruptcy Code; and it is further

ORDERED that the authority granted in this Order shall not replace or obviate the Debtors' internal procedures, legal or otherwise, for authorizing the settlements contemplated in this Motion; and it is further

ORDERED that any period prescribed or allowed by these Procedures shall be computed in accordance with Bankruptcy Rule 9006; and it is further

ORDERED that to the extent that there may be any inconsistency between the terms of the final order approving the debtor in possession financing and this Order, the terms of the final order approving the debtor in possession financing shall govern; and it is further

ORDERED that this Court retains jurisdiction to hear and determine all matters arising from or related to the implementation and/or interpretation of this Order; and it is further

ORDERED that notwithstanding the possible applicability of Bankruptcy Rules 2002(a)(3), 6004(h), 7062 or 9014, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that notice of the Motion as provided therein shall be deemed good
and sufficient notice.

Dated: New York, New York
_____, 2012

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

**SETTLEMENT AGREEMENT BETWEEN
[THE CLAIMANT] AND [DEBTORS] RESOLVING
[INSERT DESCRIPTION OF CLAIM, CAUSE OF ACTION OR LITIGATION]**

WHEREAS, on July 9, 2012 (the “**Petition Date**”), Patriot Coal Corporation and its subsidiaries (collectively, the “**Debtors**”) each filed voluntary petitions in the United States Bankruptcy Court for the Southern District of New York (the “**Court**”) under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”) and have continued to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code; and

WHEREAS, the Debtors are authorized under the Court’s Order Authorizing and Approving Procedures For Compromise and Settlement of Certain Claims, Litigations and Causes Of Action dated [_____], 2012 (the “**Settlement Procedures Order**”) to enter into this settlement agreement (the “**Agreement**”); and

WHEREAS, the parties desire to settle the [litigation/non-litigation claim, cause of action or litigation] (the “**Claim**”) [filed/brought/asserted] by [_____] (the “**Claimant**”) against [_____] [by way of proof of claim (Claim No. _____) filed on _____ in [name of court]/by letter/facsimile/email dated _____]; and

WHEREAS, the parties wish to resolve the Claim in its entirety by this Agreement;

NOW, THEREFORE, IT IS HEREBY AGREED, subject to and in accordance with the Settlement Procedures Order, by and between the parties, as follows:

1. In full and final satisfaction of the Claim, the Claim shall be treated as follows:

- [TERMS OF SETTLEMENT]

2. It is expressly understood by the parties that the Claimant may seek satisfaction of the Claim only as set forth herein, and that in no event will the Debtors, their estates or any persons who are employed or otherwise associated with the Debtors be liable to the Claimant in any other way whatsoever with respect to the Claim or the debt, obligation, liability, account, suit, damages or cause of action giving rise to the Claim.

3. Except as expressly agreed herein, the Claimant, on behalf of itself, its heirs, representatives and assigns, does hereby fully, finally and forever waive, release and/or discharge the Debtors, their estates and any heirs, successors, assigns, affiliates, officers, directors, shareholders, associates, parents, subsidiaries, predecessors, successors, employees, attorneys and agents from the Claim (whether prepetition unsecured, priority, administrative or postpetition/administrative) and from all actions, causes of action, suits, debts, obligations, liabilities, accounts, damages, defenses or demands whatsoever, known or unknown, giving rise to or otherwise relating to the Claim.

4. Nothing contained herein shall be deemed an admission of liability on the part of the Debtors with respect to the Claim.

5. Neither this Agreement, nor any statement made or action taken in connection with the negotiation of this Agreement, shall be offered or received in evidence or in any way referred to in any legal action or administrative proceeding among or between the parties hereto, other than as may be necessary (a) to obtain approval of and to enforce this Agreement or (b) to seek damages or injunctive relief in connection therewith.

6. The parties shall maintain the confidentiality of this Agreement except to the extent necessary to enforce this Agreement.

7. Each of the parties hereto shall execute and deliver any and all additional papers, documents and other assurances, and shall do any and all acts and things reasonably necessary or appropriate in conjunction with the performance of their respective obligations hereunder.

8. No provision of this Agreement is intended to confer any rights, benefits, remedies, obligations or liabilities hereunder upon any person other than the parties hereto and their respective successors.

9. This Agreement shall be governed by the laws of the State of New York.

10. This Agreement may be signed in counterpart originals and delivered by facsimile or email, which, when fully executed, shall constitute a single original.

11. This Agreement constitutes the entire agreement and understanding of the parties regarding the Agreement and the subject matter thereof. The terms set forth in this Agreement are part of a comprehensive compromise and each element is an integral aspect of the agreed settlement and is non-severable.

12. The United States Bankruptcy Court for the Southern District of New York shall retain jurisdiction (and the parties consent to such retention of jurisdiction) with respect to any disputes arising from or other actions to interpret, administer or enforce the terms and provisions of this Agreement.

13. Each person who executes this Agreement represents that he or she is duly authorized to execute this Agreement [on behalf of his or her client and that each such client has full knowledge of and has consented to this Agreement].

14. Subject only to the objection rights in the Settlement Procedures Order, this Agreement is effective upon execution by both parties and shall not be modified, altered, amended or vacated without written consent of all parties hereto.

15. [Immediately upon the effectiveness of this Agreement, the Debtors' claims and noticing agent is authorized and directed to amend the claims register accordingly.]

Dated: [Place]
[Date]

Dated: [Place]
[Date]

By: _____
[CLAIMANT]

[Address]
[Address]
[Address]

By: _____
[DEBTOR]

[Address]
[Address]
[Address]

Exhibit C

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re:

PATRIOT COAL CORPORATION., *et al.*,

Debtors.

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**STIPULATION BETWEEN DEBTORS AND
[CLAIMANT] MODIFYING AUTOMATIC STAY**

Patriot Coal Corporation and its subsidiaries that are debtors and debtors in possession in these proceedings (collectively, the “**Debtors**”) respectfully represent:

Background and Jurisdiction

1. On July 9, 2012 (the “**Petition Date**”), each Debtor commenced with this Court a voluntary case under chapter 11 of title 11 of the United States Code (the “**Bankruptcy Code**”). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. The Debtors’ cases (the “**Chapter 11 Cases**”) are being jointly administered pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and the Court’s Joint Administration Order entered on July 10, 2012 [ECF No. 30].

2. Additional information about the Debtors’ businesses and the events leading up to the Petition Date can be found in the Declaration of Mark N. Schroeder, Patriot Coal Corporation’s Senior Vice President and Chief Financial Officer, filed on July 9, 2012 [ECF No. 4], which is incorporated herein by reference.

3. The Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and may be determined by the Bankruptcy Court.

Claimant's Claim

4. _____ (the "**Claimant**") contends that it has a claim (the "**Claim**") against _____,
_____, _____,
_____ and _____ who are or are employed by or otherwise associated with the Debtors (collectively, the "**Debtor Defendant[s]**") [arising from a civil action, a contemplated civil action or otherwise] on account of alleged property damage or injury to the Claimant [initiated in the [COURT], caption [CASE CAPTION]].

5. On the Petition Date, the Claimant was automatically stayed under 11 U.S.C. § 362(a) (the "**Automatic Stay**") from commencing or continuing an action to seek recovery for alleged property damage or injury to the Claimant.

6. [On _____, 20[___], the Claimant filed a proof of claim (Claim No. _____) in these chapter 11 cases] [As of the date hereof, the Claimant has not filed a proof of claim in these chapter 11 cases.]

7. [On _____, 20[___], Claimant filed a motion (the "**Motion to Lift Stay**") seeking a modification of and/or relief from the Automatic Stay in these chapter 11 cases.]

8. Pursuant to this stipulation (the "**Stipulation**"), the Claimant agrees to waive any and all claims against the Debtor Defendant[s] related to the Claim and agrees

to seek recovery solely from the insurance coverage, if any, available under one or more insurance policies issued to the Debtor Defendant[s] to satisfy the Claim (the “**Available Coverage**”).

9. The parties to the Stipulation have agreed to modify the Automatic Stay solely on the terms and conditions set forth herein.

10. The Debtors are authorized under the Order Authorizing and Approving Procedures for Settling and Allowing Certain Claims, Litigations and Causes of Action entered in these chapter 11 cases on [], 2012 (the “**Settlement Procedures Order**”) to enter into and submit this Stipulation to the Court.

It is hereby stipulated and agreed, subject to and in accordance with the Settlement Procedures Order, by and among the parties to this Stipulation, as follows:

16. The Automatic Stay is hereby modified solely to the limited extent necessary to enable (a) the Claim to proceed to final judgment or settlement and (b) the Claimant to attempt to recover any liquidated final judgment or settlement on the Claim solely from Available Coverage, if any; *provided, however*, that any final judgment or settlement shall be reduced by (x) the amount of any applicable deductible or self-insured retention under the applicable insurance policy and (y) any share of liability under the applicable insurance policy of any insolvent or non-performing insurer or co-insurer (or any reinsurer of any insolvent or non-performing insurer or co-insurer); and *provided further*, that the Automatic Stay shall not be modified for purposes of permitting the Claimant to attempt to recover from any party for intentional conduct or punitive damages.

17. It is expressly understood by the Claimant that (i) the automatic stay is hereby modified solely with respect to the specific Claim of the Claimant identified herein and (ii) the Claimant may seek satisfaction of the Claim only as set forth herein, and that in no event will the Debtors, their estates or any other Debtor Defendant be liable to the Claimant in any other way whatsoever with respect to the Claim.

18. In connection with this modification of the Automatic Stay, the Claimant on behalf of itself, its heirs, representatives and assigns, does hereby fully, finally and forever waive, release and/or discharge the Debtors, their estates, the Debtor Defendants and their respective heirs, successors, assigns, affiliates, officers, directors, shareholders, associates, parents, subsidiaries, predecessors, successors, employees, attorneys and agents from the Claim (whether prepetition unsecured, priority or administrative) and from all related actions, causes of action, suits, debts, obligations, liabilities, accounts, damages, defenses, or demands whatsoever, known or unknown, that arise from the Claim, except to the extent of the Available Coverage.

19. [Claim No. _____ is hereby deemed to be disallowed with prejudice without further order of Court, and the Debtors' claims and noticing agent is authorized and directed to remove Claim No. _____ and any and all other claims arising from the Claim filed by or on behalf of Claimant from the Debtors' claims register; *provided, however,* that the withdrawal of any proof of claim shall not prejudice Claimant's ability to collect on the Claim from any Available Coverage.]

20. [The Motion is hereby deemed to be withdrawn without further order of Court.]

21. The agreement by the Debtors to the modification of the Automatic Stay on the terms and conditions set forth herein shall not be deemed an agreement by the Debtors to provide assistance to or to cooperate with the Claimant in any way in the efforts of the Claimant to prosecute the Claim or secure payment on the Claim under the Available Coverage.

22. Nothing contained herein shall be deemed an admission of liability or otherwise on the part of the Debtors or their insurance carriers with respect to the Claim.

23. Nothing in this Stipulation shall be deemed or construed to impact, impair, affect, determine, release, waive, modify, limit or expand: (i) the terms and conditions of any insurance policy, (ii) any of the rights, remedies, defenses to coverage and other defenses of any insurer under or in respect of any insurance policy (including the right of any insurer to disclaim coverage) or (iii) any claim or payment right of any insurer against any of the Debtors including, but not limited to, any claim or payment right for, on account of, arising from or related to any premium, deductible, reimbursement, self-insured retention or otherwise. All such rights, remedies, defenses, defenses to coverage, claims and payment rights are expressly reserved and preserved. All rights of subrogation and contribution also are expressly reserved and preserved. Furthermore, nothing in this Stipulation shall affect the existing obligations of any insurer to pay defense fees or expenses or the existing arrangements for the payment thereof.

24. The modification of the Automatic Stay as set forth herein shall have no effect as to parties that are not a party to this Stipulation, and the Automatic Stay shall remain in full force and effect with respect to such parties and their claims or causes of action, if any, against the Debtors and their estates.

25. Neither this Stipulation, nor any terms contained herein shall be offered or received in evidence or in any way referred to in any legal action or administrative proceeding among or between the parties hereto, other than as may be necessary: (a) to obtain approval of and to enforce this Stipulation, (b) to seek damages or injunctive relief in connection therewith or (c) to prove that the Automatic Stay has been modified to allow prosecution of the Claim in accordance with the terms hereof.

26. This Stipulation may be signed in counterpart originals and delivered by facsimile, which, when fully executed, shall constitute a single original.

27. This Stipulation constitutes the entire agreement and understanding of the parties regarding the Stipulation and the subject matter thereof. The terms set forth in this Stipulation are part of a comprehensive compromise and each element is an integral aspect of the agreed settlement and is non-severable.

28. The Court shall retain jurisdiction (and the Claimant consents to such retention of jurisdiction) with respect to any disputes arising from or other actions to interpret, administer or enforce the terms and provisions of this Stipulation.

29. Each of the undersigned counsel represents that he/she is authorized to execute this Stipulation on behalf of his/her respective client.

30. This Stipulation is effective upon submission to the Court without further order of Court and shall not be modified, altered, amended or vacated without written consent of all parties hereto, subject to Court approval.

[CLAIMANT]

[DEBTOR]

SO ORDERED

THE HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE