

UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MISSOURI
EASTERN DIVISION

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.

**Chapter 11
Case No. 12-51502-659
(Jointly Administered)**

Re: ECF No. 4254

**STIPULATION BETWEEN DEBTORS, CLAIMANT,
CLAIMANT'S COUNSEL AND UNITED STATES DEPARTMENT
OF LABOR 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 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 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, 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. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This is a core proceeding pursuant to 28 U.S.C. § 157(b) and may be determined by the Bankruptcy Court.

The Claimant's and the Claimant's Counsel's Claims

4. Gary Hudson (the “**Claimant**”) and Roger D. Forman (the “**Claimant's Counsel**”) contend that they have certain claims against Debtor Pine Ridge Coal Company, LLC (“**Pine Ridge**”) under the Federal Mine Safety and Health Act of 1977, 30 U.S.C. § 901 et seq. (the “**BLBA**”) for the following amounts (collectively, the “**Claims**”):

- (a) \$12,423.15 in compensation awarded to the Claimant pursuant to 33 U.S.C. § 914(f), including interest thereon (the “**Supplemental Compensation**”);
- (b) \$14,985.35 in attorney's fees pursuant to the Administrative Law Judge attorney fee award dated February 16, 2011, including interest thereon (the “**ALJ Attorney's Fees**” and, together with the Supplemental Compensation, the “**Awarded Amounts**”); and
- (c) \$30,127.50 in attorney's fees in connection with the District Court Case and the Lift Stay Motion (each as defined below).

5. On April 13, 2011, the Claimant filed a complaint in the United States District Court for the Southern District of West Virginia (the “**District Court**”), *Hudson v. Pine Ridge Coal Company, LLC*, Civil Action No. 2:11-cv-248 (the “**District Court Case**”), seeking the enforcement of an order issued by an administrative law judge on

December 28, 2010 awarding the Claimant certain benefits and compensation under the BLBA (the “**ALJ Order**”).

6. On April 18, 2011, Pine Ridge filed a petition for modification of the ALJ Order (the “**ALJ Modification Petition**”).

7. On February 6, 2012, the District Court issued a Memorandum Opinion and Order (the “**District Court Opinion**”), which granted the relief sought by the Claimant and provided that (i) Pine Ridge and the Claimant shall submit a proposed judgment order in accordance with the District Court Opinion and (ii) the Claimant shall file a petition for award of attorney’s fees in the District Court Case.

8. On April 17, 2012, in the District Court Case, Pine Ridge and the Claimant filed an agreed proposed judgment order (the “**Proposed Judgment Order**”), which has not been entered by the District Court.

9. On March 15, 2012, in the District Court Case, the Claimant filed an Attorney Fee Petition (the “**Fee Petition**”).

10. On April 16, 2012, in the District Court Case, Pine Ridge filed a Memorandum of Law in Support of Defendant’s Opposition to Attorney Fee Petition (the “**Fee Opposition**”).

11. The Claimant has incurred additional attorney’s fees in connection with the Lift Stay Motion (the “**Lift Stay Fees**” and, together with the Fee Petition and the Fee Opposition, the “**Fee Dispute**”).

12. The Claimant filed a proof of claim Claims No. 1232-1 (Claims Agent Claim No. 1112) against Pine Ridge and the Claimant’s Counsel filed a proof of claim

Claim No. 660-1 (Claims Agent Claim No. 993) against Pine Ridge (together, the “**Proofs of Claim**”).

13. On July 2, 2013, the Claimant filed a Motion for Relief From Stay of Bankruptcy Court to Pursue Claims Relating to Black Lung Benefits and Attorney’s Fees Relating to Black Lung Benefits Claim of Gary Hudson and/or to Clarify the Impact of the Bankruptcy on Mr. Hudson’s Claim and Notice of Hearing in this Court [ECF No. 4254] (the “**Lift Stay Motion**”).

14. Pursuant to this stipulation (the “**Stipulation**”), the undersigned parties (the “**Parties**”) desire to resolve all outstanding issues among them concerning the Claims, including with respect to the Awarded Amounts, the Fee Dispute, the Proofs of Claim and the Lift Stay Motion.

IT IS HEREBY STIPULATED AND AGREED BY AND AMONG THE UNDERSIGNED PARTIES TO THIS STIPULATION, AS FOLLOWS:

15. The automatic stay set forth in Section 362 of the Bankruptcy Code (the “**Automatic Stay**”) is hereby modified solely to the limited extent necessary to enable the District Court to enter a judgment order, as agreed among the Parties and consistent with this Stipulation, requiring Pine Ridge to pay the Awarded Amounts (the “**Revised Proposed Judgment Order**”).

16. The Parties agree to submit the Revised Proposed Judgment Order, along with a copy of this Stipulation, to the District Court within 14 days after entry of this Stipulation, and the Automatic Stay shall be modified solely to the limited extent necessary to (i) allow the District Court to enter the Revised Proposed Judgment Order

and (ii) allow Pine Ridge to comply with the Revised Proposed Judgment Order, including by paying the Awarded Amounts.

17. In settlement of the Fee Dispute, (i) the Debtors shall allow the Claimant's Counsel a general, unsecured non-priority claim in the amount of \$25,000 against Pine Ridge, and (ii) within 14 days after entry of the Revised Proposed Judgment Order, the Claimant shall withdraw the Fee Petition with prejudice, and the Automatic Stay shall be modified solely to the limited extent necessary to allow the Claimant to withdraw the Fee Petition.

18. Within 14 days after entry of this Stipulation, Pine Ridge shall pay \$64,061.22 to the United States Department of Labor (the "**DOL**") to reimburse the DOL-administered Black Lung Disability Trust Fund for BLBA benefits it paid to, or on behalf of, the Claimant, and the Automatic Stay shall be modified solely to the limited extent necessary to allow Pine Ridge to make such payment.

19. Within 14 days after entry of the Revised Proposed Judgment Order, Pine Ridge shall withdraw the ALJ Modification Petition with prejudice, and the Automatic Stay shall be modified solely to the limited extent necessary to allow Pine Ridge to withdraw the ALJ Modification Petition.

20. The Claimant and the Claimant's Counsel agree to seek recovery for the Claims solely as set forth herein, and in no event will the Debtors or their estates be liable to the Claimant or the Claimant's Counsel in any way whatsoever with respect to the Claims except as set forth herein.

21. Except as set forth herein, the Claimant and the Claimant's Counsel agree to waive and release all claims against the Debtors, including any claims set forth in the Proofs of Claim.

22. The Proofs of Claim shall be disallowed, and the Debtors' claims and noticing agent as well as the Clerk of the Court are authorized and directed to amend the Debtors' claims register accordingly.

10. 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.

11. 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 Claims in accordance with the terms hereof.

12. The United States Bankruptcy Court for the Eastern District of Missouri 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 Stipulation.

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

14. 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.

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

16. 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.


KATHY A. SURRATT-STATES
Chief United States Bankruptcy Judge

DATED: September 3, 2013
St. Louis, Missouri
jjh

/s/ Roger D. Forman

Roger D. Forman
For the Claimant

/s/ Amelia T.R. Starr

Amelia T.R. Starr
For Pine Ridge

/s/ Roger D. Forman

Roger D. Forman
For the Claimant's Counsel