# UNITED STATES BANKRUPTCY COURT SOUTHERN DISTRICT OF MISSISSIPPI

In Re: Mississippi Phosphates Corporation, Debtor Chapter 11, No. 14-51667-KMS

JERRY SCUDDER

**MOVANT** 

V.

MISSISSIPPI PHOSPHATES CORPORATION

RESPONDENT

#### AMENDED MOTION FOR RELIEF FROM STAY

The Movant, Jerry Scudder (hereinafter referred to as the "Movant"), moves the Court for relief from the automatic stay to prosecute his workers compensation claim against Mississippi Phosphates Corporation (Debtor) pursuant to 11 U.S.C. § 362(d)(1) as follows:

- a. to allow the Movant to prosecute his workers' compensation claim for benefits filed with the Mississippi Workers Compensation Commission, against Debtor Mississippi Phosphates Corporation notwithstanding this Bankruptcy proceeding;
- b. to allow the Movant to make a claim against the bankruptcy estate for any amount of his workers' compensation claim that exceeds the coverage limits of the Debtor's workers compensation insurance policy.

### I. JURISDICTION AND VENUE

- 1. This Motion is brought under 11 U.S.C. § 362(d)(1) and the applicable Federal Rules of Bankruptcy Procedure.
- 2. This Court has subject matter jurisdiction of this Motion under 28 U.S.C. §§ 157 and 1334, and venue in this Court is appropriate under 28 U.S.C. §1409.

3. This Motion is a core proceeding under 28 U.S.C. § 157(b)(2)(G).

### II. PARTIES AND BACKGROUND

- 4. The Movant is an adult resident citizen of Mississippi. The Debtor is a corporation transacting business within the State of Mississippi.
- 5. On or about June 1, 2012 the Movant was involved in an industrial accident while working in the line and scope of his employment with the Debtor in Jackson County, Mississippi. Movant suffered serious injuries which included, but were not limited to, several broken bones, damaged nerves and blood vessels in both lower extremities. Subsequently, Movant was determined to be disabled by the Social Security Administration.
- 6. On June 27, 2012, the Movant filed a Petition to Controvert (Ex. 1) against the Debtor and The Insurance Company of the State of Pennsylvania with the Mississippi Workers' Compensation Commission [MWCC No. 1205358-M-1175] claiming benefits under the workers' compensation laws of the State of Mississippi.
- 7. The Debtor received notice of the action, and on July 5, 2012, counsel representing Debtor <u>and</u> The Insurance Company of the State of Pennsylvania ("the insurer") filed an Answer to Petition. (Ex. 2).
- 8. Debtor is defended in the Mississippi action by Debtor's workers compensation insurer (The Insurance Company of the State of Pennsylvania) which has covered, and will cover, Debtor's defense costs in the Mississippi action. Therefore, Debtor has workers compensation insurance coverage available to it to defend the Mississippi action, and the defense costs will be borne by the Debtor's insurer, The Insurance Company of the State of Pennsylvania. (Ex. 3).

- 9. The workers compensation insurance policy will pay the benefits required of the Debtor by the workers compensation law. (Ex. 3)
- 10. Movant is prepared to try the workers' compensation claim before the Mississippi Workers' Compensation Commission. In fact, a full hearing on the merits of the workers' compensation claim involving the Debtor and the insurer was scheduled for November 25, 2014. (Ex. 4).
- 11. On October 27, 2014, the Debtor filed for Chapter 11 bankruptcy relief in the United States Bankruptcy Court for the Southern District of Mississippi.
- 12. On October 30, 2014, the Debtor filed a Suggestion of Bankruptcy with the Mississippi Workers' Compensation Commission and requested that all proceedings be stayed in accordance with 11 U.S.C. § 362(a). (Ex. 5).
- 13. On November 5, 2014 the Mississippi Workers' Compensation Commission cancelled the hearing on the merits scheduled for November 25, 2014. (Ex. 6).

#### III. REQUEST FOR RELIEF

- 14. The Movant seeks relief from the automatic stay under 11 U.S.C. § 362(d)(1), in order to proceed with the workers' compensation action against the Debtor to pursue his claim and collect from The Insurance Company of the State of Pennsylvania on Debtor's workers compensation policy. In the event the amount of Movant's claim exceeds the coverage limits of the Debtor's workers compensation policy Movant seeks to make a claim for that amount against the Debtor's bankruptcy estate.
- 15. The Debtor's workers compensation insurance policy states that "[Debtor's] default or the bankruptcy or insolvency of [Debtor] or [Debtor's] estate will not relieve us of our duties under this insurance after an injury occurs." (Ex. 3).

- and decide Movant's workers' compensation claim. The benefits sought by Movant arise from the Mississippi Workers' Compensation Laws and the Mississippi Workers' Compensation Commission was created to effect the purposes of said laws. See §71-3-85 of the Mississippi Code. The Mississippi Workers' Compensation Commission has been involved in the administration of the Movant's workers' compensation claim since the Petition to Controvert was filed on June 27, 2012.
- determination of litigation for the parties are also best served if the litigation of the workers' compensation case is allowed to continue before the Mississippi Workers' Compensation Commission. Deposition testimony of the Movant and his treating physician has been taken and the Prehearing Statements of both Movant and the debtor have been filed. Prior to the Debtor's bankruptcy filing resolution of the workers' compensation case was imminent as the matter was scheduled for trial on November 25, 2014. It is submitted that it would not serve the interests of judicial economy if the Court were burdened with becoming an expert on the administration and adjudication of Mississippi Workers' Compensation claims.
- 18. Under the facts of this case, the legislative history of §362 supports the decision to terminate the stay and allow this matter to proceed in its original forum. For example, the legislative history provides that:

"[I]t will often be more appropriate to permit proceedings to continue in their place of origin, when no great prejudice to the bankruptcy estate would result, in order to leave the parties in their chosen forum and to relieve the bankruptcy court from many duties that may be handled elsewhere."

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See, In re Holtkamp, 69 F.2d 505, 508 (7th Cir. 1982).

19. Allowing the workers' compensation action to proceed will not affect the

Debtor's other creditors.

20. Fed. R. Bankr. P. 4001(a)(3) should be waived for good cause shown.

WHEREFORE, the Movant, Jerry Scudder, respectfully requests that the Court enter an

Order granting abandonment and relief from the automatic stay under 11 U.S.C. § 362(d) to

allow the workers' compensation action to proceed, and, in the event that his workers

compensation claim exceeds the coverage limits of the Debtor's workers compensation insurance

policy, to file a claim against Debtor's bankruptcy estate for that amount, and for all other relief

to which the Movant may be entitled.

Respectfully submitted,

/s/Jonathan E. Sholtis

JONATHAN E. SHOLTIS MSB#99866

Attorney for Jerry Scudder

DEAKLE, SHOLTIS & HAMIL, L.L.C.

Post Office Box 1031

Mobile, Alabama 36633

Telephone: (251) 432-6020

Facsimile: (251) 432-6071

#### **CERTIFICATE OF SERVICE**

I, Jonathan E. Sholtis, do hereby certify that I have on this, the 3<sup>rd</sup> day of March, 2015 transmitted *via* Electronic Case Filing, and/or *via* U.S. Mail, postage prepaid, a true and correct copy of the foregoing to the below parties:

#### Notice Provided via First Class U.S. Mail:

Unsecured Creditors Committee (see attachment)

Official Committee of Unsecured Creditors of Mississippi Phosphates Corporation c/o Derek F. Meek
Burr & Forman LLP
420 North 20<sup>th</sup> Street
Suite 3400
Birmingham, AL 35203

Karl R. Steinberger, Esq.
Heidelberg, Steinberger, Colmer & Burrow, P.A.
Post Office Box 1407
Pascagoula, MS 39568-1407
Attorney for Mississippi Phosphates Corporation
and The Insurance Company of the State of Pennsylvania

### Service provided via Notice of Electronic Filing (NEF) through ECF system:

Bess M. Parrish Creswell, Esq.; Kasee S. Heisterhagen, Esq.; Marc P. Solomon, Esq.; J. Mitchell Carrington, Esq.; United States Trustee

/s/Jonathan E. Sholtis
Jonathan E. Sholtis

#### **Unsecured Creditors Committee:**

Central Maintenance & Welding, Inc. c/o Hugo S. deBeaubien, Shumaker Loop Ke Bank of America Plaza 101 East Kennedy Blvd., Suite 2800 Tampa, FL 33602

Hydrovac Industrial Services, Inc. c/o James A. McCullough, II Brunini Grantham Grower & Hewes, PLLC P.O. Drawer 119 Jackson, MS 39205

Mississippi Power Company c/o Paul J. Delcambre Balch & Bingham 1310 Twenty Fifth Avenue Gulfport, MS 39501-1931

OCP A.A. c/o Dianne Coffino Covington & Burling The New York Times Building 620 Eighth Avenue New York, NY 10018

Premier Chemicals & Services, LLC Francis Mayer 4856 Revere Avenue, Suite A Baton Rouge, LA 70808

Shrieve Chemical c/o Carey Menasco Liskow & Lewis One Shell Square 701 Poydras Street, Suite 5000 New Orleans, LA 70139

Trammo, Inc. c/o James W. OMara Phelps Dunbar 4270 I-55 North Jackson, MS 39211

# MISSISSIPPI WORKERS' COMPENSATION COMMISSION PETITION TO CONTROVERT

PLEASE COMPLETE ALL II		<u></u>	MWCC #		
Claiment Namer Jury Don Sour	lder, Jr.		Insurer Name: The Insurance	Company of the State	of Pennsylvenia
Address: 6921 Pinehund Dr. City: Ocean Springs	States MS	Zip: 39564	Address: 2595 Interstate Driv	e. Suite 103	
SSN: 428-45-1637	Date of Birth: 0		City: Harrighory	State: PA	Zip: 1711
Employer Name: Mississippi Pho	sphates Corp.		Cinius Administrator (TPA)		
Address P.O. Box 848			j		
City: Pascagouda	State: MS	Z(p: 39568	Address P.O. Box 2158 Cley: Alphanetta	State: GA	21 10454
	District with	2001 37300	Phone: (770) 870-2508	SCHOOL OV	Zip: 30023
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<ol> <li>Claimant's Occupation; Fund</li> <li>County and place of accident</li> </ol>	t on Hanne County	- Jankson	rage Weekly Wage: at least \$1, Place: Puscagoul	41 <i>3.47</i>	<u> </u>
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D. Date employer first notif	ed of injury or iline	sex and name and	title of person notified: June 1	2012	<del></del>
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B. Name and addresses of w	imesses: Jeffrey Duc	ek, 814 McKinley Ave	nus, Passagoula, MS 39567	····	
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unless attached to a Prehearing Statement, or unless rolevar

fon and attached thereto as an exhibit.

# Case 14-51667-KMS Doc 545 Filed 03/03/15 Entered 03/03/15 11:22:00 Desc Main MISSISSIPPI WARISTING COMMISSION JACKSON, MISSISSIPPI

CLAIMANT: JERRY SCUDDER

EMPLOYER: MISSISSIPPI PHOSPHATES CORPORATION

MWCC FILE NO. 1205358-M-1175

INSURANCE CARRIER: THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

### ANSWER TO PETITION

The Employer and/or Carrier above named, for answer to the Petition to Controvert herein, respectfully states:

- 1. It is Admitted that claimant sustained an injury or occupational disease on or about the date set forth in the Petition to Controvert.
- 2. It is Admitted that the relationship of employer and employee existed at the time of the alleged injury or occupational disease.
- 3. It is Admitted that the parties were subject to the Mississippi Workers' Compensation Act at the time of alleged injury or occupational disease. If denied, state reason:
- 4. It is Admitted that at the time of the alleged injury or occupational disease the employee was performing service growing out of and in the course of his employment.
- 5. It is Denied that the accident causing the disability for which compensation is claimed arose out of the alleged employment.
- 6. It is Admitted that notice of injury or occupational disease complained of in the Petition to Controvert was received.
- 7. It is Admitted that the employer was insured under the Mississippi Workers' Compensation Act at the time of alleged injury or occupational disease, or was a Self-Insurer under the Mississippi Workers' Compensation Act.
- 8. It is Denied that the average weekly wage as set forth in the Petition to Controvert is correct. If denied state average weekly wage and attach hereto a wage statement or state reason not furnished: to be furnished
- 9. It is Denied that claimant was temporarily disabled for the period stated in the Petition to Controvert. If denied stated temporary disability admitted. <u>Undetermined.</u>
- 10. It is Denied that claimant is permanently disabled to the extent and for the period stated in the Petition to Controvert. If denied state permanent disability admitted. \_\_Undetermined.
- 11. It is Denied that claimant sustained the loss of wage earning capacity stated in the Petition to Controvert. If denied state loss of wage earning capacity admitted. <u>Undetermined</u>,

12. Affirmative defenses, special pleadings or matters in dispute (use additional sheet if necessary)

Please see Exhibit "A".

13. Has any Compensation been paid to date? Yes If yes, state amount and inclusive dates:

This the  $\frac{5}{1}$  day of  $\frac{1}{1}$ , 2011

IF EMPLOYER IS SELF-INSURED, STATE NAME AND ADDRESS OF SERVICING AGENCY:

OF SERVICING AGENCY

CHARTIS
POST OFFICE BOX 1821
ALPHARETTA, GA 30023

Mississippi Phosphates forparation, EMPLOYER

The Insurance Company of the State of Pennsylvania, CARRIER

By: Karl R. Steinberger, Esquire

Address: P.O. Box 1407, Pascagoula, MS 39568

MWCC Form B-5, 22 (Revised 5-93)

EXHIBIT 2

# BEFORE THE MISSISSIPPI WORKERS' COMPENSATION COMMISSION MWCC NO.1205358-M-1175

**JERRY SCUDDER** 

**CLAIMANT** 

VS.

MISSISSIPPI PHOSPHATES CORPORATION

**EMPLOYER** 

AND

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

CARRIER

#### EXHIBIT "A"

- 1. All allegations in the Petition to Controvert which have not been expressly admitted or denied and Employer and Carrier demands strict proof of all such matters.
- 2. Employer and Carrier denies liability for all unauthorized medical treatment.
- 3. If the proof in this case establishes that the Claimant has a pre-existing physical handicap, disease or lesion which was occupationally disabling and the sole cause of Claimant's alleged disability, if any, or a material contributing factor thereto, Employer and Carrier asserts entitlement to apportionment pursuant to Miss. Code Ann. Section 71-3-7, Miss. Code of 1972 as amended.
- 4. If the proof in this case establishes an independent, intervening, non-industrial source of the alleged disability, if any, Employer and Carrier asserts that such independent, intervening, non-industrial source is the sole cause of the alleged disability, if any.
- 5. If the Employer and Carrier has overpaid temporary total disability benefits, then credit is demanded for such overpayment of benefits as against future liability, if any, respecting this claim.
- 6. Employer and Carrier expressly asserts all applicable statutes of limitations.

Case 14-51667-KMS Doc 545 Filed 03/03/15 Entered 03/03/15 11:22:00 Desc Main Document Page 11 of 27

### ISSUED BY THE STOCK INSURANCE COMPANY HEREIN CALLED THE COMPANY

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA 13889

AGENT NUMBER 0009708-00 POLICY NUMBER

WC 000-83-4438

059-01-1211-70

INCORPORATED UNDER THE LAWS OF ITEM 1. NAMED INSURED: M DE PENNSYLVANIA
MAILING ADDRESS IDENTIFICATION NO.:

PHOSPHATE HOLDINGS, INC. 100 WEBSTER CIRCLE MADISON, MS 39110-0000

CHARTIS

A Chartis company

**EXECUTIVE OFFICES:** 175 Water Street New York, NY 10038

SEE EXTENSION OF ITEM 1. OF THE INFORMATION PAGE - WC990610

I.D# 230065268

MS UI#:

PRODUCERS NAME AND ADDRESS

# **WORKERS COMPENSATION AND EMPLOYERS**

ARTHUR J GALLAGHER OF NEW YORK INC. 2 GANNETT DR

L	ABILITY POLICY INFORMATION PAGE	WHITE PLAINS, NY 10604-2901
INSUR	ED IS DRATION	PREVIOUS POLICY NUMBER RENEWAL 000834438
		OF ITEM 1. OF THE INFORMATION PAGE - WC990610
ITEM 2	POLICY PERIOD 12:01 A.M. standard time at the insured's mailing address	FROM 12/22/11 to 12/22/12
ITEM 3	A. Workers Compensation Insurance: Part One of the policy here:     MS	olicy applies to the Workers Compensation Law of the states listed
	B. Employers Liability Insurance: Part Two of the policy     The limits of our liability under Part Two are:  C. Other States Insurance: Part Three of the policy appli	Bodily Injury by Accident \$ 1,000,000 each accident Bodily Injury by Disease \$ 1,000,000 each accident Bodily Injury by Disease \$ 1,000,000 each employee
	AK AL AR AZ CA CO CT DC DE FL GA HI I NJ NM NV NY OK OR PA RI SC SD TN TX U	IA ID IL IN KS KY LA MA MD ME MI MN MO MT NC NE NH JT VA VT WI WV
	D. This policy includes these endorsements and schedu SEE EXTENSION OF ITEM 3.D. OF THE INFORMA	
ITEM 4	The premium for this policy will be determined by our M All information required below is subject to verification a	anuals of Rules, Classifications, Rates and Rating Plans. and change by audit.
	Classifications	Code Number X Annual 3 Year Superstant 3 Year Su
SEE E	KTENSION OF ITEM 4. OF THE INFORMATION PAGE - WC	7754
(PENSE C	ONSTANT (EXCEPT WHERE APPLICABLE BY STATE) \$160	MS
INIMUM F	REMIUM \$750 MS	TOTAL ESTIMATED ANNUAL PREMIUM \$136,532
	below, interim adjustments of premium shall be made:  Semi- Annually Quarterly Monthly	DEPOSIT PREMIUM \$136,532

03/08/12 NEW YORK

Issue Date 39967 (Rev'd 04/08)

Archive Copy



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#### EXTENSION OF ITEM 3.D. OF THE INFORMATION PAGE

Policy Number: WC 000-83-4438 Effective Date: 12/22/2011

**MSPOLNOT** MS - POLICYHOLDER NOTICE TRSMNOTA FOREIGN TERRORISM POLHOLDR NOT-PREM DTMN **USLHPOLNOT** USL&H POLICYHOLDER NOTICE WC000104A FEDERAL EMPLOYERS LIABILITY ACT COV ENDT WC000106A LONGSHORE AND HARBOR WC ACT COVERAGE WC000201A MARITIME COVERAGE ENDORSEMENT WC000203 VOLUNTARY COMPENSATION MARITIME COVERAGE WC000301A ALTERNATE EMPLOYER ENDORSEMENT WC000303C EMPLOYERS' LIABILITY COVERAGE ENDT WC000310 SOLE PROPRIETORS PARTNERS OFFICERS OTHER WC000311A VOLUNTARY COMP AND EMPLOYERS LIAB COV WC000313 WAIVER OF OUR RIGHT TO RECOVER WC000414 NOTIFICATION OF CHANGE IN OWNERSHIP ENDT WC000421C CATASTROPHE PREMIUM ENDORSEMENT WC000422A TRIPRA DISCLOSURE ENDORSEMENT **WCOFAC** NOTICE REG OFFICE OF FOREIGN ASSET CTRL 107437 PRIVACY POLICY 53820 LARGE RISK RATING PLAN (SHORT FORM) WC60904 FOREIGN COVERAGE ENDORSEMENT WC990002A LOSS REIMBURSEMENT ENDT WC000419 PREMIUM DUE DATE ENDORSEMENT WC990011A UNINTENTIONAL ERRORS AND OMISSIONS WC990039 ADV NOTICE OF CANC OR NON-REN BY US EXTN WC990008A AMENDMENT OF YOUR DUTIES IF INJURY OCCUR WC990610 NAMED INSUREDS/ADDRESSES

### WORKERS COMPENSATION AND EMPLOYERS LIABILITY

# **INSURANCE POLICY**

National Union Fire Insurance Company of Pittsburgh, Pa.
American Home Assurance Company
The Insurance Company of The State of Pennsylvania
Chartis Property Casualty Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Company
New Hampshire Insurance Company



EXECUTIVE OFFICES 175 WATER STREET NEW YORK, NY 10038

Coverage is provided by the Company designated on the Information Page
A Stock Insurance Company

# WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY QUICK REFERENCE

BEGINNING ON PAGE

GENE	RAL SECTION
A.	The Policy
В.	Who Is Insured
C,	Workers Compensation Law
D.	State
Ē.	Locations
PART	ONE-WORKERS COMPENSATION INSURANCE
Α.	How This Insurance Applies
В.	We Will Pay
C.	We Will Defend
D.	We Will Also Pay
E.	Other Insurance
F.	Payments You Must Make
G.	Recovery From Others
Н.	Statutory Provisions

THE ABOVE REFERENCED POLICY PROVISIONS WITH THE INFORMATION PAGE AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THIS POLICY.

### QUICK REFERENCE - CONTINUED

BEGINNING ON PAGE

PART TV	VO - EMPLOYERS LIABILITY INSURANCE2
1	. How This Insurance Applies2
E	8. We Will Pay2
(	Exclusions3
0	. We Will Defend3
E	. We Will Also Pay3
F	Other Insurance4
	Limits of Liability4
ŀ	Recovery From Others4
i.	Action Against Us4
PART TH	REE - OTHER STATES INSURANCE4
Α	How This Insurance Applies4
В	Notice4
PART FO	UR - YOUR DUTIES IF INJURY OCCURS4
PART FIV	E - PREMIUM5
PART FIV	E - PREMIUM
PART FIV A B.	E - PREMIUM
PART FIV A B.	E - PREMIUM
PART FIV A B. C	E - PREMIUM
PART FIV A B. C. D.	E - PREMIUM
PART FIV A B. C. D. E.	E - PREMIUM       5         Our Manuals       5         Classifications       5         Remuneration       5         Premium Payments       5         Final Premium       5         Records       5
PART FIV A B. C. D. E.	E - PREMIUM
PART FIV A B. C. D. E. F. G.	E - PREMIUM       5         Our Manuals       5         Classifications       5         Remuneration       5         Premium Payments       5         Final Premium       5         Records       5         Audit       5
PART FIV A.B.C.D.E.F.G.	E - PREMIUM       5         Our Manuals       5         Classifications       5         Remuneration       5         Premium Payments       5         Final Premium       5         Records       5         Audit       5         CONDITIONS       6         Inspection       6
PART FIV A.B. C.D. E. F. G. PART SIX A.B.	E - PREMIUM       5         Our Manuals       5         Classifications       5         Remuneration       5         Premium Payments       5         Final Premium       5         Records       5         Audit       5         CONDITIONS       6         Inspection       6         Long Term Policy       6
PART FIV A.B. C.D. E.F. G. PART SIX A.B. C.	E - PREMIUM       5         Our Manuals       5         Classifications       5         Remuneration       5         Premium Payments       5         Final Premium       5         Records       5         Audit       5         CONDITIONS       6         Inspection       6         Long Term Policy       6         Transfer of Your Rights and Duties       6
PART FIV A.B. C.D. E.F. G. PART SIX A.B. C.	E - PREMIUM       5         Our Manuals       5         Classifications       5         Remuneration       5         Premium Payments       5         Final Premium       5         Records       5         Audit       5         CONDITIONS       6         Inspection       6         Long Term Policy       6

PLEASE READ THE WORKERS COMPENSATION AND EMPLOYERS LIABILITY POLICY CAREFULLY

#### WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE POLICY

In return for the payment of the premium and subject to all terms of this policy, we agree with you as follows:

#### **GENERAL SECTION**

#### A. The Policy

This policy includes at its effective date the Information Page and all endorsements and schedules listed there. It is a contract of insurance between you (the employer named in Item 1 of the Information Page) and us (the insurer named on the Information Page). The only agreements relating to this insurance are stated in this policy. The terms of this policy may not be changed or waived except by endorsement issued by us to be part of this policy.

#### B. Who is Insured

You are insured if you are an employer named in Item 1 of the Information Page. If that employer is a partnership, and if you are one of its partners, you are insured, but only in your capacity as an employer of the partnership's employees.

#### C. Workers Compensation Law

Workers Compensation Law means the workers or workmen's compensation law and occupational disease law of each state or territory named in Item 3.A. of the Information Page. It includes any amendments to that law which are in effect during the policy period. It does not include any federal workers or workmen's compensation law, any federal occupational disease law or the provisions of any law that provide nonoccupational disability benefits.

#### D. State

State means any state of the United States of America, and the District of Columbia.

#### E. Locations

This policy covers all of your workplaces listed in Items 1 or 4 of the Information Page; and it covers all other workplaces in Item 3.A. states unless you have other insurance or are self-insured for such workplaces.

# PART ONE WORKERS COMPENSATION INSURANCE

#### A. How This Insurance Applies

This workers compensation insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

- 1. Bodily injury by accident must occur during the policy period.
- Bodily injury by disease must be caused or aggravated by the conditions of your employment.
   The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.

#### B. We Will Pay

We will pay promptly when due the benefits required of you by the workers compensation law.

#### C. We Will Defend

We have the right and duty to defend at our expense any claim, proceeding or suit against you for benefits payable by this insurance. We have the right to investigate and settle these claims, proceedings or suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance.

#### D. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding or suit we defend:

- 1. reasonable expenses incurred at our request, but not loss of earnings;
- 2. premiums for bonds to release attachments and for appeal bonds in bond amounts up to the amount payable under this insurance;
- 3. litigation costs taxed against you;
- interest on a judgment as required by law until we offer the amount due under this insurance;
- 5. expenses we incur.

#### E. Other Insurance

We will not pay more than our share of benefits and costs covered by this insurance and other

insurance or self-insurance. Subject to any limits of liability that may apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance will be equal until the loss is paid.

#### F. Payments You Must Make

You are responsible for any payments in excess of the benefits regularly provided by the workers compensation law including those required because:

- 1. of your serious and willful misconduct;
- 2. you knowingly employ an employee in violation of law;
- you fail to comply with a health or safety law or regulation; or
- 4. you discharge, coerce or otherwise discriminate against any employee in violation of the workers compensation law.

If we make any payments in excess of the benefits regularly provided by the workers compensation law on your behalf, you will reimburse us promptly.

#### G. Recovery From Others

We have your rights, and the rights of persons entitled to the benefits of this insurance, to recover our payments from anyone liable for the injury. You will do everything necessary to protect those rights for us and to help us enforce them.

#### H. Statutory Provisions

These statements apply where they are required by law

- As between an injured worker and us, we have notice of the injury when you have notice.
- 2. Your default or the bankruptcy or insolvency of you or your estate will not relieve us of our duties under this insurance after an injury occurs.
- We are directly and primarily liable to any person entitled to the benefits payable by this insurance. Those persons may enforce our duties; so may an agency authorized by law. Enforcement may be against us or against you and us.
- 4. Jurisdiction over you is jurisdiction over us for purposes of the workers compensation law. We are bound by decisions against you under that law, subject to the provisions of this policy that are not in conflict with that law.
- 5. This insurance conforms to the parts of the

workers compensation law that apply to:

- a. benefits payable by this insurance;
- special taxes, payments into security or other special funds, and assessments payable by us under that law.
- 6. Terms of this insurance that conflict with the workers compensation law are changed by this statement to conform to that law.

Nothing in these paragraphs relieves you of your duties under this policy.

# PART TWO EMPLOYERS LIABILITY INSURANCE

#### A. How This Insurance Applies

This employers liability insurance applies to bodily injury by accident or bodily injury by disease. Bodily injury includes resulting death.

- 1. The bodily injury must arise out of and in the course of the injured employee's employment by vou.
- 2. The employment must be necessary or incidental to your work in a state or territory listed in Item 3.A. of the Information Page.
- 3. Bodily injury by accident must occur during the policy period.
- 4. Bodily injury by disease must be caused or aggravated by the conditions of your employment. The employee's last day of last exposure to the conditions causing or aggravating such bodily injury by disease must occur during the policy period.
- If you are sued, the original suit and any related legal actions for damages for bodily injury by accident or by disease must be brought in the United States of America, its territories or pos-sessions, or Canada.

#### B. We Will Pay

We will pay all sums that you legally must pay as damages because of bodily injury to your employees, provided the bodily injury is covered by this Employers Liability Insurance.

The damages we will pay, where recovery is permitted by law, include damages:

1. For which you are liable to a third party by reason of a claim or suit against you by that third party to recover the damages claimed against

- such third party as a result of injury to your employee;
- 2. For care and loss of services; and
- For consequential bodily injury to a spouse, child, parent, brother or sister of the injured employee; provided that these damages are the direct consequence of bodily injury that arises out of and in the course of the injured employee's employment by you; and
- Because of bodily injury to your employee that arises out of and in the course of employment, claimed against you in a capacity other than as employer.

#### C. Exclusions

This insurance does not cover:

- Liability assumed under a contract. This exclusion does not apply to a warranty that your work will be done in a workmanlike manner;
- Punitive or exemplary damages because of bodily injury to an employee employed in violation of law;
- Bodily injury to an employee while employed in violation of law with your actual knowledge or the actual knowledge of any of your executive officers;
- Any obligation imposed by a workers compensation, occupational disease, unemployment compensation, or disability benefits law, or any similar law;
- 5. Bodily injury intentionally caused or aggravated by you;
- Bodily injury occurring outside the United States
  of America, its territories or possessions, and
  Canada. This exclusion does not apply to bodily
  injury to a citizen or resident of the United
  States of America or Canada who is temporarily
  outside these countries;
- Damages arising out of coercion, criticism, demotion, evaluation, reassignment, discipline, defamation, harassment, humiliation, discrimination against or termination of any employee, or any personnel practices, policies, acts or omissions;
- Bodily injury to any person in work subject to the Longshore and Harbor Workers' Compensation Act (33 USC Sections 901-950), Non-appropriated Fund Instrumentalities Act (5 USC Sections 8171-8173), the Outer Continental Shelf Lands Act (43 USC Sections 1331-1356a.), the Defense Base Act (42 USC Sections 1651-1654), the Federal Coal Mine Safety and Health Act (30 USC Sections 801-945 ), any other federal workers or workmen's compensation law or other federal occupational disease law, or any amendments to these laws:

- Bodily injury to any person in work subject to the Federal Employers' Liability Act (45 USC Sections 51-60), any other federal laws obligating an employer to pay damages to an employee due to bodily injury arising out of or in the course of employment, or any amendments to those laws;
- Bodily injury to a master or member of the crew of any vessel;
- 11. Fines or penalties imposed for violation of federal or state law; and
- 12. Damages payable under the Migrant and Sea sonal Agricultural Worker Protection Act (29 USC Sections 1801-1872) and under any other federal law awarding damages for violation of those laws or regulations issued there under, and any amendments to those laws.

#### D. We Will Defend

We have the right and duty to defend, at our expense, any claim, proceeding or suit against you for damages payable by this insurance. We have the right to investigate and settle these claims, proceedings and suits.

We have no duty to defend a claim, proceeding or suit that is not covered by this insurance. We have no duty to defend or continue defending after we have paid our applicable limit of liability under this insurance.

#### E. We Will Also Pay

We will also pay these costs, in addition to other amounts payable under this insurance, as part of any claim, proceeding, or suit we defend:

- 1. Reasonable expenses incurred at our request, but not loss of earnings;
- 2. Premiums for bonds to release attachments and for appeal bonds in bond amounts up to the limit of our liability under this insurance;
- 3. Litigation costs taxed against you;
- Interest on a judgment as required by law until we offer the amount due under this insurance; and
- 5. Expenses we incur.

WC 00 00 00 B (Ed. 7/11)

#### F. Other Insurance

We will not pay more than our share of damages and costs covered by this insurance and other insurance or self-insurance. Subject to any limits of liability that apply, all shares will be equal until the loss is paid. If any insurance or self-insurance is exhausted, the shares of all remaining insurance and self-insurance will be equal until the loss is paid.

#### G. Limits of Liability

Our liability to pay for damages is limited. Our limits of liability are shown in Item 3.B. of the Information Page. They apply as explained below.

- Bodily Injury by Accident. The limit shown for "bodily injury by accident-each accident" is the most we will pay for all damages covered by this insurance because of bodily injury to one or more employees in any one accident.
  - A disease is not bodily injury by accident unless it results directly from bodily injury by accident.
- 2. Bodily Injury by Disease. The limit shown for "bodily injury by disease-policy limit" is the most we will pay for all damages covered by this insurance and arising out of bodily injury by disease, regardless of the number of employees who sustain bodily injury by disease. The limit shown for "bodily injury by disease-each employee" is the most we will pay for all damages because of bodily injury by disease to any one employee.
  - Bodily injury by disease does not include disease that results directly from a bodily injury by accident.
- 3. We will not pay any claims for damages after we have paid the applicable limit of our liability under this insurance.

#### H. Recovery From Others

We have your rights to recover our payment from anyone liable for an injury covered by this insurance. You will do everything necessary to protect those rights for us and to help us enforce them.

#### Actions Against Us

There will be no right of action against us under this insurance unless:

1. You have complied with all the terms of this policy; and

2. The amount you owe has been determined with our consent or by actual trial and final judgment. This insurance does not give anyone the right to add us as a defendant in an action against you to determine your liability. The bankruptcy or insolvency of you or your estate will not relieve us of our obligations under this Part.

# PART THREE OTHER STATES INSURANCE

### A. How This Insurance Applies

- 1. This other states insurance applies only if one or more states are shown in Item 3.C. of the Information Page.
- If you begin work in any one of those states after the effective date of this policy and are not insured or are not self-insured for such work, all provisions of the policy will apply as though that state were listed in Item 3.A. of the Information Page.
- 3. We will reimburse you for the benefits required by the workers compensation law of that state if we are not permitted to pay the benefits directly to persons entitled to them.
- If you have work on the effective date of this
  policy in any state not listed in Item 3.A. of the
  Information Page, coverage will not be afforded
  for that state unless we are notified within thirty
  days.

#### B. Notice

Tell us at once if you begin work in any state listed in Item 3.C. of the Information Page.

# PART FOUR YOUR DUTIES IF INJURY OCCURS

Tell us at once if injury occurs that may be covered by this policy. Your other duties are listed here.

- 1. Provide for immediate medical and other services required by the workers compensation law.
- 2. Give us or our agent the names and addresses of the injured persons and of witnesses, and other information we may need.
- 3. Promptly give us all notices, demands and legal

- papers related to the injury, claim, proceeding or suit
- 4. Cooperate with us and assist us, as we may request, in the investigation, settlement or defense of any claim, proceeding or suit.
- 5. Do nothing after an injury occurs that would interfere with our right to recover from others.
- Do not voluntarily make payments, assume obligations or incur expenses, except at your own cost.

#### PART FIVE-PREMIUM

#### A. Our Manuals

All premium for this policy will be determined by our manuals of rules, rates, rating plans and classifications. We may change our manuals and apply the changes to this policy if authorized by law or a governmental agency regulating this insurance.

#### B. Classifications

Item 4 of the Information Page shows the rate and premium basis for certain business or work classifications. These classifications were assigned based on an estimate of the exposures you would have during the policy period. If your actual exposures are not properly described by those classifications, we will assign proper classifications, rates and premium basis by endorsement to this policy.

#### C. Remuneration

Premium for each work classification is determined by multiplying a rate times a premium basis. Remuneration is the most common premium basis. This premium basis includes payroll and all other remuneration paid or payable during the policy period for the services of:

- all your officers and employees engaged in work covered by this policy; and
- 2. all other persons engaged in work that could make us liable under Part One (Workers Compensation Insurance) of this policy. If you do not have payroll records for these persons, the contract price for their services and materials may be used as the premium basis. This paragraph 2 will not apply if you give us proof that the employers of these persons lawfully secured their workers compensation obligations.

#### D. Premium Payments

You will pay all premium when due. You will pay the premium even if part or all of a workers compensation law is not valid.

#### E. Final Premium

The premium shown on the Information Page, schedules, and endorsements is an estimate. The final premium will be determined after this policy ends by using the actual, not the estimated, premium basis and the proper classifications and rates that lawfully apply to the business and work covered by this policy. If the final premium is more than the premium you paid to us, you must pay us the balance. If it is less, we will refund the balance to you. The final premium will not be less than the highest minimum premium for the classifications covered by this policy.

If this policy is canceled, final premium will be determined in the following way unless our manuals provide otherwise:

- If we cancel, final premium will be calculated pro rata based on the time this policy was in force. Final premium will not be less than the pro rata share of the minimum premium.
- 2. If you cancel, final premium will be more than pro rata; it will be based on the time this policy was in force, and increased by our short-rate cancelation table and procedure. Final premium will not be less than the minimum premium.

#### F. Records

You will keep records of information needed to compute premium. You will provide us with copies of those records when we ask for them.

#### G. Audit

You will let us examine and audit all your records that relate to this policy. These records include ledgers, journals, registers, vouchers, contracts, tax reports, payroll and disbursement records, and programs for storing and retrieving data. We may conduct the audits during regular business hours during the policy period and within three years after the policy period ends. Information developed by audit will be used to determine final premium. Insurance rate service organizations have the same rights we have under this provision.

#### PART SIX-CONDITIONS

#### A. Inspection

We have the right, but are not obliged to inspect your workplaces at any time. Our inspections are not safety inspections. They relate only to the insurability of the workplaces and the premiums to be charged. We may give you reports on the conditions we find. We may also recommend changes. While they may help reduce losses, we do not undertake to perform the duty of any person to provide for the health or safety of your employees or the public. We do not warrant that your workplaces are safe or healthful or that they comply with laws, regulations, codes or standards. Insurance rate service organizations have the same rights we have under this provision.

#### B. Long Term Policy

If the policy period is longer than one year and sixteen days, all provisions of this policy will apply as though a new policy were issued on each annual anniversary that this policy is in force.

### C. Transfer of Your Rights and Duties

Your rights or duties under this policy may not be transferred without our written consent.

If you die and we receive notice within thirty days after your death, we will cover your legal representative as insured.

#### D. Cancelation

- 1. You may cancel this policy. You must mail or deliver advance written notice to us stating when the cancelation is to take effect.
- 2. We may cancel this policy. We must mail or deliver to you not less than ten days advance written notice stating when the cancelation is to take effect. Mailing that notice to you at your mailing address shown in Item 1 of the Information Page will be sufficient to prove notice.
- 3. The policy period will end on the day and hour stated in the cancelation notice.
- Any of these provisions that conflict with a law that controls the cancelation of the insurance in this policy is changed by this statement to comply with the law.

#### E. Sole Representative

The insured first named in Item 1 of the Information Page will act on behalf of all insureds to change this policy, receive return premium, and give or receive notice of cancelation.

# Case 14-51667-KMS Doc 545 Filed 03/03/15 Entered 03/03/15 11:22:00 Desc Main Document Page 21 of 27

**IN WITNESS WHEREOF,** the Insurer has caused this Policy to be signed by its President, Secretary and Authorized Representative.

President National Union Fire Insurance Company of Pittsburgh, PA

President
The Insurance Company
of The State of Pennsylvania

President
Commerce and Industry
Insurance Company

President
Illinois National Insurance Company

President American Home Assurance Company

President Chartis Property Casualty Company

President
Granite State Insurance Company

President
New Hampshire Insurance Company

Dinto 1

Secretary

National Union Fire Insurance Company of Pittsburgh, PA
American Home Assurance Company
The Insurance Company of The State of Pennsylvania
Chartis Property Casualty Company
Commerce and Industry Insurance Company
Granite State Insurance Company
Illinois National Insurance Company
New Hampshire Insurance Company

WC 00 00 00 B

## Mississippi Workers' Compensation Commission

1428 Lakeland Drive / Post Office Box 5300 Jackson, Mississippi 39296-5300 601-987-4202

http://www.mwcc.ms.gov

Liles Williams, Chairman Debra H. Gibbs, Commissioner Thomas A. Webb, Commissioner James Homer Best, Administrative Judge Shirley Williams, Legal Assistant Teresa Scallorn, Docket Administrator

**OCTOBER 3, 2014** 

### OFFICIAL NOTICE OF HEARING

MWCC NO.

1205358-M-1175 - D

**HEARING:** 

ON THE MERITS

TDDX/ GGI IDD

DATE:

**NOVEMBER 25, 2014** 

CLAIMANT:

JERRY SCUDDER

TIME:

01:30PM

**EMPLOYER:** 

MISSISSIPPI PHOSPHATES CORP.

**ADMINISTRATIVE JUDGE:** 

JAMES HOMER BEST

**CARRIER:** 

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

ATTORNEYS:

JONATHAN SHOLTIS, ESQUIRE

KARL ROY STEINBERGER, ESQUIRE

LOCATION:

JACKSON COUNTY COURTHOUSE

**CHANCERY MASTERS 209** 

PASCAGOULA MS

\*\*\* At the evidentiary hearing, the Administrative Judge will have a scanned copy of the Commission file on disc, not a hard copy of the Commission file. Please bring hard copies of all proposed exhibits. Proponent, opposing counsel, and the Commission each will need a hard copy.



<sup>\*\*\*</sup> The Commission does not send hearing notices to parties who are represented by counsel.

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# BEFORE THE MISSISSIPPI WORKERS' COMPENSATION COMMISSION MWCC NO.1205358-M-1175

JERRY SCUDDER

**CLAIMANT** 

VS.

MISSISSIPPI PHOSPHATES CORPORATION

**EMPLOYER** 

AND

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

**CARRIER** 

#### SUGGESTION OF BANKRUPTCY

Employer, Mississippi Phosphates Corporation ("MPC" or the "Debtor"), hereby gives notice that on October 27, 2014 (the "Petition Date"), MPC filed its voluntary bankruptcy petition under title 11, chapter 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the Southern District of Mississippi (the "Bankruptcy Court"). This bankruptcy case (the "Bankruptcy Case") was assigned Case No. 14-51667-KMS and is currently pending before the Bankruptcy Court. A copy of the Notice of Filing of Bankruptcy Case issued by the clerk of the Bankruptcy Court is attached hereto as Exhibit "A".

- 1. The filing of a bankruptcy petition automatically operates as a stay of certain proceedings against the Debtor and its property, as well as against property of the bankruptcy estate. The automatic stay, as codified under 11 U.S.C. § 362(a), operates as a stay, applicable to all entities, of "the commencement or continuation, including the issuance or employment of process, of a judicial, administrative, or other action or proceeding against the debtor that was or could have been commenced before the commencement of the case under this title, or to recover a claim against the debtor that arose before the commencement of the case under [title 11]."
- 2. The voluntary bankruptcy petition creates a bankruptcy estate, which is comprised of all of the property of MPC, both real and personal, as of the Petition Date. See,

EXHIBIT 5

11 U.S.C. §541(a). Pursuant to 28 U.S.C. § 1334 (e), the district court in which a case under title 11 is commenced has exclusive jurisdiction of all of the property, wherever located, of the Debtor as of the commencement of the bankruptcy case, and of property of the bankruptcy estate...

- 3. All of the alleged actions giving rise to this civil action by JERRY SCUDDER (the "Claimant") arose or accrued on June 1, 2012, which was prior to the Petition Date. Pursuant to applicable law, including, but not limited to Section 362 of the Bankruptcy Code, the claims of the Claimant in the present action are subject to the automatic stay and may not be prosecuted without first obtaining relief from the automatic stay from the Bankruptcy Court.
- that the Debtor or the Court take any affirmative action, such as entering a specific order, to give rise to the automatic stay as the filing of the petition gives rise to the automatic stay." *In re Briskey*, 258 B.R. 473, 476 (Bankr. M.D. Ala. 2001). Upon receiving notice of the Bankruptcy Case, the Claimant "must not only cease from taking any affirmative action which would violate the automatic stay, [he] must also take all necessary affirmative action to stop proceedings which are in violation of the automatic stay." *Id.* at 477.
- 5. Accordingly, MPC respectfully requests this Court to stay all proceedings in this case in accordance with 11 U.S.C. § 362(a).
- 6. MPC reserves its right to seek to have this case transferred to the United States District Court for the Southern District of Mississippi and then to have this case referred to the Bankruptcy Court, as well as seeking appropriate relief against the Claimant in the event of a violation of the automatic stay.

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This, the day of October 2014.

Respectfully submitted,

MISSISSIPPI PHOSPHATES CORPORATION

By:

Karl R. Steniberger

### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on the date set forth hereinafter, a true and correct copy of the above and foregoing Suggestion of Bankruptcy was served, via U.S. mail, first-class, postage prepaid, to Claimant's attorney:

Jonathan Sholtis, Esquire Deakle, Sholtis & Hamil, LLC P.O. Box 1031 Mobile, AL \_ 36633

THIS the \_\_\_\_\_\_ day October, 2014.

Karl R! Steinberger

HEIDELBERG, STEINBERGER COLMER & BURROW, P.A. 711 Delmas Avenue P. O. Box 1407 Pascagoula, MS 39568-1407

T: 228-762-8021 F: 228-762-7589

Email: ksteinberger@hscbpa

10/27/2014

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CM/ECF - U.S. Bankruptcy Court:mssb

United States Bankruptcy Court Southern District of Mississippi

# Notice of Bankruptcy Case Filing

A bankruptcy case concerning the debtor(s) listed below was filed under Chapter 11 of the United States Bankruptcy Code, entered on 10/27/2014 at 09:14 AM and filed on 10/27/2014.

Mississippi Phosphates Corporation

601 Industrial Road Pascagoula, MS 39581 Tax ID / EIN: 64-0794981



The case was filed by the debtor's attorney:

Stephen W. Rosenblatt

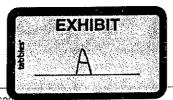
Butler Snow LLP P.O. Box 6010 Ridgeland, MS 39158-6010 601-985-4504

The case was assigned case number 14-51667-KMS to Judge Katharine M. Samson.

In most instances, the filing of the bankruptcy case automatically stays certain collection and other actions against the debtor and the debtor's property. Under certain circumstances, the stay may be limited to 30 days or not exist at all, although the debtor can request the court to extend or impose a stay. If you attempt to collect a debt or take other action in violation of the Bankruptcy Code, you may be penalized. Consult a lawyer to determine your rights in this case.

If you would like to view the bankruptcy petition and other documents filed by the debtor, they are available at our *Internet* home page www.mssb.uscourts.gov or at the Clerk's Office, Dan M. Russell, Jr. U.S. Courthouse, 2012 15th Street, Suite 244, Gulfport, MS 39501.

You may be a creditor of the debtor. If so, you will receive an additional notice from the court setting forth important deadlines.



Danny L. Miller Clerk, U.S. Bankruptcy Court

# Mississippi Workers' Compensation Commission

1428 Lakeland Drive / Post Office Box 5300 Jackson, Mississippi 39296-5300 601-987-4202 http://www.mwcc.state.ms.us

Liles Williams, Chairman Debra H. Gibbs, Commissioner Thomas A. Webb, Commissioner

James Homer Best, Administrative Judge Shirley Williams, Legal Assistant Teresa Scallorn, Docket Administrator

NOVEMBER 5, 2014

# OFFICIAL NOTICE CANCELLATION OF HEARING

**MWCC NO.** 1205358-M-1175 - D

**HEARING:** ON THE MERITS

CLAIMANT: JERRY SCUDDER

DATE: NOVEMBER 25, 2014

TIME:

01:30PM

EMPLOYER:

MISSISSIPPI PHOSPHATES CORP.

ADMINISTRATIVE JUDGE:
JAMES HOMER BEST

#### **CARRIER:**

THE INSURANCE COMPANY OF THE STATE OF PENNSYLVANIA

#### ATTORNEYS:

JONATHAN SHOLTIS, ESQUIRE

KARL ROY STEINBERGER, ESQUIRE

#### LOCATION:

JACKSON COUNTY COURTHOUSE CHANCERY MASTERS 209 PASCAGOULA MS

UNLESS THIS CASE HAS BEEN SETTLED OR ALREADY RESET FOR HEARING, COUNSEL SHOULD CONTACT THE DOCKET ROOM AS SOON AS POSSIBLE TO RESCHEDULE A HEARING.

\*\*\* The Commission does not send hearing notices to parties who are represented by counsel.

