UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	**Chapter 11**
ST. FRANCIS' HOSPITAL, POUGHKEEPSIE, NEW YORK, *et al.*,[1]	:	**Case No. 13-37725 (CGM)**
	:	**(Jointly Administered)**
Debtors.	:	

STIPULATION AND AGREED ORDER MODIFYING THE STAY AND LIMITING RECOVERY TO PROCEEDS OF AVAILABLE INSURANCE

(Name of Claimant James Smith, Claim No.680)

THIS CAUSE coming before the Court on the agreement between Chad J. Shandler, solely in his capacity as plan administrator (the "Plan Administrator"), on behalf of St. Francis' Hospital, Poughkeepsie, New York ("St. Francis") and its affiliated reorganized debtors (collectively, the "Debtors"), and JAMES SMITH (the "Claimant"), to modify the automatic stay and stay and injunction provisions of the Plan in connection with the Action (as defined below) against the Debtors, but limiting all recovery solely to any available insurance coverage; and the Court being fully advised of the following agreement between the parties:

A. On December 17, 2013 (the "Petition Date"), the Debtors filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases").

B. Prior to the Petition Date, the Claimant commenced an action against the Debtors styled as JAMES SMITH v. HUDSON VALLEY CENTER at ST. FRANCIS, L.L.C., MID HUDSON MEDICAL GROUP, P.C., ROBERT MORGANTINI, R.N.F.A. and SPYROS PANOS, M.D.,

[1] The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number include: St. Francis' Hospital, Poughkeepsie, New York (8503), Saint Francis Home Care Services Corporation (3842), SFH Ventures, Inc. (0024), Saint Francis Health Care Foundation, Inc. (5066), and Saint Francis Hospital Preschool Program (1079).

containing allegations of medical malpractice against the Debtors in the SUPREME COURT OF THE STATE OF NEW YORK COUNTY OF DUTCHESS as Case No. 1835/13 (the "Action").

C. Upon the commencement of the Chapter 11 Cases, the Action was stayed by operation of section 362(a) of the Bankruptcy Code.

D. On or about April 11, 2014, the Claimant filed a proof of claim in the Chapter 11 Cases, asserting a claim in an amount which exceeds the jurisdictional limits of all lower courts (the "Claim") in connection with the allegations raised in the Action. The Claim has been assigned Claim No. 680 in the claims register maintained in the Chapter 11 Cases.

E. Pursuant to an order dated July 1, 2014, Docket No. 729 (the "Order"),[2] in the event Claimants or any Relevant Carrier (as defined in the Order) opts out of the Mediation process pursuant to the Stay Modification Option, this Court authorized the Debtors to enter into and file stipulations with the Court modifying the automatic stay for the sole purpose of permitting the Claimants or any Relevant Carrier to litigate the Medical Malpractice Claims in a forum outside of this Court, but limiting all recovery solely to any available insurance coverage.

F. On April 30, 2014, the Bankruptcy Court entered its order confirming the Debtors' First Amended Joint Plan of Reorganization Under Chapter 11 of the Bankruptcy Code (the "Plan") which contains an injunction and for the continuation of the automatic stay.

G. In accordance with the Order, the Plan Administrator, on behalf of the Debtors, has agreed to modify the injunction and stay provisions contained in sections 10.6 and 10.12 of the Plan solely to permit the Claimant, the Debtors, and any Relevant Carrier to litigate the Claim, but limiting all recovery solely to any available insurance coverage, it being understood

[2] Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Order.

that the Plan Administrator, the Debtors, and the Relevant Carrier make no representation as to the availability, applicability or amount of any such insurance applicable to the Action.

IT IS THEREFORE STIPULATED, AGREED AND ORDERED as follows:

1. The foregoing recitals are hereby fully incorporated into and made an express part of this Stipulation and Agreed Order.

2. Effective as of the date hereof, the automatic stay imposed in the Chapter 11 Cases pursuant to section 362(a) of the Bankruptcy Code, and the injunction and stay provisions contained in sections 10.6 and 10.12 of the Plan, as extended by the Order, are hereby modified for the sole purpose of allowing the Action to proceed to judgment or settlement in a forum other than this Court; provided, however, that (a) any recovery by the Claimant in the Action against the Relevant Carrier, the Debtors or the Medical Professionals shall be limited solely to any available insurance coverage of the Debtors or Medical Professionals as the case may be (the "Coverage"); (b) other than as set forth in (2)(a) above, the Claimant (i) withdraws with prejudice any and all claims filed against the Debtors or the Medical Professionals in these Chapter 11 proceedings, including, without limitation, claim numbers [680] for any damages that exceed the amount of the Coverage and (ii) waives and releases any and all other claims against the Debtors and the Medical Professionals for any damages that exceed the amount of the Coverage; and (c) each party shall bear its own legal fees and defense costs and other related fees and expenses in connection with any such litigation.

3. The Debtors' claims and noticing agent, BMC Group, Inc., is hereby authorized to amend the claims register, for purposes of calculating distributions only, to reflect that the Claimants' claims as against the Debtors' estates are $0.00.

4. Except as otherwise set forth herein, the provisions of section 362 of the Bankruptcy Code and the stay and injunction provisions of the Debtors' Plan, including, without limitation, those provisions prohibiting execution, enforcement, or collection of any judgment that may be obtained against the Debtors shall remain in full force and effect, and neither the Claimant, nor his or her agents, attorneys or representatives shall take any action to execute, enforce or collect on any such judgment against the Debtors or their estates.

5. This Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Stipulation and Agreed Order.

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6. This Stipulation and Agreed Order is solely to allow the parties to litigate the Claim outside of this Court (but limiting all recovery solely to any available insurance coverage) and this Stipulation and Agreed Order shall not be construed as an admission of liability by the Plan Administrator, the Relevant Carrier, the Debtors, or their estates in connection with the Claim.

AGREED TO IN FORM AND SUBSTANCE:

ALSTON & BIRD LLP

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Counsel to the Claimant

SO ORDERED:

Dated: May 6, 2015
Poughkeepsie, New York

/s/ Cecelia G. Morris
Hon. Cecelia G. Morris
Chief U.S. Bankruptcy Judge