

Christopher Grivakes, Cal. Bar No. 127994
AFFELD GRIVAKES LLP
2049 Century Park East, Suite 2460
Los Angeles, CA 90067
Telephone: (310) 979-8700
Email: cg@agzlaw.com
Admitted Pro Hac Vice

M. Darin Hammond, Bar No. 6741
SMITH KNOWLES, P.C.
2225 Washington Blvd., Suite 200
Ogden, UT 84401
Telephone: (801) 476-0303
Email: dhammond@smithknowles.com

*Counsel for David J. Richards, Clinton W. Walker, David D. McMullin
Clarity Copper, LLC and Skye Mineral Investors, LLC*

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF UTAH, CENTRAL DIVISION**

In Re: CS MINING, LLC, Debtor.	Chapter 11 No.: 16-24818-WTT Adversary No.: 16-02118 Hon. William T. Thurman
WATERLOO STREET LIMITED, a British Virgin Islands limited company, et al., Plaintiffs, vs. DAVID RICHARDS, LLC, an Ohio limited liability company, et al., Defendants.	

**STIPULATION FOR RELIEF FROM THE AUTOMATIC STAY TO THE EXTENT
APPLICABLE, AUTHORIZING THE ADVANCEMENT OF DEFENSE COSTS, UNDER
THE DEBTORS' PRIVATE COMPANY MANAGEMENT
LIABILITY & CRIME INSURANCE POLICY**

I. RECITALS

WHEREAS, CS Mining, LLC (“Debtor”), the debtor-in-possession in this Chapter 11 Bankruptcy proceeding, is insured under Private Company Management Liability & Crime insurance policy, policy no. PCD 9300026-02 (the “Policy”) issued by Arch Insurance Company (“Arch”);

WHEREAS, the Policy provides certain insurance coverage to, among others, the Debtor and its directors, officers and members of the Debtor’s board of managers;

WHEREAS, on July 21, 2016, PacNet Capital (US) Limited and Waterloo Street Limited filed an adversary action in this Court styled *PacNet Capital (US) Limited, et al. v. David Richards, LLC, et al., Adversary Proceeding No. 16-02118* (the “Adversary Proceeding”);

WHEREAS, Clinton W. Walker, David D. McMullin and David J. Richards (the “Defendants”) are named as defendants in the Adversary Proceeding;

WHEREAS, the Defendants are “Insureds” under the Policy and have requested Arch advance the costs of defense (the “Defense Costs,” as further defined in the Policy) in the Adversary Proceeding;

WHEREAS, the Debtor has previously advanced, subject to all rights, claims and defenses the Debtor may have or hold against the Defendants, One Hundred Thousand Dollars (\$100,000) in Defense Costs on behalf of the Defendants in connection with the Adversary Proceeding;

WHEREAS, Arch has agreed, subject to certain conditions and a complete reservation of rights, to advance Three Hundred Thousand Dollars (\$300,000) in Defense Costs to the Defendants in connection with the Adversary Proceeding, inclusive of invoices already

submitted to Arch totaling One Hundred Fifty Nine Thousand Two Hundred and Six Dollars and Eighty Five Cents (\$159,206.85) for legal services and expenses incurred on behalf of the Defendants in the Adversary Proceeding;

WHEREAS, the invoices submitted to Arch by the Defendants are in excess of the One Hundred Thousand (\$100,000.00) in Defense Costs previously advanced by the Debtor to the Defendants in the Adversary Proceeding;

WHEREAS, the Debtor maintains that the Policy is property of the Debtor and its bankruptcy estate. The Debtor further maintains that it holds an interest in the proceeds of the Policy, including, but not limited to, any proceeds that may be used to defend and indemnify the Defendants in the Adversary Proceeding;

WHEREAS, no determination is made, or is necessary to be made, at this time regarding: (a) whether any insurance proceeds under the Policy are property of the Debtor or the Debtor's estates and (b) whether the Debtor or the Debtor's bankruptcy estate have, or hold, an interest in the proceeds from the Policy.

WHEREFORE, without waiver of any rights, claims, demands, defenses, causes of action and/or remedies, the Debtor, Defendants and Arch agree and stipulate, by and through their undersigned counsel:

II. STIPULATION

1. The automatic stay of Bankruptcy Code section 362(a) is hereby modified in favor of Arch and the Defendants to the extent necessary to allow for the advancement of Three Hundred Thousand (\$300,000) of Defense Costs on behalf of the Defendants in connection with the defense of the Adversary Proceeding.

2. The advancement of Defense Costs to the Defendants under this Stipulation and the Policy is authorized only to the extent that such proceeds are, or will be, used by the Defendants to pay Defense Costs incurred in connection with the Adversary Proceeding. The Defense Costs advanced to the Defendants under this Stipulation and the Policy shall not be used in connection with any counterclaim or cross claims that may be asserted in the Adversary Proceeding by the Defendants. Nor shall the Defense Costs be used in connection with any other proceeding, administrative proceeding, civil or criminal litigation, civil or criminal investigation, or other civil or criminal proceeding brought by or against the Defendants;

3. This Stipulation shall not modify or alter any provision of the Policy.

4. This Stipulation is without prejudice to any right, defense, counterclaim, term, condition, exclusion or endorsement that might be raised by Arch as a limitation or denial of coverage under the Policy and nothing contained herein or any action taken as a result of this Stipulation, including without limitation, the payment of Defense Costs, shall be considered a waiver of any such right, defense, counterclaim, term, condition, exclusion or endorsement.

5. This Stipulation is without prejudice to the right of the Debtor, Arch or the Defendants to seek other or further relief with respect to the Policy, the payment of Defense Costs or the automatic stay as the same may relate to the Policy and its proceeds.

6. Nothing in this Stipulation shall impair the rights of the Debtor or the Debtor's bankruptcy estate to seek further information relating to the Defense Costs advanced or reimbursed to the Defendants under the Policy.

7. The Debtor, Defendants and Arch further agree that the Bankruptcy Court shall retain jurisdiction with respect to all matters arising from or related to the implementation, interpretation and/or enforcement of this Stipulation.

AGREED TO BY:

/s/ Donald J. Detweiler

Donald J. Detweiler

Francis J. Lawall

John H. Schanne, II

Pepper Hamilton LLP

Hercules Plaza, Suite 5100

1313 N. Market Street

Wilmington, DE 19899-1709

E-mail: detweild@pepperlaw.com

lawallf@pepperlaw.com

schannej@pepperlaw.com

-and-

David Leta (1937)

Troy Aramburu (10444)

Jeff Tuttle (14500)

Snell & Wilmer L.L.P.

15 W South Temple, Suite 1200

Salt Lake City, Utah 84101

Email: dleta@swlaw.com

taramburu@swlaw.com

jtuttle@swlaw.com

Counsel to CS Mining, LLC

/s/ Christopher Grivakes

Christopher Grivakes

Affeld Grivakes LLP

2049 Century Park East

Suite 2460

Los Angeles, CA 90067

Email: cg@agzlaw.com

-and-

M. Darin Hammond
SMITH KNOWLES, P.C.
2225 Washington Blvd., Suite 200
Ogden, UT 84401
Email: dhammond@smithknowles.com

*Counsel for David J. Richards, Clinton W. Walker, David D. McMullin
Clarity Copper, LLC and Skye Mineral Investors, LLC*

/s/ Kevin Mikulaninec
Kevin Mikulaninec
Walker Wilcox Matousek LLP
One North Franklin Street, Suite 3200
Chicago, IL 60606
Email: kmikulaninec@wwmlawyers.com

Counsel for Arch Insurance Company

CERTIFICATE OF SERVICE
BY NOTICE OF ELECTRONIC FILING (CM/ECF)

I hereby certify that on the 14th day of February, 2018, I electronically filed the foregoing, **STIPULATION FOR RELIEF FROM THE AUTOMATIC STAY TO THE EXTENT APPLICABLE, AUTHORIZING THE ADVANCEMENT OF DEFENSE COSTS, UNDER THE DEBTORS' PRIVATE COMPANY MANAGEMENT LIABILITY & CRIME INSURANCE POLICY**, with the United States Bankruptcy Court for the District of Utah by using the CM/ECF system. I further certify that the parties of record in this case, as identified below, are registered CM/ECF users and will be served through the CM/ECF system:

- James W. Anderson jwa@clydesnow.com, jritchie@clydesnow.com
- Troy J. Aramburu taramburu@swlaw.com, nharward@swlaw.com, docket_slc@swlaw.com, sballif@swlaw.com
- J. Thomas Beckett tbeckett@parsonsbehle.com, ecf@parsonsbehle.com; brothschild@parsonsbehle.com; kstankevitz@parsonsbehle.com
- Darwin H. Bingham dbingham@scalleyreading.net, cat@scalleyreading.net
- Stephen T. Bobo sbobo@reedsmith.com
- Kyle A. Brannon kbrannon@nexsenpruet.com
- Scott S Bridge sbridge@keslerrust.com
- Martin J. Brill mjb@lnbyb.com
- Mona Lyman Burton mburton@hollandhart.com, intaketeam@hollandhart.com; slclitdocket@hollandhart.com; lcpaul@hollandhart.com
- Keith A. Call kcall@scmlaw.com, hae@scmlaw.com
- Kenneth L. Cannon kcannon@djplaw.com, khughes@djplaw.com
- Laurie A. Cayton tr laurie.cayton@usdoj.gov, James.Gee@usdoj.gov; Lindsey.Huston@usdoj.gov; Suzanne.Verhaal@usdoj.gov
- Patricia W. Christensen pchristensen@parrbrown.com
- Christopher B. Chuff chuffc@pepperlaw.com
- Joanna J. Cline clinej@pepperlaw.com
- Joseph M.R. Covey calendar@parrbrown.com; nmckean@parrbrown.com
- P. Matthew Cox bankruptcy_pmc@scmlaw.com
- Robert T. Denny rtd@scmlaw.com, ajm@scmlaw.com
- Andres' Diaz courtmail@adexpresslaw.com
- Timothy D. Ducar tducar@azlawyers.com, orders@azlawyers.com
- Victoria B. Finlinson vbf@clydesnow.com
- Philip A. Gasteier pag@lnbyb.com
- Matthew A. Gold courts@argopartners.net
- Christopher Grivakes cg@agzlaw.com
- Robert W. Hamilton rwhamilton@jonesday.com
- M. Darin Hammond dhammond@smithknowles.com, astevenson@smithknowles.com
- George B. Hofmann ghofmann@cohnekinghorn.com, dhaney@cohnekinghorn.com; jthorsen@cohnekinghorn.com
- Paul C. Huck paulhuck@jonesday.com, ramoncastillo@jonesday.com
- David W. Hunter davidh@fisherhunterlaw.com
- Pedro A. Jimenez pjimenez@jonesday.com
- Michael R. Johnson mjohnson@rqn.com, docket@rqn.com; dburton@rqn.com

- Peter J. Kuhn tr Peter.J.Kuhn@usdoj.gov,
James.Gee@usdoj.gov;Lindsey.Huston@usdoj.gov;Suzanne.Verhaal@usdoj.gov
- Brian R. Langford brian@mhtmlawoffices.com, brian@mhtmlawoffice.com
- David H. Leigh dleigh@rqn.com, dburton@rqn.com;docket@rqn.com
- David E. Leta dleta@swlaw.com, wkalawaia@swlaw.com;csmart@swlaw.com
- Andrew C. Lillie andrew.lillie@hoganlovells.com
- Jessica Black Livingston jessica.livingston@hoganlovells.com
- Ralph R. Mabey rmabey@kmclaw.com
- Adelaide Maudsley amaudsley@kmclaw.com, tslaughter@kmclaw.com
- Steven J. McCardell smccardell@djplaw.com, khughes@djplaw.com
- Scott O. Mercer som@keslerrust.com
- Krikor J. Meshefejian kjm@lnbyb.com
- Elijah L. Milne emilne@djplaw.com, pbricker@djplaw.com
- Matt Munson matt@mamunsonlaw.com, chris@mamunsonlaw.com
- Sherilyn A. Olsen solsen@hollandhart.com,
slclitdocket@hollandhart.com;intaketteam@hollandhart.com;cfries@hollandhart.com
- Ellen E Ostrow eeostrow@hollandhart.com,
mkthurgood@hollandhart.com;intaketteam@hollandhart.com;lahansen@hollandhart.com
- A.M. Cristina Perez Soto cperezsoto@jonesday.com
- Lester A. Perry lap@hooleking.com, apb@hooleking.com
- Thomas W. Peters twp@psplawyers.com, hj@psplawyers.com
- David L. Pinkston bankruptcy_dlp@scmlaw.com
- George W. Pratt gpratt@joneswaldo.com
- Adam H Reiser areiser@cohnekinghorn.com
- Walter A Romney war@clydesnow.com, mmann@clydesnow.com
- Brian M. Rothschild brothschild@parsonsbehle.com, ecf@parsonsbehle.com
- John H. Schanne schannej@pepperlaw.com,
henrys@pepperlaw.com;molitorm@pepperlaw.com
- Chris L. Schmutz chrisschmutz.pc@gmail.com,
hillaryschmutz@yahoo.com;r60588@notify.bestcase.com
- Jeremy C. Sink jsink@mbt-law.com
- Stephen Styler steve@stylerdaniels.com
- Richard C. Terry richard@tjblawyers.com, cbcecf@yahoo.com
- Jeff D. Tuttle jtuttle@swlaw.com, jpollard@swlaw.com;docket_slc@swlaw.com
- United States Trustee USTPRegion19.SK.ECF@usdoj.gov
- Jessica P Wilde jwilde@joneswaldo.com
- Mark W Williams mwilliams@shermanhoward.com,
nhedges@shermanhoward.com;efiling@sah.com;bmc alister@shermanhoward.com
- Kim R. Wilson bankruptcy_krw@scmlaw.com
- Lee E. Woodard lwoodard@harrisbeach.com
- Beth Ann R. Young bry@Lnbyb.com
- P. Matthew x2Cox bankruptcy_pmc@scmlaw.com
- Gale K. x6Francis txbk13@utah.gov

CERTIFICATE OF SERVICE
BY MAIL, OTHER

I hereby certify that on the 14th day of February, 2018, I caused to be served a true and correct copy of the foregoing, **STIPULATION FOR RELIEF FROM THE AUTOMATIC STAY TO THE EXTENT APPLICABLE, AUTHORIZING THE ADVANCEMENT OF DEFENSE COSTS, UNDER THE DEBTORS' PRIVATE COMPANY MANAGEMENT LIABILITY & CRIME INSURANCE POLICY**, as follows:

Mail Service – By regular first class United States mail, postage fully pre-paid, addressed to:

Donald J. Detweiler
Pepper Hamilton, LLP
Hercules Plaza, Suite 5100
1313 North Market Street
P.O. Box 1709
Wilmington, DE 19899-1709

Edward C. Dolan
Hogan Lovells US LLP
555 Thirteenth Street, NW
Washington, DC 20004

Epiq Bankruptcy Solutions, LLC
777 Third Ave, 12th Floor
New York, NY 10017

FTI Consulting, Inc.
1001 17th St. #1100
Attn: David Beckman
Denver, CO 80202

Francis J. Lawall
Pepper Hamilton
3000 Two Logan Square
Eighteenth and Arch Streets
Philadelphia, PA 19103-2799

Levene, Neale, Bender, Yoo & Brill L.L.P.
10250 Constellation Blvd.
Suite 1700
Los Angeles, CA 90067

Damion Robinson
2049 Century Park East
Suite 2460
Los Angeles, CA 90067

Jason V. Stitt

Keating Muething & Klekamp PLL
One East Fourth Street
Suite 1400
Cincinnati, OH 45202

/s/ M. Darin Hammond

M. Darin Hammond

*Attorney for Defendants David J. Richards, Clinton
W. Walker, David D. McMullin, Clarity Copper,
LLC, and Skye Mineral Investors, LLC*