

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

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In re:

SHELTERING ARMS CHILDREN AND
FAMILY SERVICES, INC.

Chapter 11

Case No. 24-41037 (JMM)

Debtor.
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**STIPULATION AND AGREED ORDER MODIFYING THE AUTOMATIC STAY
AND LIMITING RECOVERY TO PROCEEDS OF AVAILABLE INSURANCE**

**(Claimants: A. J. a Minor Child by Her Mother and Natural Guardian,
Shameika Williams and Shameika Williams, Individually)**

THIS CAUSE coming before the United States Bankruptcy Court for the Eastern District of New York (the or this “**Court**”) on the agreement between Sheltering Arms Children and Family Services, Inc. (“**Sheltering Arms**” or the “**Debtor**”)¹ a as debtor and debtor-in-possession in this chapter 11 case (the “**Chapter 11 Case**”), A. J., a minor child by her mother and natural guardian Shameika Williams, and Shameika Williams, individually (each a “**Claimant**” and, collectively, the “**Claimants**”), to modify the automatic stay in connection with the Action (as defined below) against the Debtor, but limiting all recovery against the Debtor, or any person or entity that may have any indemnification claim against the Debtor, solely to any available insurance coverage; and the Court being fully advised of the following agreement (the “**Stipulation and Agreed Order**”) between the parties:

A. On March 7, 2024 (the “**Petition Date**”), the Debtor filed a voluntary petition for relief under chapter 11 of Title 11 of the United States Code (the “**Bankruptcy Code**”).

¹ The last four digits of the Debtor’s federal tax identification number are 9095.

B. Prior to the Petition Date, the Claimants commenced a personal injury action against the Debtor and certain third-parties, in the Supreme Court of the State of New York, County of Queens, styled as *A. J. an infant by her mother and natural guardian, Shameika Williams, et al. v. Sheltering Arms Children and Family Services, Inc., et al.*, Index No. 726520/2021 (the “**Action**”).

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

D. The Claimants, through counsel, have filed three proofs of claim in the Debtor’s Chapter 11 Case, which have been designated as claim numbers 48, 49, and 50 (each a “**Claim**” and, collectively, the “**Claims**”) on the Debtor’s official claims register, each of which asserts a general unsecured claim in the amount of \$100,000.00.

E. In connection with the Action, the Claimants are seeking relief from the automatic stay for the sole purpose of proceeding with the Action. The Claimants have agreed to limit any recovery that may be obtained against the Debtor, or against any person or entity that may have any indemnification claim against the Debtor, in connection with the Action solely to the proceeds of any available insurance coverage and to waive any and all claims against the Debtor’s bankruptcy estate, including, but not limited to, the Claims.

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 this Stipulation and Agreed Order is “so-ordered” by the Court, the automatic stay imposed in the Chapter 11 Case pursuant to section 362(a) of the Bankruptcy Code is 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 Claimants in the Action against the Debtor, or any person or entity that may have any indemnification claim against the Debtor shall be limited solely to any available insurance coverage of the Debtor; (b) each Claimant: (i) waives the right, if any, to file a claim against the Debtor's bankruptcy estate in this Chapter 11 Case, and (ii) waives and releases any and all claims as against the Debtor's bankruptcy estate, including, without limitation: (A) the Claims, and (B) any claims for legal fees and costs and other related fees and expenses in connection with the Action and/or this Stipulation; *provided, however*, that this shall in no way be deemed or construed as a waiver and/or release of either Claimant's rights to pursue and recover damages awarded in connection with the Action, whether jointly or severally, from any applicable insurance policies maintained by the Debtor; (c) each party shall bear its own legal fees and costs and other related fees and expenses in connection with the Action and/or this Stipulation; and (d) the Debtor shall not be required to participate in any way in the Action.

3. Except as otherwise set forth herein, the provisions of section 362 of the Bankruptcy Code, including, without limitation, those provisions prohibiting execution, enforcement, or collection of any judgment that may be obtained against the Debtor shall remain in full force and effect, and neither Claimant, nor any of their agents, attorneys or representatives shall take any action to execute, enforce or collect on any such judgment against the Debtor or its bankruptcy estate. Notwithstanding the foregoing, the provisions of this paragraph shall in no way be deemed or construed to prevent the Claimants from seeking execution, enforcement, or collection of any judgment that may be obtained against the Debtor from the carriers providing insurance coverage to the Debtor.

4. This Stipulation and Agreed Order may be executed in multiple counterparts, each of which shall be deemed an original, including any facsimile or “PDF” counterparts, and which together shall constitute one and the same agreement.

5. This Stipulation and Agreed Order constitutes the entire agreement between the parties and may not be amended or modified in any manner except by a writing signed by each of the parties or their counsel and approved by the Court.

6. Each party and signatory to this Stipulation and Agreed Order represents and warrants to each other party hereto that such party or signatory has full power, authority and legal right and has obtained all approvals and consents necessary to execute, deliver and perform all actions required under this Stipulation.

7. 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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8. This Stipulation and Agreed Order is solely to allow the Claimants to proceed with the Action in the forum where filed and to liquidate the claims against the Debtor (but limiting all recovery against the Debtor, or any party or entity that may have any indemnification claim against the Debtor, solely to any available insurance coverage and this Stipulation and Agreed Order shall not be construed as an admission of liability by the Debtor, or its bankruptcy estate, in connection with the Action.

AGREED TO IN FORM AND SUBSTANCE:

GARFUNKEL WILD, P.C.

By: /s/ Adam T. Berkowitz
Adam T. Berkowitz, Esq.
Michael D. Goldberg, Esq.
111 Great Neck Road, 6th Floor
Great Neck, New York 11021
Telephone: (516) 393-2200

*Counsel for the Debtor
and Debtor-in-Possession*

MICHAEL LOGIUDICE, LLP

By: /s/ Patrice Coleman
Patrice Coleman, Esq.
2022 Route 22, Suite 105
Brewster, NY 10509
Telephone: (845) 547-0685

Counsel for the Claimants

SO ORDERED.

Dated: December 10, 2024
Brooklyn, New York





Jil Mazer-Marino
United States Bankruptcy Judge