Entered on Docket April 29, 2020

Below is the Order of the Court.

Mary Jo Heston
U.S. Bankruptcy Judge

(Dated as of Entered on Docket date above)

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF WASHINGTON AT TACOMA

In re: PNW HEALTHCARE HOLDINGS, LLC, *et al.*[1],	No. 19-43754-MJH EX PARTE ORDER GRANTING LIMITED RELIEF FROM AUTOMATIC STAY

Upon (a) the Joint Motion for Relief from Automatic Stay Regarding Pending Litigation, in which Bremerton Health LLC, a debtor in the above-captioned chapter 11 case, and Lucretia Robertson *et al.*[2], who has a pending lawsuit against Bremerton Health in state court (the "Action" as defined below), request relief from the automatic stay to

[1] The Debtors in the above-captioned chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are: PNW Healthcare Holdings, LLC (9801); North Auburn Health, LLC dba North Auburn Rehabilitation & Health Center (3159); Sequim Health, LLC dba Sequim Health & Rehabilitation (7737); Bremerton Health, LLC dba Bremerton Convalescent & Rehabilitation Center (3188); Crestwood Convalescent-Port Angeles, LLC dba Crestwood Health & Rehabilitation Center (6565); Fire Lane Health-Shelton, LLC dba Fire Lane Health & Rehabilitation Center (7798); Forest Ridge Health-Bremerton, LLC dba Forest Ridge Health & Rehabilitation Center (4019); Meadow Park Health-St Helen, LLC dba Meadow Park Health & Specialty Care Center (9109); Cherrywood Place-Spokane, LLC dba Cherrywood Place (7776); Riverside Nursing-Centralia, LLC dba Riverside Nursing & Rehabilitation Center (3792); PNW Master Tenant 1, LLC (9824); Franklin Hills Health-Spokane, LLC dba Franklin Hills Health & Rehabilitation Center (1763); Aldercrest Health-Edmonds, LLC dba Aldercrest Health & Rehabilitation Center (3827); PNW Master Tenant II, LLC (5319); Gardens on University-Spokane Valley, LLC dba The Gardens on University (1917); Puget Sound Healthcare-Olympia, LLC dba Puget Sound Healthcare Center (4419); Care Center East Health-Portland, LLC dba Care Center East Health & Specialty Care Center (8950); LaCrosse Health-Coeur d'Alene, LLC dba LaCrosse Health & Rehabilitation Center (8594); Ivy Court-Coeur d'Alene, LLC dba Ivy Court (3197) Cornerstone Healthcare Services, LLC (1265); and CRN Pool, LLC (9083).

[2] Lucretia Robertson, individually, and as administrator of the estate of Sonia Darcheville, deceased; Esther Douglas, Anselmo Darcheville, Merlin Meulens, Edmond Meulens, and Sonja Meulens, are the plaintiffs asserting claims against Bremerton Health in the pending state action that is the subject of this motion.

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allow the Action; (b) the Declaration of Attorney Alfred E. Donohue and exhibits thereto; and (c) the hearing and all proceedings and pleadings before the Court in connection with the Joint Motion for Relief from Automatic Stay Regarding Pending Litigation, the Court finds, determines, and concludes that:

A. On July 29, 2019, Robertson filed a complaint against Bremerton Health in Kitsap County Superior Court of Washington under Cause No. 19-2-02184-18 (the "Action"), seeking judgment for monetary damages based on claims of negligence and violation of RCW 74.34;

B. As of August 5, 2019, Bremerton Health's insurer, MedPro Group, Inc., retained counsel to defend Bremerton Health against claims brought by Robertson in the Action and has assumed Bremerton Health's full costs of litigation in that Action;

C. On November 22, 2019, a voluntary petition for relief under chapter 11 of title 11 of the United States Code, §§101 – 1532 ("Bankruptcy Code") was filed on behalf of Bremerton Health in this Court under Case No. 19-43788 and was consolidated under this Case No. 19-43754 MJH;

D. The Action was stayed upon the filing of the petition for relief pursuant to 11 U.S.C § 362;

E. Robertson and Bremerton Health now seek relief from the automatic stay to allow the Action to proceed for the purpose of effectuating settlement and release of all claims in the Action;

F. By and through their attorneys, Bremerton Health and Robertson have reached an agreement to settle and release all claims asserted in the Action

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for an amount wholly within the limits of Bremerton Health's insurance policy coverage;

G. This Court has jurisdiction over this matter pursuant to 28 U.S.C §§1334 and 157(b);

H. This matter is a core proceeding under 28 U.S. §157(b)(2)(G);

I. Due and proper notice of the Joint Motion for Relief from Automatic Stay Regarding Pending Litigation, presentation of this Order, and the Hearing were provided, and no other or further notice is necessary;

J. The legal and factual bases set forth in the Joint Motion for Relief from Automatic Stay and at the Hearing establish just cause for the relief granted in this Order, such relief being necessary, appropriate, and in the best interests of Bremerton Health and the other debtors, their creditors and other parties in interest.

K. Any objections to the relief presented and provided in this Order have been withdrawn and/or overruled on the merits.

Now, therefore, it is hereby ORDERED that:

1) Pursuant to section 362(d)(1) of the Bankruptcy Code, the automatic stay shall be modified solely to the extent necessary to permit Robertson and Bremerton Health and any court presiding over the Action to proceed in order to effectuate settlement and release and dismissal of all claims in the Action to the extent set forth below;

2) This Order shall be immediately effective upon entry on the docket in this case; the 14-day stay provided by Fed.R.Bankr.P 4001(a)(3) is hereby waived;

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3) The amount recovered by Robertson pursuant to the settlement agreement with Bremerton Health, or any other recovery from Bremerton Health in connection with the Action, shall be paid by Bremerton Health's insurer(s) and shall not exceed Bremerton Health's insurance policy coverage limits;

4) Apart from the Action, any and all other additional claims, scheduled claims, or other requests for payment filed or asserted, or which may be filed or asserted, by Robertson against Bremerton Health shall continue to be stayed and subject to any procedures governing such claims in this chapter 11 case;

5) The limited relief set forth in this Order shall not be construed as an admission of liability by Bremerton Health regarding any claim or cause of action arising from or in relation to the Action or any other matter;

6) This Order is binding against all parties in this chapter 11 case;

7) The parties are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order;

8) The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, enforcement, or interpretation of this Order.

///END OF ORDER///

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