

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chapter 7

BUTH-NA-BODHAIGE, INC.,

Case No.: 24-10392 (DSJ)

Debtor.  
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**STIPULATION AND ORDER FOR RELIEF FROM STAY TO  
PURSUE INSURANCE POLICY IN NON-BANKRUPTCY LITIGATION**

Kenneth P. Silverman, Esq., the chapter 7 trustee (the “Trustee”) of the bankruptcy estate of Buth-Na-Bodhaige, Inc. d/b/a The Body Shop (the “Debtor”), and State Farm General Insurance (“State Farm,” and together with the Trustee, the “Parties”), by its counsel, hereby stipulate and agree as follows:

**RECITALS**

**WHEREAS**, on March 8, 2024 (the “Petition Date”), the Debtor filed a voluntary petition for relief pursuant to chapter 7 of title 11, United States Code (the “Bankruptcy Code”); and

**WHEREAS**, on March 9, 2024, Kenneth P. Silverman, Esq., was appointed the interim chapter 7 trustee of the Debtor’s estate; and

**WHEREAS**, State Farm currently has a tort action pending in the Superior Court of the State of California, County of Los Angeles, Case Number 23VECV02394, captioned State Farm General Insurance Company vs Buth-Na-Bodhaige, Inc., d/b/a The Body Shop (the “State Court Action”); and

**WHEREAS**, QBE Insurance Corporation issued a Commercial Liability Policy number: CGA 1392464 (the “Policy”), covering the Debtor;



**WHEREAS**, the dates of loss in the tort action are December 8, 2022 and December 10, 2022 and the effective dates of the policy are June 1, 2022 to June 1, 2023;

**WHEREAS**, the QBE policy provides liability coverage in the amount of \$1,000,000.00 per occurrence; and

**WHEREAS**, by the terms of its policy QBE Insurance Corporation may be required to pay State Farm's subrogation claim of \$286,987.93.

**NOW THEREFORE**, the Trustee and State Farm hereby agree upon the following terms and conditions, subject to Bankruptcy Court approval:

1. This Stipulation is subject to the approval of the Bankruptcy Court. In the event that the Bankruptcy Court fails to authorize and approve the terms and conditions of this Stipulation in its entirety then this Stipulation shall be null and void, have no further force and effect, and nothing contained herein shall be construed or deemed to be a waiver of the rights to any party hereto, which rights are expressly reserved.

2. Upon full execution of this Stipulation, the Trustee shall promptly seek an order of the Bankruptcy Court approving this Stipulation (the "Approval Order"). This Stipulation shall become effective only after the entry of the Approval Order, and such Approval Order becoming final and non-appealable (the "Effective Date").

3. Upon the Effective Date:

i. The automatic stay imposed by Bankruptcy Code section 362(a) is hereby modified for the sole purpose of permitting State Farm to proceed with the State Court Action.

ii. State Farm hereby releases, and forever discharges, the Trustee, the Debtor and the Debtor's estate, the Trustee's counsel and other professionals, successors, and assigns from any and all claims, counterclaims, claims for relief, demands, costs, expenses, damages, liabilities,

and obligations (whether known or unknown) that were asserted, could have been asserted or may be asserted by State Farm against the Trustee, the Debtor and the Debtor's estate, the Trustee's counsel and other professionals, relating to or arising out of the State Farm Action, including but not limited to, any scheduled and/or filed proofs of claim, asserted by State Farm against the Debtor's estate.

4. Plaintiff's recovery in the State Court Action, if any, shall be limited to the \$1,000,000.00 limit of the Policy, or its *pro rata* share of insurance proceeds in the event there are other parties making claims under the Policy.

5. Except as expressly set forth herein, the provisions of the automatic stay, including without limitation, those provisions prohibiting execution, enforcement, or collection of any judgment that may be obtained against the Debtor from and against any assets or property of the estate (as defined in Bankruptcy Code § 541), shall remain in full force and effect.

6. This Stipulation is entered into for the sole purpose of resolving any potential dispute concerning the State Farm Action and the Policy. Nothing in this stipulation shall be construed as an admission of fault or liability with respect to the Parties.

7. This Stipulation may not be altered, modified, or changed unless in writing agreed to by both undersigned parties and subject to the appropriate order of the Bankruptcy Court.

8. This Stipulation may be executed in one or more counterparts, each of which is deemed an original, together constituting one and the same document.

9. Facsimile signatures and/or signatures in portable document format (.pdf) of each of the parties hereto shall be deemed originals for purposes of this Stipulation.

10. The persons executing this Stipulation warrant and represent that he/she/it is authorized and empowered to execute and deliver this Stipulation on behalf of such Party.

11. This Stipulation shall not be construed against the Party preparing it but shall be construed as if each Party jointly prepared it and any uncertainty or ambiguity shall not be interpreted against any Party.

12. Upon approval of this Stipulation, the Trustee is authorized and empowered to do such things, expend such funds, take such steps, and execute such documents as are necessary to implement the terms and conditions of this Stipulation.

Dated: Santa Ana, California  
March 7, 2025

**WATKINS & LETOFSKY, LLP**  
Attorneys for State Farm General Insurance



Brian S. Letofsky, Esq.  
Andrew R. De La Flor, Esq.  
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Santa Ana, California 92704

Dated: Los Angeles California  
March ,20 2025

**VEATCH CARLSON, LLP**  
Attorneys for Intervenor  
Colony Insurance Comp and National  
Dispatch USA, corp.



Scott S. Mizen, Esq.  
1055 Wilshire Blvd., 11<sup>th</sup> Floor  
Los Angeles, CA. 90017

Dated: Laguna Hills,  
California March 11, 2025

**THE AGUILERA LAW GROUP, APLC**  
Attorneys for Horn's Backflow & Plumbing  
Service, Inc.



A. Eric Aguilera, Esq.  
Adam Popkowski, Esq.

Dated: Sacramento, California  
March 17, 2025

**JACOBSON & McELROY PC**  
Attorneys for Buth-Na-Bodhaighe, Inc.



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Julie D. McElroy, Esq.  
XXXXXXXXXXXXXXXXXXXXXXX  
Patricia A. Blackwell

Dated: Jericho, New York  
March 24 , 2025

**RIMON P.C.**  
Counsel to Kenneth P. Silverman,  
Esq., the Chapter 7 Trustee



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Brian Powers  
Partner  
100 Jericho Quadrangle, Suite 300  
Jericho, New York 11753

**IT SO ORDERED:**

Dated: New York, New York  
March 27, 2025

*s/ David S. Jones*  
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Honorable David S. Jones  
United States Bankruptcy Judge