

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF TEXAS  
HOUSTON DIVISION**

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In re:

Computer Simulation & Analysis, Inc.,<sup>1</sup>

Reorganized Debtor.

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Chapter 11

Case No. 24-90391 (MI)

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**ZACHRY HOLDINGS, INC.'S NOTICE OF ENTRY OF STAY ORDER IN  
COMMONWEALTH'S NEBRASKA ACTION**

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Reorganized Debtor Zachry Holdings, Inc. ("Zachry") asks that the Court take notice of the entry of an Order by the United States District Court for the District of Nebraska on July 15, 2025, staying the litigation commenced by Commonwealth Electric Company of the Midwest against Zachry's sureties, styled as Case No. 4:24CV3149, *Commonwealth Electric Company of the Midwest, a Nebraska Corporation v. Travelers Casualty and Surety Company of America, a Connecticut Corporation; and Pacific Indemnity Company, a Delaware Corporation* (the "Stay Order") [Docket No. 62] (the "Commonwealth Nebraska Action"). A true and correct copy of the Stay Order is attached as **Exhibit 1**. Pursuant to the Stay Order, "[h]aving considered all the factors, including but not limited to the economy of judicial resources, balancing the potential prejudice and competing interests," the District Court stayed the Commonwealth Nebraska Action pending further developments in this Court. *See* Ex. 1 at 5.

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<sup>1</sup> The last four digits of the federal tax identification number for Computer Simulation & Analysis, Inc. are 4097. The location of the Reorganized Debtor's service address in this chapter 11 case is: P.O. Box 240130, San Antonio, Texas 78224. On June 27, 2025, the Bankruptcy Court entered the *Final Decree Closing Certain of the Chapter 11 Cases* (Case No. 24-90377 (MI), Docket No. 3178) closing the chapter 11 cases for Zachry Holdings, Inc., Zachry EPC Holdings, Inc., Zachry Engineering Corporation, ZEC New York, Inc., Zachry High Voltage Solutions, LLC, UE Properties, Inc., ZEC Michigan, Inc., Zachry Constructors, LLC, Zachry Industrial, Inc., Zachry Enterprise Solutions, LLC, Moss Point Properties, LLC, Zachry Nuclear Construction Inc., Zachry Nuclear, Inc., Zachry Nuclear Engineering, Inc., Zachry Plant Services Holdings, Inc., JVIC Fabrication, LLC, Zachry Industrial Americas, Inc., Zachry Maintenance Services, LLC, J.V. Industrial Companies, LLC, Madison Industrial Services Team, LLC.



Respectfully submitted,

/s/ John J. Deis

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**CERTIFICATE OF SERVICE**

I certify that on July 16, 2025, I caused a copy of the foregoing document to be served upon counsel for Commonwealth Electric Company of the Midwest via the Electronic Case Filing System for the United States Bankruptcy Court for the Southern District of Texas.

/s/ John J. Deis

John J. Deis

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF NEBRASKA

COMMONWEALTH ELECTRIC  
COMPANY OF THE MIDWEST, a  
Nebraska Corporation;

Plaintiff,

vs.

TRAVELERS CASUALTY AND SURETY  
COMPANY OF AMERICA, a Connecticut  
Corporation; and PACIFIC INDEMNITY  
COMPANY, a Delaware corporation;

Defendants.

**4:24CV3149**

**MEMORANDUM AND ORDER**

Before the Court is Defendants' Motion to Stay. [Filing No. 31](#). Defendants seek an order staying the proceedings in this Court until resolution of a claim Plaintiff brought in a bankruptcy proceeding involving Zachry Industrial, Inc. ("Zachry"), filed in the United States Bankruptcy Court for the Southern District of Texas ("Bankruptcy Court").<sup>1</sup> For the reasons below, the motion will be granted.

**BACKGROUND**

On August 23, 2024, Plaintiff filed a complaint against Defendants to recover funds for which Zachry allegedly failed to pay Plaintiff for work performed under

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<sup>1</sup> In re: Zachry Holdings, Inc., et al., Case No. 24-90377, United States Bankruptcy Court for the Southern District of Texas.

subcontract agreements to provide labor and materials on various projects. [Filing No. 1](#). More specifically, Defendants are surety companies that executed bonds involving Zachry as principal. [Filing No. 1 at 2](#). According to Plaintiff's Complaint, the bonds concerned the construction of two power generation facilities in Nebraska that Zachry agreed to perform work on for Omaha Public Power District ("OPPD"). *Id.* In August 2023, Plaintiff entered into five subcontract agreements with Zachry to provide labor and materials on the OPPD projects. *Id. at 3*. Plaintiff's complaint alleges claims related to Zachry's failure to make payments regarding its subcontracts and termination of at least one subcontract with Plaintiff. *Id. at 4*. Plaintiff alleges this particular subcontract was terminated for convenience rather than for cause. *Id.* Defendants contend this subcontract was terminated due to Plaintiff's defective and incomplete work. [Filing No. 31-2 at 2](#).

Plaintiff's Complaint alleges that, on June 4, 2024, Plaintiff provided Defendants notice of its claims against the bonds Defendants issued. [Filing No. 1 at 5](#). The pending Complaint concerns Defendants' refusal to pay on the bonds. On August 27, 2024, Plaintiff filed a claim in Bankruptcy Court asserting a total unsecured claim related to the OPPD projects. [Filing No. 35-7](#). On February 20, 2025, Zachry filed its Objection to the Claim in the Bankruptcy Court, in which Zachry disputed Plaintiff's entitlement to payment under the subcontracts due to Plaintiff's incomplete and defective work. [Filing No. 35-10](#).

Defendants now move to stay the current proceeding arguing, among other things, the action is duplicative, a waste of judicial and party resources, and risks inconsistent rulings. [Filing No. 31 at 4-5](#). Plaintiff disagrees, asserting that the sureties (Defendants) are jointly and severally liable to Plaintiff for payment under the subcontracts, the Bankruptcy Court has declined to enjoin this lawsuit, and denial of the stay would provide the just and speedy determination of the claims at issue. [Filing No. 34](#).

## ANALYSIS

It is well-established that a trial court has the inherent power to stay proceedings to control its docket, to conserve judicial resources, and to ensure that each matter is handled “with economy of time and effort for itself, for counsel, and for litigants.” *Landis v. N. Am. Co.*, 299 U.S. 248, 254 (1936); *see also Buc-ee’s Ltd. v. Bucks, Inc.*, 2018 WL 443320, at \*3 (D. Neb. Jan. 16, 2018) (internal citations omitted). “In determining whether staying a case is appropriate, the court will consider factors such as the economy of judicial resources and balancing the potential prejudice, hardship, and inequity to the parties.” *Doe v. University of Nebraska*, 2020 WL 5057767 (D. Neb. Aug. 27, 2020) (quotation omitted). It is the party requesting a stay who bears the burden of demonstrating a good cause for the stay. *Doe*, 2020 WL 5057767, at \*1 (citation omitted). “Ultimately, the decision granting or denying a stay calls for the exercise of judgment, which must weigh competing interests and maintain an even balance.” *Landis*, 299 U.S. at 254–55; *see also Prism Techs, LLC v. U.S. Cellular Corp.*, 2015 WL 13215454, at \*1 (D. Neb. Sept. 29, 2015).

While the parties make various detailed, and sometimes convoluted, arguments the issue before the Court is simple. In the Court’s judgment, did Defendants demonstrate good cause for a stay and is a stay of the present proceeding appropriate given all the competing interests? The answer to both questions is “Yes.”

The Bankruptcy Court has clearly expressed its intent and authority to determine the ultimate award in much, if not all, of the underlying dispute—i.e., how much money Zachry will owe Commonwealth.<sup>2</sup> *Filing No. 56-2 at 6, 13*. As

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<sup>2</sup> The Court recognizes Commonwealth’s position that the lawsuit in Nebraska includes claims that will not be resolved in the bankruptcy proceeding including post-petition amounts owed by the Defendants plus interest, and costs and legal fees pursuant to Nebraska law and, further, that Zachry may not contest amounts owed for work after the Bankruptcy Petition was filed (which is pending in front of the Bankruptcy Court).

such, the Bankruptcy Court has indicated the claims should proceed to trial in the Bankruptcy Court prior to any substantive determination made by this Court. *Id.* at 11. Moreover, all relevant parties in the Bankruptcy Court, including Commonwealth, agree that the parties will not seek a trial date in this case prior to a trial on the merits on the claim objection. [Filing No. 56-3](#).<sup>3</sup>

Based on the circumstances, this Court agrees with the Bankruptcy Court, and the parties, that discovery that occurs in the Bankruptcy litigation can be used in the Nebraska litigation and vice versa (and further, it appears the parties have stipulated to such). See [Filing No. 56-2 at 11](#). The complicating factors, as the Court sees it, are the pending partial motion for summary judgment filed by Commonwealth and the expense the parties will incur proceeding with further discovery and/or motion practice in this Court. For these reasons, the Court finds a stay appropriate.

More specifically, Commonwealth's pending partial motion for summary judgment has been filed in both courts. While not identical, both motions contain "common features." [Filing No. 60 at 2](#). Both motions seek dispositive findings in favor of Commonwealth relating to Zachry's termination of Commonwealth's subcontract for convenience, failure to provide notice and opportunity to cure, and any offset or reduction of the claim against Zachry and its sureties. Compare [Filing No. 43](#), with [Filing No. 60-1](#). If the Court were to deny Defendants' motion, there is the possibility that this Court enters a ruling on these issues prior to the Bankruptcy Court—something it appears everyone is trying to avoid.<sup>4</sup> Additionally, while there

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However, the undersigned finds it is an inefficient use of resources to allow a portion, but not all, aspects of Commonwealth's claim to move forward in this Court given the stature of the matter pending in front of the Bankruptcy Court, which is discussed herein.

<sup>3</sup> A review of the Bankruptcy docket reveals the Honorable Marvin Isgur signed the parties' stipulation on June 23, 2025. Case No. 24-90377, Dkt. No. 3166.

<sup>4</sup> A review of the bankruptcy proceedings indicate that Commonwealth did not object to the Bankruptcy Court scheduling the hearing prior to this Court's ruling on the pending

may be arguments as to the applicability of the Bankruptcy Court's judgment,<sup>5</sup> that judgment may substantially narrow the issues remaining in this Court.

Likewise, it would be inefficient, costly, and time consuming for both the parties and the Court for this litigation to proceed prior to a determination on the claim objection by the Bankruptcy Court. While Commonwealth contends they will face prejudice if this case is delayed by a stay, primarily regarding the timing as to when they would be paid, the Bankruptcy Court is set for trial on the claim objection in October and any delay will be minimal.

In conclusion, a stay of the current proceeding will likely streamline the litigation and conserve resources of both the parties and the Court. Having considered all the factors, including but not limited to the economy of judicial resources, balancing the potential prejudice and competing interests, the Court concludes a stay of this case is appropriate.

Accordingly,

IT IS SO ORDERED.

1. Defendants' Motion to Stay, [Filing No. 31](#) is granted. The above-captioned matter is stayed pending further order of the Court.
2. The parties are to jointly provide a status update, as provided herein, by September 13, 2025 and every thirty days thereafter.

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partial motion for summary judgment and thereafter stipulated to not seek trial in this Court until the Bankruptcy Court held a trial on the merits of the relevant claim objection. See [Filing No. 56-2 at 11-16](#); [Filing No. 56-3](#).

<sup>5</sup> Commonwealth avers that Defendants will argue they are not bound by the Bankruptcy Court's determinations because they are not a party to that suit. This is a determination to be made at a later date and nothing in this opinion prevents the parties from later contesting the impact of the Bankruptcy adjudication on this case.

Dated this 15th day of July, 2025.

BY THE COURT:

s/ Jacqueline M. DeLuca

United States Magistrate Judge