

C. Prior to the Petition Date, the Debtor commenced litigation captioned *Sylvia Schofield v. Thomas P. Collins*, Civil Action NO. 2006-1460, Essex Superior Court (the “State Court Proceeding.”)

D. In the State Court Proceeding, the Debtor alleged certain causes of action against her former attorney, Thomas P. Collins (“Collins”) arising from his representation of the Debtor in a dispute regarding the real property located at 55-57 Elm Street, Andover, Massachusetts (the “Property”), including legal malpractice, negligence, breach of contract and breach of fiduciary duty.

E. In his answer filed in the State Court proceeding, Collins vigorously denied the claims asserted by the Debtor and asserted counterclaims against her. At all relevant times, Collins was insured under a policy of professional malpractice insurance issued to him by Liberty International Underwriters (“Liberty”). Liberty undertook to defend Collins in the State Court Proceeding.

F. Following the Petition Date, on or about September 23, 2009, the Debtor commenced the instant Adversary Proceeding (the “Adversary Proceeding”) by filing a *Notice of Removal*, thereby removing the State Court Proceeding to the Bankruptcy Court.

G. Following the Trustee’s appointment, the Trustee was substituted for the Debtor as the Plaintiff and Defendant-in-Counterclaim.

H. On or about February 23, 2009, Collins died. On April 25, 2012, the Defendant was appointed as the administrator of the Collins Estate and was subsequently substituted for Collins as a party in this adversary proceeding. Liberty has continued to defend Collins and/or his Estate in the Adversary Proceeding.

I. In order to avoid the costs and delays of litigation between the Parties, the Parties have entered into an agreement that provides for the settlement of the Parties' claims arising from the State Court Proceeding and the Adversary Proceeding.

NOW THEREFORE, the Parties hereby stipulate and agree, subject to the approval of the Bankruptcy Court, as follows:

1. In full settlement of all of the Trustee's claims against the Defendant, the Collins Estate and Liberty, Liberty shall pay the Trustee the sum of Twenty Thousand Dollars and No Cents (\$20,000) (the "Settlement Amount") by check payable to "Harold B. Murphy, Chapter 7 Trustee." The Settlement Amount shall be paid by Liberty upon the execution of the Stipulation. The Trustee will hold Settlement Amount pending the approval of the Bankruptcy Court.

2. Subject to the entry of the Final Order approving this Stipulation and the payment in full of the Settlement Amount as provided in paragraph 1 above, the Trustee, on his own behalf and on behalf of the Estate and the Debtor individually and his, its, and her agents, representatives, attorneys, accountants, insurers, predecessors, successors, heirs, successors and assigns, hereby remises, releases, acquits, and forever discharges Collins, the Collins Estate, the Defendant and Liberty (collectively, the "Collins Parties"), including but not limited to his, its or their respective agents, representatives, attorneys, insurers, reinsurers, predecessors, successors and assigns, parent companies, subsidiaries, divisions, affiliates, directors, officers, employees, members, managers, shareholders, partners, associates and paralegals from all debts, demands, actions, causes of action, suits, accounts, covenants, contracts, agreements, damages, and any and all claims, demands, and liabilities of every kind, nature and description whatsoever, whether in law, equity or statutory, and whether known, unknown or capable of being known, and whether contingent or liquidated, including but not limited to those that arise from, concern, touch upon

or are related in any way to the Property, the State Court Proceeding or the Adversary Proceeding, which the Trustee, the Estate and the Debtor has or ever had from the beginning of the world through the date of this Agreement.

3. Upon entry of the Final Order approving this Stipulation and the payment in full of the Settlement Amount, the Defendant, Collins, the Collins Estate and their agents, representatives, attorneys, accountants, insurers, predecessors, successors, heirs, successors and assigns, hereby remise, release, acquit, and forever discharge the Trustee, the Estate and the Debtor (collectively, the "Estate Parties"), including but not limited to his, its and their respective agents, representatives, attorneys, insurers, reinsurers, predecessors, successors and assigns, parent companies, subsidiaries, divisions, affiliates, directors, officers, employees, members, managers, shareholders, partners, associates and paralegals from all debts, demands, actions, causes of action, suits, accounts, covenants, contracts, agreements, damages, and any and all claims, demands, and liabilities of every kind, nature and description whatsoever, whether in law, equity or statutory, and whether known, unknown or capable of being known, and whether contingent or liquidated, including but not limited to those that arise from, concern, touch upon or are related in any way to the Property, the State Court Proceeding or the Adversary Proceeding, which the Collins, the Collins Estate, the Defendant and Liberty has or ever had from the beginning of the world through the date of this Agreement.

4. Upon entry of the Final Order (defined below) approving this Stipulation and payment in full of the Settlement Amount, the Collins Parties shall waive all claims to the Settlement Amount.

5. The Collins Parties and the Estate Parties (Collins Parties and the Estate Parties shall be collectively known as (the "Settling Parties") agree to seek Bankruptcy Court approval of this Stipulation as soon as this Stipulation is fully executed.

6. Upon the entry of a Final Order approving the Stipulation, the Settling Parties shall enter into a stipulation of dismissal to be filed in the State Court Proceeding and in the Adversary Proceeding which provides for a dismissal with prejudice, including a waiver of appeal rights, with each of the Settling Parties to bear their own costs. The Settling Parties agree that these stipulations will fully and completely extinguish any claims that they have or ever had against one another.

7. The causes of action referred to in this Release are the property of the Estate. Since the date of the date of his appointment, the Trustee, his agents, representatives, attorneys, accountants, insurers, predecessors, successors, heirs and successors and assigns have taken no action to sell, assign, transfer, convey or otherwise dispose of the claims, demands, obligations, or causes of action referred to in this Release.

8. This Stipulation is an agreement to resolve the Settling Parties' claims and may not be interpreted or construed as an admission by any party of liability or of any facts, law or allegations. This Stipulation is entered into voluntarily and is not based upon any representation or statements of any kind by the Settling Parties as to the merits, legal liability, or the value of the Settling Parties' claims or any matters relating thereto.

9. Each of the undersigned hereby represents that he or she is a duly authorized representative of the party for which the signature is provided, and that such person signing is specifically authorized to sign the Stipulation, and that said signature will bind the Settling Parties.

10. This Stipulation shall be governed by and construed in accordance with the substantive law of the Commonwealth of Massachusetts, without regard to the conflict of laws principles thereof, and shall have the force and effect of an instrument executed and delivered under seal under the law of the Commonwealth of Massachusetts.

11. This Stipulation constitutes the entire agreement of the Settling Parties with respect to the subject matter hereof and supersedes all prior and contemporaneous agreements and understandings, oral or written, between the Parties with respect to such subject matter.

12. Subject to a Final Order of the Bankruptcy Court approving this Stipulation, this Stipulation shall be binding upon and inure to the benefit of the Settling Parties, and their respective representatives, successors and assigns.

13. The Settling Parties have had an opportunity to read and understand this Stipulation and they have had the opportunity to receive the advice of counsel.

14. For purposes of this Stipulation, the term "Final Order" shall mean an order as to which the time to appeal, petition for *certiorari*, or seek re-argument or rehearing has expired and as to which no appeal or petition for rehearing or *certiorari* is pending or, if an appeal or petition for rehearing or *certiorari* has been timely filed or taken, the order or judgment has been affirmed by the highest court to which the order was appealed or the petition for rehearing or *certiorari* has been denied and the time to take any further appeal or to seek any rehearing or *certiorari* has expired.

15. This Stipulation may be executed in counterparts, each of which shall be deemed to be an original, and all such counterparts together shall constitute one and the same instrument. This Stipulation may be executed by facsimile.

16. This Stipulation shall have no force or effect unless it is approved by the Bankruptcy Court.

17. The Bankruptcy Court shall retain jurisdiction to resolve any dispute arising under or in connection with this Stipulation.

HAROLD B. MURPHY, CHAPTER 7 TRUSTEE
OF JEANIE SCHOFIELD

By her attorney,

/s/ Kathleen R. Cruickshank
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Dated: August 17, 2012

* Executed pursuant to ECF Rule 8(b)(2)
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