

In re:

PATRIOT COAL CORPORATION, *et al.*,

Debtors.¹

Chapter 11

Case No. 12-12900 (SCC)

(Jointly Administered)

**ORDER GRANTING LIMITED MODIFICATION OF
THE AUTOMATIC STAY**

Upon the motion (the “**Motion**”)² of Patriot Coal Corporation (“**Patriot**”) and its subsidiaries, that are debtors and debtors in possession (collectively, the “**Debtors**”), pursuant to section 362 of the Bankruptcy Code, Rule 4001 of the Federal Rules of Bankruptcy Procedure and Rule 4001-1 of the Local Bankruptcy Rules for the Southern District of New York, for entry of an order granting limited modification to the automatic stay, to the extent it applies, to permit the payment of proceeds and advancing of defense costs as provided by XL Specialty Insurance Company (“**XL**”) Insurance Policy No. ELU123382-11 (the “**XL Policy**”) to Richard M. Whiting and Mark N. Schroeder and any other Patriot officers and directors subsequently named defendants in relation to securities class action lawsuits filed against Mr. Whiting and Mr. Schroeder captioned *Ernesto Espinoza v. Richard M. Whiting and Mark N. Schroeder*, 4:12 CV 01711 (E.D. Mo.) and *Furman Jerry Rogers III v. Richard M. Whiting and Mark N. Schroeder*, 4:12

¹ The Debtors are the entities listed on Schedule 1 attached to the Motion. The employer tax identification numbers and addresses for each of the Debtors are set forth in the Debtors’ chapter 11 petitions.

² Unless otherwise defined herein, each capitalized term shall have the meaning ascribed to such term in the Motion.

CV 01815 (E.D. Mo.) and any other related securities lawsuits, as described in the Motion; and the Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334 and Standing Order M-61 Referring to Bankruptcy Judges for the Southern District of New York Any and All Proceedings Under Title 11, dated July 10, 1984 (Ward, Acting C.J.) as amended by Standing Order M-431, dated February 1, 2012 (Preska, C.J.); and consideration of the Motion and the requested relief being a core proceeding the Bankruptcy Court can determine pursuant to 28 U.S.C. § 157(b); and due and proper notice of the Motion having been provided in accordance with the Case Management Order, and it appearing that no other or further notice need be provided; and the relief requested in the Motion being in the best interests of the Debtors and their estates and creditors; and the Court having reviewed the Motion and having held a hearing with appearances of parties in interest noted in the transcript thereof (the “**Hearing**”); and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that, the relief requested in the Motion is GRANTED as and to the extent set forth herein; and it is further

ORDERED that the automatic stay pursuant to Section 362 of the Bankruptcy Code, is modified, to the extent it applies, solely to the extent necessary to permit the payment of defense costs and advance of legal fees to the Debtors’ officers and directors in relation to securities class action lawsuits filed against them, pursuant to the terms of the XL Policy, and for no other purposes; and it is further

ORDERED that Defendants, current or future, and XL will report to the Debtors quarterly, with a copy to the official committee of unsecured creditors, regarding the insurance coverage provided and the amounts paid. To the extent XL has not been subject to claims during any quarterly period, it is not necessary for XL to provide a quarterly report as to that period. In the event XL fails to report as to amounts paid for a quarterly period when benefits were paid, the insured individual is still required to submit the requested information; and it is further

ORDERED that the requirements set forth in Local Rule 9013-1(b) are satisfied; and it is further

ORDERED that the entry of this Order is without prejudice to the rights of any party in interest, including the Debtors, to oppose any motion by any party seeking stay relief; and it is further

ORDERED that, notwithstanding the possible applicability of any Bankruptcy Rule that might otherwise delay the effectiveness of this order, including, but not limited to, Bankruptcy Rule 4001(a)(3), the Local Rules or the Case Management Order entered in these chapter 11 cases, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that the notice procedures set forth in the Motion are good and sufficient notice and satisfy Bankruptcy Rule 9014 by providing the counterparties with a notice and an opportunity to object and be heard at a hearing; and it is further

ORDERED that this Court retains jurisdiction to hear and determine all matters arising from or related to the implementation and/or interpretation of this Order.

Dated: November 15, 2012
New York, New York

/s/ Shelley C. Chapman
HONORABLE SHELLEY C. CHAPMAN
UNITED STATES BANKRUPTCY JUDGE