PURVIS v. Blitz USA Inc et al Doc. 23

## IN THE UNITED STATES DISTRICT COURT FOR THE MIDDLE DISTRICT OF GEORGIA VALDOSTA DIVISION

SHERRI PURVIS, individually : and as next friend and natural : guardian for JAMES C. PURVIS, :

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Plaintiff,

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Case No. 7:11-cv-111 (HL)

BLITZ, U.S.A., INC., WAL-MART STORES, INC., WAL-MART STORES EAST, L.P., and WAL-MART STORES EAST, INC.,

:

Defendants.

## ORDER

Before the Court is a Motion to Stay filed by Defendant Wal-Mart Stores East, L.P. ("Wal-Mart") (Doc. 20). For the reasons stated below, the Motion is granted.

In November 2011, Blitz, U.S.A., Inc. ("Blitz"), a co-defendant in this action, filed for bankruptcy. Under 11 U.S.C. § 362(a)(1), when a debtor defendant files for bankruptcy, all judicial proceedings are automatically stayed as to that defendant. Thus, the case was stayed at that point as to Defendant Blitz.

Now, Defendant Wal-Mart asks this Court to stay Plaintiffs' claims against it while co-defendant Blitz works through its bankruptcy proceedings. Wal-Mart argues that this stay is necessary because the causes of action in Plaintiffs' complaint fall squarely within the contractual indemnification obligation that Blitz

proceed in a case against Wal-Mart without Blitz. Blitz is contractually obligated to defend and indemnify Wal-Mart in connection with this matter, and is liable for

any judgment obtained against Wal-Mart, as well as any costs and fees incurred

owes to Wal-Mart, and therefore, it would be a waste of judicial resources to

by Wal-Mart for its defense of this matter. Therefore, Wal-Mart argues that

imposing a stay is appropriate.

The Court is convinced that it is in the best interests of the parties to stay this case as to all Defendants while Blitz is engaged in bankruptcy proceedings. Therefore, this case is stayed until the bankruptcy is resolved. In the meantime, the Court orders the parties to file a status report every six months, with the first status report due on Monday, July 23, 2012.

**SO ORDERED,** this 23<sup>rd</sup> day of January, 2012.

<u>s/ Hugh Lawson</u>

HUGH LAWSON, SENIOR JUDGE

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