

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF ALABAMA

IN RE: )  
 )  
Shannon L Howard, ) Case No. 18-3490  
 )  
Debtor. )

ORDER GRANTING MOTIONS (DOCS. 60, 61)

This case is before the court on the application to employ (doc. 60) filed by Stacey L. Gantt and the motion to approve compromise (doc. 61) filed by Ms. Gantt. The debtor was killed in an automobile accident in February 2023. Both motions relate to the employment of Ms. Gantt and subsequent settlement of a wrongful death claim by the personal representative of the debtor's probate estate.

Under Alabama Code Section 6-5-410, “[a]ny damages awarded as the result of a wrongful-death action are not part of the decedent’s [probate] estate, and the action, therefore, cannot benefit the estate.” *See Wood v. Wayman*, 47 So. 3d 1212, 1216 (Ala. 2010). The damages “are distributed according to the statute of distribution [to the decedent’s heir(s) at law] and are not part of the decedent’s [probate] estate. The damages from a wrongful death award pass as those the decedent died without a will.” *See id.* (citation and quotation marks omitted). Similarly, and as it affects the debtor’s bankruptcy estate, Alabama Code Section 6-5-410(c) provides that wrongful death damages “are not subject to the payment of the debts or liabilities” of the decedent (the debtor here) “but must be distributed according to the statute of distributions” to the decedent’s heir(s) at law. This court thus does not believe that approval of Ms. Gantt’s employment or the settlement is necessary, as the bankruptcy estate does not have

any interest in the proceeds of the wrongful death settlement related to the wrongful death of the debtor.

Still, out of abundance of caution and in case the probate court needs such an order to move forward with distribution, the court grants both motions as follows:

1. Stacey L. Gantt and Shunnarah Injury Lawyers, PC, are approved as special counsel for the Estate of Shannon L. Howard, by and through Ms. Howard's son and personal representative of her probate estate, Justin Howard, to prosecute of a wrongful death action. The contingent fee arrangement as stated in the application is also approved. All fees and expenses are to be paid from any proceeds and not by the debtor Shannon L. Howard or her bankruptcy estate.
2. The proposed settlement and requested compensation in the motion to approve compromise is reasonable. The court approves the settlement in the gross amount of \$100,000 and disbursement of the funds as explained in the motion as follows:
  - A. \$33,333 attorney's fee for special counsel.
  - B. \$215 reimbursement for expenses incurred by special counsel.
  - C. \$66,452 to Ms. Howard's son and personal representative of her probate estate, Justin Howard, for distribution to the debtor's heir(s) at law under the statute of distributions.

Dated: April 26, 2023

  
HENRY A. CALLAWAY  
U.S. BANKRUPTCY JUDGE