

UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF NORTH CAROLINA  
Charlotte Division

IN RE:

BRD LAND & INVESTMENT, et al.<sup>1</sup>

Debtors.

Chapter 11

Case No. 26-\_\_\_\_\_

(Joint Administration Requested)<sup>2</sup>

**DEBTORS’ MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE DEBTORS TO CONTINUE PAYROLL AND PAYROLL-RELATED PRACTICES, INCLUDING PAYMENT OR REIMBURSEMENT OF CERTAIN PREPETITION (A) WAGES, SALARIES, VACATION PAY AND OTHER COMPENSATION AND AMOUNTS WITHHELD FROM SUCH COMPENSATION; (B) EMPLOYEE HEALTH BENEFITS AND SIMILAR BENEFITS; (C) REIMBURSEMENT OF EMPLOYEE EXPENSES; AND (D) PAYMENT OF ALL COSTS INCIDENT THERETO AND (II) AUTHORIZING APPLICABLE BANKS AND OTHER FINANCIAL INSTITUTIONS TO RECEIVE, PROCESS, HONOR AND PAY CERTAIN CHECKS AND TRANSFERS**

BRD Land & Investment, a South Carolina partnership, BRDL Warden Station Holding Co, LLC, and BRDL Warden Station, LLC (collectively, “Debtors”), debtors-in-possession in the above-captioned case, hereby move (the “Motion”) the Court for entry of an order (the “Order”), pursuant to sections 105(a), 363(b), 507(a)(4) and 507(a)(5) of title 11 of the United States Code (the “Bankruptcy Code” and Rule 6003 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), (i) authorizing the Debtors, as applicable, to continue payroll and payroll-related practices, including payment to or on behalf of current or certain former employees of certain pre-petition (a) wages, salaries, vacation pay and other compensation and amounts withheld from such compensation; (b) payment of health insurance, other insurance premiums for

<sup>1</sup> Debtors are the following entities (the last four digits of their taxpayer identification numbers follows in parentheses): BRD Land & Investment, a South Carolina partnership (6940), BRDL Warden Station Holding Co LLC (0184), and BRDL Warden Station, LLC (4687). The Debtors’ address is 6433 Bannington Road, Charlotte, NC 28226.

<sup>2</sup> The Debtors have also filed a contemporaneous motion requesting joint administration of their respective Chapter 11 bankruptcy cases.



employees' benefit and similar benefits; (c) continuation of certain employee perquisites and similar benefits; (d) reimbursement of business-related employee expenses; and (e) all costs and expenses incident to the foregoing (collectively, the "Employee Obligations"); and (ii) authorizing applicable banks and other financial institutions to receive, process, honor and pay all pre-petition checks and transfers drawn on the Debtors' accounts to satisfy the Employee Obligations. In support of this Motion, Debtors respectively state as follows:

### **JURISDICTION**

1. The Court has jurisdiction over the motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of these proceedings and the Motion in this Court is proper under 28 U.S.C. § 1408.

2. The statutory bases for the relief requested herein are sections 105(a), 363(b), 507(a)(4) and 507(a)(5) of the Bankruptcy Code and Rule 6003 of the Bankruptcy Rules.

3. In support of this Motion, Debtors rely on the Affidavit of William A. Barbee in support of First Day Relief (the "Barbee Affidavit"). The facts and circumstances surrounding the Debtors' bankruptcy filing, and certain background relevant to this Motion, are set forth in the Barbee Affidavit.

### **BACKGROUND**

4. On the date hereof (the "Petition Date"), Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code (the "Chapter 11 Cases"). Debtors are operating their businesses and managing their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner or statutory committee has yet been appointed in these Chapter 11 Cases.

**RELIEF REQUESTED**

5. The Debtors employ<sup>3</sup> a total of six people who conduct the operations of the Debtors. Debtors' current and former employees are collectively referred to herein as "Employees" or, in the singular, an "Employee." Prior to February 20, 2026, Debtors had ten Employees but have reduced their workforce to cut payroll expenses. Debtors currently employ five salaried Employees in Charlotte, North Carolina, and one salaried Employee in Scottsdale, Arizona. The Debtors have arranged a further reduction of their workforce to take effect no later than March 13, 2026, which will bring the number of Debtors' W-2 Employees down to two Employees. During the transition, certain of the Debtors' Employees will perform work as needed and be paid an hourly rate for such work, saving the Debtors' salary costs while also preserving accessibility to important institutional knowledge.

6. The Employees perform a variety of functions for the Debtors and hold different jobs, including but not limited to, functions in administration, accounting, operations, investments, and management of the Debtors' daily operations and financial affairs.

7. The Debtors directly fund their payroll obligations to Employees. The Debtors pay their Employees weekly on Fridays for the week-long period from the preceding Saturday until the Friday of payment. By way of example, in the ordinary course of business, the Debtors would pay their Employees on Friday, February 20, 2026, for services rendered between Saturday, February 14, and Friday, February 20, 2026. Employees receive their pay by direct deposit into their respective bank accounts.

8. The Debtors currently operate their payroll and benefits plans through a Service Level Agreement (the "SLA") with the Debtors' affiliate, Buller River Development Partners

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<sup>3</sup> BRD Land & Investment employs all Employees referenced in this Motion. Debtor BRDL Warden Station, LLC, as well as BRDL Warden Station Holding Co, LLC, have no employees.

(“Buller”). Pursuant to the SLA, Buller provides a centralized payroll, payroll tax, and benefits plan for the Debtors’ Employees, which is processed through Intuit Quickbooks.

9. For the pay period ending on February 20, 2026, the Debtors’ total payroll amounted to \$67,792.62. However, in light of the reduction in the Debtors’ workforce, projected payroll expenses for the pay period ending on February 27, 2026, are anticipated to drop to \$47,654.97. Following the anticipated reduction in workforce to occur by March 13, 2026, the Debtors’ estimate weekly payroll expenses to be approximately \$17,944.84.

10. By this Motion, the Debtors request the authority, but not the direction, to pay or otherwise honor, in their sole discretion, all prepetition obligations related to the payroll processing, including those obligations incurred prepetition but liquidated post-petition.

11. To minimize the personal hardship that the Employees will suffer and the immediate, and irreparable harms to the Debtors’ businesses that will result if the Employee Obligations are not paid when due or as expected, as well as to maintain morale and assure continuity in the Debtors’ workforce and operations, Debtors seek authority to continue to pay the Employee Obligations, regardless of whether such Employee Obligations arose prepetition or post-petition, as set forth herein to, or on behalf of, Employees, including all costs and expenses incident thereto as well as checks issued prepetition but not yet cleared.

12. Debtors also request that the Court authorize applicable banks and other financial institutions to receive, process, honor, and pay all pre-petition checks and transfers drawn on Debtors’ accounts to satisfy the Employee Obligations.

**I. Authority for Debtors to Continue Payroll and Payroll-Related Practices**

*A. Salaries, Wages, Paid Time Off, Payroll Taxes and other Withholdings*

13. Salary and Wages. The Debtors issue payroll to all Employees on a weekly basis. The weekly pay period runs from Saturday to Friday with paychecks issued by direct deposit to Employees once a week on the Friday ending the pay period.

14. Debtors have paid its respective Employees for services rendered through February 20, 2026. These payments were processed through Intuit Quickbooks prior to the Petition Date and should have been received by the Employees prior to the Petition Date. As of the Petition Date, Debtors have accrued unpaid wage obligations of approximately \$9,530.994, covering the period after February 20, 2026. The Debtors' next payroll is scheduled to be paid on February 27, 2026.

15. Paid Holiday and Vacation Time. Debtors offer nine (9) paid holidays annually ("Holidays") and paid vacation/personal time ("PTO") to eligible Employees.

16. Employees' PTO is accrued each pay period. Any unused PTO may not be carried forward from year to year but is paid to the Employee upon the Employee's termination of employment with the Debtors. Employees who resign voluntarily from their employment are not entitled to payout of their unused PTO. Employees accrue PTO proportionally over each pay period, based on the amount of PTO days offered to the Employee in their initial offer letter. Employees are eligible for an increase in their entitled PTO per year after five (5) years' employment with the Debtors. Employees entitled to unlimited PTO do not accrue PTO and are not entitled to any pay-out upon their separation from the Debtors.

17. Debtors recognize nine (9) holidays each year for their Employees: New Year's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, the day after Thanksgiving Day, Christmas Day, and the day either before or after Christmas Day. All Employees who are on the active payroll are eligible for holiday pay ("Holiday Pay").

18. Debtors seek authority to continue to allow Employees to take PTO in accordance with Debtors' pre-petition practices and procedures, regardless of whether such time was earned pre- or post-petition.

19. As of the Petition Date, Debtors do not believe any Employee is owed accrued but unpaid salary and wages and accrued but unused PTO exceeding the \$17,150.00 priority claim limit provided under section 507(a)(4) of the Bankruptcy Code.

20. By this Motion, as set forth above, the Debtors seek authority to pay, in the ordinary course of Debtors' business, each individual Employee his or her accrued but unpaid salary, wages, and overtime pay as of the Petition Date.

21. Employee Withholdings. Debtors deduct certain amounts from Employees' paychecks and are obligated to remit such withholdings on behalf of the Employees, including: (a) federal, state and local income taxes and the individual Employee's portion of FICA; (b) deductions for health insurance plan premiums for which the Employees are responsible; and (c) deductions for court-ordered child support, garnishment, and bankruptcy-related obligations. Debtors seek authority to remit the sums withheld pre-petition that the Debtors are obligated to remit to such third-party payees but have not yet remitted to the appropriate payees.

*B. Employee Benefits*

22. Medical, Dental, and Vision Insurance. Employees and their dependents and spouses are eligible to participate in the Debtors' sponsored health insurance benefits starting on the first day of the month following thirty (30) calendar days of employment.

23. The Debtors offer a health insurance plan through Blue Cross Blue Shield of South Carolina. Debtors also offer dental and vision insurance to their Employees through Principal Financial Services, Inc. The Debtors contribute 70% of eligible Employees' monthly premium

costs. Employees' are responsible for the full premium payments of all spouses and dependents. Six (6) Employees participate in this benefit program prior to the Petition Date. The Debtors' costs for its share of Employees' medical, dental, and vision insurance premiums are approximately \$1,497.00 per pay period.

24. Supplemental Insurance. The Debtors offer long-term disability for Employees through Principal Financial Services, Inc., covering the full premium, which amounts to approximately \$81.48 per Employee per month. The long-term disability plan pays a maximum of fifty percent (50%) of an Employee's monthly pre-disability earnings up to a maximum monthly benefit of \$10,000.00 per month. The payments begin once an Employee has been disabled for one-hundred-eighty (180) days. The payments continue so long as the Employee's disability continues, however, the payments do not continue beyond the maximum benefit determined by an Employee's age and length of disability.

25. The Debtors also offer short-term disability for Employees through Principal Financial Services, Inc., covering the full premium, which amounts to \$9.80 per Employee per month. The plan provides Employees with maximum monthly benefits between \$3,625.00 and \$10,000.00, depending on the position held by the Employee. The Debtors' short-term disability benefits can last up to thirteen (13) weeks.

*C. Reimbursement of Employee Costs and Expenses*

26. The Debtors owe certain of its Employees for reimbursement of business-related expenses. These expenses include, but are not limited to, travel costs when the Employee is working away from their normal location, meals when traveling, office supplies and equipment, training fees and certification costs. The Debtors must approve all Employee reimbursements, which are governed by the Debtors' Expense Reimbursement Policy.

27. The Debtors prohibit the reimbursement of excess costs, luxury accommodations, personal expenses, fines, penalties, upgrades on travel, and expenses that are unnecessary, unjustified, or for the convenience or personal preference of the Employee. Employees must submit documentation supporting all requested reimbursements to the Debtors. When approved, the actual costs of travel, meals, lodging, and other expenses directly related to the objectives of the business travel will be reimbursed. Specific reimbursement policies include: airfare in economy class, unless previously approved by the Debtors; mileage reimbursement for travel with personal vehicles at the IRS mileage rate; cost of standard accommodations in mid-priced hotels, motels, or similar lodgings; and actual meal costs.

28. Employees must submit all reimbursement requests within thirty (30) days of incurring the expense through Debtors' designated expense reporting form. Individual, itemized receipts for all requested expenses must accompany the Employee's expense reporting form. Expense requests are reviewed and processed within fifteen (15) days' submission of the reporting form. The Debtors' average monthly Employee expense reimbursement for the 2025 fiscal year was approximately \$13,000.

*D. Workers' Compensation Insurance*

29. Under applicable state law, the Debtors are required to maintain workers' compensation insurance to provide the Employees with compensation for injuries arising from or related to their employment with the Debtors. The Debtors presently provide required workers' compensation coverage to its Employees pursuant to a plan administered and insured by [Workers Comp Insurer]. During the fiscal year of 2025, the Debtors paid fees for the Workers' Compensation Insurance totaling \$522.14.

### **BASIS FOR RELIEF REQUESTED**

**A. Pursuant to Sections 105(a) and 363(b) of the Bankruptcy Code and Bankruptcy Rule 6003, the Debtors Should be Authorized to Honor the Employee Obligations**

30. Section 105(a) of the Bankruptcy Code provides, in pertinent part, that a court may “issue any order, process, or judgment that is necessary to carry out the provisions of this title.” A court’s use of its equitable power to “authorize the payment of pre-petition debt when such payment is needed to facilitate the rehabilitation of the debtor is not a novel concept.” In re Ionosphere Clubs, Inc., 98 B.R. 174, 175 (Bankr. S.D.N.Y. 1989). “Under 11 U.S.C. § 105, the court can permit pre-plan payment of a pre-petition obligation when essential to the continued operation of the debtor.” In re NVR L.P., 147 B.R. 126, 127 (Bankr. E.D. Va. 1992) (citing In re Ionosphere Clubs, 98 B.R. at 177); see also In re Just for Feet, Inc., 242 B.R. 821, 826 (D. Del. 1999) (holding that the court had equitable power under 11 U.S.C. § 105 to authorize payment of prepetition claims). In addition, section 363(b)(1) authorizes a debtor in possession to use property of the estate other than in the ordinary course of business after notice and a hearing. See, e.g., In re Hendricks Furniture Group, LLC, Case No. 09-50790 (Bankr. W.D.N.C. 2009); In re Garlock Sealing Technologies, LLC, Case No. 10-31607 (Bankr. W.D.N.C. 2010); In re Tanner Companies, LLC, Case No. 17-40029 (Bankr. W.D.N.C.); In re Portrait Innovations, Inc., Case No. 17-31455 (Bankr. W.D.N.C.); In re Carolina Value Village, Inc., Case No. 19-30144 (Bankr. W.D.N.C.).

31. Similarly, the relief requested is warranted under the Bankruptcy Rules, which provide that payment of prepetition debts can be authorized to the extent it is necessary “to avoid immediate and irreparable harm.” Fed. R. Bankr. P. 6003. Any delay in honoring the Employee

Obligations would immediately and irreparably harm the Debtors' business due to the damage to the Employees' morale and result in significant hardship to the Employees at the very time when their dedication and cooperation is most critical. If the relief requested in this Motion is not granted, the Debtors face the imminent risk that their operations may be severely impaired. With the headcount already reduced, the Debtors cannot afford to lose any additional Employees who may resign should they not be paid for their work. At this critical stage, Debtors cannot risk the substantial disruption to their business operations that would inevitably attend any decline in Employee morale attributable to the Debtors' failure to honor the Employee Obligations. Debtors' continued operation at this time is required to preserve and maximize the value of Debtors' estates and, as such, the Employees' dedication and cooperation remain essential.

**B. Employees' Claims for Salaries, Wages, and Other Compensation and Benefits Have Priority Status under the Bankruptcy Code**

32. The Bankruptcy Code provides priority status for, among other things:

allowed unsecured claims but only to the extent of \$17,150 for each individual or corporation, as the case may be, earned within 180 days before the date of the filing of the petition or the date of the cessation of the debtor's business, whichever occurs first, for – (A) wages, salaries, or commissions, including vacation, severance, and sick leave pay earned by an individual . . .

11 U.S.C. § 507(a)(4). Under this section, the claims of employees for compensation earned within 180 days prior to the petition date, including, without limitation, wages, salaries, bonuses, sales commissions, vacation pay and sick pay for individuals, have priority to the extent of \$17,150 per individual.

33. Debtors respectfully submit that the amounts owed (or that may be owed) to the Employees with respect to certain of the Employee Obligations subject to section 507(a)(4) of the Bankruptcy Code are within the statutory priority amount and would be required to be paid as

priority claims against Debtors. Accordingly, Debtors should be authorized to pay these obligations in the ordinary course of their business.

34. Likewise, under section 507(a)(5) of the Bankruptcy Code, each of the Employees may be granted a priority claim for:

Contributions to an employee benefit plan –

(A) arising from services rendered within 180 days before the date of the filing of the petition or the date of the cessation of the debtor’s business, whichever occurs first; but only

(B) for each such plan, to the extent of—

(i) the number of employees covered by each such plan multiplied by \$17,150; less

(ii) the aggregate amount paid to such employees under paragraph (4) of this subsection [regarding certain wages, salaries or commissions], plus the aggregate amount paid by the estate on behalf of such employees to any other employee benefit plan.

35. Because the amounts owed (or that may be owed) to the Employees with respect to certain of the Employee Obligations subject to section 507(a)(5) of the Bankruptcy Code would be required to be paid as priority claims against Debtors, Debtors should also be authorized to render payment in the ordinary course with respect thereto.

**C. Funds Held in Trust are Not Property of the Debtors’ Estates**

36. The Bankruptcy Code excludes “property in which the debtor holds, as of the commencement of the case, only legal title and not an equitable interest.” 11 U.S.C. § 541(d). It is well-established under section 541(d) of the Bankruptcy Code that taxes collected on behalf of the taxing authorities are not property of the estate. See Begier v. IRS, 496 U.S. 53, 59 (1990) (holding taxes such as excise taxes, FICA taxes and withholding taxes are property held by the debtor in trust for another and, as such, do not constitute property of the estate).

37. To avoid serious disruption to the Debtors' efforts to preserve and maximize the value of their estates for the benefit of creditors and other stakeholders during this Chapter 11 Case that could result from the non-payment of any withholding taxes, this Court should authorize Debtors to remit amounts withheld pre-petition, but not remitted on account of federal and state payroll taxes and FICA to the applicable taxing authorities. These withholdings are held in trust for the benefit of the appropriate federal, state or local taxing authority for the Employees on behalf of whom such payment is being made. Because these withholdings are held in trust on behalf of others and thus do not constitute property of the Debtors' estates, the remittance of the amounts at issue will not adversely affect the Debtors' estates or its creditors and is warranted.

38. Further, many federal, state and local taxing authorities impose personal liability on the officers and directors of entities responsible for collecting taxes from employees to the extent any such taxes are collected but not remitted. Accordingly, if these amounts remain unpaid, there is a risk that the Debtors' officers and directors may be subject to lawsuits on account of any such nonpayment during the pendency of these Chapter 11 Cases. Any such legal ramifications would constitute a significant distraction for officers and directors at a time when their focus on preserving and maximizing the value of the Debtors' estates is essential.

**D. Continuation of Benefit and Compensation Plans Post-Petition is Critical to Debtors' Prospects for a Successful Reorganization**

39. Debtors' goal in this case is to maximize the value of its business operations and other assets; to protect the value of its enterprise and its assets for all stakeholders; to re-establish emphasis on core competencies; and to emerge as a stronger business. In order to achieve this goal, however, Debtors believe they must operate as successfully as they can while in these Chapter 11 Cases. As in any business, Debtors' success is highly dependent on the morale and satisfaction of its Employees. In turn, Employee morale is directly correlated to the benefits and incentives

offered by the employer. Consequently, Debtors consider the maintenance of all pre-petition Employee benefit plans to be an essential component to a successful post-petition reorganization.

**Request for Waiver of Stay**

40. To the extent that the relief sought in the Motion constitutes a use of property under Section 363(b) of the Bankruptcy Code, Debtors seek a waiver of the fourteen-day stay under Bankruptcy Rule 6004(h). Further, to the extent applicable, Debtors request that the Court find that the provisions of Bankruptcy Rule 6003 are satisfied. As explained herein, the relief requested in this Motion is immediately necessary for Debtors to be able to continue to operate their business and preserve the value of the estate.

**NOTICE**

41. Notice of this Motion has been given to the following parties: (i) the holders of the twenty largest general unsecured claims against the Debtors; (ii) the Internal Revenue Service; (iii) the Office of the United States Attorney for the Western District of North Carolina; (iv) the Office of the United States Bankruptcy Administrator for the Western District of North Carolina; (v) DLP Lending Fund, LLC; (vi) Shumaker, Loop & Kendrick, LP; and (vii) Harvey & Vallini, LLC. Debtors submit that, in light of the nature of the relief requested, no other or further notice need be given.

**WHEREFORE**, Debtors respectfully request the Court enter an order, substantially in the form attached hereto as Exhibit A, (i) authorizing, but not directing, Debtors to pay the Employee Obligations, except as otherwise set forth herein, in accordance with its pre-petition policies and practices, including, without limitation: (a) wages, salaries, vacation pay and other compensation and amounts withheld from such compensation; (b) payment of health insurance and other insurance premiums for employees' benefit and similar benefits; (c) continuation of the Employee

perquisites and other similar benefits; (d) reimbursement of employee expenses; and (e) all costs and expenses incident to the foregoing; (ii) authorizing and directing all applicable banks and other financial institutions to receive, process, honor and pay all pre-petition checks and transfers drawn on Debtors' accounts to satisfy the Employee Obligations; and (iii) granting Debtors such other and further relief as is just and proper.

This the 24th day of February, 2026.

RAYBURN COOPER & DURHAM, P.A.

By: /s/ Matthew L. Tomsic  
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*Proposed Counsel to the Debtors*

**EXHIBIT A**

**PROPOSED ORDER**

**UNITED STATES BANKRUPTCY COURT  
FOR THE WESTERN DISTRICT OF NORTH CAROLINA  
Charlotte Division**

IN RE:

BRD LAND & INVESTMENT, et al.

Debtors.<sup>1</sup>

Chapter 11

Case No. 26-\_\_\_\_\_

(Joint Administration Requested)<sup>2</sup>

**ORDER GRANTING DEBTORS' MOTION FOR ENTRY OF AN ORDER (I) AUTHORIZING THE DEBTORS TO CONTINUE PAYROLL AND PAYROLL RELATED PRACTICES INCLUDING PAYMENT OR REIMBURSEMENT OF CERTAIN PRE-PETITION (A) WAGES, SALARIES, VACATION PAY AND OTHER COMPENSATION AND AMOUNTS WITHHELD FROM SUCH COMPENSATION; (B) EMPLOYEE, HEALTH BENEFITS, AND SIMILAR BENEFITS; (C) REIMBURSEMENT OF EMPLOYEE EXPENSES; AND (D) PAYMENT OF ALL COSTS INCIDENT THERETO AND (II) AUTHORIZING APPLICABLE BANKS AND OTHER FINANCIAL INSTITUTIONS TO RECEIVE, PROCESS, HONOR AND PAY CERTAIN CHECKS AND TRANSFERS**

Upon review of the motion (the "Motion")<sup>3</sup> of BRD Land & Investment, a South Carolina partnership, BRDL Warden Station Holding Co, LLC and BRDL Warden Station, LLC,

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<sup>1</sup> Debtors are the following entities (the last four digits of their taxpayer identification numbers follows in parentheses): BRD Land & Investment, a South Carolina partnership (6940), BRDL Warden Station Holding Co LLC (0184), and BRDL Warden Station, LLC (4687). The Debtors' address is 6433 Bannington Road, Charlotte, NC 28226.

<sup>2</sup> The Debtors have also filed a contemporaneous motion requesting joint administration of their respective Chapter 11 bankruptcy cases.

<sup>3</sup> Capitalized terms used but not otherwise defined shall have the meanings set forth in the Motion.

(collectively, “Debtors”), debtors-in-possession in the above-captioned cases, for entry of an order, pursuant to sections 105(a), 363(b), 507(a)(4) and 507(a)(5) of title 11 of the United States Code and Rule 6003 of the Federal Rules of Bankruptcy Procedure, authorizing the (i) Debtors to continue payroll and payroll-related practices, including payment of certain pre-petition (a) wages, salaries, vacation pay and other compensation and amounts withheld from such compensation; (b) employee medical plan and similar benefits; (c) reimbursement of business-related employee expenses; and d) all costs and expenses incident to the foregoing (collectively, the “Employee Obligations”); and (ii) authorizing and directing applicable banks and other financial institutions to receive, process, honor and pay all pre-petition checks and transfers drawn on the Debtors’ account to satisfy payroll obligations; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided; and upon the record therein including, without limitation, the Barbee Affidavit; and it appearing that the relief requested by the Motion is in the best interest of the Debtors’ estates, their creditors and other parties in interest, and after due deliberation and sufficient cause appearing therefore;

**IT IS HEREBY ORDERED THAT:**

1. The Motion is GRANTED.
2. The requirements of Rule 6003 of the Bankruptcy Rules are satisfied, and the relief requested is necessary to avoid immediate and irreparable harm.
3. Notwithstanding Rule 6004(h) of the Bankruptcy Rules, this Order shall be effective and enforceable immediately upon entry hereof.
4. As set forth following this paragraph, the Debtors are hereby authorized and empowered, but not directed, (i) to pay, in accordance with the policies and practices established prior to the Petition Date, to or on behalf of the Employees all Employee Obligations, regardless

of whether such Employee Obligations arose before or after the Petition Date; (ii) to perform and honor all other obligations, practices and policies in accordance with the foregoing; and (iii) to pay all taxes, tax deposits and processing fees in connection with payments made or other benefits provided pursuant to this Order. The Debtors are authorized, without limitation, to:

- (a) pay, in the ordinary course of the Debtors' business, each Employee his or her accrued but unpaid salary, wages and overtime pay, as applicable, as of the Petition Date;
- (b) remit all amounts withheld from Employee paychecks pre-petition but not yet remitted in connection with health insurance plans, taxes and withholdings;
- (c) without prior notice and a hearing, change benefits programs that do not materially change the cost to the company of the benefits provided, and such changes would be presumed to not be material so long as the changes are less than a ten percent (10%) increase in cost to Debtors in any calendar year;
- (d) pay any and all pre-petition and post-petition obligations related to the health plan, the short-term disability plan, the long-term disability plan, the Workers' Compensation Plan and any and all other similar employee benefit plans which the Debtor had in place as of the Petition Date;
- (e) continue allowing their Employees to take paid time off, in accordance with the Debtors' pre-petition practices and procedures;
- (f) continue observing paid holidays in the ordinary course of their businesses;
- (g) pay Employees for reimbursement of business-related expenses, travel, meals, and similar charges, regardless of whether charges are related to pre-petition or post-petition periods, in the ordinary course of the Debtors' businesses; and
- (h) pay all costs incident to the payment of the Employee Obligations.

5. All banks are hereby authorized and directed to honor all employee wage and salary checks and all fund transfer requests drawn on the Debtors' account to honor all employee expense

reimbursement checks that are presented for payment or fund transfer requests that relate to accrued and unpaid prepetition obligations of the Debtors to Employees regardless of whether or not the checks or transfer requests were issued prior to or after the Petition Date, to the extent that sufficient funds are on deposit or the Debtors arrange to have sufficient funds deposited in the applicable account.

6. All banks are hereby authorized to rely upon the Debtors' representation that a particular payment is authorized under this Order, and no bank shall be liable for honoring any payment based on the Debtors' representation that a payment is authorized under this Order.

7. The Debtors are authorized to reissue checks to cover amounts owing on any checks covered by this Order that have been dishonored and to reimburse Employees for any resulting charges.

8. Nothing in the Motion or this Order, nor the Debtors' payment of claims pursuant to this Order, shall be deemed or construed: (a) as an admission as to the validity of any claim against the Debtors; (b) as a waiver of the Debtors' rights to dispute any claim; (c) to waive or release any right, claim, defense or counterclaim of the Debtors or its estate, or to estop the Debtors or their estates from asserting any right, claim, defense or counterclaim; (d) as an approval or assumption of any agreement, contract or lease, pursuant to section 365 of the Bankruptcy Code; or (e) as an admission that any obligation is entitled to administrative expense priority or any such contract or agreement is executory or unexpired for purposes of section 365 of the Bankruptcy Code or otherwise.

9. The Debtors are authorized and empowered to take such actions as may be necessary and appropriate to implement the terms of this Order.

10. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

11. Pursuant to Local Rule 9013-1(f), any party shall be entitled to request a hearing or request that the Court reconsider entry of this Order by filing a motion for reconsideration within fourteen (14) days of service of this Order.

This Order has been signed electronically. The judge's signature and court's seal appear at the top of the Order.

United States Bankruptcy Court