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UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1(b)

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Proposed Attorneys for Debtors

In re:

POOLIN TECHNOLOGY PTE. LTD., *et al.*, [1]

Debtors.

Chapter 11

Case No. 26-18325

(Joint Administration Requested)

Hearing Date: TBD – Shortened Notice Requested

MOTION OF THE DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS (I) AUTHORIZING THE DEBTORS TO (A) PAY PRE-PETITION EMPLOYEE OBLIGATIONS AND (B) CONTINUE EMPLOYEE BENEFITS PROGRAMS; AND (II) GRANTING RELATED RELIEF

TO THE HONORABLE UNITED STATES BANKRUPTCY JUDGE:

Poolin Technology Pte. Ltd. ("Poolin") and its affiliated debtors and debtors-in-possession: Lonestar Dream Inc. ("LSD"); and Lonestar Taproot, LLC ("LST" and collectively, the

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtors' federal tax identification number, are: Poolin Technology Pte. Ltd., a Singapore Private Limited Company; Lonestar Dream Inc. (5105); and Lonestar Taproot LLC (4118). The location of the Debtors' service address for purposes of these Chapter 11 Cases is: c/o Michael DuFrayne, CRO, 2564 US Highway 1, PMB #16884166, Lawrence, NJ 08648.

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"Debtors"), by and through their undersigned proposed counsel, hereby respectfully move (this "Motion") this Court, pursuant to sections 105(a), 363(b), 507(a), 1107(a), and 1108 of title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (the "Bankruptcy Code"), for entry of an interim order substantially in the form attached hereto as **Exhibit A** (the "Interim Order") and a final order substantially in the form attached hereto as **Exhibit B** (the "Final Order"): (i)(a) authorizing, but not directing, the Debtors to pay certain prepetition employee wages subject to the statutory cap in section 507(a)(4) of the Bankruptcy Code and certain obligations related to employee benefit programs; (b) authorizing, but not directing, the Debtors to pay related prepetition payroll taxes and make other payroll deductions; and (c) to the extent any of the foregoing programs are administered, insured, or paid through a third-party administrator or provider, to pay any prepetition claims of such administrator or provider in the ordinary course of business (all of the foregoing are, collectively, the "Employee Obligations"); (ii) authorizing, but not directing, the Debtors to continue certain employee benefits programs in the ordinary course of business; (iii) directing the Debtors' banks to honor prepetition checks and fund transfer requests for payment of prepetition employee obligations; (iv) scheduling a final hearing; and (v) granting related relief. In support of this Motion, the Debtors respectfully state as follows:

JURISDICTION

29. The United States Bankruptcy Court for the District of New Jersey (the "Court") has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference from the United States District Court for the District of New Jersey* dated as of September 18, 2012. The Debtors hereby consent, pursuant to Rule 7008 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), to the entry of a final order by the Court in connection with this Motion, to the extent that it is later determined that the Court, absent consent

of the parties, cannot enter final orders or judgments in connection herewith consistent with Article III of the United States Constitution.

30. Venue of this proceeding and this Motion is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

31. The statutory predicates for the relief requested herein are sections 105(a), 362(d) 363(b), 507(a), 541, 1107(a), and 1108 of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, and Rules 2002-1, 9013-1, and 9013-5 of the Local Rules of the United States Bankruptcy Court for the District of New Jersey (the "Local Rules").

GENERAL FACTUAL AND PROCEDURAL BACKGROUND

32. On July 22, 2026 (the "Petition Date"), the Debtors each filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code in the United States Bankruptcy Court for the District of New Jersey (the "Court"), thereby commencing the above-captioned cases (these "Cases" or the "Chapter 11 Cases"). The Debtors continue to manage their assets as debtors in possession. As of the filing of this Motion, no official committee of unsecured creditors or statutory committee has been appointed in the Debtors' Cases, and no request has been made for the appointment of a trustee or examiner.

33. Additional factual background regarding the Debtors' current and historical business operations and the events leading to these chapter 11 Cases is set forth in the *Declaration of Michael DuFrayne in Support of Debtors' Chapter 11 Petitions and First Day Motions* [ECF No. 2] (the "First Day Declaration") filed substantially contemporaneously herewith and incorporated by reference herein.

34. As more fully set forth in the First Day Declaration, the Debtors historically offered a variety of cryptocurrency and technology related services. The Debtors' business activities

included two core segments: (i) mining digital assets for their own account, and (ii) providing equipment hosting services at their two Texas facilities for large-scale mining clients.

35. On July 10, 2026, the Debtors substantially completed the wind-down of their hosting business. Pursuant to a settlement agreement with their customer, Elektron Energy (collectively with certain affiliates and subsidiaries, "Elektron"), the Debtors discontinued hosting services and began disconnecting and removing the customer's equipment from the Debtors' facilities. The Debtors have retained a limited workforce necessary to preserve the value of the estates, maintain the safety and security of their assets and facilities, support the marketing and sale of the Debtors' assets, and administer these Chapter 11 Cases.

36. The remaining Employees perform functions critical to preserving the Debtors' assets during the sale and wind-down process. At the West Texas facilities, the Debtors retained one site manager responsible for facility maintenance, security, and coordination of equipment removal, site access, and sale related activities, together with one IT/electrical technician responsible for maintaining electrical systems and ensuring the facilities remain safe pending a sale. The remaining six employees in a company office in Austin, Texas provide executive oversight, accounting, financial reporting, accounts payable, records management, coordination with the Debtors' professionals, preparation of bankruptcy related documents, and support for the sale process. These Employees are essential to preserving the value of the Debtors' assets and completing an orderly wind down and sale.

RELIEF REQUESTED AND SPECIFIC FACTUAL BACKGROUND

35. By this Motion and as further described below, the Debtors seek interim and final orders, pursuant to sections 105(a), 362(d), 363(b), 507(a), 541(b), 1107(a), and 1108 of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, and Local Rules 2002-1, 9013-1, and 9013-5: (i) authorizing, but not directing, the Debtors to pay certain prepetition Employee Obligations;

(ii) authorizing, but not directing, the Debtors to continue certain benefits programs and honoring Employee Obligations in the ordinary course of business during the Debtors' Chapter 11 Cases; (iii) directing the Debtors' banks to honor prepetition checks or to fund transfer requests for payment of prepetition Employee Obligations; (iv) scheduling a final hearing; and (v) granting related relief. The Debtors respectfully request entry of interim relief on an emergency basis.

36. The Debtors' Employees are essential to the Debtors' operations to maintain the value of the Debtors' business and assets. The Debtors are pursuing a sale of substantially all of their assets as further described in the First Day Declaration and the *Debtors' Motion Pursuant to Sections 105(a), 363, and 365 of the Bankruptcy Code, Bankruptcy Rules 2002, 6004, and 6006, and Local Rules 6004-1, 6004-2, and 9013-5 for entry of an order (I) Approving Bidding Procedures for the Sale of Substantially All of the Debtors' Assets, (II) Scheduling an Auction and Approving the Form and Manner of Notice Thereof, (III) Approving Assumption and Assignment Procedures, (IV) Scheduling a Sale Hearing and Approving the Form and Manner of Notice Thereof, and (V) Granting Related Relief* (the "Sale Motion").

37. Granting the requested relief is necessary to prevent immediate hardship to Employees who depend on timely compensation and benefit programs to meet personal obligations. Failure to authorize payment of Employee Obligations and continuation of benefits will erode morale, trigger attrition, and impair the Debtors' ability to retain the specialized workforce necessary to maintain limited operations, thereby diminishing the value of their estates and unduly risking the possibility of completing a successful value-maximizing transaction. The Debtors' Employees possess unique skills and institutional knowledge critical to stabilizing the business and consummating a sale. Accordingly, the Debtors seek authority, in their discretion, to honor the following Employee Obligations.

A. The Debtors' Employees and Payroll

38. As of the Petition Date, the Debtors employ eight (8) employees (collectively, the "Employees"). Two (2) Employees are assigned to the Debtors' facilities located at 4143 N. US Highway 285, Pecos, Texas 79772 (the "Tarbush Facility") and 3072 FM 1927, Pyote, Texas 79777 (the "Pyote Facility," and together, the "Facilities"). These Employees are responsible for maintaining the safety and security of the Facilities, preserving critical electrical infrastructure, coordinating equipment removal, and supporting site inspections and sale-related activities. The remaining six (6) Employees are based in Austin, Texas, including Zhibiao (Kevin) Pan, the Debtors' sole shareholder. These Employees are responsible for executive oversight, accounting and financial reporting, maintenance of the Debtors' books and records, accounts payable, coordination with the Debtors' restructuring professionals, preparation of bankruptcy-related documents and filings, and administration of the wind-down and asset sale process. The Employees are not parties to any collective bargaining agreements.

39. The Employees are paid either a salary or on an hourly basis as their primary form of compensation. Employees are paid wages and salaries (the "Wages") on a biweekly basis.

40. Payroll payments are made in arrears. Prior to the Petition Date, the last payroll was paid on July 21, 2026 for the period July 5, 2026 through July 18, 2026 in the approximate aggregate amount of $36,000. Following the Debtors' reduction in workforce, and depending on hours and headcount, the Debtors' approximate monthly cost for Employee Wages is approximately $90,000 per month (or $45,000 per pay period). As of, but excluding the Petition Date, the accrued and unpaid prepetition Wages is approximately, $12,000 calculated based on a daily payroll cost of approximately $2,939 per day.

41. By this Motion, the Debtors seek authority, but not direction, to pay the Unpaid Employee Wages and post-petition Wages in the ordinary course of business. As of the Petition

Date, the Debtors believe that they do not owe any Unpaid Wages in excess of the statutory cap of $17,150 set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code (the "Statutory Cap") to any Employee. However, out of an abundance of caution, the Debtors seek authority to pay any amounts above the Statutory Cap solely on a final basis.

B. Payroll Provider and Payroll Costs

42. The Debtors utilize software and services from BambooHR Payroll LLC (and/or certain of its affiliates, including BambooHR LLC) (the "Payroll Provider") to support payroll processing and other payroll-related services. The Payroll Provider is responsible for, among other things, ensuring the Debtors' Employees are paid on time, deductions are accurately calculated, and all appropriate amounts are withheld and remitted to third parties such as taxing authorities. The Debtors pay the Payroll Provider a monthly fee in the amount of $700.00 (the "Payroll Costs"), and the next payment is due on July 27, 2026. As of the Petition Date, the Debtors believe they are current with respect to Payroll Costs. The Debtors seek authority to honor prepetition and post-petition Payroll Costs, including amounts owed to the Payroll Provider, to ensure continued payroll services during the Chapter 11 Cases.

C. Deductions and Withholdings

43. In the ordinary course of business, the Debtors incur obligations on account of Payroll Deductions and Employee Payroll Taxes (as each is defined below and collectively, the "Withholding Obligations").[2] The Payroll Provider administers the Withholding Obligations, including calculating and remitting payments to the appropriate third-party recipients.

[2] The Debtors are responsible for remitting, for their own account, various taxes and fees associated with payroll pursuant to the FICA and federal and state laws regarding unemployment and disability taxes, which is included in the aforementioned standard taxes and deductions. To the extent the Debtors have withholding amounts for said taxes and deductions which are due, but not yet paid to any governmental entity, the Debtors seek authorization to continue to deduct these funds and pay them to such governmental entities in the ordinary course of business.

i. Payroll Deductions

44. The Debtors routinely deduct amounts from Employees' Wages, including without limitation, garnishments, pre-tax, and after-tax deductions payable pursuant to certain employee benefit plans discussed herein (collectively, the "Payroll Deductions"). The Debtors respectfully request that the Court authorize, but not direct, the Debtors to carry out post-petition Payroll Deduction obligations and to pay any prepetition claims with respect thereto in the ordinary course of business.

ii. Payroll Taxes

45. The Debtors are required under applicable law to withhold from the Employees' Wages certain amounts for, among other things, federal, state, and local income taxes (collectively, the "Payroll Taxes") for remittance to the appropriate taxing authorities. The Employee Payroll Taxes are generally processed and forwarded to the appropriate federal, state, or local taxing authority by the Payroll Provider when the Employees' payroll checks are disbursed. The Debtors respectfully request that the Court authorize, but not direct, the Debtors to continue to honor their Employee Payroll Taxes and to pay any prepetition claims with respect thereto in the ordinary course of business.

D. Employee Benefit Programs

46. In addition to Wages, the Debtors' Employees are also entitled to receive other forms of compensation, including health benefits, paid time off, and reimbursement of certain business expenses (collectively, the "Employee Benefit Programs") set forth below.

i. Business Expense Reimbursements

47. The Debtors customarily reimburse Employees for business expenses incurred in the ordinary course of performing their duties on behalf of the Debtors (collectively, the

"Reimbursement Obligations"). Such expenses typically include, but are not limited to, on-site purchases and business-related travel expenses (including mileage).

48. As more fully detailed in the *Debtors' Motion for Entry of Interim and Final Orders Authorizing (I) the Continued Use of Existing Cash Management System; (II) the Continued Use of Existing Bank Accounts and Business Forms; and (III) Granting Related Relief* (the "Cash Management Motion") filed substantially contemporaneously herewith, in the ordinary course of business, the Debtors utilizes a corporate card platform serviced by Ramp Business Corporation ("Ramp") to manage employee business expenses and day-to-day purchases. The platform allows authorized employees to purchase items necessary for business operations, including fuel, travel expenses, job site supplies, water, ice, small tools, and other field-related expenses, without requiring employees to use personal funds and seek reimbursement. In situations where employees incur approved business expenses using personal funds, reimbursement requests can also be submitted through the Ramp platform and generally must be supported by copies of receipts. The requests are reviewed and approved within the Ramp system.

49. Employees expect that their business expenses will be paid promptly, and Employees may suffer hardship in delay of payment of these expenses. There is commonly a delay between the time an Employee incurs an expense and submits the corresponding expense report for processing. However, the Debtors believe that few, if any, Employees will be owed expenses earned within 180 days of the Petition Date in excess of the Statutory Cap. The Debtors seek authority to pay Employees in the ordinary course all Reimbursement Obligations amounts, no matter when earned, and to continue to pay future amounts in the ordinary course of the Debtors' business.

ii. Paid Leave

50. The Debtors provide eligible Employees with paid time off ("PTO"). Employees are eligible for varying amount of PTO depending on factors such as length of service and may exercise PTO according to company policy. As of the Petition Date, the Debtors estimate they do not owe any amounts for accrued PTO for current Employees. The Debtors believe that the continuation of PTO policy in accordance with prior practice for their current Employees is essential to maintaining Employee wellness and morale during these Chapter 11 Cases. Further, the continuation of those programs will not create any significant cash flow obligations beyond the Debtors' normal payroll obligations. Moreover, disruptions or changes to these policies could have a direct impact on Employee commitment and retention to the detriment of the Debtors' estates. The Debtors respectfully request that the Court authorize, but not direct, the Debtors to continue to their existing PTO program.

iii. Health Plans

51. The Debtors offer eligible Employees and their eligible dependents (collectively, the "Dependents") medical, dental, and vision insurance. For medical insurance, including prescription drug coverage, the Debtors offer coverage (the "Medical Plan") through UnitedHealthcare Insurance Company, administered through one or more affiliated UnitedHealthcare entities (collectively, the "Health Provider"). The Debtors are responsible for paying a percentage of the costs of the Medical Plan, and the Employees bear the remainder of the costs (which amount varies depending on the Employee's coverage and Dependents).

52. For dental insurance, the Debtors offer coverage (the "Dental Plan") through UnitedHealthcare Insurance Company, administered through one or more affiliated entities, including Dental Benefit Providers, Inc. d/b/a UnitedHealthcare Dental (collectively, the "Dental Provider"). The Debtors are responsible for paying a percentage of the costs of the Dental Plan for

eligible Employees, and the Employees bear the remainder of the costs (which amount varies depending on the Employee's coverage and Dependents).

53. For vision insurance, the Debtors offer coverage (the "Vision Plan," and, together with the Medical Plan and Dental Plan, the "Health Plans") through UnitedHealthcare Insurance Company, administered through one or more affiliated entities, including Spectera, Inc. (collectively, the "Vision Provider" and together with the Health Provider and Dental Provider, the "Health Provider"). The Debtors are responsible for paying a percentage of the costs of the Vision Plan for eligible Employees, and the Employees bear the remainder of the costs (which amount varies depending on the Employee's coverage and Dependents).

54. While monthly Health Plan costs frequently change based on headcount, salary adjustments, and coverage elections, the Debtors' average monthly cost in respect of Health Plan premiums is approximately $10,000. In the ordinary course of their business, the Debtors pay the Health Provider premiums in advance on the first of each month. As of the Petition Date, the Debtors believe they are current in payments to the Plan Provider. The Debtors' Health Plans are fully insured, and there is no estate liability outside of payment of premiums. The Debtors seek authority, but not direction, to pay any amounts due for prepetition Health Plan obligations, and to continue to pay, in their discretion, the premiums for the Health Plans incurred post-petition and to maintain such Health Plans. For the avoidance of doubt, the Debtors seek authority to satisfy the Debtors' obligations on account of Health Plan premiums and to withhold and remit the Employees' portions. The Debtors further seek authority to make payments for any other amounts necessary to maintain the Health Plans.

v. COBRA

55. The Debtors are required to offer former Employees certain health benefits following termination of employment and to administer Continuation Health Coverage

("COBRA") pursuant to § 4980B of the Internal Revenue Code.[3] Pursuant to COBRA, former Employees of the Debtors (the "COBRA Eligible Employees") may continue using certain health benefits (the "COBRA Benefits") for up to eighteen (or sometimes thirty-six) months following termination of employment. The Debtors' COBRA Eligible Employees are typically responsible for paying all costs associated with the COBRA Benefits.

56. The Debtors pay an administrative fee for enrolled COBRA participants. The Debtors request authority, but not direction, to pay any prepetition amounts outstanding on account of the COBRA Benefits, to continue to offer the COBRA Benefits, including to Employees who may be terminated after the Petition Date, and to honor all post-petition obligations related thereto in the ordinary course of business consistent with past practices and applicable law.

vi. Life and Disability Insurance

57. The Debtors offer eligible Employees premium-based group life insurance ("Life Insurance"), accidental death and dismemberment insurance, short and long-term disability, and other similar insurance (collectively, "AD&D Insurance") through Unum Life Insurance Company of America and/or one or more of its affiliates (the "Insurer"). The Debtors pay premiums monthly. Although the amount varies depending on headcount, salary adjustments, and coverage elections, the Debtors' average monthly premium cost for Life Insurance and AD&D Insurance totals approximately $600 per month. The Debtors' Employees and their families depend on insurance provided by the Debtors as a fundamental aspect of compensation. Any disruption or perceived disruption in insurance benefits or coverage will damage Employee morale. As of the Petition Date, the Debtors believe they are current in payments on account of Life Insurance and AD&D Insurance premiums. Debtors seek authority, in their discretion, to pay accrued and unpaid

[3] *See* 26 U.S.C. § 4980B.

prepetition premiums and related charges, to continue these benefits post-petition and pay premiums in the ordinary course of business, and to deliver the Employees' portion of premiums for the AD&D Insurance and Life Insurance to the corresponding administrators in connection with the payment of Wages and Withholding Obligations.

vii. Workers' Compensation

58. The Debtors maintain workers' compensation insurance for their Employees, as is statutorily required, for each state in which they have Employees (collectively, the "Workers' Compensation Program"). As part of the Workers' Compensation Program, the Debtors maintain a workers' compensation insurance policy (the "Workers' Compensation Insurance Policy") with Texas Mutual Insurance Company and/or certain of its affiliates. In order to comply with applicable workers' compensation laws, the Debtors must continue claim assessment, determination, adjudication, and payment in connection with the Workers' Compensation Program without regard to whether such liabilities are outstanding before the Petition Date.

59. The Debtors are not aware of any active or open claims under the Workers' Compensation Program. To the extent any Employees assert claims arising under the Workers' Compensation Program, the Debtors request that the Court modify the automatic stay in place under section 362 of the Bankruptcy Code to permit the Employees to proceed with such claims. For the avoidance of doubt, the requested stay modification pertains solely to claims under the Workers' Compensation Program.

60. Since the Debtors are statutorily obligated to maintain the Workers' Compensation Program, the relief requested herein is appropriate and necessary to avoid adverse legal consequences that potentially could disrupt the reorganization process. The Debtors' premium for the Workers' Compensation Insurance Policy is $1,036 per year, billed annually. As of the Petition Date, the Debtors do not believe that there are any prepetition amounts outstanding on account of

accrued but unpaid obligations related to the Workers' Compensation Program. However, out of an abundance of caution, the Debtors request authority, but not direction, to pay prepetition amounts due on account of the Workers' Compensation Program consistent with past practice and applicable law, to continue the Workers' Compensation Program in the ordinary course of business, and to the extent applicable, modify the automatic stay solely to allow Employees to assert claims under the Workers' Compensation Program.

E. Authorization To Banks

61. The Debtors' Employee Obligations flow through their main bank accounts at PNC Bank, National Association. The Debtors seek an order authorizing and directing its banks to receive, process, honor, and pay all prepetition checks and funds transfers on account of any Employee Obligations, and prohibiting such banks from placing any holds on, or attempting to reverse, any transfers to any Employee or third party in connection with the Employee Obligations. The Debtors also seek an order authorizing it to issue new post-petition checks or effect new post-petition fund transfers on account of the Employee Obligations to replace any prepetition checks or fund transfers that may be dishonored or rejected, provided that there are sufficient funds in the applicable accounts to cover such payments.

BASIS FOR RELIEF REQUESTED

I. The Court should Authorize the Debtors to Pay the Employee Obligations in the Ordinary Course of Business

65. Paying the Employees' Wages, maintaining the Employee Benefit Programs, and honoring Employee Obligations is essential to preserving Employee morale and maintaining relations with Debtors' Employees during the pendency of these Chapter 11 Cases. Without the relief requested herein, the Debtors' ability to successfully winddown operations, sell their assets

and confirm a liquidating plan may be adversely affected. Accordingly, the relief requested in this Motion is in the best interests of the Debtors, their estate, and their creditors.

A. The Employee Obligations are Entitled to Priority Treatment

66. Sections 105(a) and 363(b) of the Bankruptcy Code, in conjunction with section 507(a)(4) and (a)(5) of the Bankruptcy Code, enable this Court to authorize the Debtor to make payments with respect to the Employee Obligations. In relevant part, section 507(a)(4) of the Bankruptcy Code provides a fourth priority claim for "allowed unsecured claims, but only to the extent of $17,150 for each individual . . . earned within 180 days before the date of filing of the petition . . . for - (A) wages, salaries, or commissions, including vacation, severance, and sick leave pay earned by an individual; . . ." *See*, 11 U.S.C. § 507(a)(4). To the Debtors' knowledge, none of the Employees are owed an amount in excess of the statutory priority cap under section 507(a)(4) as of the Petition Date.

67. As priority claims, the Debtors are required to pay the Employee Obligations in full to confirm a chapter 11 plan. *See* 11 U.S.C. § 1129(a)(9)(b) (requiring payment of certain allowed unsecured claims for (a) wages, salaries, or commissions, including sick leave pay earned by an individual, and (b) contributions to an employee benefit plan). Thus, granting the relief sought herein should only affect the timing of certain payments to the Employees, and should not materially affect recoveries for general unsecured creditors. Similarly, the payment of the Withholding Obligations will not prejudice general unsecured creditors because the relevant tax claims are generally entitled to priority under section 507(a)(8) of the Bankruptcy Code. *See* 11 U.S.C. § 507(a)(8). In contrast, the payment of the Employee Obligations will enhance value for all stakeholders by giving the Debtors a chance to carry out its proposed value-maximizing sale transaction.

B. The Employee Obligations may be Paid in the Ordinary Course of Business under Section 363 of the Bankruptcy Code

68. Even without considering priority status of the Employee Obligations, the Debtors' payment of the Employee Obligations is justified under section 363(b)(1) of the Bankruptcy Code, which empowers the Court to allow the Debtor to, "use, sell or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). A debtors' decision to use, sell, or lease assets outside the ordinary course of business must be based upon its sound business judgment. *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999). Courts emphasize that the business judgment rule is not an onerous standard and may be satisfied "as long as the proposed action appears to enhance the debtor's estate," and such request is not manifestly unreasonable or made in bad faith. *Crystalin, LLC v. Selma Props., Inc.*, 293 B.R. 455, 463-64 (B.A.P. 8th Cir. 2003) (quoting *Four B. Corp. v. Food Barn Stores, Inc.*, 107 F.3d 558, 566 n.16 (8th Cir. 1997)). "Where the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor's conduct." *In re JohnsManville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (citation omitted); In re Tower Air, Inc., 416 F.3d 229, 238 (3d Cir. 2005) (stating that "[o]vercoming the presumptions of the business judgment rule on the merits is a near-Herculean task"). Here, the Debtors believe the cost, delay, and disruption of replacing the Employees far outweighs the cost of paying the prepetition and post-petition Employee Obligations. Therefore, the Debtors respectfully submit that payment of the Employee Obligations and maintaining them post-petition is a sound exercise of the Debtors' business judgment.

C. Payment of Certain Employee Obligations is Required by Law

69. The Debtors seek authority to pay the applicable Withholding Obligations to the appropriate third parties. These amounts principally represent wages that governments,

Employees, or judicial authorities have designated for deduction from the Employees' paychecks. Indeed, certain Withholding Obligations are not property of the Debtors' estates, because the Debtors have withheld such amounts from the Employees' paychecks on another party's behalf. *See* 11 U.S.C. § 541(b)(1), (d); *see also City of Farrell v. Sharon Steel Corp.*, 41 F.3d 92, 95–97 (3d Cir. 1994) (finding that state law requiring a corporate debtor to withhold city income tax from its employees' wages created a trust relationship between debtor and the city for payment of withheld income taxes); *In re DuCharmes & Co.*, 852 F.2d 194, 196 (6th Cir. 1988) (noting that individual officers of a company may be held personally liable for failure to pay trust fund taxes). Because the Withholding Obligations may not be property of the Debtors' estates, the Debtors request authorization to transmit the Withholding Obligations on account of the Employees to the appropriate third parties in the ordinary course of business. Failure to remit such Withholding Obligations could subject the Debtors to disputes or collection efforts from governmental authorities or third parties that may not respect the automatic stay. This unreasonably exposes the Debtors to the risk of depleting estate assets and diverting attention to such disputes. Therefore, the Debtors respectfully request the authority to continue its Withholding Obligations on a prepetition and post-petition basis.

D. The Debtors May Pay the Employee Obligations Under Section 105(a) and the Doctrine of Necessity

70. Finally, section 105(a) of the Bankruptcy Code and the well-established "doctrine of necessity" permits the payment of the Employee Obligations. The Court is empowered to utilize the doctrine of necessity in furtherance of its inherent powers of equity and its statutory authority to "issue any order, process, or judgment that is necessary or appropriate to carry out of the provisions of this title." 11 U.S.C. § 105(a); *see also, Walls v. Wells Fargo Bank, N.A.*, 276 F.3d 502, 506 (9th Cir. 2002). The doctrine is designed to foster a debtor's rehabilitation, which courts

have recognized is "the paramount policy and goal of chapter 11." *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 176 (Bankr. S.D.N.Y. 1989).

71. The United States Court of Appeals for the Third Circuit recognized the "necessity of payment" doctrine in *In re Lehigh & New England Ry. Co.*, 657 F.2d 570, (3d Cir. 1981). The Third Circuit held that a court could authorize the payment of prepetition claims if such payment was essential to the continued operation of the debtor. Id. at 581 (stating a court may authorize payment of prepetition claims when there "is the possibility that the creditor will employ an immediate economic sanction, failing such payment"). Moreover, in 2017, the U.S. Supreme Court, in *Czyzewski v. Jevic Holding Corp.*, recognized that courts "approve[] interim distributions that violate ordinary priority rules," generally when there are "significant Code-related objectives that the priority-violating distributions serve," including "payment of employees' prepetition wages." 137 S. Ct. 973, 985 (2017).

72. The immediate payment of the Employee Obligations is necessary to retain the Debtors' Employees. Courts have held that pursuant to sections 105(a), 363(b), and 507(a)(4) of the Bankruptcy Code, prepetition wage claims may be payable outside of a plan of reorganization by virtue of necessity. *See, In re Ionosphere*, 98 B.R. at 175 (approving payment of prepetition wages to current employees where it was necessary to pay such claims "in order to preserve and protect its business and ultimately reorganize, retain its currently working employees and maintain positive employee morale"); *In re Just for Feet, Inc.*, 242 B.R. 821, 826 (D. Del. 1999) (stating that where the debtor "cannot survive" absent payment of certain prepetition claims, the doctrine of necessity should be invoked to permit payment); see also, *In re NVR, L.P.*, 147 B.R. 126, 127 (Bankr. E.D. Va. 1992) ("[T]he court can permit pre-plan payment of a pre-petition obligation when essential to the continued operation of the debtor") (citing *In re Ionosphere Clubs, Inc.*, 98

B.R. at 176 (recognizing that bankruptcy courts possess "the judicial power to authorize a debtor in a reorganization case to pay pre-petition claims where such payment is essential to the continued operation of the debtor.")).

73. The Debtors' ability to consummate a sale and maximize the value of their assets depends largely on the continued services of their Employees. Given the specialized nature of the Debtors' business, replacing and retraining Employees would be difficult, time-consuming, and significantly more costly than honoring existing Employee Obligations and maintaining the Employee Benefit Programs. Preserving enterprise value is best achieved through Employee retention. Accordingly, it is essential that the Debtors be authorized to pay all prepetition Employee Obligations that are due and owing as of the Petition Date and to continue, in the ordinary course, the payment policies, procedures, and Employee Benefit Programs in effect prior to the Petition Date to ensure a smooth transition into the post-petition period and to support these Chapter 11 cases.

74. Courts in this district have approved similar relief in chapter 11 cases. *See, e.g.*, *In re Powin, LLC*, No. 25-16137 (MBK) (July 15, 2025) (authorizing the debtors to (a) pay prepetition employee wages, salaries, and other compensation, and reimbursable expenses, and (b) continue employee benefits programs on a final basis); *In re Cyxtera Technologies, Inc.*, No. 23-14853 (JKS) (Bankr D.N.J. June 29, 2023) (same); *In re Bed Bath & Beyond Inc.*, No. 23-13359 (VFP) (Bankr. D.N.J. May 18, 2023) (same); *In re David's Bridal, LLC*, No. 23-13131 (CMG) (Bankr. D.N.J. Apr. 17, 2023) (same); *In re Block Fi, Inc.*, No. 22-19361 (MBK) (Bankr. D.N.J. Jan. 17, 2023) (same); *In re Nat'l Realty Inv. Advisors, LLC*, No. 22-14539 (JKS) (Bankr. D.N.J. Jan. 3,

2023) (same); *In re Alliant Tech., L.L.C.*, No. 21-19748 (JKS) (Bankr. D.N.J. Jan. 25, 2022) (same); *In re Christopher & Banks Corp.*, No. 21-10269 (ABA) (Bankr. D.N.J. Feb. 8, 2021) (same).[4]

75. *On an interim basis*, the Debtors request authority to pay or honor all prepetition amounts of Employee Obligations in the ordinary course of business, but only up to the $17,150 statutory cap for each Employee. The Debtors only seek final authority to pay applicable pre-petition amounts above this cap out of an abundance of caution.

II. The Court Should Authorize Banks to Honor and Process Debtors' Payments on Account of the Employee Obligations.

76. The Debtors anticipate having sufficient funds from operations to pay the amounts set forth in this Motion in the ordinary course of business. However, as a result of the commencement of these Chapter 11 Cases and in the absence of an order of the Court providing otherwise, the Debtors' checks and electronic funds transfers may be dishonored or rejected by financial institutions. The Debtors submit that any bank should be authorized to rely on the representations of the Debtors with respect to whether any check drawn or transfer request issued by the Debtors prior to the Petition Date should be honored pursuant to this Motion.[5] For the reasons set forth above, the Debtors submit that the relief requested herein is in the best interests of the Debtors, their estates, and all other parties in interest, and, therefore, should be granted.

[4] Due to the volume of the orders cited herein, such orders have not been attached to this Motion. Copies of these orders are available upon request to the Debtors' proposed counsel.

[5] Among the Debtors' various "First Day Motions" filed substantially contemporaneously herewith is also a motion seeking entry of an order authorizing the Debtors to (i)(a) continue to use the Debtors' existing cash management systems; (ii) maintain certain of their existing bank accounts and business forms and implement changes to its cash management system and bank accounts in the ordinary course; and (iii) granting related relief (the "Cash Management Motion"). The Debtors intend to implement controls so that prepetition claims will not be paid, except as authorized by the Court.

RESERVATION OF RIGHTS

77. Nothing contained in this Motion or any order granting the relief requested in this Motion, and no action taken pursuant to the relief requested or granted (including any payment made in accordance with any such order), is intended as or shall be construed or deemed to be: (a) an admission as to the amount of, basis for, or validity of any claim against the Debtors under the Bankruptcy Code or other applicable non-bankruptcy law; (b) a waiver of the Debtors or any other party in interest's right to dispute any claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication, admission, or finding that any particular claim is an administrative expense claim, other priority claim or otherwise of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a request or authorization to assume, adopt, or reject any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) an admission as to the validity, priority, enforceability, or perfection of any lien on, security interest in, or other encumbrance on property of the Debtors' estates; or (g) a waiver or limitation of any claims, causes of action, or other rights of the Debtors or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

IMMEDIATE RELIEF REQUESTED

78. Pursuant to Bankruptcy Rule 6003, the Court may grant relief within twenty-one (21) days after the filing of the petition regarding a motion to use property of the estate if such relief is necessary to avoid immediate and irreparable harm. For the reasons set forth herein, the Debtors submit that the relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtors and their respective estates and creditors. Most particularly, the continued employment and payment of the Debtors' Employees are vital for the Debtors' continued operations as they transition into these Chapter 11 Cases and proceed towards the contemplated

sale of their assets. The Debtors therefore request that the Court hold a hearing and enter the Interim Order on an emergency or expedited basis and schedule a hearing and grant this Motion on a final basis.

WAIVER OF BANKRUPTCY RULES 6004(a) AND (h)

79. The Debtors request a waiver of any applicable notice requirements under Bankruptcy Rule 6004(a) and any stay of the order granting the relief requested herein pursuant to Bankruptcy Rule 6004(h). As explained above and in the First Day Declaration, the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors. Accordingly, ample cause exists to justify the waiver of the notice requirements under Bankruptcy Rule 6004(a) and the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and such stay apply.

WAIVER OF MEMORANDUM OF LAW

84. The Debtors respectfully request that the Court waive the requirement to file a separate memorandum of law pursuant to Local Rule 9013-1(a)(3) because the legal basis upon which the Debtors rely is set forth herein and the Motion does not raise any novel issues of law.

NO PRIOR REQUEST

85. No prior motion for the relief requested herein has been made to this or any other court.

NOTICE

86. Pursuant to Local Rule 9013-5(f), notice of this Motion will be provided to the following parties: (i) the Office of the United States Trustee for the District of New Jersey; (ii) any statutory committee appointed in these Cases; (iii) the Payroll Provider; (iv) the Debtors' consolidated list of 30 largest unsecured creditors; (v) the Internal Revenue Service; (vi) the United States Attorney's Office for the District of New Jersey; (vii) the financial institutions at which the

Debtors' maintain the bank accounts identified herein; (viii) counsel for the Stalking Horse Purchasers; and (ix) any other party entitled to notice pursuant to Bankruptcy Rule 2002 and Local Rule 9013-5. As this Motion is seeking "first day" relief, within 48 hours of the entry of the Interim Order on this Motion, the Debtors will serve copies of the Interim Order, as required by Local Rule 9013-5(f). The Debtors submit that such notice is sufficient, and no other or further notice be provided.

CONCLUSION

WHEREFORE, the Debtors respectfully request that the Court enter interim and final orders substantially in the forms submitted herewith: authorizing, but not directing, the Debtors, in their sole discretion, (i)(a) authorizing, but not directing, the Debtors to pay certain prepetition Employee Obligations; (b) authorizing, but not directing, the Debtors to pay related prepetition payroll taxes and make other payroll deductions; and (c) to the extent any of the foregoing programs are administered, insured, or paid through a third-party administrator or provider, to pay any prepetition claims of such administrator or provider in the ordinary course of business; (ii) authorizing, but not directing, the Debtors to continue certain Employee benefits programs in the ordinary course of business; (iii) directing the Debtors' banks to honor prepetition checks and fund transfer requests for payment of prepetition Employee obligations; (iv) scheduling a final hearing; and (v) granting such other and further relief as the Court deems just and proper.

Dated: July 22, 2026

ARCHER & GREINER, P.C.

/s/ Stephen M. Packman

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[6] *Pro Hac Vice* admission pending.

EXHIBIT "A"

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1(b)

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Proposed Attorneys for Debtors

In re:	Case No. 26-18325
POOLIN TECHNOLOGY PTE. LTD., *et al.*,[1]	Chapter 11
Debtors.	(Joint Administration Requested)

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO (A) PAY PREPETITION EMPLOYEE OBLIGATIONS AND (B) CONTINUE EMPLOYEE BENEFITS PROGRAMS; AND (II) GRANTING RELATED RELIEF

The relief set forth on the following pages, numbered two (2) through seven (7), is

ORDERED.

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtors' federal tax identification number, are: Poolin Technology Pte. Ltd., a Singapore Private Limited Company; Lonestar Dream Inc. (5105); and Lonestar Taproot LLC (4118). The location of the Debtors' service address for purposes of these Chapter 11 Cases is: c/o Michael DuFrayne, CRO, 2564 US Highway 1, PMB #16884166, Lawrence, NJ 08648.

Upon consideration of the motion (the "Motion")[1] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order") (i) (a) authorizing, but not directing, the Debtors to pay certain prepetition Employee Obligations; (b) authorizing, but not directing, the Debtors to pay related prepetition payroll taxes and make other payroll deductions; and (c) to the extent any of the foregoing programs are administered, insured, or paid through a third-party administrator or provider, to pay any prepetition claims of such administrator or provider in the ordinary course of business; (ii) authorizing, but not directing, the Debtors to continue certain Employee Benefits Programs in the ordinary course of business; (iii) directing the Debtors' banks to honor prepetition checks and fund transfer requests for payment of prepetition Employee Obligations; (iv) scheduling a final hearing; and (v) granting such other and further relief as more fully set forth in the Motion; and upon the first *Declaration of Michael DuFrayne in Support of Debtors' Chapter 11 Petitions and First Day Motions* [ECF No. 2] (the "First Day Declaration"); and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order Of Reference From The United States District Court For The District Of New Jersey* dated as of September 18, 2012; and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court

[1] Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Motion.

having found that the Debtors' notice of the Motion and opportunity for hearing on the Motion were appropriate and that no other notice need be provided under the circumstances; and this Court having determined that the legal and factual bases set forth in the Motion and at the hearing thereon establish just cause for the relief granted herein; and upon all of the proceedings before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT**:

1. The Motion is **GRANTED** as set forth herein.

2. A final hearing on the Motion (the "Final Hearing") shall be held on **_____, 2026, at ____:____ _.m. prevailing eastern time**. Any objections or responses to entry of a final order on the Motion, if any, must be filed **on or before 4:00 p.m., prevailing eastern time, _____, 2026**. In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

3. The Debtors are authorized, but not directed, on an interim basis, to continue and/or modify, change, or discontinue the Employee Benefits Programs, as applicable, and to implement new programs, policies, and benefits in the ordinary course of business, consistent with the Debtors' prepetition policies and practices during these Chapter 11 Cases and without the need for further Court approval, subject to applicable law; provided, however, that the Debtors shall provide seven (7) days' notice of any material changes to the Employee Benefits Programs, and any other programs described in the Motion, to the U.S. Trustee and counsel to any statutory committees appointed in these Cases.

4. The Debtors are authorized, but not directed, on an interim basis, to pay or honor prepetition and post-petition amounts related to the Employee Obligations, including the Employee Benefits Programs, any and all Withholding Obligations, and all incidental costs, without further order of this Court in the ordinary course of their business; provided, however, that no payment to any individual Employee may exceed, in the aggregate for such individual, the $17,150 statutory cap provided under sections 507(a)(4) and (a)(5) of the Bankruptcy Code, unless otherwise ordered by this Court.

5. The Debtors are hereby authorized, but not directed, to continue using the services of the Payroll Provider or any similar provider during these Chapter 11 Cases in the ordinary course of the Debtors' business, consistent with past practice. The Payroll Provider, and any other similar service provider employed by the Debtors, are authorized to continue providing such payroll administration and withholding services in connection with the Employee Obligations. The Debtors are authorized, but not directed, to pay any prepetition and post-petition fees and costs owed to the Payroll Provider in connection with the foregoing services in the ordinary course of business.

6. Nothing herein shall be deemed to authorize the payment of any amounts that violate, implicate, or are otherwise subject to section 503(c) of the Bankruptcy Code. The Debtors may seek approval of any insider bonus or incentive programs, if any, under separate motion under section 503(c) of the Bankruptcy Code, and nothing herein shall prejudice the Debtors' ability to seek such relief pursuant to section 503(c) of the Bankruptcy Code at a later time.

7. Nothing in the Motion or this Interim Order shall constitute a determination by the Court as to whether any individual seeking payment pursuant to this Interim Order is or is not an "insider" as that term is defined in section 101(31) of the Bankruptcy Code.

8. Notwithstanding the relief granted in this Interim Order and any actions taken pursuant to such relief, nothing in this Interim Order shall be deemed: (a) an admission as to the validity of any claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Interim Order or the Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to the Motion are valid, and the Debtors expressly reserve their rights with respect to all of the foregoing.

9. Nothing in this Interim Order, the Motion, or any actions taken pursuant hereto is intended to or shall (a) confer upon any third party any rights or remedies whatsoever, (b) grant any party the status of a third-party beneficiary, (c) be enforceable by any third party, or (d) enhance the status of any claim held by any person or entity. Nothing herein shall be deemed to convert the priority of any claim from a prepetition claim into an administrative expense claim.

10. The Debtors' banks and financial institutions are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors'

designation of any particular check or electronic payment request as approved by this Interim Order.

11. The Debtors are authorized to issue post-petition checks or effect post-petition fund transfer requests in replacement of any checks or fund transfer requests that are dishonored as a consequence of these chapter 11 Cases with respect to prepetition amounts owed in connection with the relief granted herein.

12. Pursuant to section 362(d) of the Bankruptcy Code, the automatic stay is hereby modified solely to the extent necessary to allow Employees and the Debtors' former employees (as applicable) to proceed with claims under the Workers' Compensation Program in the appropriate judicial or administrative forum, and Employees (and former employees) are authorized to so proceed. The Debtors are authorized, but not directed, to continue the Workers' Compensation Program and pay all prepetition amounts relating thereto in the ordinary course of business, consistent with prepetition practices. The modification of the automatic stay set forth in this paragraph pertains solely to claims in connection with the Debtors' Workers' Compensation Program.

13. Nothing in this Interim Order or any action taken by the Debtors in furtherance of the implementation hereof shall be deemed to constitute an assumption or rejection of any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code, and all of the Debtors' rights with respect to such matters are expressly reserved.

14. For the avoidance of doubt, the authorizations given to the Debtors in this Interim Order empower, but do not direct, the Debtors to effectuate the payments specified herein. The

Debtors retain business judgment to make or not make said payments, and in all instances subject to the condition that funds are available to affect any such payment.

15. Notice of the Motion, as provided therein, shall be deemed good and sufficient notice of the Motion, and the requirements of the Bankruptcy Rules and Local Rules are satisfied by such notice.

16. To the extent applicable, the requirements set forth by Bankruptcy Rules 6003 and 6004 are satisfied, and this Interim Order shall be effective immediately upon entry.

17. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Interim Order are immediately effective and enforceable upon entry.

18. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Interim Order in accordance with the Motion.

19. Any party may move for modification of this Interim Order in accordance with Local Rule 9013-5(e).

20. The Debtors shall serve a copy of this Interim Order on all parties required to receive such service pursuant to Local Rule 9013-5(f).

21. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Interim Order.

EXHIBIT "B"

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

Caption in Compliance with D.N.J. LBR 9004-1(b)

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Proposed Attorneys for Debtors

In re: POOLIN TECHNOLOGY PTE. LTD., *et al.*,[1] Debtors.	Case No. 26-18325 Chapter 11 (Joint Administration Requested) Judge:

FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) PAY PREPETITION EMPLOYEE OBLIGATIONS AND (B) CONTINUE EMPLOYEE BENEFITS PROGRAMS; AND (II) GRANTING RELATED RELIEF

The relief set forth on the following pages, numbered two (2) through seven (7), is

ORDERED.

[1] The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtors' federal tax identification number, are: Poolin Technology Pte. Ltd., a Singapore Private Limited Company; Lonestar Dream Inc. (5105); and Lonestar Taproot LLC (4118). The location of the Debtors' service address for purposes of these Chapter 11 Cases is: c/o Michael DuFrayne, CRO, 2564 US Highway 1, PMB #16884166, Lawrence, NJ 08648.

Upon consideration of the motion (the "Motion")[1] of the above-captioned debtors and debtors in possession (collectively, the "Debtors") for entry of an order (this "Order") (i)(a) authorizing, but not directing, the Debtors to pay certain prepetition Employee Obligations; (b) authorizing, but not directing, the Debtors to pay related prepetition payroll taxes and make other payroll deductions; and (c) to the extent any of the foregoing programs are administered, insured, or paid through a third-party administrator or provider, to pay any prepetition claims of such administrator or provider in the ordinary course of business; (ii) authorizing, but not directing, the Debtors to continue certain Employee Benefits Programs in the ordinary course of business; (iii) directing the Debtors' banks to honor prepetition checks and fund transfer requests for payment of prepetition Employee Obligations; (iv) scheduling a final hearing; and (v) granting such other and further relief as more fully set forth in the Motion; and upon the *Declaration of Michael DuFrayne in Support of Debtors' Chapter 11 Petitions and First Day Motions* [ECF No. 2] (the "First Day Declaration"); and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order Of Reference From The United States District Court For The District Of New Jersey* dated as of September 18, 2012; and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and this Court

[1] Capitalized terms used but not otherwise defined herein have the meaning ascribed to them in the Motion.

having found that the Debtors' notice of the Motion and opportunity for hearing on the Motion were appropriate and that no other notice need be provided under the circumstances; and this Court having determined that the legal and factual bases set forth in the Motion and at the hearing thereon establish just cause for the relief granted herein; and upon all of the proceedings before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT**:

1. The Motion is **GRANTED** as set forth herein on a final basis.

2. The Debtors are authorized, but not directed, to continue and/or modify, change, or discontinue the Employee Benefits Programs, as applicable, and to implement new programs, policies, and benefits in the ordinary course of business, consistent with the Debtors' prepetition policies and practices during these Chapter 11 Cases and without the need for further Court approval, subject to applicable law; provided, however, that the Debtors shall provide seven (7) days' notice of any material changes to the Employee Benefits Programs, and any other programs described in the Motion, to the U.S. Trustee and counsel to any statutory committees appointed in these Cases.

3. The Debtors are authorized, but not directed, to pay or honor prepetition and post-petition amounts related to the Employee Obligations, including the Employee Benefits Programs, any and all Withholding Obligations, and all incidental costs, without further order of this Court in the ordinary course of their business.

4. The Debtors are hereby authorized, but not directed, to continue using the services of the Payroll Provider or any similar provider during these chapter 11 Cases in the ordinary course

of the Debtors' business consistent with past practice. The Payroll Provider, and any other similar service provider employed by the Debtors, are authorized to continue providing such payroll administration and withholding services in connection with the Employee Obligations. The Debtors are authorized, but not directed, to pay any prepetition and post-petition fees and costs owed to the Payroll Provider in connection with the foregoing services in the ordinary course of business.

5. Nothing herein shall be deemed to authorize the payment of any amounts which violate, implicate, or are otherwise subject to § 503(c). The Debtors may seek approval of any insider bonus or incentive programs, if any, under separate motion under § 503(c) and nothing herein shall prejudice the Debtors' ability to seek such relief pursuant to § 503(c) at a later time.

6. Nothing in the Motion or this Final Order shall constitute a determination by the Court as to whether any individual seeking payment pursuant to this Final Order is or is not an "insider" as that term is defined in section 101(31) of the Bankruptcy Code.

7. Notwithstanding the relief granted in this Final Order and any actions taken pursuant to such relief, nothing in this Final Order shall be deemed: (a) an admission as to the validity of any claim against the Debtors; (b) a waiver of the Debtors' rights to dispute any claim on any grounds; (c) a promise or requirement to pay any claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Final Order or the Motion; (e) a request or authorization to assume any agreement, contract, or lease pursuant to § 365; (f) a waiver or limitation of the Debtors' rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtors that any liens (contractual, common law, statutory, or otherwise)

satisfied pursuant to the Motion are valid, and the Debtors expressly reserve their rights with respect to all of the foregoing.

8. Nothing in this Final Order, the Motion, or any actions taken pursuant hereto is intended to or shall (a) confer upon any third party any rights or remedies whatsoever, (b) grant any party the status of a third-party beneficiary, (c) be enforceable by any third party, or (d) enhance the status of any claim held by any person or entity. Nothing herein shall be deemed to convert the priority of any claim from a prepetition claim into an administrative expense claim.

9. The Debtors' banks and financial institutions are authorized and directed to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

10. The Debtors are authorized to issue post-petition checks or effect post-petition fund transfer requests in replacement of any checks or fund transfer requests that are dishonored as a consequence of these Chapter 11 Cases with respect to prepetition amounts owed in connection with the relief granted herein.

11. Pursuant to section 362(d) of the Bankruptcy Code, the automatic stay is hereby modified solely to the extent necessary to allow Employees and the Debtors' former employees (as applicable) to proceed with claims under the Workers' Compensation Program in the appropriate judicial or administrative forum, and Employees (and former employees) are authorized to so proceed. The Debtors are authorized, but not directed, to continue the Workers' Compensation Program and pay all prepetition amounts relating thereto in the ordinary course of

business, consistent with prepetition practices. The modification of the automatic stay set forth in this paragraph pertains solely to claims in connection with the Debtors' Workers' Compensation Program.

12. Nothing in this Final Order or any action taken by the Debtors in furtherance of the implementation hereof shall be deemed to constitute an assumption or rejection of any executory contract or unexpired lease pursuant to § 365, and all of the Debtors' rights with respect to such matters are expressly reserved.

13. For the avoidance of doubt, the authorizations given to the Debtors in this Final Order empower, but do not direct, the Debtors to effectuate the payments specified herein. The Debtors retain business judgment to make or not make said payments, and in all instances subject to the condition that funds are available to affect any such payment.

14. Notice of the Motion, as provided therein, shall be deemed good and sufficient notice of the Motion and the requirements of the Bankruptcy Rules and Local Rules are satisfied by such notice.

15. To the extent applicable, the requirements set forth by Bankruptcy Rules 6003 and 6004 are satisfied and this Final Order shall be effective immediately upon entry.

16. Notwithstanding any Bankruptcy Rule to the contrary, the terms and conditions of this Final Order are immediately effective and enforceable upon entry.

17. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order in accordance with the Motion.

18. Any party may move for modification of this Final Order in accordance with Local Rule 9013-5(e).

19. The Debtors shall serve a copy of this Final Order on all parties required to receive such service pursuant to Local Rule 9013-5(f).

20. This Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Final Order.