UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION
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IN RE:	Chapter 11 Cases
RED LOBSTER MANAGEMENT LLC,[1]	Case No. 6:24-bk-_____
RED LOBSTER RESTAURANTS LLC,	Case No. 6:24-bk-_____
RLSV, INC.,	Case No. 6:24-bk-_____
RED LOBSTER CANADA, INC.	Case No. 6:24-bk-_____
RED LOBSTER HOSPITALITY LLC	Case No. 6:24-bk-_____
RL KANSAS LLC	Case No. 6:24-bk-_____
RED LOBSTER SOURCING LLC	Case No. 6:24-bk-_____
RED LOBSTER SUPPLY LLC	Case No. 6:24-bk-_____
RL COLUMBIA LLC	Case No. 6:24-bk-_____
RL OF FREDERICK, INC.	Case No. 6:24-bk-_____
RED LOBSTER OF TEXAS, INC.	Case No. 6:24-bk-_____
RL MARYLAND, INC.	Case No. 6:24-bk-_____
RED LOBSTER OF BEL AIR, INC.	Case No. 6:24-bk-_____
RL SALISBURY, LLC,	Case No. 6:24-bk-_____
RED LOBSTER INTERNATIONAL HOLDINGS LLC,	Case No. 6:24-bk-_____
Debtors.	(Joint Administration Pending)

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DEBTORS' EMERGENCY MOTION FOR INTERIM AND FINAL ORDERS AUTHORIZING DEBTORS TO (I) PAY PREPETITION WAGES, SALARIES, EMPLOYEE BENEFITS, AND OTHER EMPLOYEE OBLIGATIONS, (II) MAINTAIN EMPLOYEE BENEFIT PROGRAMS AND (III) FOR RELATED RELIEF

(Emergency Hearing Requested)
Basis for Requested Emergency Relief

The Debtors respectfully request the Court to conduct a hearing on this Motion as soon as possible (and prior to three business days of the Petition Date) consistent with Local Rule 2081-1(g)(3). Of critical importance to the Debtors is continued payment of employee wages and other employee benefits. Without the Debtors'

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are Red Lobster Management LLC (6889); Red Lobster Sourcing LLC (3075); Red Lobster Supply LLC (9187); RL Kansas LLC (2396); Red Lobster Hospitality LLC (5297); Red Lobster Restaurants LLC (4308); RL Columbia LLC (7825); RL of Frederick, Inc. (9184); RL Salisbury, LLC (7836); RL Maryland, Inc. (7185); Red Lobster of Texas, Inc. (1424); Red Lobster of Bel Air, Inc. (2240); RLSV, Inc. (6180); Red Lobster Canada, Inc. (4569); and Red Lobster International Holdings LLC (4661). The Debtors' principal offices are located at 450 S. Orange Avenue, Suite 800, Orlando, FL 32801.

> employees, the Debtors will not be able to operate during the pendency of these cases. The Debtors reasonably believe that a hearing to consider the relief requested must be held on an emergency basis as soon as the Court's calendar will permit to avoid direct, immediate, and substantial harm to the Debtors' bankruptcy estates. In order to continue to pay the Debtors' approximate 35,664 employees (estimated as of the Petition Date) in accordance with their prepetition payment schedule, the Debtors must provide their payroll processing service an order granting the relief sought by this Motion by close of business on Tuesday, May 21, 2024.

The above-captioned debtors and debtors in possession (collectively, the "Debtors"), by and through their proposed undersigned counsel, file this emergency motion ("Motion"), requesting the entry of interim and final orders authorizing the Debtors to pay prepetition wages, salaries, and employee benefits, and other employee obligations, maintain employee benefit programs and for related relief. In support of the Motion, the Debtors rely upon the *Declaration of Jonathan Tibus in Support of Debtors' Chapter 11 Petitions and First Day Relief* (the "First Day Declaration"), which was filed on or about the date hereof, and is incorporated herein by reference, and represent as follows:

Jurisdiction and Venue

1. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2).

2. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The statutory bases for the relief requested herein are sections 105(a) and 363(b) of chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"), and Rules 2081-1(g)(3) and 9013-1(d) of the Local Rules of the United States Bankruptcy Court for the Middle District of Florida.

Background

4. On May 19, 2024 (the "Petition Date"), each of the Debtors filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code.

5. The Debtors are operating their businesses and managing their affairs as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

6. For a detailed description of the Debtors and their operations, the Debtors respectfully refer the Court and parties in interest to the First Day Declaration.

Relief Requested

7. By way of this Motion, pursuant to sections 105(a), 363(b), and 507(a) of the Bankruptcy Code, the Debtors request (i) authority, but not direction, to (a) pay prepetition wages, salaries, reimbursable expenses, and other obligations on account of the Compensation and Benefits Programs (as defined below) in the ordinary course of business as provided herein, and (b) continue the Compensation and Benefits Programs, and (ii) related relief. The Debtors request, pursuant to this Motion, authority to pay prepetition obligations related to the Compensation and Benefits Programs, in an amount not to exceed $46,534,000 as they become due in the ordinary course of business.

8. Pursuant to Local Rule 2081-1(g)(3), a schedule attached hereto as **Exhibit A** sets forth: (a) the amount of wages due to each corporate and regional management salaried employee as of the Petition Date,[2] (b) the amounts to be withheld from such wages, including all applicable payroll taxes and related benefits, (c) the period of time for which prepetition wages for such corporate and regional management salaried employees are due, and (d) whether the corporate and

[2] The Debtors include the employee identification number of each applicable employee on **Exhibit A** in lieu of such employee's name in order to prevent discord among the employees that could result from disclosure of their respective compensation.

regional management salaried employee is presently employed by the Debtors. None of the corporate and regional management salaried employees is an insider (as such term is defined in 11 U.S.C. § 101(31)). All applicable payroll taxes and related benefits, to the extent applicable, due to the Debtors' Employees will be paid concurrently with the payment of the prepetition wages to the salaried Employees identified on **Exhibit A** when authority to pay such wages has been granted. For the reasons explained below, irreparable harm will result if the relief requested herein is not granted. See Local Rule 2081-1(g)(3)(F).

9. An estimate of prepetition obligations related to the Compensation and Benefits Programs is set forth below (collectively, the "Employee Obligations"). The monetary relief sought in the Proposed Order attached hereto as **Exhibit B** is discussed in further detail below and summarized in the following chart:

Employee Obligations	**Amount**
Unpaid Compensation	$16,713,000
Supplemental Workforce Compensation	$3,153,000
Payroll Processing Fees	$150,000
Withholding Obligations	$2,879,000
Reimbursable Expenses	$77,000
Health Insurance Programs	$2,618,000
Life Insurance and Disability Programs	$225,000
401(k) Obligations[3]	$403,000
Canada Retirement Plan[4]	$62,000
Non-Insider Incentive Programs	$0.00
Paid Leave	$20,254,000

[3] For the avoidance of doubt, the 401(k) Obligations includes Employee 401(k) Contributions, the Debtors' 401(k) Match, and any administrative and service fees paid in connection with the 401(k) Plans (each as defined and described below).

[4] For the avoidance of doubt, the Canada Retirement Plan includes Employee RRSP Contributions, the Debtors' RRSP Match, and any administrative and service fees paid in connection with the Canada Retirement Plan (each as defined and described below).

Non-Insider Severance Practice	$0.00
Other Employee Programs	$0.00
Total Obligations	$46,534,000

Overview of Employees and Employee Obligations

I. The Debtors' Workforce

10. As of the Petition Date, the Debtors employ approximately 35,664 employees, approximately 33,749 of whom are in the United States (the "U.S. Employees") and approximately 1,915 of whom are in Canada (the "Canadian Employees" and, together with the U.S. Employees, the "Employees"). Approximately 2,274 of the U.S. Employees are paid on a salaried basis (the "U.S. Full-Time Employees") and the balance (the "U.S. Part-Time Employees") are paid on an hourly basis. Approximately 104 of the Canadian Employees are paid on a salaried basis (the "Canadian Full-Time Employees" and, together with the U.S. Full-Time Employees, the "Full-Time Employees"), and approximately 1,811 are paid on an hourly basis (the "Canadian Part-Time Employees" and, together with the U.S. Part-Time Employees, the "Part-Time Employees").

11. The Debtors' Workforce (as defined below) of approximately 35,711 Employees is comprised of (i) 35,470 Employees, all of whom are employed by either Red Lobster Restaurants LLC or Red Lobster Canada LLC, in the operation of the Red Lobster restaurants, and (ii) 194 Employees, all of whom are employed by Red Lobster Management LLC, and 47 Independent Contractors in corporate roles. Each Red Lobster restaurant typically employs a general manager, up to 6 restaurant managers, certified restaurant supervisors, and approximately 44 culinary and service Employees, many of whom are Part-Time Employees.

12. The Canadian Employees who are paid on an hourly basis include 146 unionized hourly employees (the "Union Employees"). Red Lobster Canada, Inc. is party to one (1) collective bargaining agreement ("Local 1006A CBA") with United Food and Commercial Workers Canada

(Local 1006A) (the "Local 1006A Union") and one (1) collective bargaining agreement (individually, the "Local 401 CBA", and together with the Local 1006A CBA, the "CBAs") with United Food and Commercial Workers Canada Union, Local 401 (individually, the "Local 401 Union", and together with the Local 1006A Union, the "Unions").

13. The Debtors also utilize the services of independent contractors ("Independent Contractors") sourced from various staffing agencies (the "Staffing Agencies") to provide accounting, accounts payable, culinary, information and technology, legal, marketing, quality, and menu services (such Independent Contractors, the "Supplemental Workforce" and, together with the Employees, the Debtors' "Workforce"). The Supplemental Workforce is an important component of the Debtors' enterprise and consists of approximately 47 individuals as of the Petition Date.

14. The Debtors' businesses are labor intensive and hyper-sensitive to fluctuations in the labor market. In particular, the economy has been marked by escalating wage pressures. The Debtors' Workforce includes personnel who are intimately familiar with the Debtors' business, processes, and systems, and possess unique skills and experience with the core business segments of the Debtors. Many of the Employees have developed relationships with customers and vendors that are essential to the Debtors' business. The Debtors' Employees perform a wide variety of functions that are critical to the Debtors' operations and cannot be replaced easily due to the shrinking labor market of willing individuals and the cost associated with hiring replacements on an expedited basis. During these times of turbulent shifts in the labor market, failure to maintain the continued, uninterrupted services of their Workforce would materially and adversely impair the Debtors' efforts to operate inside a chapter 11 proceeding and jeopardize the value of their businesses as a going concern.

II. Compensation and Benefits Programs

15. The Debtors maintain various compensation and benefits programs (each as defined herein and collectively, the "Compensation and Benefits Programs"), and pay various administrative fees and premiums in connection therewith, including:[5]

(a) Unpaid Compensation;

(b) Supplemental Workforce Compensation;

(c) Payroll Processing Fees;

(d) Withholding Obligations;

(e) Reimbursable Expenses;

(f) Health Insurance Programs;

(g) Life Insurance and Disability Programs;

(h) 401(k) Plan;

(i) Canada Retirement Plan

(j) Paid Leave;

(k) Non-Insider Severance Practices;

(l) Non-Insider Employee Incentive Programs; and

(m) Other Employee Programs.

16. The Debtors believe that the vast majority of their Employees rely primarily on the Compensation and Benefits Programs to pay their daily living expenses, support their families and maintain the health of themselves and their family members. Employees will face significant

[5] The authorization to satisfy any unpaid amounts and continue the workers' compensation program in the ordinary course is addressed in the *Debtors' Emergency Motion for Authorization to (I) Continue to Administer Insurance Policies, Surety Bonds and Related Agreements; (II) Honor Certain Obligations in Respect Thereof; and (III) for Related Relief.*

adverse financial consequences if the Debtors are not permitted to continue administering the Compensation and Benefits Programs in the ordinary course of business. Furthermore, the Debtors' failure to honor their obligations in connection with the Compensation and Benefits Programs could result in attrition at a time when the Debtors are most susceptible to business disruption on account of labor fluctuations. Therefore, it is essential that the Debtors maintain and promote loyalty and morale among their Employees at this critical time.

17. Subject to the Court's approval and on the terms and conditions set forth herein, the Debtors intend to continue administering their Compensation and Benefits Programs in the ordinary course. The Debtors further request confirmation of their right to modify, change, and discontinue any of their Compensation and Benefits Programs and to implement new programs, policies, and benefits for non-insider Employees in the ordinary course of business during these chapter 11 cases, in their discretion and without the need for further Court approval, subject to applicable orders entered in these chapter 11 cases, including any order approving the Debtors' use of cash collateral, any agreements executed in contemplation of these chapter 11 cases, and the requirements of the Bankruptcy Code and Bankruptcy Rules.

18. The Debtors estimate that, as of the Petition Date, they owe approximately $46,534,000 in the aggregate on account of the Compensation and Benefits Programs.

A. Compensation, Payroll Processing Fees, Withholding Obligations, and Reimbursable Expenses

(i) Unpaid Compensation

19. The Debtors generally pay Employees' wages and salaries (the "Employee Compensation") every week (each one-week period, the "Pay Period"). All Employees receive their wages in weekly payments every Friday (*i.e.*, 52 Pay Periods per year) and are paid one week in arrears (each pay period ends on the Sunday prior to the applicable pay date), and therefore the

Debtors owe most Employees prepetition accrued and unpaid wages and salaries (the "Unpaid Compensation") as of the Petition Date. Unpaid Compensation also may be due for a variety of other reasons, including Employees holding issued but uncashed paychecks as of the Petition Date. In the twelve (12) months before the Petition Date, the Debtors spent an average of approximately $58,262,332 per month on account of Unpaid Compensation.

20. As of the Petition Date, the Debtors owe approximately $16,713,000 on account of Unpaid Compensation, all of which the Debtors estimate will come due within 30 days of the Petition Date.[6] None of the Employees is owed Unpaid Compensation as of the Petition Date in an amount exceeding the $15,150 priority cap imposed by section 507(a)(4) of the Bankruptcy Code. The Debtors request authority to pay the outstanding prepetition Unpaid Compensation due to Employees and to continue to pay such obligations in the ordinary course of business.

(ii) Supplemental Workforce Compensation

21. The Debtors pay the Supplemental Workforce at various times, whether on a weekly, monthly, as work gets completed, or contractual basis (the "Supplemental Workforce Compensation" and, together with Employee Compensation, the "Compensation"). A portion of the Supplemental Workforce Compensation is paid by the Debtors to the applicable Staffing Agency, and the Staffing Agency remits such payment to the applicable Independent Contractor, while some is paid directly by the Debtors to the Independent Contractors. It is critical that the Debtors be able to continue honoring their obligations with respect to the Supplemental Workforce Compensation. Failure to timely pay the Supplemental Workforce Compensation could interrupt the Debtors' operations and have widespread negative effects throughout the Debtors' businesses.

[6] For the avoidance of doubt, this estimate of Unpaid Compensation includes the Employee Payroll Taxes and Deductions described below.

Staying current with respect to the Supplemental Workforce Compensation will help minimize unnecessary disruption to the Debtors' business.

22. On average, the Debtors pay approximately $32,895,468 in aggregate Supplemental Workforce Compensation each year. As of the Petition Date, the Debtors estimate that they owe approximately $3,153,000 in Supplemental Workforce Compensation.

(iii) Payroll Processing

23. The Debtors utilize Automatic Data Processing, Inc. ("ADP") to administer payroll and several other employee-related benefits programs. ADP provides, among other things, the Debtors' payroll processing system, ensures proper tax and benefits withholding and garnishment of wages, and provides electronic timesheet management for Employees paid on an hourly basis. The Company funds an account for ADP to reconcile and pay employees for their tips daily via a pay card. The Company also uses ADP to process payroll for its Canadian Employees. However, the Canadian Employees do not receive their tips through ADP on a pay card. The employees receive the tips directly at the end of the shift, and are solely responsible for reporting for tax purposes. On average, the Debtors pay ADP administration fees of approximately $885,782 (the "Payroll Processing Fees") each year. As of the Petition Date, the Debtors estimate that they owe ADP approximately $150,000 in Payroll Processing Fees.

(iv) Withholding Obligations

24. The Debtors are required by law to withhold from U.S. Employees' paychecks amounts related to, among other things, federal, state, and local income taxes and social security and Medicare taxes (collectively, the "Employee Payroll Taxes") for remittance to applicable federal, state, and local taxing authorities. The Debtors must then match the Employee Payroll Taxes from their own funds and pay, based upon a percentage of gross payroll, additional amounts for state and federal unemployment insurance (together with the Employee Payroll Taxes,

the "Payroll Taxes").[7] In the twelve (12) months before the Petition Date, the Debtors remitted, on average, approximately $7,687,980 in Payroll Taxes each month.

25. During applicable pay periods, the Debtors also deduct certain amounts from Employees' paychecks on account of garnishments, levies, child support and related fees, pre-tax contributions related to certain of the Health and Welfare Programs (as defined below), fees related to identify theft monitoring services available to certain Employees and donations to Red Lobster Cares (as defined below) and other charitable causes (collectively, the "Deductions"). The Debtors transfer the amounts comprising such Deductions to the appropriate designated third-party recipients. In the twelve (12) months before the Petition Date, the Debtors withheld, on average, approximately $3,364,176 in Deductions each month. The Debtors estimate that, as of the Petition Date, there are accrued Deductions in the amount of $839,000.

26. As of the Petition Date, the Debtors estimate that the aggregate amount of accrued but unremitted Payroll Taxes and Deductions (collectively, the "Withholding Obligations") is approximately $2,879,000.[8] By way of this Motion, the Debtors seek authority, but not direction, to continue to forward to the appropriate third-party recipients, consistent with historical practice, any unremitted Withholding Obligations and to continue to honor the Withholding Obligations in the ordinary course of business on a postpetition basis.

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[7] Contemporaneously herewith, the Debtors have sought authority, but not direction, to pay certain prepetition taxes, assessments, fees, and other charges in the ordinary course of business pursuant to the *Debtors' Emergency Motion for Order Authorizing Debtors to Pay Prepetition Sales, Use, Trust Fund, Property, Foreign, and Other Taxes and Similar Obligations* (the "Tax Motion"). By way of this Motion, the Debtors do not seek authority to pay prepetition claims that may be covered by the relief sought in the Tax Motion.

[8] This amount includes accrued Withholding Obligations for unprocessed tax payments.

(v) Reimbursable Expenses

27. In the ordinary course of business, the Debtors reimburse certain Employees for reasonable and customary expenses incurred in the scope of their employment (the "Reimbursable Expenses"). Reimbursable Expenses generally include tuition expenses for work-related classes and programs paid for by Employees, relocation, travel-related expenses arising from transportation, adoption-related expenses, lodging, and dining that are incurred in connection with business travel for corporate or operational employees, mileage reimbursements, and reimbursement for all or a part of the U.S. Employee expenses related to the purchase of technology devices and associated plans.

28. Most Reimbursable Expenses are incurred by Employees using their own funds, and thus the Debtors reimburse such amounts to Employees directly. The Employees submit their expenses through an internal expense system and Debtors thereafter review, audit, and approve all such Reimbursable Expenses before reimbursing an Employee for any Reimbursable Expenses. Certain operational management Employees and executive Employees in the United States pay for their cell phone plans directly and the Debtors, through Mobi Wireless Management LLC, make a monthly payment directly to such Employee's cell phone provider, which, including any administrative fees, totals approximately $12,000 each month. Similarly, the Debtors pay directly for the cell phone bills of certain director-level Employees in Canada.

29. Additionally, (i) certain directors are provided cars that are leased by, and paid for, by the Debtors, (ii) certain Employees receive monthly car allowance payments, and (iii) certain Employees are provided gas cards to charge all work-related gas expenses to. The gas cards are administered by Wex Bank and payments on the gas cards are made directly by the Debtors. The Debtors' payments on the car leases, car allowances and gas cards, including any related administrative fees, totals approximately $75,000 - $80,000 with respect to monthly car leases,

$13,000 with respect to the monthly car allowances and $38,000 each month with respect to gas cards.

30. The Debtors seek authority, but not direction, to continue reimbursing Employees for any Reimbursable Expenses, regardless of whether they arose before or after the Petition Date. As of the Petition Date, the Debtors estimate that they owe approximately $33,000 on account of Reimbursable Expenses.

31. The Debtors provide certain Employees with corporate credit cards (the "Corporate Credit Cards"), which Employees can use to make work-related purchases. Approximately 35 Employees have been issued Corporate Credit Cards, each of which was issued to such Employees in their own names with Wells Fargo Bank, N.A. ("Wells Fargo") for U.S. Employees and Royal Bank of Canada ("RBC") for Canadian Employees. The Debtors' bank accounts are automatically debited directly by Wells Fargo and RBC to pay down the outstanding balance on the Corporate Credit Cards on a weekly basis. The Debtors seek authority, but not direction, to continue the Corporate Credit Card program, paying Corporate Credit Card expenses, each in the ordinary course of business, and to honor any outstanding obligations related to the Corporate Credit Cards, regardless of whether they arose before or after the Petition Date. On an average annual basis, the Debtors pay approximately $6,098,400, in the aggregate, to Wells Fargo and RBC on account of the Corporate Credit Cards. As of the Petition Date, the Debtors estimate that approximately $44,000 is outstanding on account of the Corporate Credit Cards.

B. Employee Benefits Programs

32. In the ordinary course of business, the Debtors offer eligible Employees various benefits programs, including the Health and Welfare Programs, 401(k) Plan, Canada Retirement Plan, the Non-Insider Employee Incentive Programs, Paid Leave, the Other Employee Programs

and under certain circumstances and at the Debtors' discretion, the Non-Insider Severance Practice (each defined below) (collectively, the "Employee Benefit Programs").

(i) Health and Welfare Programs

33. As described in more detail below, the Debtors offer several health and welfare benefits programs to eligible Employees, including the Health Insurance Programs, the HSAs, the FSAs, and the Life Insurance and Disability Programs (each as defined and described below and, collectively, the "Health and Welfare Programs"). In addition, the Debtors pay certain routine administrative fees to third-party service providers in connection with administering the Health and Welfare Programs.

*a. **Health Insurance Programs***

34. The Debtors offer the following health insurance programs (each, a "Health Insurance Program") to eligible Employees and their families:

Type of Benefits	Benefits Provider in the U.S.	Benefits Provider in Canada
Medical	Blue Cross Blue Shield and Kaiser	Sun Life Financial
Prescription	Blue Cross Blue Shield (OptumRx) and Kaiser	Sun Life Financial
Dental	Delta Dental	N/A
Vision	EyeMed	N/A
Health Savings Account	HSA Bank	N/A
Health Care Flexible Spending Accounts	WageWorks – a subsidiary of HealthEquity, Inc.	N/A
Dependent Care and Health Care Flexible Spending Accounts	WageWorks – a subsidiary of HealthEquity, Inc.	N/A

35. The Debtors partly subsidize the Health Insurance Programs with Employee-contributions withheld from gross pay. The Debtors pay for all approved medical and other claims, whereas the dental and vision plans are fully paid for by Debtors' Employees (collectively, the "Health Benefit Claims"). Each claim is submitted by each Employee to the applicable benefits

providers listed above (each a "Health Benefits Provider"). The Debtors pay certain administrative fees to the Health Benefits Providers in connection with the Health Insurance Programs. The total cost of such fees is approximately $176,399 per month. The Debtors estimate that, as of the Petition Date, they owe approximately $203,000 in such fees. The Debtors are unable to ascertain with certainty the prepetition amounts due and outstanding on account of the Health Benefits Claims because such claims are submitted and processed at varying times. The average monthly amount of all Health Benefit Claims has been approximately $2,073,749 over the last twelve (12) months. Based on historical trends, the Debtors estimate that as of the Petition Date they owe approximately $2,385,000 on account of prepetition Health Benefit Claims.

36. The Debtors also subsidize or continue providing health benefits to certain current and former Employees, including benefits provided under the Consolidated Omnibus Budget Reconciliation Act of 1985 ("COBRA").[9] The COBRA benefits are provided by Blue Cross Blue Shield and Kaiser (in such capacities, "COBRA Providers") and the Debtor pays the COBRA Providers an administration fee for such services. The Debtors estimate that the fees and expenses related to COBRA totaled approximately $47,375 over the last twelve (12) months. The Debtors are unaware of any amounts due and owing in connection with COBRA coverage as of the Petition Date.

1) Medical Plans

37. The Debtors offer certain full-time Employees medical and prescription drug benefit programs (the "Medical Plans"). The coverage in the Medical Plans differs depending on the level of coverage an Employee elects to receive, and monthly health care premiums differ depending on the Medical Plan in which an Employee is enrolled and whether the Employee has

[9] Approximately 223 former Employees participated in COBRA during the fiscal year 2024.

dependents covered by the applicable plan. The Company offers Medical Plans to its Canadian Employees provided through Sun Life Financial to supplement Canada's national health insurance. The total cost of the Medical Plans is approximately $2,508,222 per month, of which approximately $1,652,816 is paid by the Debtors.

38. The Debtors' offer Medical Plans for eligible U.S. Employees through Blue Cross Blue Shield ("Blue Cross Blue Shield") and Kaiser Foundation Health Plan, Inc. ("Kaiser") and are self-insured by the Debtors. The Debtors use Blue Cross Blue Shield in most states, but Employees in some areas of California, Colorado, Georgia, Maryland, Oregon, Virginia, Washington and Washington, D.C. also have access to the Base HDHP and Enhanced PPO plans through Kaiser. The total cost of the self-insured Medical Plans through Blue Cross Blue Shield and Kaiser is approximately $2,133,101 and $146,134 per month, respectively, of which approximately $1,338,786 and $85,043 is paid by the Debtors, respectively.

39. The Debtors' Medical Plans for eligible Canadian Employees are through Sun Life Financial and are self-insured by the Debtors. The total monthly cost of the self-insured Medical Plans for Canadian Employees through Sun Life Financial is approximately $30,241, approximately all of which is paid by the Debtors.

40. The Debtors spend approximately $2,073,749 per month on medical and prescription drug claims asserted under the self-insured Medical Plans (collectively, the "Medical Claims"). The Debtors make payments on account of the Medical Claims as they are invoiced to the Debtors. Based on historical trends, the Debtors estimate that, as of the Petition Date, they could owe approximately $2,385,000 on account of prepetition Medical Claims, all of which the Debtors estimate will come due within 30 days of the Petition Date.

2) Vision Plans

41. Certain of the Debtors' Employees are eligible to participate in vision insurance plans (the "Vision Plans"), which are administered by EyeMed Vision Care LLC for U.S. Employees and are administered through an administrative services only plan in Canada (collectively, the "Vision Plan Administrators"). The Vision Plans are fully funded by Debtors' Employees. As of the Petition Date, the Debtors do not believe they owe any administrative fees related to the Vision Plans and are not seeking authority to make any payments towards the Vision Plans.

3) Dental Plans

42. Similarly, the Debtors offer certain of their Employees the option to participate in dental insurance plans (the "Dental Plans"), which are administered by Delta Dental Plans Association for eligible U.S. Employees and are administered through an administrative services only plan in Canada (the "Dental Plan Administrators"). The Dental Plan in the United States is fully funded by the Debtors' U.S. Employees. As of the Petition Date, the Debtors do not believe they owe any administrative fees related to the Dental Plan in the United States and are not seeking authority to make any payments towards the Dental Plans. The Dental Plan in Canada is partially funded by the Debtors and the Debtors estimate that they spend approximately $22,347 per month on account of the Dental Plan in Canada. As of the Petition Date, the Debtors estimate that they could owe approximately $26,000 on account of the Dental Plan in Canada.

4) Health Savings and Flexible Spending Accounts

43. The Debtors provide eligible U.S. Employees with the option to contribute up to $4,150 per year for individual coverage and $8,300 for family coverage to a health savings account (collectively, the "HSAs"). The HSAs allow for pre-tax payroll deductions to pay for qualified healthcare expenses. Currently, 322 Employees contribute to the HSAs. The Debtors pay certain

fees to HSA Bank, a division of Webster Bank, N.A. ("HSA Bank"), for administration of the HSAs. In the last twelve (12) months, the Debtors paid HSA Bank approximately $13,699 in total administrative fees. As of the Petition Date, the Debtors estimate that they owe approximately $2,000 on account of administrative fees for the HSA program.

44. The Debtors also provide eligible U.S. Employees with the option to contribute to dependent care or health care flexible savings accounts (collectively, the "FSAs") in an amount not to exceed the maximum amount imposed by federal law. The FSAs allow for pre-tax payroll deductions to pay for qualified expenses and appropriate child or elder dependent care. Currently, 80 Employees contribute to the FSAs. The Debtors pay certain fees to WageWorks, a subsidiary of HealthEquity, Inc. ("WageWorks"), for administration of the FSAs. In the last twelve (12) months, the Debtors paid WageWorks approximately $11,876 in total administrative fees for the FSAs. As of the Petition Date, the Debtors estimate that they owe approximately $2,000 on account of administrative fees for the FSA program.

45. In sum, the Debtors spend approximately $3,728,696 per month on average in connection with the Health Insurance Programs. As of the Petition Date, the Debtors estimate, based on historical trends, that approximately $2,385,000 related to claims under self-insured Health Insurance Programs has accrued and is outstanding, all of which the Debtors estimate will come due within 30 days of the Petition Date.

b. ***Life Insurance and Disability Programs***

46. The Debtors offer life insurance, long-term and short-term disability insurance, dependent life insurance, and accidental death and critical illness insurance coverage (collectively, the "Life Insurance and Disability Programs") to eligible Employees through Lincoln Financial Group ("Lincoln Financial"), American Family Life Assurance Company of Columbus ("Aflac"),

and Debtor Red Lobster Management LLC, as applicable. The chart below outlines the various Life Insurance and Disability Programs:

Type of Benefit	U.S. Benefits Provider	Canadian Benefits Provider	Funded by Debtors/Employees
Accidental Death and Critical Illness	Aflac	AIG Insurance Company of Canada	Debtor
Basic Life Insurance	Lincoln Financial	Sun Life Financial	Debtor
Basic Short-Term Disability	Lincoln Financial/ Debtor Red Lobster Management LLC	Sun Life Financial / Debtor Red Lobster Management LLC	Debtor
Dependent Life Insurance	Lincoln Financial	Sun Life Financial	Employee
Hospital Indemnity	Aflac	N/A	Employee
Long-Term Disability	Lincoln Financial	Lincoln Financial	Debtor
Life Insurance 4x	Lincoln Financial	Lincoln Financial	Debtor
Supplemental Life Insurance	Lincoln Financial	N/A	Employee

1) Life and Accidental Death and Critical Illness Insurance

47. In the United States, the Debtors provide life and accidental death and critical illness insurance coverage (the "U.S. Basic Life and AD Insurance Program") to Employees through Lincoln Financial and Aflac respectively (the "U.S. Life Insurance and Disability Program Administrators"). The Basic Life and AD Insurance Program is fully-insured and provides financial protection to the beneficiaries of the insured in the event of an Employee's death or critical illness. Current Employees also may purchase supplemental life insurance to cover themselves, their spouses, and their children through the Life Insurance and Disability Program Administrator and the Company provides certain senior executives with Life Insurance 4x (together with the U.S. Basic Life and AD Insurance Program, the "U.S. Life and AD Insurance Programs"), which offers life insurance in the amount that is four times their salaries.

48. In Canada, the Debtors provide life and accidental death, critical illness and, solely with respect to certain senior executive Employees, Life 4x Insurance (the "Canada Basic Life and

AD Insurance Program", and together with the "U.S. Life and AD Insurance Program", the "Life and AD Insurance Programs"), to Employees through Sun Life Financial and AIG Insurance Company of Canada ("AIG"), respectively (together, the "Canada Life Insurance and Disability Program Administrators", and collectively with the U.S. Life Insurance and Disability Program Administrators, the "Life Insurance and Disability Program Administrators"). The Canada Basic Life and AD Insurance Program is fully-insured and provides financial protection to the beneficiaries of the insured in the event of an Employee's death or critical illness. Non-senior executive Employees in Canada may also purchase Life Insurance 4x as well.

49. The Debtors' total monthly cost of the Life and AD Insurance Programs is approximately $45,069. As of the Petition Date, the Debtors estimate that they owe approximately $52,000 on account of premiums, fees and benefits in connection with the Life and AD Insurance Programs.

2) Basic Short-Term Disability

50. The Debtors provide Employees with short-term disability benefits administered by Lincoln Financial for U.S. Part-Time Employees, Red Lobster Management LLC for all Full-Time Employees and Sun Life Financial for Canadian Part-Time Employees (the "Basic Group Short-Term Disability Benefits"). Eligible Employees are entitled to, among other things, (i) with respect to U.S. Employees, continuation of 60% of their regular pay, up to a weekly maximum, starting seven days after an approved disability begins and (ii) with respect to Canadian Employees, continuation of regular pay for thirty (30) to sixty (90) days and 66% of their regular pay for a period thereafter, in each case based on length of service. Basic Group Short-Term Disability Benefits are fully paid for by the Company for all Full-Time Employees. All Part-Time Employees can elect to pay for coverage with their own funds through a payroll deduction. The Basic Group Short-Term Disability Benefits are offered to eligible Employees regardless of

whether they elect to participate. Currently, approximately 3,772 Employees participate in Basic Group Short-Term Disability Benefits. On an average annual basis, the Debtors pay approximately $137,882 per month on account of administrative fees, premiums and claims with respect to the Basic Group Short-Term Disability Benefits. Based on historical trends, the Debtors estimate that, as of the Petition Date, they could owe approximately $159,000 on account of prepetition Basic Group Short-Term Disability Benefits claims, all of which the Debtors estimate will come due within 30 days of the Petition Date.

3) Long-Term Disability

51. Certain of the Debtors' Employees are eligible to participate in a long-term disability insurance plan that is fully insured by the Debtors and administered by Lincoln Financial (the "Long-Term Disability Insurance Plan" and, together with the Life and AD Insurance Programs, and the Basic Group Short-Term Disability Benefits, the "Life Insurance and Disability Programs"). On an average annual basis, the total cost of the Long-Term Disability Insurance Plan is approximately $12,092 per month, all of which is covered by the Debtors. As of the Petition Date, the Debtors estimate that they owe approximately $14,000 on account of amounts in connection with the Long-Term Disability Insurance Plan.

c. Retirement Plans

1) 401(k) Plan

52. The Debtors offer eligible U.S. Employees the opportunity to participate in a 401(k) plan (the "401(k) Plan"). Employees who participate in the 401(k) Plan can make pre-tax payroll contributions to their 401(k) accounts up to the maximum amount permitted by the Internal Revenue Code. Each participating Employee's 401(k) contributions are deducted automatically from their weekly paychecks (the "401(k) Contributions"). The Debtors may match an eligible Employee's 401(k) Contributions up to six percent (6%) of such Employee's deferrals. The

Debtors' obligation to match an Employee's 401(k) Contributions is strictly based on Company performance and may range from zero percent (0%) to one-hundred percent (100%) (the "401(k) Match," and together with the 401(k) Contributions and any administrative and service fees, the "401(k) Obligations"). Generally, if applicable, the 401(k) Match is made by the Debtors at the end of each calendar quarter. On an average annual basis, the Debtors spend an average of $4,314,403 on account of 401(k) Matches. As of the Petition Date, the Debtors estimate that they have accrued approximately $298,000 of 401(k) Contributions by Employees. As of the Petition Date, the Debtors do not believe that they owe any amounts on account of 401(k) Matches and, therefore, do not believe that prepetition 401(k) Matches for any Employee would exceed the limits imposed by section 507(a)(5) of the Bankruptcy Code.

53. The 401(k) Plan is administered by Principal Life Insurance Co. As of the Petition Date, the Debtors estimate that they owe approximately $105,000 on account of administrative fees in connection with the 401(k) Plan.

2) Canada Retirement Plan

54. The Debtors offer salaried Canadian Employees the opportunity to participate in the Registered Retirement Savings Plan (the "Canada Retirement Plan"). Employees who participate in the Canada Retirement Plan can make pre-tax payroll or after-tax contributions, or a combination thereof, to their retirement accounts up to the maximum amount permitted by the Canadian Income Tax Act. Each participating Employee's Canada Retirement Plan contributions are deducted automatically from their weekly paychecks (the "RRSP Contributions"). The Debtors match a percentage of an eligible Employee's RRSP Contributions based on years of service of such Employee (the "RRSP Match," and together with the RRSP Contributions and any administrative and service fees, the "Canada Retirement Obligations"). Generally, the RRSP Match is made by the Debtors at the end of each calendar month. On an average annual basis, the

Debtors spend approximately $171,173 on account of RRSP Matches. As of the Petition Date, the Debtors estimate that they have accrued approximately $28,000 of RRSP Contributions on behalf of Employees and approximately $17,000 of RRSP Matches. The Debtors do not believe that prepetition RRSP Matches for any Employee would exceed the limits imposed by section 507(a)(5) of the Bankruptcy Code.

55. The Canada Retirement Plan is administered by Mercer (Canada) Limited. As of the Petition Date, the Debtors estimate that they owe approximately $17,000 on account of administrative fees in connection with the Canada Retirement Plan.

3) Nonqualified Deferred Compensation Plan

56. The Debtors also provide an unfunded nonqualified deferred compensation plan (the "Nonqualified Deferred Compensation Plan") for a select group of key management and highly compensated employees (the "Nonqualified Deferred Compensation Participants"). The Nonqualified Deferred Compensation Participants do not participate in the 401(k) Plan. The Nonqualified Deferred Compensation Plan is administered by Principal Life Insurance Co. in the United States. The Nonqualified Deferred Compensation Participants are eligible to defer payment of a portion of their compensation and also receive an amount that approximates the matching and other contributions provided to the tax-qualified 401(k) plan participants. The Debtors ceased all Employee contributions to the Nonqualified Deferred Compensation Plan on January 1, 2024. The Company estimates that the aggregate amount contributed by Employees and the Company to the Nonqualified Deferred Compensation Plan is $9,521,113. By this Motion, the Debtors do not seek authority to make any payments under the Nonqualified Deferred Compensation Plan. The Debtors will do so by separate motion to the extent necessary.

d. Paid Leave

57. The Debtors provide Employees with various forms of paid leave ("Paid Leave"). Employees generally accrue vested paid time off ("PTO") based on their hours worked for Employees paid by the hour or length of service for full-time Employees. If the eligible PTO is not taken upon such Employee's anniversary, it is paid out to the Employee. In the past twelve (12) months, the Debtors estimate that the aggregate amount paid to Employees on account of earned unused PTO in Canada was $1,848,420. As of the Petition Date, the Debtors estimate that their Employees (in both the U.S. and Canada) have earned or accrued approximately $20,254,000 in the aggregate of unused PTO. By way of this Motion, the Debtors seek authority, but not direction, to pay as they come due any "cash out" amounts with respect to earned or accrued but unused PTO only when required by applicable non-bankruptcy law, and to continue to administer the Paid Leave policy in the ordinary course of business.

58. In addition to PTO, other forms of Paid Leave include:

(a) personal leave for personal sick leave, vacation, or other time off;

(b) certain scheduled or calendared holidays throughout the year;

(c) Paid Leave under the Family and Medical Leave Act; and

(d) other Paid Leave for personal reasons, many of which are required by law, including statutory sick leave, workers' compensation leave[10], missed work time in the ordinary course of business for bereavement leave, military leave, jury or court attendance, and time spent voting.

These other forms of Paid Leave do not involve incremental cash outlays beyond standard payroll obligations.

[10] The authorization to continue the workers' compensation program in the ordinary course and satisfy any unpaid amounts with respect thereto is addressed in the *Debtors' Emergency Motion for Authorization to (I) Continue to Administer Insurance Policies, Surety Bonds and Related Agreements; (II) Honor Certain Obligations in Respect Thereof; and (III) for Related Relief,* The Debtors are not separately seeking such relief in this Motion.

59. The Debtors believe that continuing the Paid Leave policies in accordance with prior practice is essential to maintaining positive Employee morale during these chapter 11 cases. Furthermore, the policies are generally broad-based programs upon which all eligible Employees have come to depend. The Debtors anticipate that their Employees will continue to utilize their accrued PTO in the ordinary course of business, which will not create any material cash payment requirements beyond the Debtors' regular payroll obligations.

e. Non-Insider Severance Practice

60. The Debtors, in the ordinary course of business, provide severance for certain Employees on a discretionary basis pursuant to certain informal guidelines (the "Non-Insider Severance Practice").[11]

61. The Debtors' ability and flexibility to provide severance amounts and other benefits, at its discretion, is critical to maintaining positive Employee morale and loyalty. Failure to continue the Non-Insider Severance Practice could cause premature Employee turnover, which could undermine the Debtors' ongoing efforts to operate inside a chapter 11 proceeding.

62. In the last twelve (12) months, the Debtors have spent approximately $2,052,243 on account of the Non-Insider Severance Practice. By this Motion, the Debtors request authority, but not direction, to continue the Non-Insider Severance Practice and honor post-petition severance obligations in the ordinary course, but only with respect to non-Insider Employees whose employment with the Debtors will terminate post-petition. For clarity, the Debtors are not seeking authority to pay severance for employees that were terminated before the Petition Date.

[11] Historically, the Debtors' severance practice was not limited to non-insiders (as that term is defined in section 101(31) of the Bankruptcy Code, an "Insider"). However, for the avoidance of doubt, the Debtors do not seek authority in this Motion to continue its severance practice with respect to any Insiders.

f. Non-Insider Employee Incentive Programs

63. The Debtors have maintained, in the ordinary course of business, certain incentive programs to motivate and reward certain of their non-insider Employees, preserve Employee morale, and incentivize the Employees to hit specific performance metrics (collectively, the "Non-Insider Employee Incentive Programs").[12] The Non-Insider Employee Incentive Programs include performance-based incentive programs, such as quarterly bonuses for certain salaried Senior Directors, Directors and General Managers (each as defined below) (the "Quarterly Incentive Program"), as well as an annual performance bonus awarded to Restaurant Support team salaried and hourly employees (the "Annual Incentive Program"). Awards under the Non-Insider Employee Incentive Programs are calculated based on specific performance metrics and timelines established pursuant to the applicable program and distributed at the discretion of the Company. As stated above, none of the participants of the Non-Insider Employee Incentive Programs is an Insider—they are Employees that report directly or indirectly to an executive and do not make or participate in making any corporate-level decisions and policies.

1) Quarterly Incentive Program

64. Senior Directors of Operations ("Senior Directors"), Directors of Operations ("Directors"), restaurant managers ("Managers"), and general managers ("General Managers" and, together with the Senior Directors, Directors, and Managers, the "Directors and Managers") are eligible to participate in the Quarterly Incentive Program. To be eligible to receive payment under the Quarterly Incentive Program, an eligible Senior Director, Directors, General Managers and Managers must be employed by the Debtors at the end of the fiscal quarter. Awards under the

[12] The relief sought in this Motion with respect to the Non-Insider Employee Incentive Programs does not include the payment of any obligation to an Insider.

Quarterly Incentive Program are paid prior to the end of the quarterly fiscal period following the period for which the award is calculated.

65. Awards under the Quarterly Incentive Program are generally based on the actual performance of the store(s) for which an eligible Employee is responsible, but remains subject to discretion. The Debtors estimate that the average quarterly payout is approximately $1,926 per eligible Employee under the Quarterly Incentive Program.

2) Annual Incentive Program

66. The Employees located in the Debtors' headquarter location (the Restaurant Support Center) are eligible to participate in the Annual Incentive Program. To be eligible to receive payment under the Annual Incentive Program, an eligible Employee must be employed by the Debtors at the end of the fiscal quarter. Awards under the Annual Incentive Program are paid after the end of the fiscal year for which the award is calculated.

67. Awards under the Annual Incentive Program are based on the actual sales, profit, and success of the Debtors' business, and the average annual payout is approximately $8,507 per eligible Employee under the Annual Incentive Program.

3) Red Lobster Unit Performance Bonus Policy

68. Furthermore, the Debtors also operate an undocumented performance unit bonus policy ("Performance Unit Bonus Policy") for certain of their Employees, pursuant to which performance units ("Performance Units") awards are given value based on an EBITDA growth factor of 0.5 (irrespective of the Debtors EBITDA growth factor for such period). The Performance Unit Bonus Policy is administered by Debtor Red Lobster Management LLC. Performance Units vest 50% in year four and 50% in year five, in each case from the date of grant (typically August of each year) and are payable in cash based on the value of the award on the vest date. If an eligible Employee retires or otherwise leaves then any unvested Performance Units are terminated. As of

the Petition Date, approximately 681 Employees participate in the Performance Unit Bonus Policy. Under the Performance Unit Bonus Policy, the Debtors estimate that approximately $1,310,000 on account of Performance Units that vest at the end of the fiscal year will be paid to the applicable Employees in August 2024.

69. The Debtors believe the Non-Insider Employee Incentive Programs are integral to the Debtors' business operations because they align the interests of eligible Employees with those of the Debtors by linking payments under the Non-Insider Employee Incentive Programs to the overall performance and efficiency of the Debtors' operations. Further, the Debtors believe that most store-level Employees who are eligible for awards under the Non-Insider Employee Incentive Programs view such awards as an integral part of their overall compensation and rely on such awards to pay their living expenses and support their families. As of the Petition Date, the Debtors do not believe they owe any amount on account of any Non-Insider Employee Incentive Program. However, by this Motion the Debtors request the authority, but not direction, to continue to honor any obligations under the Non-Insider Incentive Program in the ordinary course of business.

g. Other Employee Programs

70. From time to time, the Debtors offer certain Employees (typically hourly Employees) various benefits at the sole cost of the Employee. These benefits include an Employee Assistance Program known to Employees as "Red Lobster Cares", whereby Employees can choose to donate money from their paycheck into an emergency Employee fund held by non-Debtor affiliate Red Lobster Cares, Inc. (a not-for-profit corporation). Employees can either have a specified amount deducted from their weekly paycheck, or they can make a one-time donation. All of the money contributed is for the benefit of Employees experiencing hardship. Eligible Employees can apply for a grant if their hardship meets certain criteria. Grants can range from $500 to $1,000. The Debtor matches up to $500 for the Eligible Employee in certain situations. Eligible Employees can receive

up to two (2) assistance grants, not to exceed $2,000 combined, in a rolling 12-month period. The Debtors request authority to continue providing this Employee Assistance Program through its non-Debtor affiliate, Red Lobster Cares, Inc.

71. Other benefits offered by the Debtors to eligible Employees, but funded by the Employees, include (a) the First Day Choice program offered to all Employees and provides partial coverage for the cost of certain medical care, such as doctor visits, hospital stays, prescription drugs, and other health care expenses, (b) an optional election for Employees to elect into a benefit bundle for an additional cost of $1.37 per week, which provides access to tele-health professionals with no consultation fee and includes discounts at retail and urgent care clinics and discounts on prescription drugs, (c) the MetLife Legal Plan which provides U.S. Employees access to a network of lawyers who can help with common legal needs, such as wills, divorce and identity theft, or reproductive assistance law, (d) identity theft protection, (e) certain workplace transit and parking expenses on a tax-free basis through payroll deductions, (f) the Wondr weight loss program available free of cost to and the Active & Fit Direct Gym membership discount for Employees and their spouses and dependents on the Blue Cross medical plans, (g) the Health Assessment program which provides assistance on building better health habits and is available free of charge to Employees Blue Cross or Kaiser medical plans, (h) the Tobacco Quit Program, which is available free of cost to Employees enrolled in a Blue Cross health plan, that provides assistance with quitting tobacco, as well as removal of the $12/week tobacco user surcharge, (i) pet insurance, and (j) the Red Lobster Discount Mall and TicketsAtWork program that allows Employees to obtain exclusive discounts on everyday online purchases, such as cell phone plans, concert tickets, and gym memberships.

72. The Debtors fully fund the Work/Life 411 program administered by ComPsych, which provides Employees and their members of their households with cost free, confidential and professional support, resources, and information to help them with counseling, legal support, financial information and personalized work-life resources.

73. The Debtors are unaware of any amounts due and owing as of the Petition Date in connection with the Other Employee Programs. By way of this Motion, the Debtors request authority to pay any pre-petition obligations arising in connection with the Other Employee Programs and continue providing such benefit programs in the ordinary course of business during the chapter 11 cases.

Relief Requested Should Be Granted

I. Payment of Employee Obligations Is Warranted under Sections 363(b)(1) and 105(a) of the Bankruptcy Code, and Doctrine of Necessity

74. A bankruptcy court may authorize a debtor to pay certain prepetition obligations pursuant to section 363(b) of the Bankruptcy Code. 11 U.S.C. § 363(b)(1). Section 363(b) provides, in pertinent part, that "[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." To approve the use of assets outside the ordinary course of business pursuant to section 363(b) of the Bankruptcy Code, courts require only that the debtor "show that a sound business purpose justifies such actions." *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999) (internal citations omitted); *see also In re Phoenix Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987).

75. In addition, the Court has the authority, pursuant to its equitable powers under section 105(a) of the Bankruptcy Code, to authorize the relief requested herein because such relief is necessary for the Debtors to carry out their fiduciary duties under section 1107(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code empowers bankruptcy courts to "issue

any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Section 1107(a) of the Bankruptcy Code "contains an implied duty of the debtor-in-possession" to "protect and preserve the estate, including an operating business' going-concern value," on behalf of a debtor's creditors and other parties in interest. *In re CEI Roofing, Inc.*, 315 B.R. 50, 59 (Bankr. N.D. Tex. 2004) (citations omitted); *see also Unofficial Comm. of Equity Holders v. McManigle* (*In re Penick Pharm., Inc.*), 227 B.R. 229, 232–33 (Bankr. S.D.N.Y. 1998) ("[U]pon filing its petition, the Debtor became debtor in possession and, through its management . . . was burdened with the duties and responsibilities of a bankruptcy trustee.").

76. Furthermore, in a long line of well-established decisions, courts consistently have permitted payment of prepetition obligations that are necessary to preserve or enhance the value of a debtor's estate. *In re Lehigh & New Eng. Ry. Co.*, 657 F.2d 570, 581 (3d Cir. 1981) (holding that "if payment of a claim which arose prior to reorganization is essential to the continued operation of the . . . [business] during reorganization, payment may be authorized even if it is made out of [the] corpus"); *Dudley v. Mealey*, 147 F.2d 268, 271 (2d Cir. 1945) (extending doctrine for payment of prepetition claims beyond railroad reorganization cases), cert. denied 325 U.S. 873 (1945); *Mich. Bureau of Workers' Disability Comp. v. Chateaugay Corp.* (*In re Chateaugay Corp.*), 80 B.R. 279, 285–86 (S.D.N.Y. 1987) (approving lower court order authorizing payment of prepetition wages, salaries, expenses, and benefits).

77. In addition, the Court may rely on its equitable powers under section 105(a) of the Bankruptcy Code and the doctrine of necessity to authorize the payment of prepetition claims when such payment is essential to the continued operation of a debtor's business. *See, e.g., Just for Feet*, 242 B.R. 821, 824–25 (D. Del. 1999) (holding that section 105(a) of Bankruptcy Code provides statutory basis for payment of prepetition claims under the doctrine of necessity particularly when

such payment is necessary for the debtor's survival during chapter 11); *In re Columbia Gas Sys., Inc.*, 171 B.R. 189, 191–92 (Bankr. D. Del. 1994) (confirming that the doctrine of necessity is standard for enabling a court to authorize payment of prepetition claims before confirming a plan).

78. Indeed, relief similar to that sought herein has been granted by Courts in this and other Districts in Florida. *See, e.g., In re Robb & Stucky LLLP*, Case No. 8:11-bk-02801-CAD (Bankr. M.D. Fla. Mar. 11, 2011); *In re Cargo Transp. Svcs., Inc.*, Case No. 11-bk-00432-MGW (Bankr. M.D. Fla. Jan. 20, 2011); *In re E-Brands Rests., LLC, et al.*, Case No. 10-bk-18282-KRM (Bankr. M.D. Fla. Aug. 20, 2010); *In re CCI Liquidation, Inc., fka Custom Cable Indus., Inc.*, Case No. 10-bk-18478-MGW (Bankr. M.D. Fla. Aug. 9, 2010); *In re Taylor, Bean & Whitaker Mortgage Corp.*, Case No. 09-bk-07047-JAF (Bankr. M.D. Fla. Sep. 24, 2009); *In re Land Resource, LLC*, Case No. 08-bk-10159-ABB (Bankr. M.D. Fla. Oct. 31, 2008); *In re Vital Pharmaceuticals, Inc., et al.*, No. 22-17842-PDR (Bankr. S.D. Fla. Oct. 14, 2022); *In re American Purchasing Services, LLC d/b/a American Medical Depot, et al.*, No. 20-23495-SMG (Bankr. S.D. Fla. Dec. 16, 2020); *In re Tamarac 10200, LLC, et al.*, No. 20-23356-PDR (Bankr. S.D. Fla. Dec. 10, 2020); *In re It'Sugar FL I LLC, et al.*, No. 20-20259-RAM (Bankr. S.D. Fla. Sept. 29, 2020); *In re Magnum Construction Management, LLC f/k/a Munilla Construction Management, LLC*, No 19-12821-AJC (Bankr. S.D. Fla. Mar. 7, 2019); *In re National Auto Lenders, Inc.*, No. 18-24586-LMI (Bankr. S.D. Fla. Nov. 29, 2018); *In re Goodman and Dominguez, Inc., et al.*, No. 17-17237-RAM (Bankr. S.D. Fla. July 7, 2017); *In re Goodman and Dominguez, Inc., et al.*, No. 16-10056-RAM (Bankr. S.D. Fla. Jan. 1, 2016); *In re Adinath Corp., et al.*, No. 15-16885-LMI (Bankr. S.D. Fla. April 17, 2015); *In re Maguire Group Holdings, Inc., et al.*, No. 11-39347-RAM (Bankr. S.D. Fla. Oct. 26, 2012); *In re Gulfstream Intern. Group, Inc., et al.*, No. 10-44131-JKO (Bankr. S.D. Fla. Nov. 8, 2010); *In re Medical Staffing Network Holdings, Inc., et al.*, No. 10-29101-EPK

(Bankr. S.D. Fla. July 7, 2010); *In re DM Indus., Ltd.*, No. 09-15533-LMI (Bankr. S.D. Fla. Mar. 31, 2009); *In re Campbellton-Graceville Hospital Corporation,* Case No. 17-40185-KKS (Bankr. N.D. Fla. May 11, 2017); and *In re Wood Resource Recovery, L.L.C.,* Case No. 16-10014-KKS (Bankr. N.D. Fla. Feb. 11, 2016).

79. In this case, the relief requested by this Motion represents a sound exercise of the Debtors' business judgment, is necessary to avoid immediate and irreparable harm to the Debtors' estates, and is justified under sections 105(a) and 363(b) of the Bankruptcy Code. Authorizing the Debtors to pay prepetition wages, employee benefits, and similar items will benefit the Debtors' estates and their creditors by allowing the Debtors' business operations to continue without interruption. Indeed, without the relief requested herein being granted, the Debtors are at the risk of significant Employee attrition, as the Debtors' Employees may seek alternative opportunities, perhaps with the Debtors' competitors. Employee attrition would cause the Debtors to incur additional expenses to find appropriate and experienced replacements, severely disrupting the Debtors' operations at a critical juncture. Additionally, the loss of valuable Employees, who are the lifeblood of the Debtors' operations, would deplete the Debtors' workforce, thereby hindering the Debtors' ability to meet their customer obligations and likely diminishing the Debtors' ability to carry out their chapter 11 strategy.

80. In addition to Employee attrition, failure to satisfy certain prepetition obligations will likely jeopardize Employee morale and loyalty at a time when Employee support is critical to the Debtors' businesses. The majority of the Debtors' Employees rely exclusively on their compensation, benefits and reimbursement of expenses to satisfy their daily living expenses. These Employees will be exposed to significant financial difficulties and other distractions if the Debtors are not permitted to honor their obligations for Unpaid Compensation, benefits and

reimbursable expenses. Similarly, if the Court does not authorize the Debtors to honor their various obligations under the Health Insurance Plans, many Employees will lose access to health coverage at a time when the Debtors need their Employees to perform their jobs at peak efficiency. The loss in morale and potential distraction of Employees worrying about paying their bills and their healthcare costs will harm the Debtors' ability to operate and serve customers at their standard high levels, causing an erosion in the Debtors' value.

81. Similarly, the Supplemental Workforce is an important component of the Debtors' operations, and ensures that key operational initiatives that are critical to the Debtors' efforts to operate inside a chapter 11 proceeding. The Supplemental Workforce consists of individuals across a number of the Debtors' departments, including Accounting, Accounts Payable, Culinary, Information Technology, Legal, Marketing, Quality Department, and Menu services. Failure to timely pay the obligations related to their Supplemental Workforce would endanger the Debtors' prospects of a successful sale effort and would cause widespread negative effects throughout the Debtors' businesses.

82. The relief requested by this Motion represents a sound exercise of the Debtors' business judgment, is necessary to avoid immediate and irreparable harm to the Debtors' estates, and is justified under sections 363(b) and 105(a) of the Bankruptcy Code. Authorizing the Debtors to pay or honor the Employee Obligations will benefit the Debtors' estates and their stakeholders by allowing the Debtors' business operations to continue without interruption.

II. Payment of Employee Obligations Would Not Prejudice Parties in Interest

83. The Debtors believe that the vast majority of the prepetition Employee Obligations constitute priority claims under sections 507(a)(4) or (5) of the Bankruptcy Code. As priority claims, the Employee Obligations are entitled to payment in full before any general unsecured claims asserted against the Debtors can be paid. Thus, the relief requested largely affects only

the timing of the payment of the priority prepetition Employee Obligations and should not prejudice the rights of general unsecured creditors or other parties in interest.

III. Payment of Certain Employee Obligations Is Required by Law

84. The Debtors also seek authority to remit certain Payroll Taxes and Deductions to the appropriate entities. These amounts principally represent Employee earnings that governments, Employees, and judicial authorities have designated for deduction from Employees' paychecks. Indeed, certain Deductions, including contributions to the Employee Benefit Programs and child support and alimony payments, are not property of the Debtors' estates because they have been withheld from Employees' paychecks on another party's behalf. *See* 11 U.S.C. § 541(b); *see Begier v. IRS*, 496 U.S. 53, 66–67 (1990) (concluding that withholding taxes are property held by a debtor in trust for another and are, therefore, not property of debtor's estate). Further, federal and state laws require the Debtors and their officers to make certain tax payments that have been withheld from their Employees' paychecks. *See* 26 U.S.C. §§ 6672 and 7501(a); *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); *DuCharmes & Co., Inc. v. State of Mich.* (*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 certain Payroll Taxes and Deductions are not property of the Debtors' estates, the Debtors request that the Court authorize them to transmit the Payroll Taxes and Deductions to the proper parties in the ordinary course of business.

IV. Most of the Severance Payments the Debtors Seek to Pay Fall Within 502(b)(7) and/or Section 503(c) of the Bankruptcy Code

85. In an effort to provide comfort to the Employees given the uncertainty attendant to a company operating in chapter 11, the Debtors seek authority, but not direction, to continue the Non-Insider Severance Practice and continue to honor its obligations under the Non-Insider Severance Practice with respect to non-insider Employees who are terminated postpetition; provided, however, that except as otherwise required by non-bankruptcy law, the Debtors will pay such obligations only to the extent that they are entitled to priority treatment under section 507(a)(4) of the Bankruptcy Code (subject to the cap provided therein) or administrative expense treatment under section 503(b)(1) of the Bankruptcy Code. For the avoidance of doubt, the Debtors are not requesting authority to and will not make any payments that fall outside the limitations of section 503(c), to the extent applicable.

86. Moreover, the Non-Insider Severance Practice does not implicate section 503(c)(3) because it is within the ordinary course of the Debtors' business. 11 U.S.C. § 503(c)(3) (prohibiting certain payments "outside of the ordinary course of business"). If section 503(c) is not implicated, the Court may grant the requested relief if it finds that a non-insider severance program satisfies the requirements of section 363(b) of the Bankruptcy Code. *See In re Mesa Air Group, Inc.*, Ch. 11 Case No. 10-10018 (MG), 2010 WL 3810899, at *3 (Bankr. S.D.N.Y. Sept. 24, 2010) (noting that compensation plans within the ordinary course of business are governed by section 363 of the Bankruptcy Code, not section 503(c)). For the reasons stated, discretion to continue the Non-Insider Severance Plan as set forth in this Motion is critical and necessary to assuage Employee fears and motivate them to achieve the Debtors' chapter 11 objectives. Accordingly, the requested relief should be approved.

87. For the foregoing reasons, payment of the prepetition Employee Obligations is necessary, appropriate, and in the best interests of the Debtors, their estates, and all other parties in interest in these cases. Accordingly, the Court should authorize the relief requested herein.

Bankruptcy Rule 6003(b) Has Been Satisfied

88. Bankruptcy Rule 6003(b) provides that, to the extent relief is necessary to avoid immediate and irreparable harm, a bankruptcy court may issue an order granting "a motion to use, sell, lease, or otherwise incur an obligation regarding property of the estate, including a motion to pay all or part of a claim that arose before the filing of the petition" prior to twenty-one (21) days after the Petition Date. Fed. R. Bankr. P. 6003(b). As explained above and in the First Day Declaration, the Debtors would suffer immediate and irreparable harm if the relief sought herein is not promptly granted. Accordingly, the Debtors submit that the relief requested herein is necessary to avoid immediate and irreparable harm, and, therefore, Bankruptcy Rule 6003 is satisfied.

Request for Bankruptcy Rule 6004(a) and (h) Waivers

89. To implement the foregoing successfully, the Debtors seek waivers of the notice requirements under Bankruptcy Rule 6004(a) and the fourteen (14)-day stay of an order authorizing the use, sale, or lease of property under 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 fourteen (14)-day stay imposed by Bankruptcy Rule 6004(h), to the extent such notice requirements and such stay apply.

Reservation of Rights

90. Nothing contained herein is intended to be or shall be construed as (i) an admission as to the validity of any claim against the Debtors or any liens satisfied pursuant to this Motion; (ii)

an agreement or obligation to pay any claims; (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder; (iv) a waiver of the Debtors' or any appropriate party in interest's rights to dispute any claim; or (v) an approval, assumption, or rejection of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code, including, without limitation, any Collective Bargaining Agreement or any pension plan. Likewise, if the Court grants the relief sought herein, any payment made pursuant to the Court's order is not intended to be and should not be construed as an admission to the validity of any claim or a waiver of the Debtors' rights to dispute such claim subsequently.

Approved DIP Budget

91. The Debtors submit that the relief requested herein is contemplated by the Approved DIP Budget and the terms and conditions imposed on the Debtors in the proposed form of *Interim Order (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral on a Limited Basis, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying The Automatic Stay, (VI) Scheduling A Final Hearing, and (VII) Granting Related Relief* (the "DIP Order") and the amounts necessary to pay the relief requested herein are included in the Approved DIP Budget (as defined in the DIP Order).

WHEREFORE, the Debtors respectfully request that the Court enter an Order in the form attached hereto as **Exhibit B**, granting the relief requested herein on an interim basis, and after a final hearing, on a final basis, and granting such other and further relief as is just and proper.

[Intentionally Blank]

Dated: May 19, 2024

Respectfully submitted,

/s/ Paul Steven Singerman

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Filer's Attestation: Pursuant to Local Rule 1001-2(g)(3) regarding signatures, Paul Steven Singerman attests that concurrence in the filing of this paper has been obtained.

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– and –

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Proposed Counsel for Debtors and Debtors-in-Possession

Exhibit A

(Local Rule 2081-1(g)(3) Schedule)

Employee ID	Gross Wages	Taxes	Deductions	Pay Period	Status	Insider Status
100140633	$5,254	$1,645	$228	May 13, 2024 - May 19, 2024	Active	Non-Insider
100487973	$5,013	$800	$1,393	May 13, 2024 - May 19, 2024	Active	Non-Insider
102109006	$4,555	$1,219	$725	May 13, 2024 - May 19, 2024	Active	Non-Insider
102074559	$4,390	$1,291	$0	May 13, 2024 - May 19, 2024	Active	Non-Insider
102083445	$4,375	$1,284	$42	May 13, 2024 - May 19, 2024	Active	Non-Insider
102082493	$4,370	$1,225	$0	May 13, 2024 - May 19, 2024	Active	Non-Insider
102083446	$4,370	$1,265	$290	May 13, 2024 - May 19, 2024	Active	Non-Insider
100615325	$4,363	$1,258	$288	May 13, 2024 - May 19, 2024	Active	Non-Insider
102081874	$4,074	$1,175	$307	May 13, 2024 - May 19, 2024	Active	Non-Insider
100302583	$4,008	$1,134	$398	May 13, 2024 - May 19, 2024	Active	Non-Insider
102114079	$3,846	$1,176	$109	May 13, 2024 - May 19, 2024	Active	Non-Insider
100302582	$3,704	$1,196	$179	May 13, 2024 - May 19, 2024	Active	Non-Insider
102080256	$3,685	$1,477	$303	May 13, 2024 - May 19, 2024	Active	Non-Insider
102090095	$3,685	$949	$118	May 13, 2024 - May 19, 2024	Active	Non-Insider
101851182	$3,525	$994	$396	May 13, 2024 - May 19, 2024	Active	Non-Insider
102027643	$3,512	$1,012	$112	May 13, 2024 - May 19, 2024	Active	Non-Insider
100179796	$3,477	$1,015	$215	May 13, 2024 - May 19, 2024	Active	Non-Insider
100185524	$3,444	$994	$374	May 13, 2024 - May 19, 2024	Active	Non-Insider
102076628	$3,381	$892	$233	May 13, 2024 - May 19, 2024	Active	Non-Insider
100798922	$3,292	$1,213	$266	May 13, 2024 - May 19, 2024	Active	Non-Insider
102097289	$3,292	$1,054	$375	May 13, 2024 - May 19, 2024	Active	Non-Insider
102100578	$3,269	$936	$169	May 13, 2024 - May 19, 2024	Active	Non-Insider
102084013	$3,231	$825	$40	May 13, 2024 - May 19, 2024	Active	Non-Insider
100922218	$3,204	$923	$98	May 13, 2024 - May 19, 2024	Active	Non-Insider
102101945	$3,173	$795	$44	May 13, 2024 - May 19, 2024	Active	Non-Insider
100245348	$3,087	$998	$244	May 13, 2024 - May 19, 2024	Active	Non-Insider
100247699	$3,087	$1,039	$226	May 13, 2024 - May 19, 2024	Active	Non-Insider
100203294	$3,077	$894	$309	May 13, 2024 - May 19, 2024	Active	Non-Insider
100423754	$3,077	$988	$959	May 13, 2024 - May 19, 2024	Active	Non-Insider
100000934	$3,077	$1,064	$125	May 13, 2024 - May 19, 2024	Active	Non-Insider
101712591	$3,077	$787	$94	May 13, 2024 - May 19, 2024	Active	Non-Insider
101753585	$3,077	$819	$0	May 13, 2024 - May 19, 2024	Active	Non-Insider
101874495	$3,070	$1,196	$148	May 13, 2024 - May 19, 2024	Active	Non-Insider
101984334	$3,070	$802	$0	May 13, 2024 - May 19, 2024	Active	Non-Insider
100005761	$3,058	$730	$173	May 13, 2024 - May 19, 2024	Active	Non-Insider
102040430	$3,038	$591	$5	May 13, 2024 - May 19, 2024	Active	Non-Insider
101677630	$3,029	$557	$617	May 13, 2024 - May 19, 2024	Active	Non-Insider
102091107	$2,984	$1,013	$142	May 13, 2024 - May 19, 2024	Active	Non-Insider
102093999	$2,981	$697	$157	May 13, 2024 - May 19, 2024	Active	Non-Insider
102059653	$2,962	$611	$193	May 13, 2024 - May 19, 2024	Active	Non-Insider
101752542	$2,885	$723	$321	May 13, 2024 - May 19, 2024	Active	Non-Insider
101749101	$2,872	$523	$142	May 13, 2024 - May 19, 2024	Active	Non-Insider
101765937	$2,872	$702	$203	May 13, 2024 - May 19, 2024	Active	Non-Insider
100025170	$2,865	$751	$17	May 13, 2024 - May 19, 2024	Active	Non-Insider
101507289	$2,847	$588	$396	May 13, 2024 - May 19, 2024	Active	Non-Insider
102077394	$2,811	$566	$202	May 13, 2024 - May 19, 2024	Active	Non-Insider
102063979	$2,795	$485	$183	May 13, 2024 - May 19, 2024	Active	Non-Insider
102018933	$2,793	$615	$168	May 13, 2024 - May 19, 2024	Active	Non-Insider
101973232	$2,788	$633	$203	May 13, 2024 - May 19, 2024	Active	Non-Insider
102028491	$2,788	$641	$145	May 13, 2024 - May 19, 2024	Active	Non-Insider
101655289	$2,773	$800	$149	May 13, 2024 - May 19, 2024	Active	Non-Insider
101750663	$2,773	$746	$248	May 13, 2024 - May 19, 2024	Active	Non-Insider
101779513	$2,731	$576	$430	May 13, 2024 - May 19, 2024	Active	Non-Insider
101914239	$2,717	$664	$184	May 13, 2024 - May 19, 2024	Active	Non-Insider
101894908	$2,712	$611	$183	May 13, 2024 - May 19, 2024	Active	Non-Insider
101118018	$2,692	$753	$472	May 13, 2024 - May 19, 2024	Active	Non-Insider

101968840	$2,692	$593	$72	May 13, 2024 - May 19, 2024	Active	Non-Insider
102100738	$2,692	$764	$164	May 13, 2024 - May 19, 2024	Active	Non-Insider
100004257	$2,690	$673	$21	May 13, 2024 - May 19, 2024	Active	Non-Insider
100004038	$2,673	$571	$320	May 13, 2024 - May 19, 2024	Active	Non-Insider
100269413	$2,644	$644	$67	May 13, 2024 - May 19, 2024	Active	Non-Insider
101814847	$2,644	$643	$36	May 13, 2024 - May 19, 2024	Active	Non-Insider
101957156	$2,625	$532	$585	May 13, 2024 - May 19, 2024	Active	Non-Insider
102080640	$2,615	$499	$524	May 13, 2024 - May 19, 2024	Active	Non-Insider
101951911	$2,608	$566	$278	May 13, 2024 - May 19, 2024	Active	Non-Insider
100001396	$2,606	$687	$307	May 13, 2024 - May 19, 2024	Active	Non-Insider
102099846	$2,596	$561	$265	May 13, 2024 - May 19, 2024	Active	Non-Insider
102060610	$2,588	$316	$938	May 13, 2024 - May 19, 2024	Active	Non-Insider
100327528	$2,587	$639	$284	May 13, 2024 - May 19, 2024	Active	Non-Insider
102050997	$2,575	$597	$67	May 13, 2024 - May 19, 2024	Active	Non-Insider
102071944	$2,575	$548	$229	May 13, 2024 - May 19, 2024	Active	Non-Insider
100208074	$2,558	$783	$121	May 13, 2024 - May 19, 2024	Active	Non-Insider
100184922	$2,540	$663	$334	May 13, 2024 - May 19, 2024	Active	Non-Insider
100156060	$2,531	$604	$176	May 13, 2024 - May 19, 2024	Active	Non-Insider
101097117	$2,525	$517	$495	May 13, 2024 - May 19, 2024	Active	Non-Insider
102028955	$2,519	$590	$39	May 13, 2024 - May 19, 2024	Active	Non-Insider
100141546	$2,511	$542	$253	May 13, 2024 - May 19, 2024	Active	Non-Insider
100591943	$2,500	$992	$90	May 13, 2024 - May 19, 2024	Active	Non-Insider
100157749	$2,500	$535	$332	May 13, 2024 - May 19, 2024	Active	Non-Insider
102088891	$2,500	$531	$209	May 13, 2024 - May 19, 2024	Active	Non-Insider
100236456	$2,492	$644	$236	May 13, 2024 - May 19, 2024	Active	Non-Insider
102053266	$2,476	$965	$18	May 13, 2024 - May 19, 2024	Active	Non-Insider
101926510	$2,452	$658	$351	May 13, 2024 - May 19, 2024	Active	Non-Insider
102078573	$2,442	$296	$206	May 13, 2024 - May 19, 2024	Active	Non-Insider
102072965	$2,427	$476	$331	May 13, 2024 - May 19, 2024	Active	Non-Insider
101752551	$2,417	$408	$397	May 13, 2024 - May 19, 2024	Active	Non-Insider
100144113	$2,404	$488	$213	May 13, 2024 - May 19, 2024	Active	Non-Insider
101320556	$2,404	$308	$268	May 13, 2024 - May 19, 2024	Active	Non-Insider
102090098	$2,404	$560	$447	May 13, 2024 - May 19, 2024	Active	Non-Insider
102090101	$2,404	$528	$148	May 13, 2024 - May 19, 2024	Active	Non-Insider
102118280	$2,404	$542	$87	May 13, 2024 - May 19, 2024	Active	Non-Insider
102118836	$2,404	$582	$289	May 13, 2024 - May 19, 2024	Active	Non-Insider
102097698	$2,386	$467	$373	May 13, 2024 - May 19, 2024	Active	Non-Insider
101972028	$2,377	$490	$239	May 13, 2024 - May 19, 2024	Active	Non-Insider
102117194	$2,377	$571	$328	May 13, 2024 - May 19, 2024	Active	Non-Insider
101877193	$2,365	$328	$864	May 13, 2024 - May 19, 2024	Active	Non-Insider
101886087	$2,346	$295	$522	May 13, 2024 - May 19, 2024	Active	Non-Insider
101905210	$2,337	$544	$584	May 13, 2024 - May 19, 2024	Active	Non-Insider
101965302	$2,310	$410	$475	May 13, 2024 - May 19, 2024	Active	Non-Insider
102090097	$2,308	$486	$145	May 13, 2024 - May 19, 2024	Active	Non-Insider
102092883	$2,308	$323	$333	May 13, 2024 - May 19, 2024	Active	Non-Insider
102095911	$2,308	$512	$75	May 13, 2024 - May 19, 2024	Active	Non-Insider
100176388	$2,278	$501	$134	May 13, 2024 - May 19, 2024	Active	Non-Insider
100150300	$2,268	$484	$337	May 13, 2024 - May 19, 2024	Active	Non-Insider
101961430	$2,250	$427	$512	May 13, 2024 - May 19, 2024	Active	Non-Insider
102017445	$2,249	$297	$414	May 13, 2024 - May 19, 2024	Active	Non-Insider
102074167	$2,235	$595	$152	May 13, 2024 - May 19, 2024	Active	Non-Insider
102075722	$2,232	$482	$93	May 13, 2024 - May 19, 2024	Active	Non-Insider
101811463	$2,231	$498	$191	May 13, 2024 - May 19, 2024	Active	Non-Insider
102103219	$2,231	$550	$211	May 13, 2024 - May 19, 2024	Active	Non-Insider
102036870	$2,163	$507	$293	May 13, 2024 - May 19, 2024	Active	Non-Insider
100475661	$2,122	$472	$371	May 13, 2024 - May 19, 2024	Active	Non-Insider
101953646	$2,115	$453	$254	May 13, 2024 - May 19, 2024	Active	Non-Insider

101973934	$2,115	$441	$160	May 13, 2024 - May 19, 2024	Active	Non-Insider
102036088	$2,115	$456	$71	May 13, 2024 - May 19, 2024	Active	Non-Insider
102057604	$2,115	$433	$161	May 13, 2024 - May 19, 2024	Active	Non-Insider
101355818	$2,111	$377	$554	May 13, 2024 - May 19, 2024	Active	Non-Insider
101221717	$2,104	$160	$337	May 13, 2024 - May 19, 2024	Active	Non-Insider
100160157	$2,094	$582	$249	May 13, 2024 - May 19, 2024	Active	Non-Insider
100185663	$2,076	$345	$323	May 13, 2024 - May 19, 2024	Active	Non-Insider
100955902	$2,058	$386	$468	May 13, 2024 - May 19, 2024	Active	Non-Insider
100749464	$2,038	$450	$314	May 13, 2024 - May 19, 2024	Active	Non-Insider
102077366	$2,037	$440	$33	May 13, 2024 - May 19, 2024	Active	Non-Insider
100223075	$2,032	$338	$458	May 13, 2024 - May 19, 2024	Active	Non-Insider
100185463	$2,028	$325	$559	May 13, 2024 - May 19, 2024	Active	Non-Insider
102000063	$2,019	$500	$409	May 13, 2024 - May 19, 2024	Active	Non-Insider
102041885	$2,019	$414	$300	May 13, 2024 - May 19, 2024	Active	Non-Insider
102118237	$2,019	$444	$0	May 13, 2024 - May 19, 2024	Active	Non-Insider
100235474	$2,001	$342	$382	May 13, 2024 - May 19, 2024	Active	Non-Insider
101975531	$1,980	$176	$669	May 13, 2024 - May 19, 2024	Active	Non-Insider
101966408	$1,975	$216	$162	May 13, 2024 - May 19, 2024	Active	Non-Insider
100888315	$1,969	$377	$507	May 13, 2024 - May 19, 2024	Active	Non-Insider
100657096	$1,962	$610	$422	May 13, 2024 - May 19, 2024	Active	Non-Insider
101687354	$1,962	$340	$582	May 13, 2024 - May 19, 2024	Active	Non-Insider
100290699	$1,952	$238	$367	May 13, 2024 - May 19, 2024	Active	Non-Insider
101119364	$1,933	$425	$305	May 13, 2024 - May 19, 2024	Active	Non-Insider
101540511	$1,933	$289	$310	May 13, 2024 - May 19, 2024	Active	Non-Insider
100159013	$1,923	$370	$115	May 13, 2024 - May 19, 2024	Active	Non-Insider
100278280	$1,923	$433	$0	May 13, 2024 - May 19, 2024	Active	Non-Insider
100953411	$1,923	$381	$273	May 13, 2024 - May 19, 2024	Active	Non-Insider
101023120	$1,923	$348	$309	May 13, 2024 - May 19, 2024	Active	Non-Insider
101024061	$1,923	$362	$255	May 13, 2024 - May 19, 2024	Active	Non-Insider
101436626	$1,923	$342	$309	May 13, 2024 - May 19, 2024	Active	Non-Insider
101867460	$1,923	$474	$315	May 13, 2024 - May 19, 2024	Active	Non-Insider
102100615	$1,923	$343	$295	May 13, 2024 - May 19, 2024	Active	Non-Insider
101823003	$1,904	$391	$73	May 13, 2024 - May 19, 2024	Active	Non-Insider
100004540	$1,902	$377	$345	May 13, 2024 - May 19, 2024	Active	Non-Insider
101156934	$1,902	$236	$439	May 13, 2024 - May 19, 2024	Active	Non-Insider
100001835	$1,892	$370	$233	May 13, 2024 - May 19, 2024	Active	Non-Insider
100805945	$1,885	$347	$548	May 13, 2024 - May 19, 2024	Active	Non-Insider
101289328	$1,885	$236	$156	May 13, 2024 - May 19, 2024	Active	Non-Insider
100140772	$1,882	$288	$334	May 13, 2024 - May 19, 2024	Active	Non-Insider
101836232	$1,882	$262	$163	May 13, 2024 - May 19, 2024	Active	Non-Insider
101969264	$1,882	$344	$275	May 13, 2024 - May 19, 2024	Active	Non-Insider
101816039	$1,881	$326	$335	May 13, 2024 - May 19, 2024	Active	Non-Insider
101676152	$1,875	$513	$89	May 13, 2024 - May 19, 2024	Active	Non-Insider
100568825	$1,872	$232	$561	May 13, 2024 - May 19, 2024	Active	Non-Insider
100163683	$1,865	$363	$394	May 13, 2024 - May 19, 2024	Active	Non-Insider
101124515	$1,865	$468	$18	May 13, 2024 - May 19, 2024	Active	Non-Insider
101504363	$1,865	$134	$163	May 13, 2024 - May 19, 2024	Active	Non-Insider
100520879	$1,864	$287	$70	May 13, 2024 - May 19, 2024	Active	Non-Insider
101660976	$1,862	$410	$51	May 13, 2024 - May 19, 2024	Active	Non-Insider
101943286	$1,859	$304	$488	May 13, 2024 - May 19, 2024	Active	Non-Insider
100695372	$1,856	$324	$351	May 13, 2024 - May 19, 2024	Active	Non-Insider
100190503	$1,846	$307	$421	May 13, 2024 - May 19, 2024	Active	Non-Insider
101420328	$1,829	$194	$654	May 13, 2024 - May 19, 2024	Active	Non-Insider
100168269	$1,827	$397	$197	May 13, 2024 - May 19, 2024	Active	Non-Insider
100190802	$1,827	$373	$57	May 13, 2024 - May 19, 2024	Active	Non-Insider
100200606	$1,827	$247	$317	May 13, 2024 - May 19, 2024	Active	Non-Insider
100215295	$1,827	$409	$528	May 13, 2024 - May 19, 2024	Active	Non-Insider

100253900	$1,827	$263	$243	May 13, 2024 - May 19, 2024	Active	Non-Insider
100632979	$1,827	$258	$255	May 13, 2024 - May 19, 2024	Active	Non-Insider
100664816	$1,827	$314	$229	May 13, 2024 - May 19, 2024	Active	Non-Insider
100794013	$1,827	$269	$190	May 13, 2024 - May 19, 2024	Active	Non-Insider
100865257	$1,827	$329	$272	May 13, 2024 - May 19, 2024	Active	Non-Insider
101822510	$1,827	$331	$397	May 13, 2024 - May 19, 2024	Active	Non-Insider
101884091	$1,827	$289	$463	May 13, 2024 - May 19, 2024	Active	Non-Insider
101953658	$1,824	$360	$174	May 13, 2024 - May 19, 2024	Active	Non-Insider
102077234	$1,815	$353	$125	May 13, 2024 - May 19, 2024	Active	Non-Insider
100177703	$1,808	$263	$652	May 13, 2024 - May 19, 2024	Active	Non-Insider
100198963	$1,803	$258	$107	May 13, 2024 - May 19, 2024	Active	Non-Insider
100286524	$1,803	$437	$98	May 13, 2024 - May 19, 2024	Active	Non-Insider
102114200	$1,788	$361	$46	May 13, 2024 - May 19, 2024	Active	Non-Insider
102073324	$1,769	$301	$233	May 13, 2024 - May 19, 2024	Active	Non-Insider
101969859	$1,753	$311	$151	May 13, 2024 - May 19, 2024	Active	Non-Insider
101734858	$1,740	$307	$211	May 13, 2024 - May 19, 2024	Active	Non-Insider
100235126	$1,731	$322	$243	May 13, 2024 - May 19, 2024	Active	Non-Insider
101890084	$1,731	$210	$481	May 13, 2024 - May 19, 2024	Active	Non-Insider
101962170	$1,731	$184	$115	May 13, 2024 - May 19, 2024	Active	Non-Insider
101993975	$1,731	$251	$344	May 13, 2024 - May 19, 2024	Active	Non-Insider
101996434	$1,731	$332	$156	May 13, 2024 - May 19, 2024	Active	Non-Insider
102085067	$1,731	$308	$209	May 13, 2024 - May 19, 2024	Active	Non-Insider
102071945	$1,716	$225	$333	May 13, 2024 - May 19, 2024	Active	Non-Insider
100177998	$1,704	$340	$210	May 13, 2024 - May 19, 2024	Active	Non-Insider
102064507	$1,692	$435	$0	May 13, 2024 - May 19, 2024	Active	Non-Insider
101969430	$1,683	$325	$123	May 13, 2024 - May 19, 2024	Active	Non-Insider
102084870	$1,638	$316	$47	May 13, 2024 - May 19, 2024	Active	Non-Insider
102092138	$1,635	$198	$193	May 13, 2024 - May 19, 2024	Active	Non-Insider
100443325	$1,620	$286	$130	May 13, 2024 - May 19, 2024	Active	Non-Insider
100250104	$1,606	$300	$284	May 13, 2024 - May 19, 2024	Active	Non-Insider
100594879	$1,602	$234	$463	May 13, 2024 - May 19, 2024	Active	Non-Insider
100001735	$1,602	$212	$411	May 13, 2024 - May 19, 2024	Active	Non-Insider
101971101	$1,600	$351	$197	May 13, 2024 - May 19, 2024	Active	Non-Insider
102067105	$1,577	$467	$141	May 13, 2024 - May 19, 2024	Active	Non-Insider
101907421	$1,554	$301	$170	May 13, 2024 - May 19, 2024	Active	Non-Insider
102077333	$1,552	$188	$283	May 13, 2024 - May 19, 2024	Active	Non-Insider
102078576	$1,550	$250	$228	May 13, 2024 - May 19, 2024	Active	Non-Insider
102082131	$1,546	$280	$74	May 13, 2024 - May 19, 2024	Active	Non-Insider
102036154	$1,538	$277	$79	May 13, 2024 - May 19, 2024	Active	Non-Insider
102094375	$1,538	$292	$31	May 13, 2024 - May 19, 2024	Active	Non-Insider
102104701	$1,538	$266	$136	May 13, 2024 - May 19, 2024	Active	Non-Insider
101748410	$1,533	$201	$279	May 13, 2024 - May 19, 2024	Active	Non-Insider
101737196	$1,518	$392	$152	May 13, 2024 - May 19, 2024	Active	Non-Insider
101226168	$1,515	$289	$184	May 13, 2024 - May 19, 2024	Active	Non-Insider
102024172	$1,508	$352	$68	May 13, 2024 - May 19, 2024	Active	Non-Insider
101090835	$1,501	$418	$311	May 13, 2024 - May 19, 2024	Active	Non-Insider
101822997	$1,460	$212	$327	May 13, 2024 - May 19, 2024	Active	Non-Insider
102106930	$1,442	$217	$258	May 13, 2024 - May 19, 2024	Active	Non-Insider
101926051	$1,436	$206	$0	May 13, 2024 - May 19, 2024	Active	Non-Insider
101788556	$1,430	$179	$342	May 13, 2024 - May 19, 2024	Active	Non-Insider
101655259	$1,426	$205	$232	May 13, 2024 - May 19, 2024	Active	Non-Insider
101962026	$1,423	$193	$190	May 13, 2024 - May 19, 2024	Active	Non-Insider
100312669	$1,423	$388	$142	May 13, 2024 - May 19, 2024	Active	Non-Insider
101939561	$1,401	$205	$126	May 13, 2024 - May 19, 2024	Active	Non-Insider
101731539	$1,346	$196	$145	May 13, 2024 - May 19, 2024	Active	Non-Insider
102017434	$1,346	$281	$165	May 13, 2024 - May 19, 2024	Active	Non-Insider
102101568	$1,346	$232	$36	May 13, 2024 - May 19, 2024	Active	Non-Insider

101655235	$1,344	$73	$409	May 13, 2024 - May 19, 2024	Active	Non-Insider
102080257	$1,321	$232	$11	May 13, 2024 - May 19, 2024	Active	Non-Insider
100651512	$1,307	$172	$279	May 13, 2024 - May 19, 2024	Active	Non-Insider
100955562	$1,296	$188	$190	May 13, 2024 - May 19, 2024	Active	Non-Insider
102069517	$1,288	$210	$134	May 13, 2024 - May 19, 2024	Active	Non-Insider
102071417	$1,288	$211	$50	May 13, 2024 - May 19, 2024	Active	Non-Insider
102050994	$1,288	$209	$61	May 13, 2024 - May 19, 2024	Active	Non-Insider
102070737	$1,275	$217	$198	May 13, 2024 - May 19, 2024	Active	Non-Insider
102053914	$1,269	$212	$34	May 13, 2024 - May 19, 2024	Active	Non-Insider
100479928	$1,261	$248	$102	May 13, 2024 - May 19, 2024	Active	Non-Insider
102117683	$1,250	$214	$0	May 13, 2024 - May 19, 2024	Active	Non-Insider
102070938	$1,213	$178	$113	May 13, 2024 - May 19, 2024	Active	Non-Insider
101864431	$1,198	$168	$181	May 13, 2024 - May 19, 2024	Active	Non-Insider
101613193	$1,195	$188	$163	May 13, 2024 - May 19, 2024	Active	Non-Insider
102044703	$1,195	$112	$41	May 13, 2024 - May 19, 2024	Active	Non-Insider
102095850	$1,192	$193	$16	May 13, 2024 - May 19, 2024	Active	Non-Insider
100002201	$1,183	$188	$229	May 13, 2024 - May 19, 2024	Active	Non-Insider
100003992	$1,163	$170	$265	May 13, 2024 - May 19, 2024	Active	Non-Insider
100004664	$1,157	$188	$385	May 13, 2024 - May 19, 2024	Active	Non-Insider
101849708	$1,154	$176	$193	May 13, 2024 - May 19, 2024	Active	Non-Insider
102033760	$1,154	$139	$64	May 13, 2024 - May 19, 2024	Active	Non-Insider
100001732	$1,116	$199	$324	May 13, 2024 - May 19, 2024	Active	Non-Insider
101914238	$1,115	$165	$107	May 13, 2024 - May 19, 2024	Active	Non-Insider
101969861	$1,115	$188	$169	May 13, 2024 - May 19, 2024	Active	Non-Insider
102088837	$1,115	$179	$34	May 13, 2024 - May 19, 2024	Active	Non-Insider
102088838	$1,115	$178	$18	May 13, 2024 - May 19, 2024	Active	Non-Insider
102088839	$1,115	$152	$287	May 13, 2024 - May 19, 2024	Active	Non-Insider
102088840	$1,115	$174	$24	May 13, 2024 - May 19, 2024	Active	Non-Insider
102075880	$1,115	$133	$81	May 13, 2024 - May 19, 2024	Active	Non-Insider
100000003	$1,106	$184	$133	May 13, 2024 - May 19, 2024	Active	Non-Insider
102086336	$1,097	$156	$115	May 13, 2024 - May 19, 2024	Active	Non-Insider
102100577	$1,077	$172	$7	May 13, 2024 - May 19, 2024	Active	Non-Insider
102085880	$1,058	$166	$16	May 13, 2024 - May 19, 2024	Active	Non-Insider
102008374	$1,049	$124	$167	May 13, 2024 - May 19, 2024	Active	Non-Insider
101850500	$1,048	$135	$268	May 13, 2024 - May 19, 2024	Active	Non-Insider
101105680	$1,041	$154	$87	May 13, 2024 - May 19, 2024	Active	Non-Insider
102053778	$1,038	$108	$18	May 13, 2024 - May 19, 2024	Active	Non-Insider
102071486	$1,013	$130	$203	May 13, 2024 - May 19, 2024	Active	Non-Insider
102049270	$1,008	$138	$114	May 13, 2024 - May 19, 2024	Active	Non-Insider
102091812	$1,000	$155	$16	May 13, 2024 - May 19, 2024	Active	Non-Insider
100158707	$971	$142	$82	May 13, 2024 - May 19, 2024	Active	Non-Insider
100686345	$965	$83	$225	May 13, 2024 - May 19, 2024	Active	Non-Insider
101906813	$963	$140	$173	May 13, 2024 - May 19, 2024	Active	Non-Insider
102095107	$962	$130	$129	May 13, 2024 - May 19, 2024	Active	Non-Insider
102119104	$962	$151	$0	May 13, 2024 - May 19, 2024	Active	Non-Insider
101091833	$950	$143	$113	May 13, 2024 - May 19, 2024	Active	Non-Insider
100001693	$949	$130	$164	May 13, 2024 - May 19, 2024	Active	Non-Insider
101919962	$945	$140	$90	May 13, 2024 - May 19, 2024	Active	Non-Insider
101970191	$933	$118	$162	May 13, 2024 - May 19, 2024	Active	Non-Insider
102119090	$904	$101	$19	May 13, 2024 - May 19, 2024	Active	Non-Insider
102036148	$899	$138	$26	May 13, 2024 - May 19, 2024	Active	Non-Insider
102078577	$895	$129	$95	May 13, 2024 - May 19, 2024	Active	Non-Insider
101161140	$848	$132	$118	May 13, 2024 - May 19, 2024	Active	Non-Insider
102061707	$828	$92	$200	May 13, 2024 - May 19, 2024	Active	Non-Insider
102049269	$779	$98	$108	May 13, 2024 - May 19, 2024	Active	Non-Insider

Exhibit B

(Proposed Order)

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
ORLANDO DIVISION
www.flmb.uscourts.gov

IN RE:	Chapter 11 Cases
RED LOBSTER MANAGEMENT LLC, [1]	Case No. 6:24-bk-_____
RED LOBSTER RESTAURANTS LLC,	Case No. 6:24-bk-_____
RLSV, INC.,	Case No. 6:24-bk-_____
RED LOBSTER CANADA, INC.	Case No. 6:24-bk-_____
RED LOBSTER HOSPITALITY LLC	Case No. 6:24-bk-_____
RL KANSAS LLC	Case No. 6:24-bk-_____
RED LOBSTER SOURCING LLC	Case No. 6:24-bk-_____
RED LOBSTER SUPPLY LLC	Case No. 6:24-bk-_____
RL COLUMBIA LLC	Case No. 6:24-bk-_____
RL OF FREDERICK, INC.	Case No. 6:24-bk-_____
RED LOBSTER OF TEXAS, INC.	Case No. 6:24-bk-_____
RL MARYLAND, INC.	Case No. 6:24-bk-_____
RED LOBSTER OF BEL AIR, INC.	Case No. 6:24-bk-_____
RL SALISBURY, LLC,	Case No. 6:24-bk-_____
RED LOBSTER INTERNATIONAL HOLDINGS LLC	Case No. 6:24-bk-_____

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number are Red Lobster Management LLC (6889); Red Lobster Sourcing LLC (3075); Red Lobster Supply LLC (9187); RL Kansas LLC (2396); Red Lobster Hospitality LLC (5297); Red Lobster Restaurants LLC (4308); RL Columbia LLC (7825); RL of Frederick, Inc. (9184); RL Salisbury, LLC (7836); RL Maryland, Inc. (7185); Red Lobster of Texas, Inc. (1424); Red Lobster of Bel Air, Inc. (2240); RLSV, Inc. (6180); Red Lobster Canada, Inc. (4569); and Red Lobster International Holdings LLC (4661). The Debtors' principal offices are located at 450 S. Orange Avenue, Suite 800, Orlando, FL 32801.

Debtors. (Joint Administration Pending)

_____/

INTERIM ORDER GRANTING DEBTORS' EMERGENCY MOTION FOR INTERIM AND FINAL ORDERS AUTHORIZING DEBTORS TO (I) PAY PREPETITION WAGES, SALARIES, EMPLOYEE BENEFITS, AND OTHER EMPLOYEE OBLIGATIONS, (II) MAINTAIN EMPLOYEE BENEFIT PROGRAMS, AND (III) FOR RELATED RELIEF

THIS CASE came before the Court for consideration on _____ ___, 2024 at _____ ___ a.m./p.m. upon the hearing (the "Hearing") to consider the *Debtors' Emergency Motion for Interim and Final Orders Authorizing Debtors to (i) Pay Prepetition Wages, Salaries, Employee Benefits, and Other Employee Obligations, (ii) Maintain Employee Benefit Programs and (iii) For Related Relief* (the "Motion") filed by the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"), pursuant to sections 105(a), 363(b), and 507(a) of title 11 of the United States Code (the "Bankruptcy Code"), Federal Rules of Bankruptcy Procedure 6003 (the "Bankruptcy Rules") and Local Rules 2081-1(g)(3) and 9013-1(d), seeking the entry of interim and final orders (i) authorizing, but not directing, the Debtors to (a) pay prepetition wages, salaries, reimbursable expenses, and other obligations on account of the Compensation and Benefits Programs[2] in the ordinary course of business as provided herein and (b) continue the Compensation and Benefits Programs, and (ii) granting related relief, as more fully set forth in the Motion. The Court, having considered the Motion and the First Day Declaration filed contemporaneously with the Motion, finding that (a) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (b) venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; (c) this matter is core pursuant to 28 U.S.C. § 157(b)(2); (d) the Court may

[2] Capitalized terms used but not otherwise defined herein shall have the respective meanings ascribed to such terms in the Motion.

enter a final order consistent with Article III of the United States Constitution; (e) notice of the Motion and the Hearing thereon was sufficient under the circumstances and no other or further notice need be provided; (f) the Court having determined that the legal and factual bases set forth in the Motion, the First Day Declaration and at the Hearing establish just cause for the relief granted herein, and it appearing that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003, and is in the best interests of the Debtors, their estates, their creditors, and all parties in interest; and upon the proceedings had before the Court and after due deliberation and sufficient cause appearing therefor. Accordingly, it is

ORDERED as follows:

1. The Motion is **GRANTED** on an interim basis.

2. Subject to the entry of a final order on the Motion, the Debtors are authorized, but not directed, pursuant to sections 105(a), 363(b), and 507(a) of the Bankruptcy Code, to (i) pay Employee Obligations, (ii) maintain, honor, and continue the Compensation and Benefit Programs in the ordinary course of business and consistent with the Debtors' prepetition practices and (iii) modify, change, and discontinue any of their Compensation and Benefits Programs and to implement new programs, policies, and benefits for non-insider Employees in the ordinary course of business during these chapter 11 cases.

3. The Debtors are further authorized, but not directed, to remit all Payroll Taxes and Deductions to the appropriate third parties, as and when such obligations are due.

4. The Debtors are further authorized, but not directed, to continue the Non-Insider Severance Practice and honor post-petition severance obligations, but only with respect to non-Insider Employees whose employment with the Debtors terminates post-petition.

5. Subject to the entry of a final order on the Motion, the Debtors are further authorized, but not directed, to continue the Non-Insider Employee Incentive Programs and honor obligations with respect to non-Insider Employees to the extent provided in the Motion.

6. Nothing contained in the Motion or this Order, nor any payment made pursuant to the authority granted by this Order, is intended to be or shall be construed as (i) an admission as to the validity of any claim against the Debtors; (ii) an agreement or obligation to pay any claims; (iii) a waiver of any claims or causes of action that may exist against any creditor or interest holder; (iv) a waiver of the Debtors' or any appropriate party in interest's rights to dispute any claim; or (v) an approval, assumption, or rejection of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy Code.

7. Except as otherwise set forth herein, nothing herein shall create, nor is intended to create, any rights in favor of or enhance the status of any claim held by any party.

8. The requirements of Bankruptcy Rule 6003(b) have been satisfied.

9. To the extent the Debtors make any payments on account of prepetition claims incurred with respect to any self-insured Health Insurance Programs, such payments shall be made without regard to the current employment status of the Employee (or dependent), provided that such Employee (or dependent) was eligible for coverage on the date such claim was incurred.

10. Notwithstanding any other provision of this Order, nothing in this Order shall authorize the Debtors to make any payment to, or on behalf of, any Employee or Independent Contractor on account of wages and other compensation obligations in excess of the statutory caps set forth in sections 507(a)(4) and (5) of the Bankruptcy Code.

11. Notwithstanding anything to the contrary contained herein, (i) any payment made or to be made, or authorization contained, hereunder shall be subject to the requirements imposed

on the Debtors under any approved postpetition financing facility or any order regarding the use of cash collateral approved by the Court in these chapter 11 cases, including, without limitation, the *Interim Order (I) Authorizing the Debtors to Obtain Postpetition Financing, (II) Authorizing the Debtors to Use Cash Collateral on a Limited Basis, (III) Granting Liens and Providing Superpriority Administrative Expense Status, (IV) Granting Adequate Protection, (V) Modifying The Automatic Stay, (VI) Scheduling A Final Hearing, and (VII) Granting Related Relief* (the "DIP Order"), and (ii) to the extent there is any inconsistency between the terms of the DIP Order and any action taken or proposed to be taken hereunder, the DIP Order and the Approved DIP Budget (as defined in the DIP Order) shall control. For the avoidance of doubt, the Debtors are not authorized to make payments pursuant to this Order except as permitted by the Approved DIP Budget (as defined in the DIP Order).

12. Notwithstanding any other provision of this Order, nothing in this Order shall authorize the Debtors to cash out unpaid PTO, unless applicable non-bankruptcy law requires such payment.

13. Notwithstanding any other provision of this Order, nothing in this Order shall authorize the Debtors to make payments on account of the Employee Incentive Programs, unless applicable non-bankruptcy law requires such payment.

14. Under the circumstances of these chapter 11 cases, notice of the Motion and Hearing are adequate under Bankruptcy Rule 6004(a).

15. Notwithstanding Bankruptcy Rule 6004(h), this Order shall be immediately effective and enforceable upon its entry.

16. The Debtors are authorized to take all reasonable actions necessary or appropriate to effectuate the relief granted in this Order.

17. The final hearing on the Motion shall be held on [__], 2024, at [_]:00 [_].m. (Eastern Time) at the United States Bankruptcy Court, George C. Young Federal Courthouse, 400 W. Washington Street, Courtroom , Orlando, FL 32801. Any objections or responses to entry of a final order on the Motion shall be filed on or before [_]:00 p.m. (Eastern Time), on [_], 2024.

18. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation, interpretation, or enforcement of this Order.

# # #

(Attorney Paul Steven Singerman is directed to serve a copy of this order on interested parties who do not receive service by CM/ECF and file a proof of service within three days of entry of the order.)