



Order Filed on June 5, 2024
by Clerk,
U.S. Bankruptcy Court
District of New Jersey

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY**

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

SAM ASH MUSIC CORPORATION, *et al.*

Debtors.¹

Chapter 11

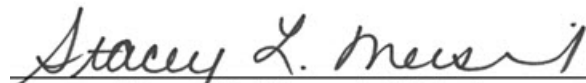
Case No. 24-14727 (SLM)

(Jointly Administered)

**FINAL ORDER (I) AUTHORIZING THE DEBTORS TO (A) PAY PREPETITION
EMPLOYEE WAGES, SALARIES, OTHER COMPENSATION, AND REIMBURSABLE
EMPLOYEE EXPENSES AND (B) CONTINUE EMPLOYEE BENEFITS PROGRAMS
AND (II) GRANTING RELATED RELIEF**

The relief set forth on the following pages, numbered two (2) through six (6), is hereby
ORDERED.

DATED: June 5, 2024


Honorable Stacey L. Meisel
United States Bankruptcy Judge

¹ The debtors in these chapter 11 cases, along with the last four digits of each debtor's federal tax identification number, are: Sam Ash Music Corporation (3915); Samson Technologies Corp. (4062); Sam Ash Megastores, LLC (9955); Sam Ash California Megastores, LLC (3598); Sam Ash Florida Megastores, LLC (7276); Sam Ash Illinois Megastores, LLC (8966); Sam Ash Nevada Megastores, LLC (6399); Sam Ash New York Megastores, LLC (7753); Sam Ash New Jersey Megastores, LLC (8788); Sam Ash CT, LLC (5932); Sam Ash Music Marketing, LLC (2024); and Sam Ash Quikship Corp. (7410). The location of debtor Sam Ash Music Corporation's principal place of business is 278 Duffy Avenue, P.O. Box 9047, Hicksville, NY 11802.

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Upon the motion (the “Motion”)² of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) for entry of a final order (this “Final Order”): (a) authorizing the Debtors to (i) pay prepetition employee wages, salaries, other compensation, and reimbursable employee expenses and (ii) continue employee benefits programs; and (b) granting related relief, all as more fully set forth in the Motion; and upon the First Day Declaration; and this Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Standing Order of Reference to the Bankruptcy Court Under Title 11* of the United States District Court for the District of New Jersey, entered July 23, 1984, and amended on September 18, 2012 (Simandle, C.J.); and that this Court may enter a final order consistent with Article III of the United States Constitution; and this Court having found that venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and this Court having found that the Debtors’ notice of the Motion and opportunity for a hearing on the Motion were appropriate and no other notice need be provided; and this Court having reviewed the Motion and having heard the statements in support of the relief requested therein at a hearing before this Court; and this Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein; and upon all of the proceedings had before this Court; and after due deliberation and sufficient cause appearing therefor, it is **HEREBY ORDERED THAT:**

² Capitalized terms used but not otherwise defined herein have the meanings ascribed to them in the Motion.

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1. The Motion is **GRANTED** on a final basis as set forth in this Final Order.
2. The Debtors are hereby authorized, but not directed, to: (a) continue, modify, change, and/or discontinue the Employee Wages and Benefit Programs in the ordinary course of business, in accordance with the Debtors' prepetition policies and practices without the need for further Court approval, subject to applicable nonbankruptcy law and the terms of this Final Order; (b) honor and pay any prepetition and postpetition amounts outstanding under or related to the Employee Wages and Benefit Programs as and when such amounts are due, in their business judgment during these chapter 11 cases and without the need for further Court approval, subject to applicable law and the terms of this Final Order; and (c) pay in the ordinary course of business any costs and expenses incidental to payment of the Employee Wages and Benefit Programs obligations, including amounts owed to third-party administrators.
3. Debtors are authorized to forward any unpaid amounts on account of Payroll Taxes and Deductions to the appropriate third-party recipients or taxing authorities in the ordinary course of business.
4. The Debtors shall not honor or pay any prepetition compensation and/or benefits to insiders, as defined in section 101(31) of the Bankruptcy Code, that exceed the priority amounts set forth in sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code absent further order of the Court.
5. Nothing contained herein is intended or should be construed to create an administrative priority claim on account of the Employee Wages and Benefits Programs.

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6. The banks and financial institutions on which checks were drawn or electronic payment requests made in payment of the prepetition obligations approved herein are authorized to receive, process, honor, and pay all such checks and electronic payment requests when presented for payment, and all such banks and financial institutions are authorized to rely on the Debtors' designation of any particular check or electronic payment request as approved by this Final Order.

7. Nothing herein shall be deemed to authorize the Debtors to cash out unpaid PTO Obligations except upon termination of an Employee to the extent applicable nonbankruptcy law requires such payment.

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

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or any other party in interest against any person or entity under the Bankruptcy Code or any other applicable law.

9. Notwithstanding anything to the contrary in the Motion or this Final Order, any payment made by the Debtors pursuant to the authority granted in this Final Order must be in compliance with and any authorization of the Debtors contained herein is subject to: (a) any interim or final orders entered by the Court approving the Debtors' entry into any postpetition debtor-in-possession financing facility and/or authorizing the use of cash collateral; (b) the documentation in respect of any such debtor-in-possession financing or use of cash collateral; and (c) any budget or cash flow forecasts in connection therewith (in each case, the "DIP Order").

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

11. Nothing in the Motion or this Final Order shall be construed as impairing the Debtors' right to contest the validity or amount of any Employee Obligations, including any Payroll Taxes that may be due to any Taxing Authority.

12. Nothing in the Motion or this Final Order shall be deemed to (i) authorize the payment of any amounts that are subject to section 503(c) of the Bankruptcy Code, including, for the avoidance of doubt, payment of any bonus, incentive, or severance obligations to or on behalf of any "insider" (as defined by section 101(31) of the Bankruptcy Code) or (ii) violate or permit a

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violation of section 503(c) of the Bankruptcy Code. A separate motion will be filed for any requests that are governed by section 503(c) of the Bankruptcy Code.

13. To the extent the Debtors make any payments on account of prepetition claims incurred under any self-insured Health and Welfare Plans, 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.

14. Nothing in this Final Order authorizes the Debtors to accelerate any payments not otherwise due.

15. Notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rule 6004(a) and the Local Rules are satisfied by such notice.

16. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Final Order are immediately effective and enforceable upon its entry.

17. The requirement set forth in Local Rule 9013-1(a)(3) that any motion be accompanied by a memorandum of law is hereby deemed satisfied by the contents of the Motion or otherwise waived.

18. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Final Order.

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