

SO ORDERED.

SIGNED this 18th day of September, 2018.



Lena Mansori James
LENA MANSORI JAMES
UNITED STATES BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF NORTH CAROLINA
WINSTON-SALEM DIVISION

In re:)	Chapter 11
)	
Product Quest Manufacturing, LLC, <i>et al.</i> , ¹)	Case No. 18-50946
)	(Jointly Administered)
)	
Debtors.)	
)	

**ORDER AUTHORIZING PAYMENT OF PRE-PETITION WAGES,
PAYROLL TAXES, CERTAIN EMPLOYEE BENEFITS AND RELATED
EXPENSES, AND OTHER COMPENSATION TO EMPLOYEES**

This matter is before the Court on the *Emergency Motion to Authorize Payment of Pre-Petition Wages, Payroll Taxes, Certain Employee Benefits and Related Expenses, and Other Compensation to Employees* (the "Motion") of Ei LLC ("EI"), Product Quest Manufacturing, LLC ("PQM"), Scherer Labs International, LLC ("Scherer"), Product Quest Logistics, LLC ("PQL"), JBTRS, L.L.C. ("JBTRS"), and PQ Real Estate LLC ("PQ Real Estate", together with EI, PQM, Scherer, PQL, and JBTRS, collectively, the "Debtors"). All capitalized terms used but not defined herein shall have the meanings given to them in the Motion.

¹ The Debtors in these cases, along with the associated case number, are: (i) Ei LLC (18-50945); (ii) Product Quest Manufacturing, LLC (18-50946); (iii) Scherer Labs International, LLC (18-50948); (iv) Product Quest Logistics, LLC (18-50950); (v) JBTRS, L.L.C. (18-50951); and (vi) PQ Real Estate LLC (18-50952). The Debtors' service address is: 2865 N. Cannon Blvd., Kannapolis, North Carolina 28083.

The Court has considered the Motion, the *Declaration of Michael J. Musso in Support of First Day Motions and Applications*, and the matters reflected in the record of the hearing held on the Motion on September 13, 2018. It appears that the Court has jurisdiction over this proceeding; that this is a core proceeding; that notice of the Motion has been given to the Office of the U.S. Bankruptcy Administrator, counsel for the pre-petition secured lenders, Bank of America, N.A., the Internal Revenue Service, and the Debtor's thirty (30) largest unsecured creditors; that no further notice is necessary; that the relief sought in the Motion is in the best interests of the Debtors, their estates, and their creditors; and that good and sufficient cause exists for such relief.

Accordingly, it is hereby ORDERED as follows:

1. The Motion is GRANTED.
2. The Debtors are authorized, but not directed, to pay to their Employees and Independent Contractors all Employee and Contractor Obligations that have accrued by virtue of the services rendered by their Employees prior to the Petition Date. The Employee and Contractor Obligations that the Debtors are authorized to pay are described in the Motion and include, without limitation, the following Employee and Contractor Obligations: (i) wages, salary and other compensation; (ii) payroll taxes; (iii) vacation and sick day programs; (iv) qualified 401(k) plan obligations; (v) health and welfare benefits; (vi) expense reimbursements; and (vii) other benefit programs.
3. The Debtors are authorized, but not directed, to pay to terminated employees all obligations that have accrued by virtue of the services rendered by the terminated employees prior to the Petition Date.² These obligations that the Debtors are authorized to pay are described in the

² This provision is with the consent of Lenders, as identified in the order entered by this Court on September 18, 2018 authorizing the use of cash collateral, and the agreement of the United States Bankruptcy Administrator, and, given the particular facts and circumstances of this case, the court finds it appropriate.

Motion and include, without limitation, the following obligations: (i) wages, salary and other compensation; (ii) payroll taxes; (iii) health and welfare benefits; and (iv) other benefit programs.

4. The Debtors are authorized to pay any pre-petition expenses due and owing to their Board of Managers. The Debtors are also authorized to pay such expenses that accrue post-petition in the ordinary course of business.

5. Except as set forth herein, the Debtors are authorized (but not directed) to make payments consistent with their practices, programs, and policies with respect to the Employees, as such practices, programs, and policies were in effect as of the Petition Date.

6. The Debtors' banks are authorized and directed to honor any check or draft representing an Employee and Contractor Obligation that may be presented for payment and to make other transfers necessary to implement these transactions, provided that sufficient funds are available in the applicable accounts to make the payments and transfers. The Debtors are further authorized to pay any cost or penalty incurred by their Employees in the event that a check issued by the Debtors for payment of the Employee and Contractor Obligations is inadvertently not honored because of the filing of the Debtors' bankruptcy cases.

7. The banks and other financial institutions that process, honor, and pay any and all checks on account of Employee and Contractor Obligations shall rely on the representations of the Debtors as to which checks are issued and authorized to be paid in accordance with this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

8. Neither this Order, nor the Debtors' payment of any amounts authorized by this Order, shall: (i) result in any assumption of any executory contract by the Debtors; (ii) result in a commitment to continue any plan, program, or policy of the Debtors; or (iii) impose any administrative, pre-petition, or post-petition liabilities upon the Debtors.

9. Any and all payments arising under or in connection with or authorized to be made by this Order, or otherwise relating to the relief requested in the Motion, shall be subject to the interim and final orders of this Court in these chapter 11 cases approving the Debtors' use of cash collateral (including all budgets referenced therein).

10. The Court shall retain jurisdiction to hear and determine all matters arising from the implementation of this Order.

11. To the extent the fourteen day stay of Bankruptcy Rule 6004(h) may be construed to apply to the subject matter of this Order, such stay is hereby waived.

12. Counsel for the Debtors is directed to serve a copy of this Order on all parties on the Master Service List within three (3) days of the entry of this Order and to file a certificate of service with the Clerk of the Court.

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