

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:

HRI HOLDING CORP., *et al.*<sup>1</sup>

Debtors.

Chapter 11

Case No. 19-12415 (MFW)

(Joint Administration Requested)

Ref. No. 10

**INTERIM ORDER AUTHORIZING THE DEBTORS TO PAY  
PREPETITION WAGES, COMPENSATION, EMPLOYEE  
BENEFITS, AND OTHER ASSOCIATED OBLIGATIONS**

Upon the *Motion for Entry of Interim and Final Orders Authorizing the Debtors to Pay Prepetition Wages, Compensation, Employee Benefits and Other Associated Obligations* (the “Motion”)<sup>2</sup> and upon the First Day Declaration; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334 and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and it appearing that the Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter a final order consistent with Article III of the United States Constitution; and it appearing that venue of this proceeding and the Motion in this District is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that sufficient notice of the Motion has been

<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor’s federal tax identification number, are: HRI Holding Corp. (4677), Houlihan’s Restaurants, Inc. (8489), HDJG Corp. (3479), Red Steer, Inc. (2214), Sam Wilson’s/Kansas, Inc. (5739), Darryl’s of St. Louis County, Inc. (7177), Darryl’s of Overland Park, Inc. (3015), Houlihan’s of Ohio, Inc. (6410), HRI O’Fallon, Inc. (4539), Algonquin Houlihan’s Restaurant, L.L.C. (0449), Geneva Houlihan’s Restaurant, L.L.C. (3156), Hanley Station Houlihan’s Restaurant, LLC (4948), Houlihan’s Texas Holdings, Inc. (5485), Houlihan’s Restaurants of Texas, Inc. (4948), JGIL Mill OP LLC (0741), JGIL Millburn, LLC (6071), JGIL Milburn Op LLC (N/A), JGIL, LLC (5485), JGIL Holding Corp. (N/A), JGIL Omaha, LLC (5485), HOP NJ NY, LLC (1106), HOP Farmingdale LLC (7273), HOP Cherry Hill LLC (5012), HOP Paramus LLC (5154), HOP Lawrenceville LLC (5239), HOP Brick LLC (4416), HOP Secaucus LLC (5946), HOP Heights LLC (6017), HOP Bayonne LLC (7185), HOP Fairfield LLC (8068), HOP Ramsey LLC (8657), HOP Bridgewater LLC (1005), HOP Parsippany LLC (1520), HOP Westbury LLC (2352), HOP Weehawken LLC (2571), HOP New Brunswick LLC (2637), HOP Holmdel LLC (2638), HOP Woodbridge LLC (8965), and Houlihan’s of Chesterfield, Inc. (5073). The Debtors’ corporate headquarters and the mailing address is 8700 State Line Road, Suite 100, Leawood, Kansas 66206.

<sup>2</sup> Capitalized terms used herein, but not otherwise defined, shall have the meanings ascribed to them in the Motion.



given; and it appearing that the relief requested by the Motion is in the best interests of the Debtors' estates; and sufficient cause appearing therefor; it is hereby

ORDERED that the Motion is GRANTED on an interim basis as set forth herein; and it is further

ORDERED that the final hearing (the "Final Hearing") to consider the relief requested in the Motion shall be held on December 5, 2019 at 2:00 p.m. (prevailing Eastern Time). Any objections or responses to entry of a final order on the Motion must be filed on or before 4:00 p.m. (prevailing Eastern Time) on December 2, 2019 and served on the following parties: (i) the Office of the United States Trustee, J. Caleb Boggs Federal Building, 844 North King Street, Suite 2207, Wilmington, Delaware 19801 (Attn: Jane M. Leamy, Esq.), (ii) Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801 (Attn: Kimberly A. Brown, Esq. and Matthew R. Pierce, Esq.) and (iii) counsel for the DIP Agent and Pre-Petition Agent, Katten Muchin Rosenman LLP, 575 Madison Ave, New York, New York 10022 (Attn: William B Freeman, Esq. and Karen B. Dine, Esq.) and Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801 (Attn: Sean Beach, Esq. and Jaime Luton Chapman, Esq.). In the event no objections to entry of a final order on the Motion are timely received, this Court may enter such final order without need for the Final Hearing.

ORDERED that the Debtors are authorized to continue to honor, in their sole discretion, the Employee Obligations; and it is further

ORDERED that the Debtors are authorized, but not directed, in their sole discretion, to pay and remit in the ordinary course of business and in accordance with the Debtors' prepetition policies and programs, prepetition amounts outstanding on account of the following prepetition

Employee Obligations on an interim basis: (a) Prepetition Wage Obligations in an amount not to exceed \$3,831,500 in the aggregate; (b) Unpaid Incentive Obligations in an amount not to exceed \$244,000 in the aggregate; (c) Prepetition Paid Time Off in an amount not to exceed \$810,000 in the aggregate; (d) Unpaid Reimbursable Expenses not to exceed \$33,000 in the aggregate; (e) Unpaid Employee Benefit Premiums not to exceed approximately \$390,000 in the aggregate; (f) Unpaid Optional Insurance Premiums not to exceed approximately \$41,000 in the aggregate; (g) Unremitted 401(k) Contributions not to exceed \$18,000 in the aggregate; (h) Unremitted FSA/HSA Contributions not to exceed \$550 in the aggregate; (i) Unsatisfied Miscellaneous Benefits not to exceed \$5,000 in the aggregate; (j) Workers' Compensation Premiums not to exceed \$117,000 in the aggregate; and (k) Unremitted Employer Taxes and Deductions not to exceed \$1,100,000 in the aggregate; and it is further

ORDERED that no Employee or Independent Contractor shall receive payment in excess of the statutory caps set forth in Bankruptcy Code sections 507(a)(4) and 507(a)(5) on account of any prepetition Employee Obligation, except with respect to any New York Employee or any other Employee owed payment on account of unpaid Paid Time Off as may be required by applicable law; and it is further

ORDERED that the Debtors are authorized, but not directed, to continue the following in the ordinary course of business on a postpetition basis, in accordance with the Debtors' prepetition policies and practices and in the Debtors' sole discretion, and to pay and honor claims related thereto: (a) Employee Wage Obligations; (b) Employee Benefit Obligations; (c) Employee Expense Obligations; (d) Workers' Compensation Obligations; and (e) Employer Taxes and Deductions; and it is further

ORDERED that the Debtors are authorized, but not directed, in their sole discretion, to pay all postpetition costs and expenses incidental to payment of the obligations described above, including all administrative and processing costs and payments to outside professionals identified in the Motion in the ordinary course of business; and it is further

ORDERED that notwithstanding the relief granted herein and any actions taken pursuant to such relief, nothing in this interim order nor any payments made by the Debtors pursuant to the Motion, shall be deemed an assumption or rejection of any Employee Benefit Plan, employment agreement, other program or contract, or otherwise affect the Debtors' rights under Bankruptcy Code section 365 to assume or reject any executory contract between the Debtors and any Employee, Independent Contractor, plan administrator, or service provider. Nothing contained herein shall (a) create, nor is intended to create, any rights in favor of, or enhance the status of any claim held by any person or entity or (b) be deemed to convert the priority of any claim from a postpetition claim into an administrative expense claim; and it is further

ORDERED that nothing in this order is authorizing or approving any payment subject to Bankruptcy Code section 503(c); and it is further

ORDERED that all applicable banks and other financial institutions are hereby authorized to receive, process, honor, and pay any and all checks and funds transfers evidencing amounts paid by the Debtors pursuant to the Motion, whether presented or issued prior to or after the Petition Date. Such banks and financial institutions are authorized to rely on the representations of the Debtors as to which checks are issued or authorized to be paid pursuant to this Order; and it is further

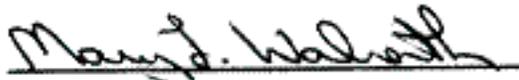
ORDERED that Bankruptcy Rule 6003 has been satisfied; and it is further

ORDERED that notwithstanding the possible applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that the Debtors are authorized to take all actions necessary to effectuate the relief granted in this order; and it is further

ORDERED that the Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: November 15th, 2019  
Wilmington, Delaware

  
MARY F. WALRATH  
UNITED STATES BANKRUPTCY JUDGE