

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

SFX ENTERTAINMENT, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 16-10238 (MFW)

(Jointly Administered)

Ref. Docket Nos. 5, 58

**ORDER AUTHORIZING DEBTORS TO PAY
PREPETITION EMPLOYEE OBLIGATIONS**

Upon the motion (the “**Motion**”) [Dkt. No. 5]² filed by the above-captioned debtors and debtors-in-possession (collectively, the “**Debtors**”) seeking entry of an order, *inter alia*, authorizing, but not directing, the Debtors to continue to honor and pay Commissions; and upon the First Day Declaration; and upon the statements of counsel in support of the relief requested in the Motion at the hearing before the Court; and upon this Court previously entering an order approving the Motion (the “**Employee Wages Order**”) [Dkt. No. 58] except as to payment of Commissions, the consideration of which Commissions the Court deferred to the date of this Order; and it appearing that this Court has jurisdiction to consider the Motion as it relates to the Commissions pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue

¹ The Debtors in these Chapter 11 Cases, along with the last four (4) digits of each Debtor’s federal tax identification number, if applicable, are: 430R Acquisition LLC (7350); Beatport, LLC (1024); Core Productions LLC (3613); EZ Festivals, LLC (2693); Flavorus, Inc. (7119); ID&T/SFX Mysteryland LLC (6459); ID&T/SFX North America LLC (5154); ID&T/SFX Q-Dance LLC (6298); ID&T/SFX Sensation LLC (6460); ID&T/SFX TomorrowWorld LLC (7238); LETMA Acquisition LLC (0452); Made Event, LLC (1127); Michigan JJ Holdings LLC (n/a); SFX Acquisition, LLC (1063); SFX Brazil LLC (0047); SFX Canada Inc. (7070); SFX Development LLC (2102); SFX EDM Holdings Corporation (2460); SFX Entertainment, Inc. (0047); SFX Entertainment International, Inc. (2987); SFX Entertainment International II, Inc. (1998); SFX Intermediate Holdco II LLC (5954); SFX Managing Member Inc. (2428); SFX Marketing LLC (7734); SFX Platform & Sponsorship LLC (9234); SFX Technology Services, Inc. (0402); SFX/AB Live Event Canada, Inc. (6422); SFX/AB Live Event Intermediate Holdco LLC (8004); SFX/AB Live Event LLC (9703); SFX-94 LLC (5884); SFX-Disco Intermediate Holdco LLC (5441); SFX-Disco Operating LLC (5441); SFXE IP LLC (0047); SFX-EMC, Inc. (7765); SFX-Hudson LLC (0047); SFX-IDT N.A. Holding II LLC (4860); SFX-LIC Operating LLC (0950); SFX-IDT N.A. Holding LLC (2428); SFX-Nightlife Operating LLC (4673); SFX-Perryscope LLC (4724); SFX-React Operating LLC (0584); Spring Awakening, LLC (6390); SFXE Netherlands Holdings Coöperatief U.A. (6812); SFXE Netherlands Holdings B.V. (6898). The Debtors’ business address is 902 Broadway, 15th Floor, New York, NY 10010.

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



of these Chapter 11 Cases in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and this Court having determined that the relief requested in the Motion with respect to payment of the Commissions is in the best interests of the Debtors, their estates, their creditors and other parties-in-interest; and it appearing that proper and adequate notice of the Motion with respect to payment of the Commissions and the Debtors' proposed order authorizing, but not obligating, the Debtors to honor and pay the Commissions has been given and that no other or further notice is necessary; and after due deliberation thereon; and good and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion with respect to payment of the Commissions is GRANTED as set forth herein.
2. The Debtors, and their co-employer, TriNet, are authorized, but not directed, to continue to honor and pay all prepetition Commissions, and tips, owed to Employees or Independent Service Providers, even if such amount to an individual Employee or Independent Service Provider, as the case may be, exceeds the statutory priority cap of \$12,475 pursuant to section 507 of the Bankruptcy Code; *provided, however*, that the amount of prepetition Commissions and tips shall not exceed \$150,000 in the aggregate.
3. The Debtors, and their co-employer, TriNet, shall honor and pay prepetition independent director fees owed by the Debtors (the "**Independent Director Fee**"); *provided, however*, that the amount of such Independent Director Fee does not exceed \$7,500 in the aggregate.
4. All of the Debtors' banks are authorized and directed to receive, process, honor and pay any and all checks or electronic transfers drawn on the Debtors' payroll and general

disbursement accounts related to Commissions, tips or the Independent Director Fee, whether presented before or after the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments.

5. To the extent that any employment or related agreements may be deemed executory contracts within the meaning of section 365 of the Bankruptcy Code, the Debtors do not at this time seek authority to assume such contracts, and no relief is granted in respect thereof.

6. Nothing herein shall be deemed to: (1) authorize the payment of any amounts in satisfaction of bonus or severance obligations, or which are subject to section 503(c) of the Bankruptcy Code; (2) authorize the Debtors to cash out unpaid vacation or leave time upon termination of an employee, unless applicable state law requires such payment; or (3) impact, amend, prejudice or in any way alter the Employee Wages Order (which order is final, the time to appeal such order having lapsed).

7. Notwithstanding anything to the contrary contained herein, any payment made or to be made, and authorization contained in this Order shall be subject to the requirements imposed on the Debtors under any approved debtor-in-possession financing facility, any order regarding the Debtors' postpetition financing or use of cash collateral, and any budget in connection therewith.

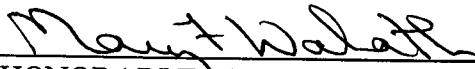
8. Under no circumstances shall the Commissions, tips or the Independent Director Fee be deemed "payroll disbursements" for purposes of item number 11 as set forth in Schedule 5.16 to the Senior Secured Super-Priority Debtor-in-Possession Credit Agreement, dated as of February 10, 2016, among SFX Entertainment, Inc. as the Borrower, the guarantors named therein, the Lenders party thereto and Wilmington Savings Fund Society, FSB, as Administrative Agent.

9. Notwithstanding any applicability of Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

10. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

11. The Court shall retain jurisdiction with respect to all matters arising from or relating to the interpretation or implementation of this Order.

Dated: March 3, 2016



HONORABLE MARY F. WALRATH
UNITED STATES BANKRUPTCY JUDGE