

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

In re:

HRI HOLDING CORP., *et al.*¹

Debtors.

Chapter 11

Case No. 19-12415 (____)

(Joint Administration Requested)

**MOTION OF THE DEBTORS FOR ENTRY OF INTERIM AND FINAL ORDERS
(A) AUTHORIZING THE MAINTENANCE OF BANK ACCOUNTS AND
CONTINUED USE OF EXISTING BUSINESS FORMS AND CHECKS,
(B) AUTHORIZING THE CONTINUED USE OF EXISTING CASH
MANAGEMENT SYSTEM AND (C) GRANTING LIMITED RELIEF FROM THE
REQUIREMENTS OF BANKRUPTCY CODE SECTION 345(B) AND
THE UNITED STATES TRUSTEE OPERATING GUIDELINES**

The above-captioned debtors and debtors-in-possession (the “Debtors”) by and through their proposed undersigned counsel, hereby submit this *Motion of the Debtors for Entry of Interim and Final Orders (A) Authorizing the Maintenance of Bank Accounts and Continued Use of Existing Business Forms and Checks, (B) Authorizing the Continued Use of Existing Cash Management System and (C) Granting Limited Relief from the Requirements of Bankruptcy Code Section 345(b) and the United States Trustee Operating Guidelines* (the “Motion”). In support of the Motion, the Debtors rely on the *Declaration of Matthew R. Manning in Support of the*

¹ 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.



Debtors' Chapter 11 Petitions and First Day Pleadings (the "First Day Declaration"),² filed contemporaneously with this Motion, and respectfully state as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over this Motion 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. This matter is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2), and the Court may enter a final order consistent with Article III of the United States Constitution.³

2. The statutory predicates for the relief sought herein are sections 105(a), 345, 363, 364, and 553 of Title 11 of the United States Code, 11 U.S.C. §§ 101, *et seq.* (as amended or modified, the "Bankruptcy Code"); rules 6003 and 6004(h) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Local Rules 2015-2(a) and (b).

3. Venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409.

GENERAL BACKGROUND

4. On the date hereof (the "Petition Date"), the Debtors commenced the above captioned cases (the "Chapter 11 Cases") by filing voluntary petitions for relief under chapter 11 of the Bankruptcy Code with the Court.

5. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108.

² Except where otherwise indicated, capitalized terms used but not defined in this Motion have the meanings ascribed to them in the First Day Declaration.

³ Pursuant to rule 9013-1(f) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), the Debtors hereby confirm their consent to entry of a final order by this Court in connection with this Motion if it is later determined that this Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

6. As of the date of this Motion, no trustee, examiner or statutory committee has been appointed in these Chapter 11 Cases.

7. Additional information regarding the circumstances leading to the commencement of these Chapter 11 Cases and information regarding the Debtors' businesses and capital structure is set forth in detail in the First Day Declaration filed contemporaneously with this Motion and incorporated herein by reference.

A. Background Related to the Cash Management System

8. Prior to the commencement of these Chapter 11 Cases, and in the ordinary course of their business, the Debtors maintain seven (7) primary bank accounts (the "Main Bank Accounts") and seventeen (17) limited bank accounts (the "NJ/NY Accounts") to collect funds generated by operations and disburse those funds to satisfy obligations required to operate their businesses. The Debtors also maintain three (3) standalone accounts (the "Miscellaneous Accounts") and together with the Main Bank Accounts and NJ/NY Accounts, the "Bank Accounts") related to certain other activity, as described herein. A list of the Bank Accounts is attached hereto as **Exhibit A**.

9. The Bank Accounts are part of a carefully constructed cash management system (the "Cash Management System") that ensures the Debtors' ability to efficiently monitor and control their cash position. The Debtors' Cash Management System is maintained primarily through the seven (7) Main Bank Accounts and the seventeen (17) NJ/NY Accounts at UMB Bank, N.A. ("UMB").

Depository Accounts

10. As explained more fully in the First Day Declaration, the Debtors generate revenue from the sale of food, beverage and gift cards at their restaurant locations and, in the case of gift card sales, also through their website. Except for locations in New Jersey and New

York (the “NJ/NY Restaurants”), cash revenue received at all of the Debtors’ restaurants is deposited daily into an account maintained by Houlihan’s Restaurants, Inc. (“HRI”) at UMB (the “Restaurant Deposit Account”). Cash revenues and credit card sales generated at the NJ/NY Restaurants are deposited daily into the individual restaurant’s NJ/NY Account at UMB. For all other restaurants, credit card receipts are automatically deposited into a depository account maintained by HRI at UMB (the “Depository Account”). At the end of each day, the amounts in the Restaurant Deposit Account, the NJ/NY Accounts and the Depository Account are swept into the Debtors’ main concentration account maintained by HRI at UMB (the “Concentration Account”). This structure allows the Debtors to closely track revenue at each of their restaurants.

11. In addition, the Debtors maintain several other depository accounts for certain other current and past activities. Specifically, the Debtors maintain a depository account held by HDJG Corp. at UMB (the “HDJG Account”). The HDJG Account was used for certain funding obligations, but currently is inactive and only may be used for deposits and wire transfers. The Debtors also maintain a depository account at UMB held by HRI into which certain funds contributed by vendors are deposited and held to fund the Debtors’ annual conference expenses (the “Conference Account”). Finally, the Debtors maintain an account at US Bank held by HRI to process paper gift certificates issued more than a decade ago (the “Gift Certificate Account”). The Gift Certificate Account is funded from the Concentration Account on an as-needed basis.

Disbursement Accounts

12. The Debtors process substantially all of their accounts payable and payroll obligations through four (4) disbursement accounts maintained at UMB: (i) the A/P Account, (ii) the Imprest Account, (iii) the Payroll Account, and (iv) the Miscellaneous Disbursement Account

(each of which are defined below and collectively, the “Disbursement Accounts”). Each of the Disbursement Accounts are “zero balance accounts” meaning that each of the accounts are funded only with sufficient funds from the Concentration Account to cover the checks or electronic payments disbursed such that at the close of each business day there is a zero balance in each of the Disbursement Accounts.

13. The A/P Account. To manage, track and reconcile disbursements for general accounts payable obligations across their restaurants (with certain exceptions discussed below, including those related to the NJ/NY Restaurants), the Debtors utilize a single accounts payable account (the “A/P Account”) maintained by HRI at UMB to issue physical checks and electronic payments.

14. Liquor Payments. Certain states, including the Commonwealth of Pennsylvania, are alcohol beverage control states, meaning that all wholesale and retail purchases of liquor and wine must be made at or through a state-run liquor and wine store (the “State Store”). To purchase liquor and wine, the Debtors’ restaurants located in Pennsylvania order directly from the State Store. The restaurant pays for the liquor and wine by credit card issued by UMB maintained by HRI. Similarly, the NJ/NY Restaurants pay for liquor and wine by issuing a check that is funded by the respective restaurant’s NJ/NY Account. For all other restaurants, the Debtors pay for liquor and wine by issuing a check that is funded by an imprest account (the “Imprest Account”) maintained by HRI at UMB or the A/P Account.

15. The NJ/NY Accounts. In addition to disbursing amounts for liquor related purchases, the Debtors utilize the NJ/NY Accounts to pay the NJ/NY Restaurants’ sales tax obligations, credit card fees and gift card fees. The NJ/NY Accounts are zero balance accounts funded from the Concentration Account.

16. The Payroll Account. The Debtors process payroll for all of their employees receiving live checks and direct deposit through a single payroll account (the “Payroll Account”) maintained by HRI at UMB.

17. The Miscellaneous Disbursement Account: In the ordinary course of business, the Debtors utilize an account maintained by HRI at UMB to fund miscellaneous business expenses, including, but not limited to, workers compensation, certain tax obligations and employee benefits (the “Miscellaneous Disbursement Account”).

18. The Debtors perform a reconciliation of all of the deposits and debits in the Cash Management System, which were historically, and continue to be, reviewed daily and reconciled monthly. The Debtors also make book entries at the time of each transfer between all accounts into their sub-ledger, which is imported into their general ledger at the end of each month. In connection with the ongoing utilization of the Cash Management System on a postpetition basis, the Debtors will maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, recorded properly, and distinguished between prepetition and postpetition transactions and among Debtor entities. Moreover, notwithstanding the Debtors’ use of a consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity pays those disbursements.

B. Existing Business Forms and Checks

19. In the ordinary course of business, the Debtors use sequentially numbered check stock with the Debtors’ logo printed thereon. In addition, the Debtors maintain pre-printed correspondence and business forms, including, but not limited to, letterhead, envelopes, promotional materials, internal administrative forms and other business forms (collectively, along with the Debtors’ checks, the “Business Forms”). To minimize administrative expense

and delay, the Debtors request authority to continue to use their Business Forms substantially in the forms existing immediately prior to the Petition Date, without reference to the Debtors' "Debtors-In-Possession" status.

RELIEF REQUESTED

20. By this Motion, the Debtors seek an order: (a) authorizing the maintenance of their Bank Accounts and continued use of existing Business Forms; (b) authorizing but not directing the continued use of their existing Cash Management System and (c) providing any additional relief required in order to effectuate the foregoing.

21. The Debtors also request the right, in their discretion, to (i) pay any Bank Account related fees and (ii) to close or otherwise modify the terms of certain of the Bank Accounts and open new debtors-in-possession accounts as may be necessary to facilitate these Chapter 11 Cases and operations, or as may otherwise be necessary to comply with the requirements of any debtor-in-possession financing and/or cash collateral order entered in these Chapter 11 Cases.

BASIS FOR RELIEF REQUESTED

A. Cash Management System

22. The Debtors believe that the Bank Accounts and related Cash Management System mechanisms are well-suited to the Debtors' business needs and operations. To require the Debtors to close the Bank Accounts and reestablish new accounts would not result in greater administrative controls and would require considerable time and expense to the Debtors' estates. Moreover, permitting the Debtors to continue using their existing Bank Accounts is essential to a smooth and orderly transition of the Debtors into chapter 11 and to avoid disruption of their

business and operations, including the disruption that could result if checks written but not negotiated or cashed prior to the Petition Date were dishonored.

23. Moreover, the continued use of a cash management system employed in the ordinary course of a debtor's prepetition business has been approved as a routine matter in a number of other cases in this district. *See, e.g., In re EdgeMarc Energy Holdings, LLC*, Case No. 19-11104 (BLS) (Bankr. D. Del. June 13, 2019); *In re Pernix Sleep, Inc.*, Case No. 19-10323 (CSS) (Bankr. D. Del. Mar. 22, 2019); *In re Things Remembered, Inc.*, Case No. 19-10234 (KG) (Bankr. D. Del. Feb. 26, 2019); *In re Seastar Holdings, Inc.*, Case No. 18-10039 (CSS) (Bankr. D. Del. Jan. 29, 2018); *In re Peekay Acquisition, LLC*, Case No. 17-11722 (BLS) (Bankr. D. Del. Sep. 27, 2017); *In re Jumio, Inc.*, Case No. 16-10682 (BLS) (Bankr. D. Del. Mar. 22, 2016); *In re Saladworks*, Case No. 15-10327 (LSS) (Bankr. D. Del. Feb. 18, 2015); *In re Brookstone Holdings Corp.*, Case No. 14-10752 (BLS) (Bankr. D. Del. Apr. 4, 2014); *In re Landauer Healthcare Holdings, Inc.*, Case No. 13-12098 (CSS) (Bankr. D. Del. Aug. 20, 2013); *In re Filene's Basement, LLC*, Case No. 11-13511 (KJC) (Bankr. D. Del. Nov. 4, 2011); *In re Indianapolis Downs, LLC, et al.*, Case No. 11-11046 (BLS) (Bankr. D. Del. April 15, 2011); *In re Int'l Aluminum Corp.*, Case No. 10-10003 (MFW) (Bankr. D. Del. Jan. 6, 2010). Courts have recognized that strict enforcement of the bank account closure requirements in certain cases does not serve the rehabilitative purposes of chapter 11. Accordingly, courts in this district have waived such requirements and replaced them with alternative procedures that provide the same protections. *See, e.g., In re Exide Technologies*, Case No. 02-11125 (Bankr. D. Del. April 17, 2002) (permitting debtors to maintain existing bank accounts and cash management system); *In re W.R. Grace & Co.*, Case No 01-01139 (Bankr. D. Del. April 2, 2001) (same); *In re USG*

Corp., Case No. 01-02094 (Bankr. D. Del. June 27, 2001) (same); *In re Waccamaw's HomePlace*, Case No. 01-00181 (Bankr. D. Del. Jan. 17, 2001) (same).

24. Indeed, courts in this district have noted that an integrated cash management system “allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash.” *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *aff'd in part and rev'd in part*, 997 F.2d 1039 (3d Cir. 1993). The United States Court of Appeals for the Third Circuit has agreed, emphasizing that requiring a debtor to maintain separate accounts “would be a huge administrative burden and economically inefficient.” *Columbia Gas*, 997 F.2d at 1061; *see also Southmark Corp. v. Grosz (In re Southmark Corp.)*, 49 F.3d 1111, 1114 (5th Cir. 1995) (stating a cash management system allows a debtor “to administer more efficiently and effectively its financial operations and assets”).

25. Further, Bankruptcy Code section 105(a) empowers the Court to “issue any order, process, or judgment that is necessary to carry out the provisions of this title” and Bankruptcy Code section 363(c)(1) authorizes the debtor-in-possession to “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. §§ 105(a) and 363(c)(1). The purpose of these sections is to provide a debtor-in-possession with the flexibility to engage in the ordinary transactions required to operate its business without undue oversight by creditors or the court. *See Med. Malpractice Ins. Ass'n v. Hirsch (In re Lavigne)*, 114 F.3d 379, 384 (2d Cir. 1997).

26. The Debtors' Cash Management System constitutes a customary and essential business practice that was created and implemented by the management of the Debtors in the exercise of the Debtors' business judgment. Moreover, the Cash Management System is similar

to those commonly employed by corporate enterprises comparable to the Debtors in size and complexity in operations.

27. Indeed, the Cash Management System is a practical mechanism that allows the Debtors to transfer their revenues for the payment of their obligations that decreases the burdens on the Debtors and that provides several important benefits, including the ability to: (a) control and monitor corporate funds; (b) ensure cash availability and (c) reduce administrative expenses by facilitating the movement of funds and the development of timely and accurate balance and presentment information. Moreover, continued operation of the Cash Management System is crucial to the Debtors' ongoing business operations. All of the benefits discussed with respect to maintaining the Debtors' existing Cash Management System will assist the Debtors in their effort to maintain their operations pending the confirmation of a chapter 11 plan or other disposition of their assets, making the relief requested herein appropriate under Bankruptcy Code section 105(a).

B. The Debtors Should be Permitted to Maintain Bank Accounts

28. For similar reasons, the Debtors should be authorized to continue to fund their business and operations by payments made from the Bank Accounts listed on Exhibit A to this Motion and should be exempt from certain of the Operating Guidelines for Chapter 11 Cases (the "Guidelines")⁴ established by the United States Trustee for the District of Delaware. One provision of the Guidelines requires a chapter 11 debtor-in-possession to open new bank

⁴ The Guidelines were issued in order to assist the U.S. Trustee in supervising the administration of chapter 11 cases. Such Guidelines require chapter 11 debtors to, among other things, unless the Court requires otherwise:

- a. Close all existing bank accounts and open new accounts which must be designated debtor-in-possession bank accounts;
- b. Establish and maintain separate debtor-in-possession accounts for the payment of taxes and separate debtor-in-possession accounts for cash collateral; and
- c. Obtain and utilize new checks for all debtor-in-possession accounts which bear the designation "Debtor-in-Possession" and contain certain other information related to the chapter 11 case.

accounts and close all existing accounts. This requirement, designed to provide a clear line of demarcation between prepetition and postpetition claims and payments, helps to protect against the inadvertent payment of prepetition claims by preventing banks from honoring checks drawn before the Petition Date. The Guidelines also require that the new bank accounts only be opened in certain financial institutions designated as authorized depositories by the United States Trustee.

29. As part of the requested relief, the Debtors also seek a waiver of the requirement to establish specific bank accounts for any tax payments. The Debtors believe that tax obligations, if any, can be paid most efficiently out of the existing Bank Accounts, that the United States Trustee can adequately monitor the flow of funds into, among, and out of the Bank Accounts, and that the creation of new debtor-in-possession accounts designated solely for tax obligations would be unnecessary and inefficient.

30. The Debtors hereby request authority to maintain the Bank Accounts and utilize such accounts pursuant to the existing Cash Management System described above. The Debtors do not believe that allowing them to do so will prejudice any party-in-interest or their estates. If the relief requested herein is granted, the Debtors will not pay any debts incurred on their behalf before the Petition Date unless specifically authorized by this Court.

31. Moreover, if the Debtors were forced to close their Bank Accounts, the Debtors expect that there would be disruption and confusion that would negatively impact their operations. For instance, funds may be deposited into the wrong account, misapplied, held in limbo, or otherwise delayed, thus negatively affecting the Debtors' relationships with parties, who are necessary to the Debtors' efforts, and who already may be burdened by the filing of

these Chapter 11 Cases. As a result, the Debtors submit that maintenance of their existing Bank Accounts and Cash Management System is warranted.

32. Subject to Bankruptcy Code section 553, all banks that maintain the Bank Accounts should be prohibited from offsetting, affecting, freezing, or otherwise impeding the Debtors' use of any funds deposited in the Bank Accounts on account of, or by reason of, any claim (as defined in Bankruptcy Code section 101(5)) of any such bank against the Debtors that arose before the Petition Date, absent further order of the Court.

C. The Debtors Should be Permitted to Continue Using Existing Business Forms

33. Local Rule 2015-2(a)⁵ does not require the debtor to obtain court approval to continue to use its existing Business Forms without imprinting "DIP" or "Debtor-In-Possession" thereon. Accordingly, and in an abundance of caution, the Debtors request that this Court authorize them to use all correspondence and Business Forms existing immediately before the Petition Date without reference to the Debtors' status as "debtors-in-possession." As of the Petition Date, the Debtors had a large stock of Business Forms that they used in the ordinary course of business. Reprinting their Business Forms to indicate that the Debtors are "Debtors-In-Possession" would impose an unnecessary burden and expense on the Debtors. There is little doubt that the parties with whom the Debtors do business shortly will become aware that they are chapter 11 debtors-in-possession. In any event, in accordance with the Guidelines and Local

⁵ Local Rule 2015-2(a) provides:

Where the debtor uses pre-printed checks, upon motion of the debtor, the Court may, without notice and hearing, permit the debtor to use its existing checks without the designation "Debtor-in-Possession" and use its existing bank accounts. However, once the debtor's existing checks have been used, the debtor shall, when reordering checks, require the designation "Debtor-in-Possession" and the corresponding bankruptcy number on all such checks.

Moreover, courts in this district have allowed debtors to use their existing prepetition forms without the "Debtor-In-Possession" label. *See In re Trans World Airlines, Inc.*, Case No. 01-0056 (PJW) (order dated January 10, 2001); *In re AmeriServe Food Distribution, Inc.*, Case No. 00-358 (PJW) (order dated February 2, 2000); *In re Zenith Electronics Corp.*, Case No. 99-2711 (MFW) (order dated August 23, 1999).

Rule 2015-2(a), the Debtors will add such “Debtors-In-Possession” designation to any Business Forms that they obtain or create postpetition.

D. Waiver of the Requirements of Bankruptcy Code Section 345(b) Is Appropriate

34. The Debtors request that the Court waive the requirements of Bankruptcy Code section 345(b) on an interim basis and permit the Debtors to maintain their deposits in the Bank Accounts in accordance with existing deposit practices until such time as they obtain this Court’s approval to deviate from the guidelines imposed under Bankruptcy Code section 345(b) on a final basis. The Debtors’ existing deposit practices are significantly less burdensome and more appropriately tailored to their business needs than the practices otherwise required under the Bankruptcy Code and by the Guidelines. Accordingly, the Debtors submit that strict compliance with Bankruptcy Code section 345 and the Guidelines would be overly burdensome and restrict the Debtors’ banking options to the detriment of their estates and creditors.

35. Bankruptcy Code section 345 governs a debtor’s deposits during its bankruptcy case and authorizes deposits of money of an estate in such manner as “will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.” 11 U.S.C. § 345(a). However, for deposits or investments that are not “insured or guaranteed by the United States or by a department, agency or instrumentality of the United States or backed by the full faith and credit of the United States,” Bankruptcy Code section 345(b) requires the estate to obtain from the entity with which such money is deposited or invested, a bond in favor of the United States secured by the undertaking of an adequate corporate surety. In the alternative, the estate may require that the entity deposit government securities in accordance with 31 U.S.C. § 9303.

36. Maintaining deposits in strict compliance with the requirements of Bankruptcy Code section 345(b) would, in some cases, be inconsistent with the requirement of section 345(a) that deposits be maintained in a manner that “will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment.” 11 U.S.C. § 345(a). It is for this reason that in 1994, Congress amended Bankruptcy Code section 345 to allow the requirements of subsection (b) to be waived or modified if a court so orders “for cause.” 11 U.S.C. § 345(b). As the legislative history indicates, Congress believed that strict application of Bankruptcy Code section 345(b) could “needlessly handcuff larger, more sophisticated debtors.” 140 Cong. Rec. H. 10,767 (October 4, 1994). All of the Debtors’ Bank Accounts are ordinary depository accounts maintained for operational and not investment purposes. At times, the individual balance in the Bank Accounts may exceed the current limits of governmental insurance. Therefore, these accounts may be subject to the bonding or collateralization requirements of Bankruptcy Code section 345(b) and the Guidelines unless those requirements are waived.

37. In determining whether “cause” exists for a waiver, the Court should consider the “totality of circumstances,” including the following factors:

- (a) the sophistication of the debtor’s business;
- (b) the size of the debtor’s business operations;
- (c) the amount of the investments involved;
- (d) the bank ratings (Moody’s and Standard and Poor’s) of the financial institutions where debtor-in-possession funds are held;
- (e) the complexity of the case;
- (f) the safeguards in place within the debtor’s own business of insuring the safety of the funds;

- (g) the debtor's ability to reorganize in the face of a failure of one or more of the financial institutions;
- (h) the benefit to the debtor;
- (i) the harm, if any, to the estate; and
- (j) the reasonableness of the debtor's request for relief from [Bankruptcy Code section] 345(b) requirements in light of the overall circumstances of the case.

In re Serv. Merch. Co., Inc., 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999).

38. For the reasons set forth herein and in the First Day Declaration, the Debtors believe it would be in the best interests of their estates and creditors to continue following the existing deposit practices, notwithstanding the requirements of Bankruptcy Code section 345(b) and the Guidelines. The Debtors further submit that the Debtors' deposit practices are commercially reasonable and appropriate, and consistent with the intent of Bankruptcy Code section 345.

39. This Court has consistently waived the strict requirements of Bankruptcy Code section 345(b) and the Guidelines on an interim basis. *See, e.g., In re EdgeMarc Energy Holdings, LLC*, Case No. 19-11104 (BLS) (Bankr. D. Del. June 13, 2019); *In re Pernix Sleep, Inc.*, Case No. 19-10323 (CSS) (Bankr. D. Del. Mar. 22, 2019); *In re Things Remembered, Inc.*, Case No. 19-10234 (KG) (Bankr. D. Del. Feb. 26, 2019); *In re Seastar Holdings, Inc.*, Case No. 18-10039 (CSS) (Bankr. D. Del. Jan. 29, 2018); *In re Peekay Acquisition, LLC*, Case No. 17-11722 (BLS) (Bankr. D. Del. Sep. 27, 2017); *In re Jumio, Inc.*, Case No. 16-10682 (BLS) (Bankr. D. Del. Mar. 22, 2016); *In re Brookstone Holdings Corp.*, Case No. 14-10752 (BLS) (Bankr. D. Del. Apr. 4, 2014); *In re Landauer Healthcare Holdings, Inc.*, Case No. 13-12098 (CSS) (Bankr. D. Del. Aug. 20, 2013); *In re Nexity Fin. Corp.*, Case No. 10-12293 (KJC)

(Bankr. D. Del. July 23, 2010). The Debtors submit that cause for a similar waiver exists in these Chapter 11 Cases.

**BANKRUPTCY RULE 6003 SATISFIED
AND REQUEST FOR WAIVER OF STAY**

40. The Debtors further submit that because the relief requested in this Motion is necessary to avoid immediate and irreparable harm to the Debtors for the reasons set forth herein and in the First Day Declaration, Bankruptcy Rule 6003 has been satisfied and the relief requested herein should be granted.

41. Specifically, Bankruptcy Rule 6003 provides:

Except to the extent that relief is necessary to avoid immediate and irreparable harm, the court shall not, within 21 days after the filing of the petition, issue an order granting the following: . . .
(b) 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, but not a motion under Rule 4001.

Fed. R. Bankr. P. 6003.

42. The Third Circuit Court of Appeals has interpreted language similar to that used in Bankruptcy Rule 6003 in the context of preliminary injunctions. In that context, irreparable harm has been interpreted as a continuing harm that cannot be adequately redressed by final relief on the merits and for which money damages cannot provide adequate compensation. *See, e.g., Norfolk S. Ry. Co. v. City of Pittsburgh*, 235 Fed. Appx. 907, 910 (3d Cir. 2007) (citing *Glasco v. Hills*, 558 F.2d 179, 181 (3d Cir. 1977)). Further, the harm must be shown to be actual and imminent, not speculative or unsubstantiated. *See, e.g., Acierno v. New Castle County*, 40 F.3d 645, 653-55 (3d Cir. 1994).

43. The Debtors further seek a waiver of any stay of the effectiveness of the order approving this Motion. Pursuant to Bankruptcy Rule 6004(h), “[an] order authorizing the use,

sale, or lease of property other than cash collateral is stayed until the expiration of fourteen (14) days after entry of the order, unless the court orders otherwise.” As set forth above, the relief requested herein is essential to prevent irreparable damage to the Debtors’ operations and going-concern value.

44. Accordingly, the relief requested herein is appropriate under the circumstances and under Bankruptcy Rules 6003 and 6004(h).

NOTICE AND NO PRIOR REQUEST

45. Notice of this Motion has been given to the following parties or, in lieu thereof, to their counsel, if known: (a) the Office of the United States Trustee for the District of Delaware; (b) the Lenders; (c) each of the Debtors’ creditors holding the thirty (30) largest unsecured claims as set forth in the consolidated list filed with the Debtors’ petitions; (d) the Internal Revenue Service; (e) the United States Department of Justice; (f) all parties who have requested notice in these Chapter 11 Cases pursuant to Bankruptcy Rule 2002; and (g) each of the banks holding the Bank Accounts set forth in **Exhibit A** hereto.

46. No prior request for the relief sought in this Motion has been made to this or any other court.

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WHEREFORE, the Debtors respectfully request that this Court enter an order granting the relief requested herein and grant the Debtors such other and further relief as is just and proper.

Dated: November 14, 2019
Wilmington, Delaware

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and Debtors-In-Possession*

EXHIBIT A

EXHIBIT A**List of Bank Accounts**

DEBTOR	BANK NAME	CURRENCY	ACCOUNT TYPE	LAST FOUR DIGITS OF ACCOUNT NUMBER
Houlihan's Restaurants, Inc.	UMB Bank	USD	Concentration	6680
Houlihan's Restaurants, Inc.	UMB Bank	USD	Depository	6710
Houlihan's Restaurants, Inc.	UMB Bank	USD	Imprest	6850
Houlihan's Restaurants, Inc.	UMB Bank	USD	Accounts Payable	5907
Houlihan's Restaurants, Inc.	UMB Bank	USD	Payroll	5915
Houlihan's Restaurants, Inc.	UMB Bank	USD	Misc. Disbursements	6699
Houlihan's Restaurants, Inc.	UMB Bank	USD	Restaurant Depository	5744
Houlihan's Restaurants, Inc.	UMB Bank	USD	Conference Account	8861
HDJG Corp	UMB Bank	USD	Depository	4213
HOP Bayonne LLC	UMB Bank	USD	Restaurant Depository	5233
HOP Brick LLC	UMB Bank	USD	Restaurant Depository	5268
HOP Bridgewater LLC	UMB Bank	USD	Restaurant Depository	5225
HOP Cherry Hill LLC	UMB Bank	USD	Restaurant Depository	5209
HOP Fairfield LLC	UMB Bank	USD	Restaurant Depository	5179
HOP Farmingdale LLC	UMB Bank	USD	Restaurant Depository	5276
HOP Heights LLC	UMB Bank	USD	Restaurant Depository	5187
HOP Holmdel LLC	UMB Bank	USD	Restaurant Depository	5136
HOP New Brunswick LLC	UMB Bank	USD	Restaurant Depository	5160
HOP Paramus LLC	UMB Bank	USD	Restaurant Depository	5195
HOP Parsippany LLC	UMB Bank	USD	Restaurant Depository	5152
HOP Lawrenceville LLC	UMB Bank	USD	Restaurant Depository	5241
HOP Ramsey LLC	UMB Bank	USD	Restaurant Depository	5144
HOP Secaucus LLC	UMB Bank	USD	Restaurant Depository	5217
HOP Weehawken LLC	UMB Bank	USD	Restaurant Depository	5128

DEBTOR	BANK NAME	CURRENCY	ACCOUNT TYPE	LAST FOUR DIGITS OF ACCOUNT NUMBER
HOP Westbury LLC	UMB Bank	USD	Restaurant Depository	5284
HOP Woodbridge LLC	UMB Bank	USD	Restaurant Depository	5101
Houlihan's Restaurants, Inc.	US Bank	USD	Gift Certificate	0492

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

HRI HOLDING CORP., *et al.*¹

Debtors.

Chapter 11

Case No. 19-12415 (___)

(Joint Administration Requested)

**INTERIM ORDER (A) AUTHORIZING THE MAINTENANCE OF BANK
ACCOUNTS AND CONTINUED USE OF EXISTING BUSINESS FORMS
AND CHECKS, (B) AUTHORIZING THE CONTINUED USE OF EXISTING
CASH MANAGEMENT SYSTEM AND (C) GRANTING LIMITED RELIEF
FROM THE REQUIREMENTS OF BANKRUPTCY CODE SECTION 345(B)
AND THE UNITED STATES TRUSTEE OPERATING GUIDELINES**

Upon the *Motion of the Debtors for Entry of Interim and Final Orders (A) Authorizing the Maintenance of Bank Accounts and Continued Use of Existing Business Forms and Checks, (B) Authorizing the Continued Use of Existing Cash Management System and (C) Granting Limited Relief from the Requirements of Bankruptcy Code Section 345(b) and the United States Trustee Operating Guidelines* (the “Motion”)² and upon the First Day Declaration; and the Court having 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 the Court having found that this is a core proceeding pursuant to 28

¹ 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.

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

U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the 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 it appearing that sufficient notice of the Motion has been 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") on the Motion will be held on _____, 2019 at _____ .m. (prevailing Eastern Standard 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 Standard Time) on _____, 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.) and (ii) Landis Rath & Cobb LLP, 919 Market Street, Suite 1800, Wilmington, Delaware 19801 (Attn: Kimberly A. Brown, Esq. and Matthew R. Pierce, 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; and it is further

ORDERED that the Debtors are authorized, but not directed, to maintain and use their existing Cash Management System, as more fully set forth in the Motion; and it is further

ORDERED that the Debtors are authorized to maintain and use the existing Bank Accounts listed on Exhibit A attached hereto in the name and with the account numbers existing immediately prior to the Petition Date; and it is further

ORDERED that the requirement in the Guidelines that the Debtors establish a specific new bank account for tax payments is waived; and it is further

ORDERED that provided that the Debtors shall retain the authority to close or otherwise modify certain of their Bank Accounts and open new debtors-in-possession accounts, or otherwise make changes to their Cash Management System as they deem necessary to facilitate their Chapter 11 Cases and operations. The Debtors are authorized to open any new Bank Accounts or close any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion; provided, however, that the Debtors give notice within fifteen (15) days to (i) the Office of the United States Trustee (Attn: Jane M. Leamy, Esq.) (the “UST”), (ii) 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 (bill.freeman@katten.com) and Karen B. Dine Esq. (Karen.dine@katten.com)) and Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801 (Attn: Sean Beach, Esq. (sbeach@ycst.com) and Jaime Luton Chapman (jchapman@ycst.com)) and (iii) any statutory committees appointed in these Chapter 11 Cases; provided, further, however, that the Debtors shall open any such new Bank Account at banks that have executed a Uniform Depository Agreement with the UST, or at such banks that are willing to immediately execute such an agreement, and in the event any such new bank does not execute a Uniform Depository Agreement, the rights of the UST are reserved; and it is further

ORDERED that the Debtors are authorized to deposit funds in and withdraw funds from their Bank Accounts by all usual means, subject to the same access rights and limitations existing prior to the Petition Date, including, but not limited to, checks, wire transfers, automated clearinghouse transfers, electronic funds transfers, and other debits and to treat the Bank

Accounts for all purposes as debtor-in-possession accounts; and it is further

ORDERED that the Debtors are authorized to continue to use their Business Forms substantially in the forms existing immediately prior to the Petition Date, without reference to the Debtors' debtors-in-possession status, provided that once the Debtors' existing checks have been used, the Debtors shall, when reordering checks, require the designation "Debtors-In-Possession" and the corresponding bankruptcy case number on all checks; provided further that, with respect to electronic checks or checks which the Debtors or their agents print themselves, the Debtors shall begin printing the "Debtors-In-Possession" legend on such items within fourteen (14) days of the date of entry of this Interim Order; and it is further

ORDERED that the banks listed on Exhibit A attached hereto are hereby authorized to continue to service and administer the Bank Accounts of the Debtors as debtors-in-possession without interruption and in the usual and ordinary course, and to receive, process, honor and pay any and all checks, drafts, wires, or automated clearinghouse transfers drawn on the Bank Accounts by the holders or makers thereof, provided that nothing contained herein shall authorize any such bank to honor any check issued or dated prior to the date of the commencement of these cases, except as otherwise provided by further order of this Court. In no event shall any of the Banks be required to honor overdrafts or to pay any check, wire or other debit against any of the Bank Accounts that is drawn against uncollected funds; and it is further

ORDERED that the Debtors may continue to pay, and the banks may continue to charge and collect, all customary and usual prepetition and postpetition fees arising from or related to the Bank Accounts; and it is further

ORDERED that subject to Bankruptcy Code section 553, all banks that maintain the Bank Accounts are prohibited from offsetting, affecting, freezing, or otherwise impeding the

Debtors' use of any funds in the Bank Accounts on account of, or by reason of, any claim (as defined in Bankruptcy Code section 101(5)) of any such bank against the Debtors that arose before the Petition Date, absent further order of this Court; and it is further

ORDERED that in connection with the ongoing utilization of the Cash Management System, the Debtors shall maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, recorded properly, and distinguished between prepetition and postpetition transactions and among Debtor entities; and it is further

ORDERED that The Debtors are granted a thirty (30) day extension of time to comply with the investment and deposit requirements of section 345 of the Bankruptcy Code, which extension is without prejudice to the Debtors' ability to seek a final waiver of those requirements; and it is further

ORDERED that for banks at which the Debtors hold Bank Accounts that are party to a Uniform Depository agreement with the UST, within fifteen (15) days of the date of entry of this Interim Order the Debtors shall (a) contact each bank, (b) provide the bank with each of the Debtors' employer identification numbers, (c) identify each of their Bank Accounts held at such banks as being held by debtors-in-possession in a bankruptcy case, and (d) serve a copy of this Interim Order. For banks at which the Debtors hold Bank Accounts that are not party to a Uniform Depository agreement with the UST, the Debtors shall use good-faith efforts to cause the banks to execute a Uniform Depository agreement in a form prescribed by the UST within thirty (30) days of the date of this Interim Order. The UST's rights to seek further relief from this Court on notice in the event that the aforementioned banks are unwilling to execute a Uniform Depository Agreement in a form prescribed by the UST are fully reserved; and it is further

ORDERED that notwithstanding the Debtors' use of a consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity pays those disbursements; 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 Interim Order shall be immediately effective and enforceable upon its entry; and it is further

ORDERED that the Debtors are authorized to take all such actions as are necessary or appropriate to implement the terms of this Order; and it is further

ORDERED that the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the interpretation or implementation of this Interim Order.

Dated: November ____, 2019
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

EXHIBIT A**List of Bank Accounts**

DEBTOR	BANK NAME	CURRENCY	ACCOUNT TYPE	LAST FOUR DIGITS OF ACCOUNT NUMBER
Houlihan's Restaurants, Inc.	UMB Bank	USD	Concentration	6680
Houlihan's Restaurants, Inc.	UMB Bank	USD	Depository	6710
Houlihan's Restaurants, Inc.	UMB Bank	USD	Imprest	6850
Houlihan's Restaurants, Inc.	UMB Bank	USD	Accounts Payable	5907
Houlihan's Restaurants, Inc.	UMB Bank	USD	Payroll	5915
Houlihan's Restaurants, Inc.	UMB Bank	USD	Misc. Disbursements	6699
Houlihan's Restaurants, Inc.	UMB Bank	USD	Restaurant Depository	5744
Houlihan's Restaurants, Inc.	UMB Bank	USD	Conference Account	8861
HDJG Corp	UMB Bank	USD	Depository	4213
HOP Bayonne LLC	UMB Bank	USD	Restaurant Depository	5233
HOP Brick LLC	UMB Bank	USD	Restaurant Depository	5268
HOP Bridgewater LLC	UMB Bank	USD	Restaurant Depository	5225
HOP Cherry Hill LLC	UMB Bank	USD	Restaurant Depository	5209
HOP Fairfield LLC	UMB Bank	USD	Restaurant Depository	5179
HOP Farmingdale LLC	UMB Bank	USD	Restaurant Depository	5276
HOP Heights LLC	UMB Bank	USD	Restaurant Depository	5187
HOP Holmdel LLC	UMB Bank	USD	Restaurant Depository	5136
HOP New Brunswick LLC	UMB Bank	USD	Restaurant Depository	5160
HOP Paramus LLC	UMB Bank	USD	Restaurant Depository	5195
HOP Parsippany LLC	UMB Bank	USD	Restaurant Depository	5152
HOP Lawrenceville LLC	UMB Bank	USD	Restaurant Depository	5241
HOP Ramsey LLC	UMB Bank	USD	Restaurant Depository	5144
HOP Secaucus LLC	UMB Bank	USD	Restaurant Depository	5217
HOP Weehawken LLC	UMB Bank	USD	Restaurant Depository	5128

DEBTOR	BANK NAME	CURRENCY	ACCOUNT TYPE	LAST FOUR DIGITS OF ACCOUNT NUMBER
HOP Westbury LLC	UMB Bank	USD	Restaurant Depository	5284
HOP Woodbridge LLC	UMB Bank	USD	Restaurant Depository	5101
Houlihan's Restaurants, Inc.	US Bank	USD	Gift Certificate	0492

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

In re:

HRI HOLDING CORP., *et al.*¹

Debtors.

Chapter 11

Case No. 19-12415 (____)

(Joint Administration Requested)

**FINAL ORDER (A) AUTHORIZING THE MAINTENANCE OF BANK
ACCOUNTS AND CONTINUED USE OF EXISTING BUSINESS FORMS
AND CHECKS, (B) AUTHORIZING THE CONTINUED USE OF EXISTING
CASH MANAGEMENT SYSTEM AND (C) GRANTING LIMITED RELIEF FROM
THE REQUIREMENTS OF BANKRUPTCY CODE SECTION 345(B)
AND THE UNITED STATES TRUSTEE OPERATING GUIDELINES**

Upon the *Motion of the Debtors for Entry of Interim and Final Orders (A) Authorizing the Maintenance of Bank Accounts and Continued Use of Existing Business Forms and Checks, (B) Authorizing the Continued Use of Existing Cash Management System and (C) Granting Limited Relief from the Requirements of Bankruptcy Code Section 345(b) and the United States Trustee Operating Guidelines* (the “Motion”)² and upon the First Day Declaration; and the Court having 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 the Court having found that this is a core proceeding pursuant to 28

¹ 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.

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

U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and the 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 it appearing that sufficient notice of the Motion has been 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 a final basis as set forth herein; and it is further

ORDERED that the Debtors are authorized, but not directed, to maintain and use their existing Cash Management System, as more fully set forth in the Motion; and it is further

ORDERED that the Debtors are authorized to maintain and use the existing Bank Accounts listed on Exhibit A attached hereto in the name and with the account numbers existing immediately prior to the Petition Date; and it is further

ORDERED that the requirement in the Guidelines that the Debtors establish a specific new bank account for tax payments is waived; and it is further

ORDERED that provided that the Debtors shall retain the authority to close or otherwise modify certain of their Bank Accounts and open new debtors-in-possession accounts, or otherwise make changes to their Cash Management System as they deem necessary to facilitate their Chapter 11 Cases and operations. The Debtors are authorized to open any new Bank Accounts or close any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion; provided, however, that the Debtors give notice within fifteen (15) days to (i) the Office of the United States Trustee (Attn: Jane M. Leamy, Esq.) (the "UST"), (ii) 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 (bill.freeman@katten.com) and Karen B. Dine Esq. (Karen.dine@katten.com)) and Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801 (Attn: Sean Beach, Esq. (sbeach@ycst.com) and Jaime Luton Chapman (jchapman@ycst.com)) and (iii) any statutory committees appointed in these Chapter 11 Cases; and it is further

ORDERED that the Debtors are authorized to deposit funds in and withdraw funds from their Bank Accounts by all usual means, subject to the same access rights and limitations existing prior to the Petition Date, including, but not limited to, checks, wire transfers, automated clearinghouse transfers, electronic funds transfers, and other debits and to treat the Bank Accounts for all purposes as debtor-in-possession accounts; and it is further

ORDERED that the Debtors' banks may rely on the representations of the Debtors with respect to whether any check or other payment order drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this or any other order of this Court, and such bank shall not have any liability to any party for relying on such representations by the Debtors as provided for herein; and it is further

ORDERED that the Debtors are authorized to continue to use their Business Forms substantially in the forms existing immediately prior to the Petition Date, without reference to the Debtors' debtors-in-possession status, provided that once the Debtors' existing checks have been used, the Debtors shall, when reordering checks, require the designation "Debtors-In-Possession" and the corresponding bankruptcy case number on all checks; provided further that, with respect to electronic checks or checks which the Debtors or their agents print themselves, the Debtors shall begin printing the "Debtors-In-Possession" legend on such items within fourteen (14) days of the date of entry of this Order; and it is further

ORDERED that the banks listed on Exhibit A attached hereto are hereby authorized to continue to service and administer the Bank Accounts of the Debtors as debtors-in-possession without interruption and in the usual and ordinary course, and to receive, process, honor and pay any and all checks, drafts, wires, or automated clearinghouse transfers drawn on the Bank Accounts by the holders or makers thereof, provided that nothing contained herein shall authorize any such bank to honor any check issued or dated prior to the date of the commencement of these cases, except as otherwise provided by further order of this Court. In no event shall any of the Banks be required to honor overdrafts or to pay any check, wire or other debit against any of the Bank Accounts that is drawn against uncollected funds; and it is further

ORDERED that the Debtors may continue to pay, and the banks may continue to charge and collect, all customary and usual prepetition and postpetition fees arising from or related to the Bank Accounts; and it is further

ORDERED that subject to Bankruptcy Code section 553, all banks that maintain the Bank Accounts are prohibited from offsetting, affecting, freezing, or otherwise impeding the Debtors' use of any funds in the Bank Accounts on account of, or by reason of, any claim (as defined in Bankruptcy Code section 101(5)) of any such bank against the Debtors that arose before the Petition Date, absent further order of this Court; and it is further

ORDERED that in connection with the ongoing utilization of the Cash Management System, the Debtors shall maintain records with respect to all transfers of cash so that all transactions may be readily ascertained, traced, recorded properly, and distinguished between prepetition and postpetition transactions and among Debtor entities; and it is further

ORDERED that the requirements provided in Bankruptcy Code section 345(b) are hereby WAIVED for a period of twenty (20) days from the date of this Order, without prejudice to the

Debtors' right to seek a further waiver thereof; and it is further

ORDERED that for banks at which the Debtors hold Bank Accounts that are party to a Uniform Depository agreement with the UST, to the extent not already contacted, within fifteen (15) days of the date of entry of this Order the Debtors shall (a) contact each bank, (b) provide the bank with each of the Debtors' employer identification numbers, (c) identify each of their Bank Accounts held at such banks as being held by debtors-in-possession in a bankruptcy case, and (d) serve a copy of this Order. For banks at which the Debtors hold Bank Accounts that are not party to a Uniform Depository agreement with the UST, the Debtors shall use good-faith efforts to cause the banks to execute a Uniform Depository agreement in a form prescribed by the UST within thirty (30) days of the date of this Order. The UST's rights to seek further relief from this Court on notice in the event that the aforementioned banks are unwilling to execute a Uniform Depository Agreement in a form prescribed by the UST are fully reserved; and it is further

ORDERED that notwithstanding the Debtors' use of a consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which entity pays those disbursements; 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 such actions as are necessary or appropriate to implement the terms of this Order; and it is further

ORDERED that the Court shall retain jurisdiction to hear and determine all matters arising from or relating to the interpretation or implementation of this Order.

Dated: _____, 2019
Wilmington, Delaware

UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

EXHIBIT A**List of Bank Accounts**

DEBTOR	BANK NAME	CURRENCY	ACCOUNT TYPE	LAST FOUR DIGITS OF ACCOUNT NUMBER
Houlihan's Restaurants, Inc.	UMB Bank	USD	Concentration	6680
Houlihan's Restaurants, Inc.	UMB Bank	USD	Depository	6710
Houlihan's Restaurants, Inc.	UMB Bank	USD	Imprest	6850
Houlihan's Restaurants, Inc.	UMB Bank	USD	Accounts Payable	5907
Houlihan's Restaurants, Inc.	UMB Bank	USD	Payroll	5915
Houlihan's Restaurants, Inc.	UMB Bank	USD	Misc. Disbursements	6699
Houlihan's Restaurants, Inc.	UMB Bank	USD	Restaurant Depository	5744
Houlihan's Restaurants, Inc.	UMB Bank	USD	Conference Account	8861
HDJG Corp	UMB Bank	USD	Depository	4213
HOP Bayonne LLC	UMB Bank	USD	Restaurant Depository	5233
HOP Brick LLC	UMB Bank	USD	Restaurant Depository	5268
HOP Bridgewater LLC	UMB Bank	USD	Restaurant Depository	5225
HOP Cherry Hill LLC	UMB Bank	USD	Restaurant Depository	5209
HOP Fairfield LLC	UMB Bank	USD	Restaurant Depository	5179
HOP Farmingdale LLC	UMB Bank	USD	Restaurant Depository	5276
HOP Heights LLC	UMB Bank	USD	Restaurant Depository	5187
HOP Holmdel LLC	UMB Bank	USD	Restaurant Depository	5136
HOP New Brunswick LLC	UMB Bank	USD	Restaurant Depository	5160
HOP Paramus LLC	UMB Bank	USD	Restaurant Depository	5195
HOP Parsippany LLC	UMB Bank	USD	Restaurant Depository	5152
HOP Lawrenceville LLC	UMB Bank	USD	Restaurant Depository	5241
HOP Ramsey LLC	UMB Bank	USD	Restaurant Depository	5144
HOP Secaucus LLC	UMB Bank	USD	Restaurant Depository	5217
HOP Weehawken LLC	UMB Bank	USD	Restaurant Depository	5128

DEBTOR	BANK NAME	CURRENCY	ACCOUNT TYPE	LAST FOUR DIGITS OF ACCOUNT NUMBER
HOP Westbury LLC	UMB Bank	USD	Restaurant Depository	5284
HOP Woodbridge LLC	UMB Bank	USD	Restaurant Depository	5101
Houlihan's Restaurants, Inc.	US Bank	USD	Gift Certificate	0492