

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE

In re

OPEN ROAD FILMS, LLC, a Delaware  
limited liability company, *et al.*,<sup>1</sup>

Debtors.

Chapter 11

Case No.: 18-12012 (LSS)

(Jointly Administered)

**Ref. Docket No. 4**

**INTERIM ORDER (I) AUTHORIZING PAYMENT OF LIMITED PREPETITION  
EMPLOYEE BENEFITS AND CONFIRMING RIGHT TO CONTINUE EMPLOYEE  
BENEFITS ON POSTPETITION BASIS, (II) AUTHORIZING PAYMENT OF  
REIMBURSEMENT FOR PREPETITION EXPENSES, (III) AUTHORIZING  
PAYMENT OF WITHHOLDING AND PAYROLL-RELATED TAXES, AND  
(IV) AUTHORIZING BANKS TO HONOR PREPETITION CHECKS AND  
FUND TRANSFERS FOR AUTHORIZED PAYMENTS**

Upon the motion (the "Motion")<sup>2</sup> of Open Road Films, LLC and its affiliated debtors and debtors in possession (the "Debtors") in the above-captioned chapter 11 cases (the "Cases") for entry of interim and final orders, pursuant to sections 105(a), 363(b), and 507(a) of title 11 of the United States Code (the "Bankruptcy Code"), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 9013-1 of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the "Local Rules"), (i) authorizing, but not directing, the Debtors: (a) to honor limited prepetition obligations in respect of, and to continue honoring in the ordinary course of business until further notice (but not assume), certain of the Debtors' paid time off, leave of absence, workers' compensation, and employee and retiree benefit plans and programs, as described in the Motion; (b) to reimburse employees for

<sup>1</sup> The Debtors and the last four digits of their respective federal taxpayer identification numbers are as follows: Open Road Films, LLC (4435-Del.); Open Road Releasing, LLC (4736-Del.); OR Productions LLC (5873-Del.); Briarcliff LLC (7304-Del.); Open Road International LLC (4109-Del.); and Empire Productions LLC (9375-Del.). The Debtors' address is 2049 Century Park East, 4th Floor, Los Angeles, CA 90067.

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

prepetition expenses incurred on behalf of the Debtors in the ordinary course of business; and (c) to deduct and/or remit all related postpetition payroll taxes and other deductions; (ii) authorizing banks and other financial institutions (collectively, the “Banks”) to honor and process check and electronic transfer requests related to the foregoing; and (iii) scheduling a final hearing; and upon consideration of the First Day Declaration and the entire record of these Cases; and it appearing that the Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 1334 and 157, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated as of February 29, 2012; and it appearing that the Motion is a core matter pursuant to 28 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 it appearing that venue of these cases and of the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that due and adequate notice of the Motion has been given under the circumstances, and that no other or further notice need be given; and it appearing that the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and after due deliberation, and good and sufficient cause appearing for the relief set forth in this Order, it is hereby

**ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is GRANTED on an interim basis, as set forth herein.
2. A final hearing (the “Final Hearing”) to consider entry of a final order (the “Final Order”) on the Motion is scheduled for October 2, 2018 at 2:00 p..m. (prevailing Eastern time) before the Court. Any objections or responses to entry of the Final Order shall be filed on or before 4:00 p.m. (prevailing Eastern time) on September 25, 2018 and shall be served upon (i) proposed counsel to the Debtors, (a) Klee, Tuchin, Bogdanoff

& Stern LLP, 1999 Avenue of the Stars, 39<sup>th</sup> Floor, Los Angeles, California 90067, Attn: Michael L. Tuchin, Esq. and Jonathan M. Weiss, Esq., and (b) Young Conaway Stargatt & Taylor, LLP, Rodney Square, 1000 North King Street, Wilmington, Delaware 19801, Attn: Michael R. Nestor, Esq. and Robert F. Poppiti, Jr. Esq.; (ii) counsel to the Agent, Paul Hastings LLP (a) 1999 Avenue of the Stars, 27<sup>th</sup> Floor, Los Angeles, California 90067, Attn: Susan Williams and (b) 200 Park Avenue, New York, New York 10166, Attn: Andrew V. Tenzer; (iii) counsel to any statutory committee appointed in these chapter 11 Cases; and (iv) the Office of the United States Trustee for the District of Delaware, J. Caleb Boggs Building, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Linda Richenderfer, Esq. If no objections to entry of the Final Order are timely received, the Court may enter the Final Order without further notice or hearing.

3. The Debtors are authorized, but not directed, (i) to reimburse unpaid prepetition Employee Expenses to Employees and Shared Employees in an amount not to exceed \$25,000 in the aggregate and (ii) to honor all accrued unused prepetition Vacation, Holiday Time, Sick Leave, and other paid time off and leave of absence policies for Employees and Shared Employees in the ordinary course of business.

4. The Debtors are authorized, but not directed, in the ordinary course of business on a postpetition basis and in accordance with the budget under any agreed use of cash collateral, to compensate the Employees and the Shared Employees with respect to Employee Compensation and to compensate the Temporary Worker with respect to Temporary Worker Compensation; *provided* that absent further order of this Court, the Debtors shall not make any payments on account of prepetition Employee Compensation or Temporary Worker Compensation.

5. Other than as expressly set forth herein, the Debtors are authorized, but not directed, to honor and continue, in the ordinary course of business on a postpetition basis with respect to Employees and Shared Employees and in accordance with the budget under any agreed use of cash collateral, the Debtors existing policies, plans, and programs with respect to (i) Vacation, Holiday Time, Sick Leave, and other paid time off and leave of absence policies, (ii) Benefit Programs, including the Medical Plan, the Dental & Vision Plan, the Basic Life Plan, the Voluntary Life & Disability Plans, the EAP, and COBRA, (iii) the WC Program, (iv) the Retirement Plan, and (v) the Employee Expenses; *provided* that such relief shall not constitute or be deemed an assumption or an authorization to assume any such policies, plans, or programs under section 365(a) of the Bankruptcy Code

6. Nothing herein shall be deemed to authorize the payment of any amounts in satisfaction of severance obligations or bonus obligations, or which are subject to section 503(c) of the Bankruptcy Code.

7. The Debtors' banks shall be and hereby are authorized to receive, process, honor, and pay all prepetition and postpetition checks and fund transfers on account of the obligations authorized to be paid herein that had not been honored and paid as of the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments. The Debtors shall be and hereby are authorized to issue new postpetition checks or effect new postpetition fund transfers on account of the obligations approved herein to replace any prepetition checks or fund transfer requests that may be dishonored or rejected.

8. Notwithstanding any other provision of this Order, any Bank may rely on the representations of the Debtors with respect to whether any check, draft, wire, or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to any

order of this Court, and any Bank that honors a prepetition check or other item drawn on any account that is the subject of this Order (i) at the direction of the Debtors, (ii) in a good-faith belief that the Court has authorized such prepetition check or item to be honored, or (iii) as a result of an innocent mistake made despite the above-described protective measures, shall neither be deemed to be in violation of this Order nor be liable to the Debtors or their estates on their account of such prepetition check or other item being honored postpetition, or otherwise deemed to be in violation of this Order.

9. The Debtors may pay any and all Payroll Taxes and any and all withholding amounts, including social security, FICA, federal and state income taxes, garnishments, health care payments, retirement fund withholding, and other types of Employee Withholding.

10. Any party receiving payment from the Debtors is authorized and directed to rely upon the representations of the Debtors as to which payments are authorized by this Order.

11. Nothing in the Motion or this Order or the interim relief granted herein (including any actions taken or payments made by the Debtors pursuant to the relief) shall (i) be construed as a request for authority to assume any executory contract under Bankruptcy Code section 365 or as an admission as to the characterization of the Employees, Shared Employees, Excluded Employees, or Temporary Worker; (ii) waive, affect or impair any of the Debtors' rights, claims or defenses, including, but not limited to, those arising from section 365 of the Bankruptcy Code, other applicable law and any agreement; (iii) grant third-party beneficiary status or bestow any additional rights on any third party; or (iv) be otherwise enforceable by any third party.

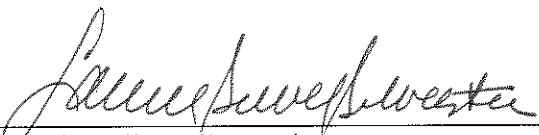
12. Notwithstanding anything to the contrary contained herein, any payment made or to be made under this Order, any authorization contained in this Order, or any claim for which payment is authorized hereunder, shall be subject to the requirements imposed on the Debtors

under any orders of this Court approving any use of cash collateral by the Debtors and any budget in connection therewith.

13. Bankruptcy Rule 6003(b) has been satisfied. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (i) this Order shall be effective immediately and enforceable upon its entry; (ii) the Debtors are not subject to any stay in the implementation, enforcement, or realization of the relief granted in this Order; and (iii) the Debtors are authorized and empowered, and may in their discretion and without further delay, take any action necessary or appropriate to implement this Order.

14. The Court retains jurisdiction and power with respect to all matters arising from or related to the implementation or interpretation of this Order.

Dated: Wilmington, Delaware  
September 7, 2018

  
Laurie Selber Silverstein  
United States Bankruptcy Judge