

**BASIS FOR RELIEF REQUESTED**

**Cause Exists To Authorize the Payment To the Debtors' Employees**

18. Pursuant to Section 507(a)(4)(A) of the Bankruptcy Code, claims against the Debtor for “wages, salaries, or commissions, including vacation, severance, and sick leave pay” earned within one hundred eighty (180) days before the Petition Date are afforded priority unsecured status to the extent of \$15,150.00 per individual. Similarly, Section 507(a)(5) of the Bankruptcy Code provides that Employees’ claims for contributions to certain employee benefit plans are also afforded priority unsecured status to the extent of \$15,150.00 per Employee covered by such plan, less any amount paid pursuant to Section 507(a)(4).

19. The Debtor believes that substantially all, if not all, of the Employee Obligations relating to the period prior to the Petition Date constitute priority claims under Sections 507(a)(4) and (5) of the Bankruptcy Code. As priority claims, these obligations must be paid in full before any general unsecured obligations of the Debtor may be satisfied. Accordingly, the relief requested may affect only the timing of the payment of these priority obligations, and will not prejudice the rights of general unsecured creditors or other parties in interest.

20. Furthermore, Section 363(b)(1) of the Bankruptcy Code provides, “[t]he trustee, after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate.” 11 U.S.C. § 363(b)(1). Section 105(a) of the Bankruptcy Code further provides:

The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title. No provision of this title providing for the raising of an issue by a party in interest shall be construed to preclude the court from, *sua sponte*, taking any action or making any determination necessary or appropriate to enforce or implement court orders or rules, or to prevent an abuse of process.

11 U.S.C. § 105(a).