

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION

In re: NEIGHBORS LEGACY HOLDINGS, INC., <i>et al.,</i> Debtors. ¹	§ § Chapter 11 § § Case No. 18-33836 § § (Jointly Administered) §
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**NOTICE OF ENTRY OF INTERIM ORDER (I)
AUTHORIZING THE DEBTORS TO PAY PREPETITION WORKFORCE
OBLIGATIONS; (II) AUTHORIZING THE DEBTORS TO CONTINUE CERTAIN
WORKFORCE BENEFIT PROGRAMS; AND (III) AUTHORIZING APPLICABLE
BANKS AND FINANCIAL INSTITUTIONS TO HONOR PREPETITION CHECKS
FOR PAYMENT OF THE PREPETITION WORKFOCE OBLIGATIONS
[Docket No. 62]**

PLEASE TAKE NOTICE that the Interim Order (i) Authorizing the Debtors to Pay Prepetition Workforce Obligations; (ii) Authorizing the Debtors to Continue Certain Workforce Benefit Programs; and (iii) Authorizing Applicable Banks and Financial Institutions to Honor Prepetition Checks for Payment of the Prepetition Workforce Obligations (the “Wage Order”) was entered in the above-captioned matter on July 18, 2018. A true and correct copy of the Wage Order is attached as **Exhibit A** to this Notice.

PLEASE TAKE FURTHER NOTICE that pursuant to the Wage Order,² any party in interest objecting to the Court’s entry of a final order on the Motion shall file written objections with the United States Bankruptcy Court Clerk on or before **4:00 p.m. (Central Standard**

¹ Due to the large number of Debtors in these chapter 11 cases, a complete list of the Debtors and the last four digits of their tax identification numbers is not provided herein. A complete list of such information may be obtained on the website of the Debtors’ proposed claims and noticing agent at www.kcellc.net/neighbors. The location of Debtors’ principal place of business and the Debtors’ service address is: 10800 Richmond Avenue, Houston, Texas 77042.

² Any capitalized term not expressly defined herein shall have the meaning ascribed to such term in the Wage Order.



Time) on August 3, 2018. In the event that no objections to the entry of the final order on the Motion are timely received, the Court may enter a final order without a final hearing.

PLEASE TAKE FURTHER NOTICE that the final hearing on the Motion will be held on **August 8, 2018 at 10:00 a.m.** before the Honorable Marvin Isgur, United States Bankruptcy Judge, 515 Rusk Avenue, 4th Floor, Courtroom 404, Houston, Texas 77002.

Dated: July 19, 2018

Respectfully submitted,

Porter Hedges LLP

/s/ John F. Higgins

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**PROPOSED COUNSEL FOR THE DEBTORS
AND DEBTORS IN POSSESSION**



ENTERED
07/18/2018

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF TEXAS
HOUSTON DIVISION**

In re:	§	
	§	Chapter 11
	§	
NEIGHBORS LEGACY HOLDINGS, INC.,	§	Case No. 18-33836 (MI)
<i>et al.,</i>	§	
	§	(Jointly Administered)
	§	
Debtors.¹	§	

INTERIM ORDER (I) AUTHORIZING THE DEBTORS TO PAY PREPETITION WORKFORCE OBLIGATIONS; (II) AUTHORIZING THE DEBTORS TO CONTINUE CERTAIN WORKFORCE BENEFIT PROGRAMS; AND (III) AUTHORIZING APPLICABLE BANKS AND FINANCIAL INSTITUTIONS TO HONOR PREPETITION CHECKS FOR PAYMENT OF THE PREPETITION WORKFORCE OBLIGATIONS

[Relates to Doc. No. 13]

The above-referenced debtors and debtors-in-possession (collectively, the “Debtors”) filed their motion (the “Motion”)² for Interim and Final Orders, pursuant to sections 363, 541, 1107(a), and 1108 of title 11 of the United States Code (the “Bankruptcy Code”), and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) (i) authorizing, but not directing, the Debtors to pay, among other things, prepetition wages, salaries, employee benefits, and reimbursable expenses (“Workforce Obligations”); (ii) authorizing, but not directing, the Debtors to continue the post-petition maintenance of any or all employee, physician, and pharmacist (collectively, the “Workforce”) benefit programs, policies, and procedures in the ordinary course in accordance with prepetition practices; (iii) authorizing, but not directing, the applicable banks and financial institutions to honor all related checks and

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



electronic payment requests, provided that sufficient funds are available, in the applicable accounts to make the Workforce withholdings related thereto; and (iv) granting related relief as further described herein. The Court has jurisdiction over the Motion and the relief requested in the Motion pursuant to 28 U.S.C. § 1334 and venue is proper in this District pursuant to 11 U.S.C. § 1408. The Motion is a core proceeding pursuant to 28 U.S.C. § 157(b)(2) and the Court may enter a final order on the Motion. The relief requested by the Motion is in the best interests of the Debtors, their estates, creditors, stakeholders, and other parties in interest and the Debtors' gave sufficient and proper notice of the Motion and related hearings. Upon consideration of the Motion and First Day Declaration and after hearing statements in support of the Motion during proceedings before this Court, the Court finds that good cause exists to grant the requested relief.

It is therefore **ORDERED THAT**

1. The Motion is GRANTED as set forth in this Interim Order.
2. A final hearing (the "Final Hearing") on the Motion shall be held on August 8, 2018, at 10:00 a.m. Any objections or responses to entry of a final order on the Motion shall be filed on or before 4:00 p.m. prevailing Central Time three (3) days before the Final Hearing. In the event no objections to entry of the final order on the Motion are timely received, the Court may enter a final order without a Final Hearing.
3. The Debtors are authorized, but not directed, in their sole discretion, to pay and honor certain prepetition Unpaid Compensation as and when obligations are due, provided that, in the aggregate, the Debtors do not pay Unpaid Compensation in an amount that exceeds \$700,000.
4. The Debtors are authorized, but not directed, in their sole discretion, to pay and honor prepetition obligations that have accrued under Benefits programs, including, but not

limited to, the Health Plans, Employee Insurance Benefits, and the Other Benefits plans, and to honor, continue, or modify the Benefits programs on a post-petition basis in the ordinary course and in accordance with their prepetition practices.

5. The Debtors are authorized, but not directed, in their sole discretion, to remit all Employee Withholdings to the appropriate third parties, as and when obligations are due, *provided further*, that pending entry of the Final Order, nothing herein shall be deemed to authorize the payment of any prepetition amounts on account of Insider or Non-Insider Severance Programs.

6. The Debtors are authorized to reimburse the Workforce with respect to all Reimbursable Expenses incurred prior to the Petition Date. In addition, the Debtors are authorized to make direct payments to third parties owed amounts in connection with such Reimbursable Expenses.

7. The Debtors are authorized to continue honoring the Debtors' Severance Obligations; to pay any outstanding prepetition obligations relating thereto; and to pay Severance Obligations in accordance with the Debtors' past practice to Employees that are terminated post-petition, including severance payments to executive-level Employees, or insiders as defined by Bankruptcy Code Section 101(31), subject to the limitations set forth in Bankruptcy Code Section 503(c).

8. The Debtors are authorized to pay any and all local, state, and federal withholding and payroll-related or similar taxes related to the Prepetition Employment Obligations and to withhold and pay amounts that are attributable to the deductions, including, but not limited to, all withholding taxes, social security taxes, and Medicare taxes, whether such taxes relate to the period before or after the Petition Date.

9. All applicable banks and other financial institutions are authorized, but not directed, (a) to receive, process, honor, and pay all such checks and electronic payment requests authorized pursuant to this Order, provided that sufficient funds are available in the applicable accounts to make the payments, and (b) to rely on the Debtors' direction to pay amounts in accordance with this Order provided that sufficient funds are available in the applicable accounts to make the payments without any duty of further inquiry and without liability for following the Debtors' instructions. Further, the Debtors are authorized to issue new post-petition checks and initiate new post-petition electronic fund transfers to replace any checks or electronic fund transfers that may be dishonored and to reimburse any related expenses that may be incurred as a result of any bank's failure to honor a prepetition check or electronic fund transfer.

10. The Debtors' banks and financial institutions may rely on the representations of the Debtors with respect to whether any check or other transfer drawn or issued by the Debtors prior to the Petition Date should be honored pursuant to this Order, and any such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for in this Order.

11. Notwithstanding the relief granted herein and any actions taken hereunder, nothing herein shall create, nor is intended to create, any rights in favor of, or enhance the status of any claim held by, any Employee or other third party.

12. Nothing in the Motion or this Order shall be construed as impairing the Debtors' right to contest the validity, priority, or amount of any Prepetition Employee Obligations allegedly due or owing, and all of the Debtors' rights with respect thereto are hereby reserved.

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

14. Nothing in the Motion or this Order or the relief granted (including any actions taken or payments made by the Debtors pursuant to the relief) shall (a) be construed as a request for authority to assume any executory contract under Bankruptcy Code section 365; (b) waive, affect, or impair any of the Debtors' rights, claims, or defenses, including, but not limited to, those arising from Bankruptcy Code section 365, other applicable law, and any agreement; (c) grant third-party beneficiary status or bestow any additional rights on any third party; or (d) be otherwise enforceable by any third party.

15. Authorizations given to the Debtors in this Order empower but do not direct the Debtors to effectuate the payments specified herein.

16. The Court finds and determines that the requirements of Bankruptcy Rule 6003 are satisfied and that the relief requested is necessary to avoid immediate and irreparable harm.

17. Notwithstanding Bankruptcy Rule 6004(h), this order shall be effective and enforceable immediately upon entry hereof.

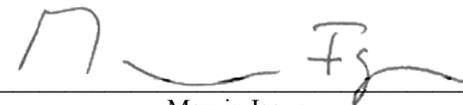
18. The Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order.

19. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

20. Notwithstanding any other provision, nothing in this Order shall authorize the Debtors to make any payment to, or on behalf of, any Employee, Physician, or Pharmacist on account of wages and other compensation obligations in excess of the statutory caps set forth in sections 507(a)(4) and (5) of the Bankruptcy Code.

21. Nothing herein shall be deemed to authorize the payment of any amounts which are subject to section 503(c) of the Bankruptcy Code.

Signed: July 17, 2018


Marvin Isgur
United States Bankruptcy Judge