

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE NORTHERN DISTRICT OF ALABAMA  
SOUTHERN DIVISION**

**IN RE:  
BRUNO'S SUPERMARKETS, LLC,**

**Debtor.**

**Chapter 11  
Case No. 09-00634-BGC**

**ORDER PURSUANT TO 11 U.S.C. §§ 105(a) AND 363(b)  
AUTHORIZING PAYMENT OF PRE-PETITION WAGES,  
COMPENSATION, AND EMPLOYEE BENEFITS**

This matter came to be heard upon the motion (the "Motion") (Docket No. 6) of Bruno's Supermarkets, LLC ("Bruno's" or "Debtor") pursuant to §§ 105(a) and 363(b) of 11 U.S.C. § 101 *et seq.* (the "Bankruptcy Code") for:

a. Authorization to pay to its employees (the "Employees") pre-petition (1) wages, salaries, commissions, and other compensation earned prior to the date of commencement of Debtor's chapter 11 case (the "Petition Date"), including, without limitation, the amounts which Debtor is required by law to withhold from employee payroll checks in regards to federal, state, and local income taxes, including unemployment contributions and taxes, and social security and Medicare taxes, and amounts that Debtor is required to directly pay in respect of state unemployment taxes and contributions on behalf of its Employees (collectively, the "Wage and Salary Obligations"), (2) amounts that Debtor is required to pay or withhold with regard to medical and health insurance, supplemental life insurance, dental insurance, flexible spending accounts, multi-employer pension plans, defined contribution/401(k) plans, disability benefits and coverage, other welfare benefit plans, and other such similar benefits (the "Employee Benefits"), (3) vacation and other paid-time-off obligations, including, without limitation, vacation pay, and personal days that have accrued as of the Petition Date (the "Vacation Obligations"), (4) amounts that Debtor is required to pay with respect to a variety of business expenses incurred by its Employees, including travel and relocation expenses, in the ordinary course of performing their duties on behalf of Debtor (the "Reimbursement Obligations"), and (5) amounts that Debtor is required to pay to compensate certain payroll

processors in respect of the compensation obligations ("Compensation Obligations") and administrators, consultants, actuaries, recordkeepers, and other service providers in the ordinary course of their businesses in order to facilitate the administration, record keeping, and maintenance of certain Employee Benefits (the "Administrative Obligations" and, together with the Compensation Obligations, the Employee Benefits, the Vacation Obligations, and the Reimbursement Obligations, the "Pre-Petition Obligations");

b. Authorization to satisfy and continue the Employee-Requested Payroll Deductions;

c. Authorization to continue to honor Debtor's plans, policies, and programs with respect to Vacation Obligations and Employee Benefits, as such plans, policies, and programs were in effect as of the Petition Date;

d. Authorization for the banks in which Debtor maintains its accounts in respect of the Pre-Petition Obligations to honor all checks issued and kind instructions in respect of the Pre-Petition Obligations; and

e. Authorization to issue new post-petition checks or to effect new fund transfer requests, to replace any dishonored or rejected pre-petition checks or kind transfer requests on account of the Pre-Petition Obligations, all as more fully set forth in the Motion.

Upon consideration of the *Affidavit of James Grady in Support of Chapter 11 Petitions and First Day Motions* filed on the Petition Date; the Court having jurisdiction to consider the Motions and the relief requested therein in accordance with 28 U.S.C. §§ 157 and 1334; due notice of this Motion has been provided to (1) the Office of the Bankruptcy Administrator for the United States Bankruptcy Court for the Northern District of Alabama, Southern Division; (2) counsel to Regions Bank, Debtor's pre-petition lender; (3) counsel for Debtor's proposed post-petition lender; (4) the holders of Debtor's equity interests; (5) Debtor's twenty (20) largest unsecured creditors; and (6) the District Director of the Internal Revenue Service for the Northern District of Alabama; and it appearing that no other or further notice need be provided; the Court having determined that the relief sought in the Motion is in the best interests of Debtor, its creditors, and all parties in interest;

upon the Motion and all of the proceedings before this Court; and after due deliberation and sufficient cause appearing therefore, it is hereby

**ORDERED** that Debtor is authorized to honor and pay the Pre-Petition Obligations in a manner consistent with Debtor's pre-petition business practices and policies, as set forth below:

- a. authorize Debtor to pay accrued and unpaid Wage and Salary Obligations (up to \$1.437 Million, including amounts paid, and to be paid, in respect of the Outstanding Payroll Checks), however, the definition of Wage and Salary Obligations shall not include bonuses or retention payments;
- b. authorize Debtor to pay amounts owed in respect of the Outstanding Payroll Taxes (up to \$280,000.00);
- c. authorize Debtor to pay accrued and unpaid Vacation Obligations, as such obligations become due under Debtor's Pre-Petition Date paid time off policies (up to \$4.1 Million );
- d. authorize Debtor to pay accrued and unpaid Self-Insured Insurance obligations (up to \$350,000.00);
- e. authorize Debtor to pay accrued and unpaid Employee Benefits (up to \$75,000.00,);
- f. authorize Debtor to pay amounts owed in regards to Employee-Requested Payroll Deductions (up to \$150,000.00)
- g. authorize Debtor to pay accrued and unpaid Reimbursement Obligations (up to \$15,000.00);
- h. authorize Debtor to pay accrued and unpaid Administrative Obligations (up to \$15,000.00);
- i. authorize Debtor to pay any accrued and unpaid obligations towards its Multi-Employer Pension Plan to the extent any exist.
- j. authorize Debtor to pay any accrued and unpaid obligations towards its Union Welfare Plan to the extent any exist.
- k. authorize Debtor to pay amounts owed in regards to Debtor sponsored Define Contributions Plan (up to \$766,000.00)

**ORDERED** that Debtor is authorized to pay the requested pre-petition obligations without prejudice to Debtor's right to seek additional or further relief in the future; and it is further

**ORDERED** that Debtor is authorized to satisfy and continue the Employee-Requested Payroll Deductions; and it is further

**ORDERED** that the relief granted herein shall not constitute or be deemed an assumption or an authorization to assume any of such policies, plans, programs, practices, and procedures pursuant to Bankruptcy Code § 365; and it is further

**ORDERED** that Debtor's banks and financial institutions are authorized to honor and pay all pre-petition and post-petition checks issued, draft and fund transfer requests made, by Debtor in respect of payroll, salary, bonus, compensation, Employee Benefits, and other Pre-Petition Obligations, to the extent sufficient funds are on deposit in such accounts; and it is further

**ORDERED** that Debtor's banks and financial institutions are entitled to rely on the representations of Debtor as to which checks, drafts, and fund transfer requests are issued and authorized to be paid in accordance with this Order without any duty of further inquiry and without liability to any party for following Debtor's instructions; and it is further

**ORDERED** that Debtor is authorized (consistent with this Order) to issue post-petition checks, make post-petition drafts, or to effect post-petition fund transfer requests, in replacement of any checks or fund transfer requests in respect of Pre-Petition Obligations dishonored or rejected as a consequence of the commencement of this chapter 11 case.

Dated: February 6, 2009

/s/Benjamin Cohen  
BENJAMIN COHEN  
United States Bankruptcy Judge

This order prepared by:  
Burr & Forman  
205-251-3000

District/Off: 1126-2  
 Case: 09-00634-BGC11

User: ccurry  
 Form ID: pdf000

Date Created: 2/6/2009  
 Total: 32

**Recipients of Notice of Electronic Filing:**

ba	J Thomas Corbett	jtom_corbett@alnb.uscourts.gov
aty	Derek F Meek	dmeek@burr.com
aty	Eric J. Breithaupt	ejb@csattorneys.com
aty	Eric T Ray	eray@balch.com
aty	Marc P Solomon	msolomon@burr.com
aty	Rita H Dixon	ritadixon@mindspring.com
aty	Rufus Dorsey, IV	rtd@phrd.com
aty	Stephen B Porterfield	sporterfield@sirote.com

TOTAL: 8

**Recipients submitted to the BNC (Bankruptcy Noticing Center):**

db	Bruno's Supermarkets, LLC	1800 International Park Drive	Suite 500	Birmingham, AL 35243
consult	Kurtzman Carson Consultants LLC	Attn: James Le	2335 Alaska Ave.	El Segundo, CA 90245
cr	Regions Bank	c/o Jayna Partain Lamar	Maynard Cooper &Gale, PC	1901 Sixth Ave. N., Ste.
		2400	Birmingham, AL 35202	
sp	Najjar Denaburg P.C.	2125 Morris Avenue	Birmingham, AL 35203	
cr	ALABAMA POWER COMPANY	C/O ERIC RAY	P O BOX 306	BIRMINGHAM, AL 35201
aty	Josiah M Daniel	Vinson &Elkins LLP	2001 Ross Avenue Suite 3700	Dallas, TX 75201-2975
aty	Katherine D Grissel	Vinson &Elkins LLP	2001 Ross Avenue Suite 3700	Dallas, TX 75201-7763
cr	BTC Wholesale Distribution, Inc.	c/o Stephen B. Porterfield	2311 Highland Avenue	Suite
		500	Birmingham AL, 35205 UNITED STATES	
aty	C. Edward Dobbs	Parker, Hudson, Rainer &Dobbs, LLP	1500 Marquis Two Tower	285 Peachtree
		Center Avenue, N.E.	Atlanta, GA 30303	
aty	Josiah M. Daniel, III	Vinson &Elkins LLP	2001 Ross Ave #3700	Dallas, TX 75201-2975
aty	Katherine D. Grissel	Vinson &Elkins LLP	2001 Ross Ave #3700	Dallas, TX 75201-2975
smg	Valrey Early	BA Birmingham	1800 5th Avenue North	Birmingham, AL 35203
5739631	Birmingham District Tax Office	P O Box 13156	Birmingham AL 35202-3156	
5739632	City of Birmingham Alabama	Revenue Division	P O Box 10566	Birmingham AL
		35296-0001		
5739634	City of Birmingham Alabama	Revenue Division	P O Box 830638	
5739633	City of Birmingham Alabama	Special Assessments Section	Room G - 100 City Hall	Birmingham
		AL 35203-2297		
5742336	Erica M. Ryland	for Ad Hoc Committee Of Lenders	Jones Day	222 East 41st Street New
		York, NY 10017		
5739635	General Counsel	Dept of Industrial Relations	Montgomery AL 36102	
5739636	Jefferson County Dept of Revenue	Jefferson County Courthouse	Birmingham AL 35203	
5741759	Josiah M. Daniel, III	for BI-LO LLC	Vinson &Elkins LLP	2001 Ross Avenue Suite
		3700	Dallas, TX 75201-2975	
5741760	Katherine D. Grissel	for BI-LO LLC	Vinson &Elkins LLP	2001 Ross Avenue Suite
		3700	Dallas, TX 75201-2975	
5742335	Paul D. Leake	for Ad Hoc Committee Of Lenders	Jones Day	222 East 41st Street New York,
		NY 10017		
5739637	State of Alabama Dept. of Revenue	P O Box 320001	Montgomery AL 36132-0001	
5739638	U.S. Securities and Exchange Commission	Branch of Reorganization	3475 Lenox Road NE Ste	
		1000	Atlanta GA 30326	

TOTAL: 24