

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:)
) Chapter 11
DIAMOND GLASS, INC., *et al.*,¹)
) Case No. 08-10601 (CSS)
)
Debtors.) (Jointly Administered)
)
) **Docket Ref. No.: 8**

**ORDER PURSUANT TO SECTIONS 507(A), 363(B), AND 105(A)
OF THE BANKRUPTCY CODE AUTHORIZING (I) PAYMENT OF
WAGES, COMPENSATION, AND EMPLOYEE BENEFITS AND
(II) FINANCIAL INSTITUTIONS TO HONOR AND PROCESS
CHECKS AND TRANSFERS RELATED THERETO**

Upon the Debtors' Motion for Order Pursuant to Sections 507(a), 363(b), and 105(a) of the Bankruptcy Code Authorizing (i) Payment of Wages, Compensation, and Employee Benefits and (ii) Financial Institutions to Honor and Process Checks and Transfers Related Thereto (the "Motion"), filed by Diamond Glass, Inc. ("Diamond Glass") and DT Subsidiary Corp. ("DT Subsidiary" and, together with Diamond, the "Debtors") seeking entry of an order authorizing the Debtors to (a) continue certain employee compensation and benefits programs, and (b) pay the Debtors' employees certain prepetition compensation and reimbursement claims in full; and upon consideration of the Declaration of William Cogswell in Support of the First Day Motions and Applications (the "Cogswell Declaration"); and the Court having jurisdiction pursuant to sections 157 and 1334 of Title 28 of the United States Code to

¹ The Debtors in these proceedings are: Diamond Glass, Inc. (Tax ID No. XX-XXX8853); and DT Subsidiary Corp., a wholly owned subsidiary of Diamond Glass (Tax ID No. XX-XXX3494), each with a mailing address of 220 Division Street, Kingston, PA 18704. Diamond Glass, Inc. is formerly known as Diamond Glass Companies, Inc. and Diamond Triumph Auto Glass, Inc.

consider the Motion and the relief requested therein; and it appearing that no other or further notice need be provided; and the Court having determined that the relief sought in the Motion is in the best interests of the Debtors, their creditors, and all parties in interest; and the Court having heard the evidence and statements of counsel regarding the Motion and having determined that the legal and factual bases set forth in the Motion and in the Cogswell Declaration establish just cause for the relief granted herein, it is therefore

ORDERED that the Motion is GRANTED on an interim basis to the extent provided herein; and it is further

ORDERED that, pursuant to sections 507(a), 363(b), and 105(a) of the Bankruptcy Code, the Debtors are authorized, but not required, to satisfy all prepetition obligations without further Order of the Court, and in the Debtors' sole discretion, with respect to Employee Obligations (as defined below) in accordance with the Debtors' policies described in the Motion, including, without limitation, all obligations with respect to (i) wages and salaries (collectively, the "Wage Obligations") not to exceed \$2,000,000.00 in the aggregate, (ii) commissions (the "Commission Obligations") not to exceed \$250,000.00 in the aggregate, (iii) payroll taxes, social security taxes, and Medicare taxes (collectively, the "Payroll Taxes") not to exceed \$1,700,000.00 in the aggregate, (iv) paid time off benefits (the "PTO Plans") incurred in the ordinary course of the Debtors' business; (v) health and welfare benefit plans (the "Health and Welfare Plans") not to exceed \$2,000,000.00 in the aggregate, (vi) savings plans (the "401(k) Plan") not to exceed \$170,000.00 in the aggregate, (vii) business expense reimbursements (the "Expense Reimbursements") not to exceed \$2,500,000.00 in the aggregate, (viii) expenses related to payroll processing services (the "Payroll Processing Payments") not to exceed \$10,000.00 in the aggregate; and (ix) all other obligations related to the foregoing

(collectively, with the Wage Obligations, the Commission Obligations, the Payroll Taxes, the PTO Plans, the Health and Welfare Plans, the 401(k) Plan, the Expense Reimbursements, and the Payroll Processing Payments, the "Employee Obligations"); and it is further

ORDERED that on an interim basis, the Debtors are authorized to satisfy the workers' compensation plans (the "Workers' Compensation Plans"), not to exceed \$1,000,000.00 in the aggregate, provided however, unless objections are filed with this Court by April 17, 2008 at 4:00 p.m. (ET) (the "Objection Deadline") and served upon the Debtors' counsel, the Debtors shall be authorized to satisfy, without further order of the Court, any and all Workers' Compensation Plans, provided further, that to the extent that an objection is filed by the Objection Deadline, a final hearing with respect to the payment of prepetition ^{Workers Compensation} ~~Taxes and Fees~~ ^{Plans} will be held ~~on April 2008 at _____ m. (ET), and it is further~~ ^{at a date to be determined by the Court;}

ORDERED that on an interim basis, the Debtors are hereby authorized to pay American Express ~~and Wright Express~~ ⁹ only those prepetition amounts that are currently due or that will come due within 20 days of the Petition Date, provided however, unless objections are filed with this Court by April 17, 2008 at 4:00 p.m. (ET) (the "Objection Deadline") and served upon the Debtors' counsel, the Debtors shall be authorized to pay American Express ~~and Wright Express~~ ⁹ any and all prepetition amounts as they come due without further order of the Court, provided further, that to the extent that an objection is filed by the Objection Deadline, a final hearing with respect to the American Express ~~and Wright Express~~ ⁹ payments will be held ~~on~~ ^{at} ^{a date to be determined by the Court;} April _____, 2008 at _____ m. (ET), and it is further

ORDERED that the Debtors shall not make any payments in excess of amounts permitted pursuant to sections 507(a)(4) or (5) of the Bankruptcy Code; and it is further

ORDERED that the Debtors are authorized, but not required, to continue to honor, in their sole discretion, their practices, programs, and policies with respect to the Employees as such practices, programs, and policies were in effect as of the date of the commencement of the Debtors' chapter 11 cases as described in the Motion, including, but not limited to the Wage Obligations, Commission Obligations, Expense Reimbursements, Payroll Processing Payments, Payroll Taxes, PTO Plans, Health and Welfare Plans, the Workers' Compensation Plans, and the 401(k) Plan; and it is further

ORDERED that the Debtors are authorized, but not required, to pay, in their sole discretion, costs and expenses incidental to the payment of the Employee Obligations, including the Administrative Fees² and all other administration and processing costs and payments to outside professionals, in the ordinary course of business, in order to facilitate the administration and maintenance of the Debtors' programs and policies related to the Employee Obligations; and it is further

ORDERED that all applicable banks and other financial institutions (the "Banks") are authorized, when requested by the Debtors, in the Debtors' sole discretion, to receive, process, honor, and pay any and all checks drawn on the Debtors' payroll or disbursement accounts and any other transfers that are related to Employee Obligations and the costs and expenses incident thereof, whether those checks were presented prior to or after the date of the commencement of the Debtors' chapter 11 cases, provided that sufficient funds are available in the accounts to make such payments; and it is further

² All capitalized terms used, but not otherwise defined herein, shall have the meanings ascribed to such terms in the Motion.

ORDERED that any Bank may rely on the representations of the Debtors with respect to whether the Bank should honor any check or other transfer drawn or issued by the Debtors prior to the Petition Date pursuant to this Order, and such Bank shall not have any liability to any party for relying on such representations by the Debtors as provided for in this Order; and it is further

ORDERED that the Debtors are authorized (consistent with this Order) to issue postpetition checks or to effect postpetition fund transfer requests in replacement of any checks or fund transfer requests related to Employee Obligations dishonored or rejected as a consequence of the commencement of the Debtors' chapter 11 cases; and it is further

ORDERED that this Order and any payments authorized hereunder are subject to the Debtors' cash collateral agreement or motion, and any order approving such agreement or motion; and it is further

ORDERED that nothing in the Motion or this Order shall be construed as impairing the Debtors' right to contest the validity or amount of any Employee Obligations, including, without limitation, Payroll Taxes that may be due to any taxing authority; and it is further

ORDERED that nothing in the Motion shall be deemed a request by the Debtors for authority to assume, and nothing in this Order shall be deemed authorization to assume, any executory contract or unexpired lease pursuant to section 365 of the Bankruptcy Code; and it is further

ORDERED that notice of the Motion as provided therein shall be deemed good and sufficient notice of such Motion and the requirements of Bankruptcy Rules 4001(d) and 6004(a) are waived.

Dated: Wilmington, Delaware
April 2, 2008


Christopher S. Sontchi
United States Bankruptcy Judge