

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
Caption in Compliance with D.N.J. LBR 9004-1(b)	
OFFIT KURMAN, P.A. By: Paul J. Winterhalter, Esquire (006961986) Augustus T. Curtis (<i>pro hac vice</i> pending) Court Plaza South 21 Main Street, Suite 158 Hackensack, NJ 07601 Telephone: (267) 338-1370 Facsimile: (267) 338-1335 E-mail: pwinterhalter@offitkurman.com Augie.curtis@offitkurman.com <i>Proposed Counsel to Debtor</i>	
In re: BAKER & TAYLOR, LLC, <i>Debtor</i>	Chapter 11 Case No. 26 – 12863 CMG Judge: Christine M. Gravelle
	Hrg. Date: March 24, 2026 Time: 2:00 pm Location: 402 E. State Street Trenton, NJ 08608 Courtroom No. 3

**MOTION OF THE DEBTOR SEEKING ENTRY OF AN ORDER (I) AUTHORIZING
THE DEBTOR TO (A) PAY PRE-PETITION EMPLOYEE WAGES, SALARIES,
OTHER COMPENSATION, AND REIMBURSABLE EMPLOYEE
EXPENSES AND (B) CONTINUE EMPLOYEE BENEFITS PROGRAMS
AND (II) GRANTING RELATED RELIEF**

Baker & Taylor, LLC (the “Debtor”), by and through its proposed counsel, Offit Kurman, PA, files this motion (the “Motion”) seeking entry of an order (a) authorizing the Debtor to (i) pay pre-petition wages, salaries, other compensation and reimbursable employee expenses, and (ii) continue employee benefits programs in the ordinary course, including payment of certain pre-

petition obligations related thereto; and (b) granting related relief.¹ In support of the Motion, the Debtor respectfully states as follows:

JURISDICTION AND VENUE

1. The United States Bankruptcy Court for the District of New Jersey (the “Court”) has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. The Debtor confirms its consent, pursuant to rule 7008 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) to the entry of an Order by the Court in connection with this Motion to the extent that it is later determined that the Court, absent consent of the parties, cannot enter Orders or judgments in connection herewith consistent with Article III of the United States Constitution.

2. Venue is proper pursuant to 28 U.S.C. §§ 1408 and 1409.

3. The basis for the relief requested herein are sections 105(a), 362(d), 363(b), 507(a), and 541(b)(1) of the Bankruptcy Code and Bankruptcy Rules 6003 and 6004.

BACKGROUND

4. The Debtor formerly operated a national distributorship of print and digital books and media. The Debtor continues to operate its business on a limited basis in winding down its operations and fulfilling certain transitional services agreements.²

5. On March 16, 2026 (the “Petition Date”), the Debtor filed a voluntary petition for relief under Chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”).

6. The Debtor continues in possession of its property and management of its affairs as debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No request

¹ The Debtor will be seeking expedited consideration of this Motion along with all additional and separate first day motions filed contemporaneously herewith.

² A detailed description of the Debtor and its business, and the facts and circumstances supporting the Debtor’s Chapter 11 case, are set forth in greater detail in the Declaration of Amandeep S. Kochar in Support of Chapter 11 Petition and First Day Motions (the “Kochar Declaration”), filed contemporaneously herewith. Capitalized terms used but not otherwise defined in this Motion shall have the meanings given to them in the Kochar Declaration.

for the appointment of a trustee or examiner has been made in this Chapter 11 case and no official committees have been appointed or designated.

A. The Debtor's Workforce

7. As of the Petition Date, the Debtor employed (and continues to employ) 19 full time employees (the "Employees"). In addition to the Employees, the Debtor also retains independent contractors and contract workers (collectively, the "Contract Workers") to fulfill certain duties on a short- and long-term basis. Typically, at any given time the Debtor retains approximately 7 Contract Workers.

8. The Employees and Contract Workers perform a wide variety of functions necessary to the preservation of value and the administration of the Debtor's estate. Among other tasks, 17 of the Debtor's Employees provide certain transitional services to the purchaser of the Debtor's digital publishing business, LibraryOne Digital, Inc. The Debtor's remaining Employees and Contract Workers provide services to the Debtor in the winddown of its business affairs, including collection activities, human resources management, IT systems maintenance, and discrete bookkeeping tasks.

9. The Employees and Contract Workers include personnel who are intimately familiar with the Debtor's business, processes, and systems, and who cannot be easily replaced. Without the continued, uninterrupted services of the Employees and the existing Contract Workers, the Debtor's business operations will be halted immediately and the administration of the estate materially impaired.

10. The Debtor compensates its Employees on a bi-weekly basis on Friday of every other week for the two-week payroll period ending on the preceding Saturday. The Debtor

compensates its Contract Workers each Friday for work over the one-week period ending the preceding Saturday.

11. On Friday, March 13, 2026, Employees and Contract Workers were paid their regular amounts due for the period ending Saturday, March 7, 2026. As of the Petition Date, Employees and Contract Workers were owed amounts for the prepetition period between Sunday, March 8, 2026 and the Petition Date. In the ordinary course of the Debtor's business, payments to Contract Workers are scheduled to be made on Friday, March 20, 2026, in the approximate amount of \$7,257, and the Debtor's next payroll is due to Employees on March 27, 2026, including a gross amount of approximately \$39,185 for one week of pre-petition services, inclusive of the costs of payroll services, and amounts withheld from Employee pay (including garnishments and Employees' share of any Medicare, Social Security, and tax withholdings).

12. The vast majority of the Employees and Contract Workers rely on their compensation and benefits to pay their daily living expenses. These workers will be unfairly harmed if the Debtor is not permitted to continue paying regular compensation and providing health and other benefits during these Chapter 11 cases. Consequently, the Debtor respectfully submits that the relief requested herein is necessary and appropriate under the facts and circumstances of these Chapter 11 cases.

B. Withholding Obligations and Payroll Taxes

13. During each applicable payroll period, the Debtor routinely deducts certain amounts from Employees' paychecks, including garnishments, child support, and similar deductions, as well as other pre-tax and after-tax deductions payable pursuant to certain employee benefit plans discussed herein, such as an Employee's share of health care benefits and insurance

premiums, legally ordered deductions, and miscellaneous deductions (collectively, the “Deductions”), and forward such amounts to various third-party recipients.

14. In addition to the Deductions, certain federal and state laws require that the Debtor withhold certain amounts from Employees’ gross pay related to federal, state, and local income taxes, as well as Social Security and Medicare taxes (collectively, the “Employee Payroll Taxes”) for remittance to the appropriate federal, state, or local taxing authorities. The Debtor must then match the Employee Payroll Taxes from their own funds and pay, based upon a percentage of gross payroll, additional amounts for federal and state unemployment insurance and Social Security and Medicare taxes (together with the Employee Payroll Taxes, the “Payroll Taxes,” and, the Payroll Taxes, together with the Deductions, the “Withholding Obligations”). The Payroll Taxes are generally processed and forwarded to the appropriate federal, state, and local taxing authorities at the same time the Employees’ payroll checks are disbursed.

C. Payroll Processing

15. The Debtor uses a third-party payroll provider, Paycom Payroll, LLC (“Paycom”) to support payroll processing, payroll tax calculations and filings, and other payroll-related services (collectively, the “Payroll Processing Services”). Paycom is responsible for serving as the Debtor’s payroll and federal W-2 tax form processing vendor, as well as completing the Debtor’s payroll tax filings, including federal, state, and local tax filings. In addition, for each payroll period, Paycom processes direct deposit transfers or administers payroll checks to Employees from disbursement accounts funded by the Debtor with the amounts necessary to satisfy the Debtor’s payroll obligations. The Debtor pays approximately \$6,000 in fees (the “Payroll Processing Fees”) to Paycom each bi-weekly pay period for this service.

16. By this Motion, the Debtor seeks authority, but not direction, to pay any Payroll Processing Fees due with respect to pre-petition payroll in the ordinary course and consistent with past practice, and to continue paying the Payroll Processing Fees on a post-petition basis.

D. Employee Benefits Programs

17. The Debtor provides Employees, except for the Contract Workers, certain benefits associated with their employment, which may include, among other programs, a medical insurance stipend, workers' compensation, paid time off, and other employee benefit plans (collectively, the "Employee Benefits Programs"). As described below, failure to continue the Employee Benefits Programs could cause Employees to experience severe hardship. In light of the substantial benefits the Employees have provided and will continue to provide to the Debtor's estate, the Debtor wishes to avoid imposing such a hardship. Accordingly, by this Motion, the Debtor seeks authority, but not direction, to: (a) pay any unpaid amounts due with respect to the Employee Benefits Programs; and (b) continue to provide Employee Benefits Programs in the ordinary course during the administration of these Chapter 11 cases.

19. The Debtor maintains workers' compensation insurance for their Employees at the statutorily required level in which the Debtor has Employees (collectively, the "Workers' Compensation Program"). The Debtor maintains insurance coverage for the Workers' Compensation Program through a third-party provider.

20. The Debtor must continue the claim assessment, determination, adjudication, and payment process pursuant to the Workers' Compensation Program without regard to whether such liabilities are outstanding before the Petition Date to ensure that the Debtor complies with applicable workers' compensation laws and requirements.

21. The Debtor must continue the Workers' Compensation Program without regard to whether such liabilities are outstanding before the Petition Date to ensure that the Debtor complies with applicable workers' compensation laws and requirements. Because the Debtor is statutorily and/or contractually obligated to maintain the Workers' Compensation Program, its inability to do so may result in adverse legal consequences that disrupt the reorganization process. Pursuant to the Order and Order, the Debtor seeks authority, but not direction, to: (a) continue the Workers' Compensation Program in the ordinary course of business on a post-petition basis; and (b) modify the automatic stay solely to allow Employees to assert claims under the Workers' Compensation Program, which will be covered 100 percent by the Debtor's carrier less any deductible.

22. The Debtor provides certain other forms of paid and unpaid leave, including, for example, (a) paid holidays, (b) leave under the Family and Medical Leave Act, and (c) other paid and unpaid leaves of absence for personal reasons, including those required by law. Importantly, these other forms of paid and unpaid leave do not involve incremental cash outlays beyond standard payroll obligations.

23. The Debtor believes that the continuation of Paid Time Off is essential to maintaining Employee morale during the Chapter 11 case. Further, the policies are broad-based programs upon which all Employees have come to depend. The Debtor anticipates that its Employees will utilize any accrued Paid Time Off in the ordinary course of business, which will not create any material cash flow requirements beyond the Debtor's regular payroll obligations.

RELIEF REQUESTED

24. To minimize the personal hardship the Employees and Contract Workers could suffer if pre-petition Employee-related obligations remain unpaid during the administration of this Chapter 11 case, the Debtor, by this Motion, seeks authority, but not direction, to: (a) pay and

honor the Employee claims described herein for pre-petition wages, salaries and other compensation, and to withhold and pay federal and state withholding taxes, employee contributions for workers' compensation benefits and certain other benefits that the Debtor has historically provided in the ordinary course (collectively, the "Employee Compensation and Benefits"); (b) pay all costs incident to the Employee Compensation, including the costs of payroll services. In addition, the Debtor seeks authority, but not direction, to pay the prepetition claims of Contract Workers in the ordinary course, and consistent with past practice, for their work critical to minimizing disruption of the Debtor's business operations. The Debtor has attached a list of Employee and Contractor claims hereto as **Exhibit A**.

BASIS FOR RELIEF

A. Sufficient Cause Exists to Authorize the Debtor to Honor the Employee Compensation and Benefits.

1. The Employee Compensation and Benefits Are Entitled to Priority Treatment.

25. Sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code entitle the majority of the Employee Compensation and Benefits to priority treatment. As priority claims, the Debtor is required to pay such claims in full to confirm a Chapter 11 plan. See 11 U.S.C. § 1129(a)(9)(B) (requiring payment of certain allowed unsecured claims for (a) wages, salaries, or commissions, including sick leave pay earned by an individual and (b) contributions to an employee benefit plan). Thus, granting the relief sought herein should only affect the timing of certain payments to the Employees and should not negatively affect recoveries for general unsecured creditors. Indeed, the Debtor submits that payment of the Employee Compensation and Benefits at this time enhances value for the benefit of all interested parties. Finding, attracting, and training new qualified talent would be extremely difficult and would most likely require higher salaries, guaranteed bonuses, and more comprehensive compensation packages than are currently provided to Employees.

2. Payment of the Employee Compensation and Benefits and Contract Worker Compensation Is Proper Pursuant to Section 363(b)(1) of the Bankruptcy Code and the Doctrine of Necessity

26. Section 363(c)(1) of the Bankruptcy Code expressly grants the Debtor the authority to “enter into transactions . . . in the ordinary course of business” and “use property of the estate in the ordinary course of business without notice or a hearing.” 11 U.S.C. § 363(c). Therefore, the Debtor believes it is permitted to pay all post-petition amounts due pursuant to the Employee Compensation and Benefits and Contract Worker Compensation as such actions are in the ordinary course of business. Out of an abundance of caution, however, the Debtor seeks entry of an order granting the relief requested herein to avoid any disruptions to their business operations.

27. The relief requested herein may be granted by the Court pursuant to sections 363(b) and 105(a) of the Bankruptcy Code. Section 363 of the Bankruptcy Code provides, in relevant part, that “[t]he [debtor], 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). Under section 363(b), courts require only that the debtor “show that a sound business purpose justifies such actions.” *In re Montgomery Ward Holding Corp.*, 242 B.R. 147, 153 (D. Del. 1999) (internal citations omitted) (requiring that the debtor show a “sound business purpose” to justify its actions under section 363 of the Bankruptcy Code); *see also In re Phx. Steel Corp.*, 82 B.R. 334, 335–36 (Bankr. D. Del. 1987). Moreover, “[w]here the debtor articulates a reasonable basis for its business decisions (as distinct from a decision made arbitrarily or capriciously), courts will generally not entertain objections to the debtor’s conduct.” *In re Johns-Manville Corp.*, 60 B.R. 612, 616 (Bankr. S.D.N.Y. 1986) (citation omitted); *see also In re Tower Air, Inc.*, 416 F.3d 229, 238 (3d Cir. 2005) (stating that “[o]vercoming the presumptions of the business judgment rule on the merits is a near-Herculean task”).

28. In addition, courts may authorize payment of pre-petition claims in appropriate circumstances under section 105(a) of the Bankruptcy Code. Section 105(a) of the Bankruptcy Code, which codifies the inherent equitable powers of a bankruptcy court, empowers bankruptcy courts to “issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title.” The Court may use its power under section 105(a) of the Bankruptcy Code to authorize payment of the Employee Compensation and Benefits and Contract Worker Compensation under the “necessity of payment” rule (also referred to as the “doctrine of necessity”).

29. The United States Court of Appeals for the Third Circuit recognized the “necessity of payment” doctrine in *In re Lehigh and New England Railway Co.*, 657 F.2d 570, 581 (3rd Cir. 1981). The Third Circuit held that a court could authorize the payment of pre-petition claims if such payment was essential to the continued operation of the debtor. *Id.* (stating a court may authorize payment of pre-petition claims when there “is the possibility that the creditor will employ an immediate economic sanction, failing such payment”).

30. The necessity of payment doctrine is designed to foster a debtor’s rehabilitation, which courts have recognized is “the paramount policy and goal of Chapter 11.” *In re Ionosphere Clubs, Inc.*, 98 B.R. 174, 176 (Bankr. S.D.N.Y. 1989); see also *In re Just for Feet, Inc.*, 242 B.R. 821, 826 (D. Del. 1999) (finding that payment of pre-petition claims to certain trade vendors was “essential to the survival of the debtor during the Chapter 11 reorganization”); *In re Quality Interiors, Inc.*, 127 B.R. 391, 396 (Bankr. N.D. Ohio 1991) (“[P]ayment by a debtor-in-possession of pre-petition claims outside of a confirmed plan of reorganization is generally prohibited by the Bankruptcy Code,” but “[a] general practice has developed . . . where bankruptcy courts permit the payment of certain pre-petition claims, pursuant to 11 U.S.C. § 105, where the debtor will be

unable to reorganize without such payment.”); *In re Eagle-Picher Indus., Inc.*, 124 B.R. 1021, 1023 (Bankr. S.D. Ohio 1991) (approving payment of pre-petition unsecured claims of toolmakers as “necessary to avert a serious threat to the Chapter 11 process”).

31. Payment of the Employee Compensation and Benefits and Contract Worker Compensation is warranted under this authority and the facts of these Chapter 11 cases. The majority of the Employees and Contract Workers rely exclusively on their compensation to satisfy their daily living expenses. Consequently, Employees and Contract Workers will be exposed to significant financial difficulties if the Debtor is not permitted to honor obligations for unpaid Employee Compensation and Benefits and Contract Worker Compensation. Additionally, continuing ordinary course benefits will help maintain the Debtor’s workforce morale and minimize the adverse effect of the commencement of these Chapter 11 cases on the Debtor’s ongoing business operations.

32. Moreover, Employees and Contract Workers provide the Debtor with services necessary to conduct the Debtor’s business, and the Debtor believes that, absent the payment of the Employee Compensation and Benefits and Contract Worker Compensation, the Debtor may experience turnover and instability at this critical time in the Chapter 11 case. The Debtor believes that, without these payments, the Employees may become demoralized and unproductive because of the potential significant financial strain and other hardships these Employees may face. Such Employees may then elect to seek alternative employment opportunities. Additionally, a significant portion of the value of the Debtor’s business is tied to their workforce, which cannot be replaced without significant efforts—efforts that might not be successful given the overhang of these Chapter 11 cases. Enterprise value may be materially impaired to the detriment of all stakeholders in such a scenario. The Debtor therefore believes that payment of the pre-petition

obligations with respect to the Employee Compensation and Benefits is a necessary and critical element of the Debtor's efforts to preserve value and will give the Debtor the greatest likelihood of retention of its Employees as the Debtor seeks to operate its business in the Chapter 11 case.

33. Indeed, courts have recognized the importance of satisfying employee obligations in cases requesting relief similar to that requested here. *See, e.g., In re PES Holdings, LLC*, Case No. 19-11626 (KG) (Bankr. D. Del. Aug. 20, 2019) (authorizing debtors to continue employee compensation and benefit programs and pay certain pre-petition obligations related thereto on a post-petition basis); *In re Blackhawk Mining LLC*, Case No. 19-11595 (LSS) (Bankr. D. Del. Aug. 9, 2019) (same); *In re Z Gallerie, LLC*, Case No. 19-10488 (LSS) (Bankr. D. Del. Apr. 9, 2019) (same); *In re Things Remembered, Inc.*, No. 19-10234 (KG) (Bankr. D. Del. Feb. 6, 2019) (same); *In re ATD Corp.*, No. 18-12221 (KJC) (Bankr. D. Del. Oct. 4, 2018) (same). Accordingly, the Debtor requests that the Court authorize the Debtor to pay and continue the Employee Compensation and Benefits in the ordinary course of business and consistent with past practice.

3. *Payment of the Withholding Obligations is Required by Law.*

34. The Debtor seeks authority to pay the Withholding Obligations to the appropriate third-party entities. These amounts principally represent Employee earnings that governments, Employees, and judicial authorities have designated for deduction from the Employees' paychecks. Indeed, certain Withholding Obligations are not property of the Debtor's estates because the Debtor has withheld such amounts from the Employees' paychecks on another party's behalf. See 11 U.S.C. § 541(b)(1), (d). Further, federal and state laws require the Debtor to withhold certain tax payments from the Employees' paychecks and to pay such amounts to the appropriate taxing authority. 26 U.S.C. §§ 6672, 7501(a); *see also City of Farrell v. Sharon Steel Corp.*, 41 F.3d 92, 95–97 (3rd Cir. 1994) (finding that state law requiring a corporate debtor to

withhold city income tax from its employees' wages created a trust relationship between debtor and the city for payment of withheld income taxes); *In re DuCharmes & Co.*, 852 F.2d 194, 196 (6th Cir. 1988) (noting that individual officers of a company may be held personally liable for failure to pay trust fund taxes). Because the Withholding Obligations may not be property of the Debtor's estate, the Debtor requests that the Court authorize them to transmit the Withholding Obligations to the proper parties in the ordinary course of business.

35. Similarly, state laws require the Debtor to maintain the Workers' Compensation Program. If the Debtor fails to maintain the Workers' Compensation Program, state laws may prohibit the Debtor from operating in those states. Payment of all workers' compensation amounts is therefore crucial to the Debtor's continued operations and the success of the Debtor's ongoing Chapter 11 process.

B. Sufficient Cause Exists to Authorize the Debtor's Financial Institutions to Honor Checks and Electronic Fund Transfers.

36. The Debtor has sufficient funds to pay the amounts described in this Motion in the ordinary course of business by virtue of expected cash flows from its business operations. The Debtor funds all Employee Compensation and Benefits through payments to Paycom, which distributes the Payroll Processing Under the Debtor's existing cash management system, the Debtor is able to readily identify checks or transfer requests relating to the Employee Compensation and Benefit obligations. Accordingly, the Debtor believes that checks transfer requests, other than those relating to authorized payments, will not be honored inadvertently. Therefore, the Debtor requests that the Court authorize all applicable financial institutions, when requested by the Debtor, to receive, process, honor, and pay any and all checks or wire transfer requests in respect of the relief requested in this Motion.

C. The Requirements of Bankruptcy Rule 6003 Are Satisfied.

37. Bankruptcy Rule 6003 empowers a court to grant relief within the first 21 days after the Petition Date “to the extent that relief is necessary to avoid immediate and irreparable harm.” Fed. Bankr. P. 6003. For the reasons discussed above, authorizing the Debtor to (i) pay pre-petition wages, salaries, non-insider severance, other compensation, and reimbursable employee expenses and (ii) continue the Employee Benefits Programs in the ordinary course, including pre-petition obligations related thereto, and granting the other relief requested herein is integral to the Debtor’s ability to transition its operations into the Chapter 11 case smoothly. Failure to receive such authorization and other relief during the first 21 days of these Chapter 11 cases would severely disrupt the Debtor’s operations at this critical juncture. For the reasons discussed herein, the relief requested is necessary in order for the Debtor to operate its business in the ordinary course, preserve the going concern value of the Debtor’s operations and, maximize the value of the estate for the benefit of all stakeholders. Accordingly, the Debtor submits that they have satisfied the “immediate and irreparable harm” standard of Bankruptcy Rule 6003 to support granting the relief requested herein.

RESERVATION OF RIGHTS

38. Nothing contained in this Motion or any actions taken by the Debtor pursuant to relief granted in the Order and Order is intended or shall be construed as: (a) an admission as to the validity, priority, or amount of any particular claim against a Debtor entity; (b) a waiver of the Debtor or any other party in interest’s rights to dispute any particular claim on any grounds; (c) a promise or requirement to pay any particular claim; (d) an implication or admission that any particular claim is of a type specified or defined in this Motion or any order granting the relief requested by this Motion; (e) a request or authorization to assume any agreement, contract, or lease

pursuant to section 365 of the Bankruptcy Code; (f) a waiver or limitation of the Debtor's or any other party in interest's rights under the Bankruptcy Code or any other applicable law; or (g) a concession by the Debtor or any other party in interest that any liens (contractual, common law, statutory, or otherwise) satisfied pursuant to this Motion are valid and the Debtor and all other parties in interest expressly reserve their rights to contest the extent, validity, or perfection, or to seek avoidance of all such liens. If the Court grants the relief sought herein, any payment made pursuant to the Court's Order and Order is not intended and should not be construed as an admission as to the validity, priority, or amount of any particular claim or a waiver of the Debtor's or any other party in interest's right to subsequently dispute such claim.

WAIVER OF BANKRUPTCY RULE 6004(A) AND 6004(H)

39. To implement the foregoing successfully, the Debtor requests that the Court enter an order providing that notice of the relief requested herein satisfies Bankruptcy Rule 6004(a) and that the Debtor has established cause to exclude such relief from the 14-day stay period under Bankruptcy Rule 6004(h).

NOTICE

43. The Debtor will provide notice of this Motion to: (a) the U.S. Trustee for Region III; (b) the holders of the 20 largest unsecured claims against the Debtor; (c) the Internal Revenue Service; (d) the Debtor's Payroll Processing Agent, if any; and (f) any party that requests service pursuant to Bankruptcy Rule 2002. The Debtor submits that, in light of the nature of the relief requested, no other or further notice need be given.

Respectfully submitted,

OFFIT KURMAN, P.A.

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Proposed Counsel to Debtor

Dated: March 16, 2026

4935-7803-7144, v. 2

EXHIBIT A TO MOTION FOR ORDER AUTHORIZING PAYMENT OF PRE-PETITION
EMPLOYEE WAGES, SALARIES, OTHER COMPENSATION

Employees

<u>NAME</u>	<u>NET PAY</u>
STEVENSON, TY	\$ 3,619.60
TIKKIREDDI, CHINA SATYA RAO	\$ 4,773.20
MCKEWEN, RALPH JULIAN	\$ 4,322.00
WILSON, RITA	\$ 3,811.60
UTSET, JORGE	\$ 5,158.00
PAK JONES, DYEANNA	\$ 3,269.60
RUSO, JEN	\$ 2,052.40
FENNEL, LORI	\$ 2,646.00
MUSTO, MARY JANE	\$ 2,464.40
MASSELLA, MARNE L	\$ 3,042.00
ROBERTS, TAMMY L	\$ 3,336.40
PIZAR, CHARLES	\$ 1,872.00
JOHNSON, ALICIA	\$ 2,391.60
SMITH, VIDELFIA CARPIO	\$ 2,076.00
THOMAS, JOANNE M	\$ 613.92
GIORDANO, FRANK LAWRENCE	\$ 2,308.00
GROSS, CRAIG J	\$ 4,773.20
CURTIN, ALISON	\$ 3,114.00
OGLETREE, MICHELE	\$ 3,826.80
TOTAL NET	\$ 59,470.72
EE Withholding	\$ 8,900.00
ER Withholding	\$ 4,000.00
Payroll Processing	\$ 6,000.00
TOTAL	\$ 78,370.72

Note: Bi-Weekly Total --
Includes 1 week of prepetition amount

1099 Contractors

<u>CONTRACTOR</u>	<u>AMOUNT</u>
Steve Hennen	\$ 1,500.00
Debi Lineberger	\$ 750.00
Hannah Correll	\$ 1,000.00
Lisa Monty	\$ 190.00
Donna Riley	\$ 275.00
Kim Reed	\$ 592.00
Mark Trucksess	\$ 2,500.00
Dyeanna Pak Jones	\$ 450.00
TOTAL	\$ 7,257.00

UNITED STATES BANKRUPTCY COURT DISTRICT OF NEW JERSEY	
Caption in Compliance with D.N.J. LBR 9004-1(b)	
OFFIT KURMAN, P.A. By: Paul J. Winterhalter, Esquire (006961986) Augustus T. Curtis (<i>pro hac vice</i> pending) Court Plaza South 21 Main Street, Suite 158 Hackensack, NJ 07601 Telephone: (267) 338-1370 Facsimile: (267) 338-1335 E-mail: pwinterhalter@offitkurman.com Augie.curtis@offitkurman.com <i>Proposed Counsel to Debtor</i>	
In re: BAKER & TAYLOR, LLC, <i>Debtor</i>	Chapter 11 Case No. 26 – 12863 CMG Judge: Christine M. Gravelle
	Hrg. Date: March 24, 2026 Time: 2:00 pm Location: 402 E. State Street Trenton, NJ 08608 Courtroom: No. 3

**ORDER AUTHORIZING THE DEBTOR¹ TO (I) PAY PRE-PETITION
EMPLOYEE WAGES, SALARIES, OTHER COMPENSATION AND
REIMBURSABLE EMPLOYEE EXPENSES AND
(II) CONTINUE EMPLOYEE BENEFITS PROGRAMS**

The relief set forth on the following pages 2 through 4 is ORDERED.

¹ The last four digits of the Debtor's tax identification number are 9974. The location of the Debtor's principal place of business is 1120 Route 22 East, Bridgewater, NJ 08807, and the Debtor's service address in this Chapter 11 case is Private Mailbox 191, 13000 South Tryon Street, Suite F, Charlotte, NC 28278.

Debtor: Baker & Taylor, LLC
Case No: 26-12863 (CMG)
Caption of Order: Order Authorizing the Debtor to (I) Pay Pre-Petition Employee Wages, Salaries, Other Compensation and Reimbursable Employee Expenses and (II) Continue Employee Benefits Programs

Upon the motion (the “Motion”) of the above-captioned debtor and debtor in possession (the “Debtor”) for entry of an order (a) authorizing, but not directing, the Debtor to: (i) pay pre-petition wages, salaries, other compensation and reimbursable employee expenses, and (ii) continue employee benefits programs in the ordinary course, including payment of certain pre-petition obligations related thereto, and (b) granting related relief; and the Court having reviewed the Motion; and the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and venue being proper pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that the relief requested is necessary to avoid immediate and irreparable harm to the Debtor’s estate pursuant to Bankruptcy Rule 6003; and after due deliberation and good cause appearing therefor:

IT IS HEREBY ORDERED THAT:

The Motion is GRANTED as set forth herein.

The Debtor is authorized, but not directed, to pay, in its sole discretion, all pre-petition wages, salaries, unpaid compensation, reimbursable expenses, contract worker compensation, and other employee-related obligations described in the Motion, in the ordinary course of business.

The Debtor is authorized, but not directed, to continue to withhold and pay the withholding obligations described in the Motion, including Federal and state payroll withholding taxes, employer-matched payroll taxes, and other withholding obligations set forth in the Motion.

The Debtor is authorized, but not directed, to continue to pay the payroll processing fees described in the Motion to its third-party payroll provider in the ordinary course of business.

The Debtor is authorized, but not directed, to continue to provide employee benefits programs as set forth in the Motion in the ordinary course of business, including, without limitation, medical benefit stipends, paid time off, and other benefit programs described in the Motion, and to continue its workers' compensation insurance program in the ordinary course of business. The automatic stay is hereby modified solely to permit employees to assert claims under the Debtor's workers' compensation policies.

The Debtor's banks and financial institutions are authorized to receive, process, honor, and pay all checks and electronic funds transfers drawn on the Debtor's accounts relating to the compensation and benefits described in the Motion, whether presented before or after entry of this Order, provided that sufficient funds exist in the applicable accounts. No bank or financial institution shall be liable to any party on account of (a) following the Debtor's instructions regarding any payments authorized by this Order.

Nothing in this Order shall be deemed to:

- a. constitute an assumption of any executory contract or employee benefit plan;
- b. impair the Debtor's rights to contest the validity, priority, or amount of any employee-related claim; or
- c. create any rights in favor of any person not otherwise existing under applicable law.

The requirements of Bankruptcy Rule 6004(a) are waived.

The 14-day stay under Bankruptcy Rule 6004(h) is hereby waived, and this Order shall be effective immediately upon entry.

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