

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11  
: :  
COMFORT CO., INC., : Case No. 08-12305 (MFW)  
: :  
a Delaware corporation, *et al.*,<sup>1</sup> : [Joint Administration Pending]  
: :  
Debtors. : Ref. Docket No. 7  
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**ORDER (A) AUTHORIZING THE DEBTORS TO  
REMIT AND PAY SALES, USE, AND FRANCHISE  
TAXES AND CERTAIN OTHER GOVERNMENT CHARGES,  
AND (B) APPROVING RELATED RELIEF**

Upon consideration of the motion (the "Motion")<sup>2</sup> of the Debtors for entry of an order (a) authorizing, but not requiring, the Debtors to remit and pay sales, use, and franchise taxes and such other taxes, as well as fees, licenses, tariffs, and other similar charges and assessments as the Debtors, in their discretion, deem necessary or appropriate, and (b) authorizing and directing banks and other financial institutions to receive, process, honor, and pay checks issued and electronic payment requests made relating to the foregoing; and it appearing that the relief requested is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and upon consideration of the First Day Declaration; and it appearing that this Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that this Motion is a core proceeding pursuant to 28 U.S.C. § 157; and adequate notice of the Motion and

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<sup>1</sup> The Debtors in these cases, along with the last four digits of each Debtor's federal tax identification number, are: Comfort Co., Inc. (0360); Sleep Innovations, Inc. (6386); Advanced Innovations Central, LLC (7109); Advanced Innovations East, LLC (2669); Advanced Innovations West, LLC (2116); Advanced Urethane Technologies, Inc. (1725); AUT Brenham, Inc. (7286); AUT Dallas, Inc. (7706); AUT Lebanon, Inc. (7928); AUT Newburyport, Inc. (7032); and AUT West Chicago, Inc. (7561). The address for all of the Debtors is 187 Route 36, Suite 101, West Long Branch, NJ 07764.

<sup>2</sup> Capitalized terms used but not defined herein shall have the same meanings ascribed to them in the Motion.

opportunity for objection having been given; and it appearing that no other notice need be given; and after due deliberation and sufficient cause therefor, it is hereby:

1. ORDERED that the Motion is granted; and it is further

2. ORDERED that the Debtors are authorized, but not directed, to pay, and remit to, the Authorities, in an aggregate amount not to exceed \$175,000, (a) taxes, including, but not limited to, sales, franchise, and use taxes, and other Taxes, incurred by the Debtors in the ordinary course of business and necessary for the Debtors to operate their businesses or collected by the Debtors in the ordinary course of business from their customers on behalf of the Authorities; and (b) fees, licenses, permits, tariffs, and other similar Fees, charges and assessments incurred by the Debtors in the ordinary course of their businesses, in either case without regard to whether such amounts constitute trust fund obligations and without regard to whether such amounts arose prior to or after the Petition Date; and it is further

3. ORDERED that all banks and other financial institutions on which checks were drawn or electronic payment requests made in payment of such prepetition obligations approved herein are authorized and directed to (i) receive, process, honor, and pay all such checks and electronic payment requests when presented for payment (assuming that sufficient funds are then available in the Debtors' bank accounts to cover such payments), and (ii) rely on the Debtors' designation of any particular check or electronic payment request as approved by this Order; and it is further

4. ORDERED that the Debtors are authorized to reissue any check, wire or electronic payment or transfer (or similar payment) which was drawn or made in payment of any prepetition amount that is not cleared by a depository; and it is further

5. ORDERED that nothing herein shall impair the Debtors' ability to contest the validity, priority, and/or amounts of the Taxes and/or Fees owing to the Authorities or a waiver of any rights or remedies of the Debtors; and it is further

6. ORDERED that any payment or transfer made or service rendered by the Debtors pursuant to this Order is not, and shall not be deemed, an admission as to the validity of the underlying obligation, a waiver of any rights the Debtors may have to dispute such obligation or an approval or assumption of any agreement, contract, or lease under section 365 of the Bankruptcy Code; and it is further


7. ORDERED that the Debtors are authorized and empowered to take all actions necessary to implement the relief granted in this Order; and it is further

8. ORDERED that Rule 6003(b) of the Federal Rules of Bankruptcy Procedure has been satisfied because the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors; and it is further

9. ORDERED that, notwithstanding the applicability of Rule 6004(h) of the Federal Rules of Bankruptcy Procedure or otherwise, the terms and conditions of this Order shall be immediately effective and enforceable upon its entry; and it is further

10. ORDERED that this Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: October 6, 2008  
Wilmington, Delaware

  
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United States Bankruptcy Judge