

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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In re: : Chapter 11  
: :  
RathGibson, Inc., et al.,<sup>1</sup> : Case No. 09-12452 (CSS)  
: :  
Debtors. : Jointly Administered  
: :  
----- x Ref. Docket No. 8

**ORDER (I) AUTHORIZING DEBTORS TO PAY: (A) PREPETITION  
EMPLOYEE WAGES, SALARIES AND OTHER COMPENSATION;  
(B) PREPETITION EMPLOYEE BUSINESS EXPENSES; AND  
(C) OTHER MISCELLANEOUS EMPLOYEE EXPENSES AND  
EMPLOYEE BENEFITS; (II) AUTHORIZING DEBTORS TO CONTINUE  
EMPLOYEE BENEFIT PROGRAMS; (III) SCHEDULING A HEARING ON ENTRY  
OF AN ORDER AUTHORIZING THE DEBTORS TO SATISFY CERTAIN  
BONUS OBLIGATIONS TO EMPLOYEES; AND (IV) GRANTING RELATED RELIEF**

Upon the motion (the "Motion") of RathGibson, Inc. and Greenville Tube Company (collectively, the "Debtors"), two of the debtors and debtors in possession in the above-captioned cases, for entry of orders, pursuant to sections 105(a), 363(b), and 507(a) of title 11 of the United States Code (the "Bankruptcy Code"), as supplemented by Rule 6003 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"): (i) authorizing the Debtors to (a) pay prepetition employee wages, salaries and other compensation, prepetition employee business expenses, and other miscellaneous employee expenses and employee benefits; and (b) continue certain employee benefit plans, programs and policies in effect as of the Petition Date (as defined herein); (ii) authorizing the Debtors to satisfy certain bonus obligations to their employees; and (iii) granting related relief, as set forth therein; and upon the Declaration of Jon

<sup>1</sup> The last four digits of the taxpayer identification numbers of the debtors in these chapter 11 cases follow in parentheses: (i) Greenville Tube Company (2689); (ii) RathGibson, Inc. (3283); (iii) RG Tube Holdings LLC (4080); and (iv) RGCH Holdings Corp. (9683). Such debtors' executive headquarters' address is 475 Half Day Road, Suite 210, Lincolnshire, Illinois 60069.

M. Smith in Support of Chapter 11 Petitions and First Day Pleadings; and due and sufficient notice of the Motion having been given; and it appearing that no other or further notice need be provided; and it appearing that the relief requested by this Motion is necessary and is in the best interests of the Debtors, their estates, their creditors, and other parties in interest; and after due deliberation and sufficient cause appearing therefor, it is hereby

**ORDERED, ADJUDGED AND DECREED, that:**

1. The Motion is granted as set forth herein.
2. Capitalized terms not otherwise defined herein have the meanings ascribed to such terms in the Motion.

3. The Debtors shall be and hereby are authorized to pay, in their sole discretion, the Prepetition Employee Obligations, including, but not limited to, Employee Wage Claims, Reimbursable Business Expenses, Employee Benefit Obligations, and to remit all Employee Deductions and Employer Taxes to the appropriate third parties, as and when such obligations are due, upon entry of this Order; provided, however, that any such payments by the Debtors to employees on account of prepetition Employee Wage Claims shall not exceed

~~\$250,000~~ <sup>\$250,000</sup>

and shall be subject to the \$10,950 cap on priority claims under sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code; provided, further, that the Debtors' authority to pay the Bonus Obligations is subject to further order of the Court.

4. The Debtors shall be and hereby are authorized, in their sole discretion, to honor and continue their Employee Benefit Programs that were in effect as of the Petition Date.

5. The Debtors shall be and hereby are authorized, but not directed, to continue honoring and paying all Employee Benefit Obligations in respect of the Employee Benefit Programs in the ordinary course of business.

6. Subject to the \$10,950 cap on priority claims under sections 507(a)(4) and 507(a)(5) of the Bankruptcy Code, the Debtors shall be and hereby are authorized to pay, in their sole discretion, the Commissions in the ordinary course of business, regardless of when the Debtors' obligation to pay any such Commission accrued.

7. The Debtors are authorized, but not required, to pay costs and expenses incidental to the payment of the Prepetition Employee Obligations, including all 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 Prepetition Employee Obligations.

8. All Payroll Banks are hereby authorized to receive, process, honor and pay all checks drawn on the Debtors' accounts with the Payroll Banks and fund transfers on account of the Prepetition Employee Obligations, whether presented before or after the Petition Date, provided that sufficient funds are on deposit in the applicable accounts to cover such payments.

9. Except for those checks that may be honored and paid to comply with any order(s) of this Court, no checks or drafts issued on the Payroll Banks before the Petition Date but presented for payment after the Petition Date shall be honored or paid.

10. The Debtors shall be and hereby are authorized to issue, in their sole discretion, new postpetition checks or effect new postpetition fund transfers on account of the Prepetition Employee Obligations to replace any prepetition checks or fund transfer requests that may be dishonored or rejected; provided, however, that any check drawn or issued by the Debtors before the Petition Date may be honored by any Payroll Bank to the extent provided herein or by another order of this Court.

11. Notwithstanding any other provision of this Order, no Payroll Bank that honors a prepetition check or other item drawn on any account that is the subject of this Order: (i) at the direction of the Debtors; (ii) in a good faith belief that the Court has authorized payment of such prepetition check or item; or (iii) as the result of a good faith error made despite implementation of reasonable item handling procedures, shall be deemed to be liable to the Debtors or their estates or otherwise in violation of this Order.

12. Neither this Order nor any payment or performance by the Debtors authorized hereunder shall be deemed an assumption of any executory contract, including any Employee Benefit Programs, or otherwise affect the Debtors' rights under section 365 of the Bankruptcy Code to assume or reject any executory contract with an Employee.

13. Authorizations given to the Debtors in this Order empower but do not direct the Debtors to effectuate the payments specified herein, and the Debtors shall retain the business judgment to make or not make such payments, in all instances subject to the condition that funds are available to effect any payment. In no event shall any person (director, creditor, officer, manager, member, Employee or otherwise of the Debtors) be personally liable for any amounts authorized for payment herein but not paid, and nothing in this Order shall be deemed to increase, reclassify, elevate to administrative expense status or otherwise effect such claims.

14. The Debtors shall serve this Order, and the proposed Bonus Obligations Order by overnight mail, hand delivery or fax on all parties required to receive service under Rule 2002-1(b) of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the "Local Rules") within five (5) business days of entry of this Order.

15. Any responses or objections to entry of the Bonus Obligations Order must: (i) be made in writing; (ii) state with particularity the grounds therefore; (iii) conform to the Bankruptcy Rules and the Local Rules; and (iv) be served upon: (a) RathGibson, 475 Half Day Road, Suite 210, Lincolnshire Illinois 60069, Attn: Jon M. Smith; (b) Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, Delaware 19801, Attn: Matthew B. Lunn, Esq., proposed co-counsel to the Debtors; and (c) Willkie Farr & Gallagher LLP, 787 Seventh Ave, New York, New York 10019, Attn: Paul V. Shalhoub, Esq. and Robin Spigcl, Esq., proposed co-counsel to the Debtors. The deadline by which objections to the Motion and the Bonus Obligations Order must be filed and received by co-counsel to the Debtors is August 4, 2009, at 4:00 p.m. (prevailing Eastern Time). A hearing, if necessary, on entry of the Bonus Obligations Order will be held on August 11, 2009 at 12:00 p.m. (prevailing Eastern Time). If no objections are filed to entry of the Bonus Obligations Order, the Court may enter the Bonus Obligations Order without further notice or hearing.

16. The relief requested in the Motion is necessary to avoid irreparable harm to the Debtors, and timely entry of this Order is not prohibited by Bankruptcy Rule 6003(b).

17. The notice requirements of Bankruptcy Rule 6004(a) are hereby deemed waived.

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

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

Dated: Wilmington, Delaware  
July 14, 2009



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CHRISTOPHER S. SONTCHI  
UNITED STATES BANKRUPTCY JUDGE