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9 **UNITED STATES BANKRUPTCY COURT**
10 **SOUTHERN DISTRICT OF CALIFORNIA**

11 In re:

12 STEAKHOUSE PARTNERS, INC., a Delaware
corporation,

13 Debtor.

Case No. 08-04147-11

Chapter 11

14 In re:

15 PARAGON STEAKHOUSE RESTAURANTS, a
16 Delaware corporation,

17 Debtor.

Case No. 08-4152-11

Chapter 11

18 In re:

19 PARAGON OF MICHIGAN, INC., a Wisconsin
20 corporation,

21 Debtor.

Case No. 08-4153-11

Chapter 11

22 **FIRST DAY MOTION NO. 5;**
23 **MOTION FOR ORDER (1) AUTHORIZING**
24 **PAYMENT OF PREPETITION ACCRUED**
25 **UTILITY SERVICES, (2) PROHIBITING**
26 **UTILITIES FROM ALTERING, REFUSING OR**
27 **DISCONTINUING SERVICE ON ACCOUNT OF**
28 **PREPETITION INVOICES AND (3)**
ESTABLISHING PROCEDURES FOR
DETERMINING REQUESTS FOR ADDITIONAL
ADEQUATE ASSURANCE

Date: TBD

Time: TBD

Courtroom: 218

Judge: The Honorable James W. Meyers

Case No. 08-04147-11

MOTION UNDER § 366 RE UTILITIES

1 PLEASE NOTE THAT THIS IS A FIRST-DAY MOTION FILED PURSUANT TO APPENDIX D1 OF THE
2 LOCAL BANKRUPTCY RULES OF THE SOUTHERN DISTRICT OF CALIFORNIA ("LOCAL
3 BANKRUPTCY RULES"). ANY PARTY IN INTEREST WHO OPPOSES THE FIRST-DAY MOTION MUST
4 IMMEDIATELY NOTIFY THE JUDGE'S LAW CLERK, KATHY YOST, BY CALLING (619) 557-3455. NO
5 WRITTEN OPPOSITION SHALL BE FILED TO THE FIRST-DAY MOTION UNLESS THE COURT
6 OTHERWISE DIRECTS.

7
8 TO THE HONORABLE JAMES W. MEYERS, UNITED STATES BANKRUPTCY JUDGE, SECURED
9 CREDITORS, THE TWENTY LARGEST UNSECURED CREDITORS AND THE UNITED STATES
10 TRUSTEE:

11 PLEASE TAKE NOTICE that the above-captioned debtors and debtors in possession (collectively the
12 "Debtors") hereby file this First Day Motion for an order of this Court pursuant to sections 105(a) and 366 of
13 title 11 of the United States Code (the "Bankruptcy Code") (1) authorizing payment of prepetition accrued
14 utility services, (2) prohibiting utilities from altering, refusing or discontinuing service on account of prepetition
15 invoices and (3) establishing procedures for determining requests for additional adequate assurance.

16 PLEASE TAKE NOTICE that pursuant to Local Bankruptcy Rule 9014-5 and the "Guidelines for First
17 Day Motions" any party who opposes this Motion shall notify the judge's law clerk of its position by telephone.
18 No opposition shall be filed to a First Day Motion unless the Court otherwise directs. Pursuant to the
19 "Guidelines for First Day Motions" the Court reserves discretion to grant or deny a First Day Motion without a
20 hearing unless the Court otherwise directs.

21
22 PLEASE TAKE FURTHER NOTICE that the Motion is based upon the accompanying Memorandum
23 of Points and Authorities and the Declaration of Joseph L. Wulkowicz in support thereof filed under separate
24 cover concurrently herewith. In addition, the Debtors request that the Court take judicial notice of all
25 documents filed with the Court in these cases.

26 WHEREFORE, the Debtors respectfully request that this Court enter an order:

27 1. Authorizing the Debtors to pay on a timely basis in accordance with their prepetition practices
28 all undisputed invoices for pre- and post-petition utility services;

1 2. Authorizing the Debtors to provide a cash deposit to each Utility Company that sends a
2 written request to Debtors equal to two weeks of utility service based on the last month's full bill, but only if the
3 Utility Company does not already hold a deposit equal or greater to this amount, and deeming such payments
4 to provide adequate assurance of payment;

5 3. Absent further order from this Court, forbidding each Utility Company to alter, refuse or
6 discontinue service to, or discriminate against, the Debtors or require the payment of a deposit or other
7 security in connection with any prepetition invoice for utility services, including, but not limited to, the
8 furnishing of gas, heat, electricity, telephone or any other utility of like kind, furnished to the Debtors;

9 4. Permitting the Debtors or the Utility Companies to file a motion for determination of adequate
10 assurance of payment and requesting a hearing on an expedited basis in the event that a Utility Company
11 requests additional assurance of payment within the first 30 days of these cases; and

12 5. Granting such other and further relief as is necessary and appropriate in the circumstances.
13

14 Dated: May 15, 2008

LINER YANKELEVITZ
SUNSHINE & REGENSTREIF LLP

15
16 By: /s/ Enid M. Colson

17 Julia W. Brand
18 Enid M. Colson
19 Proposed Counsel for Debtors and
20 Debtors-In-Possession
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1 **MEMORANDUM OF POINTS AND AUTHORITIES**

2 I.

3 **STATEMENT OF FACTS¹**

4 **A. Jurisdiction and Venue**

5 This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core
6 proceeding pursuant to 28 U.S.C. § 157(b)(2). The venue of the chapter 11 cases is proper pursuant to 28
7 U.S.C. §§ 1408 and 1409 as the Debtors' executive offices are located in San Diego County. The statutory
8 predicate for the relief sought herein is sections 105(a) and 366 of the Bankruptcy Code and this Court's
9 "Guidelines for First Day Motions." No request has been made for the appointment of a trustee or examiner
10 and no statutory committee has been appointed in this case.

11 **B. Background Facts**

12 1. History of the Debtors

13 The three Debtors are related corporations engaged in the operation of 21 full service steakhouse
14 restaurants located in the seven states of Arizona, California, Indiana, Michigan, North Carolina, Ohio and
15 Utah. These restaurants principally operate under the brand names of Hungry Hunter, Hunter Steakhouse,
16 Mountain Jack's and Carvers.

17 Debtor Steakhouse Partners, Inc. ("Steakhouse Partners") is publicly traded over the counter under
18 the symbol "STKP." In December, 1998, Steakhouse Partners acquired its wholly owned subsidiary, Debtor
19 Paragon Steakhouse Restaurants, Inc. ("Paragon Steakhouse"), which owns and operates the restaurant
20 businesses. Paragon Steakhouse has one wholly owned subsidiary, Debtor Paragon of Michigan, Inc.,
21 ("Paragon of Michigan") through which it conducts its restaurant operations in the state of Michigan and holds
22 its intellectual property and trade names. The structural maintenance of Paragon of Michigan is dictated by
23 state alcohol laws; however, the subsidiary operations and financial results are consolidated at the Paragon
24 Steakhouse level.

25 The Debtors' business income is generated from food and beverage sales from each of the 21
26 restaurants, which during the Debtors' Fiscal Year 2007 (ending December 25, 2007) generated

27 ¹ The facts set forth in this Motion are verified in the Omnibus Declaration of Joseph L. Wulkowicz in
28 Support of Chapter 11 Petitions and First Day Motions filed concurrently herewith under separate cover.

1 approximately \$45,000,000 in gross revenue (as of the first quarter 2008, two restaurants are no longer
2 operated by the Debtors). Like other restaurant businesses, the Debtors' operations are seasonal, with the
3 overall performance peaking in the 4th quarter.

4 The Debtors' 21 steakhouses specialize in complete steak and prime rib meals, and also offer fresh
5 fish and other lunch and dinner dishes. The average restaurant check is \$27.30 per guest (including alcoholic
6 beverages) and the 21 restaurants serve approximately two million meals annually. Most restaurants are
7 open daily from 4:30 to 9:30 p.m. on weekdays and from 4:00 to 11:00 p.m. on the weekends. Some
8 restaurants are also open for lunch, typically beginning at 11:00 a.m.

9 Paragon Steakhouse and Paragon of Michigan, as of January 8, 2008 employ in excess of 1,325 full
10 and part time employees, approximately 1,200 of which perform services during any two-week period, and of
11 which approximately 55% are part-time.

12 Paragon manages six restaurants known as Sirloin Saloon and Dakota Steakhouses in the states of
13 Vermont, Massachusetts, Connecticut and New York pursuant to a Management and Services Agreement
14 between Paragon and the restaurant owners, DWH, I, Pittsfield DWH and Saloon beverages, Inc., entered
15 into effective November, 2007. This Management Agreement provides for termination of Paragon's
16 management services in the event that Paragon's acquires the membership interests in the referenced
17 corporations pursuant to a Membership Purchase Agreement or terminates the transaction pursuant to its
18 terms.

19 The Debtors maintain an internet website at www.paragonsteak.com. This website offers free access
20 to the Debtors' press releases and Steakhouse Partners' filings with the U.S. Securities and Exchange
21 Commission (the "SEC"), including its annual report on Form 10-K, quarterly reports on Form 10-Q, current
22 reports on Form 8-K and amendments to those reports, as soon as reasonably practicable after these reports
23 are filed with or furnished to the SEC.

24 2. The Debtors' Prior Bankruptcy Cases

25 On February 15, 2002, Steakhouse Partners filed a voluntary petition for relief under Chapter 11 of
26 the Bankruptcy Code in the United States Bankruptcy Court for the Central District of California (the
27 "Bankruptcy Court"). On February 19, 2002, Paragon Steakhouse and Paragon of Michigan also filed
28 voluntary petitions for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court (together, the

1 "Initial Filing"). Effective December 31, 2003, the Debtors confirmed a Joint Plan of Reorganization (the "2003
2 Plan"), and on December 28, 2007 the Court entered an Order Regarding Final Report, Accounting and Final
3 Decree.

4 The Initial Filing was made in response to the maturing of certain notes aggregating \$1,734,285,
5 which the Debtors were unable to pay. Throughout the course of the Reorganization, the Debtors sought to
6 retain core locations, eliminate non-competitive leases, restructure their debt, and withdraw from under-
7 performing markets.

8 The 2003 Plan provided for the creation of the Class 4 Creditor Trust (the "Trust") for general
9 unsecured claimants with claims in excess of \$4,000 with a trustee (the "Trustee") for the purpose of
10 collecting, maintaining and distributing the Steakhouse Partners Class 4 Creditors Trust Assets. As part of
11 the Plan, the Trust was granted a lien on the Debtors' leasehold interests. Today, the Trust is the principle
12 secured creditor of the Debtors.

13 3. Post Plan Confirmation

14 Since confirmation of the 2003 Plan, the Debtors have experienced difficulty generating sufficient
15 cash to cover operating expenses, deferred maintenance and the extraordinary costs to satisfy reorganization
16 commitments. This inability remained an impediment to implementing long-term strategic changes required
17 to enhance the Debtors' intrinsic value, to increase top line revenue and resulting profit, and to pay long-term
18 debt. As a result, the Debtors' post-confirmation business plans focused on generating increased revenue
19 and profit, but directed attention to programs producing a longer-term focus through debt restructuring and
20 acquisition. Post confirmation, the Debtors sought and reached agreements with both public and private
21 financial institutions to complete certain acquisitions and private equity placements in order to strengthen the
22 core business and provide capital for debt repayment.

23 Although the Debtors had originally made total payments of approximately \$1,200,000 to the Trust,
24 they failed to make certain further payments as required by the 2003 Plan. As a result, the Trustee and the
25 Debtors negotiated a settlement agreement approved by the Court on August 10, 2006 (the "Settlement
26 Agreement"). Under the Settlement Agreement, the Debtors became obligated to make an alternative
27 payment of \$5,200,000 (the "Alternative Payment") of which \$1,100,000 was to be paid immediately.
28

1 In early 2007, the Debtors began a real estate liquidation plan designed to make structured payments
2 on their debt to the Trust. However, because the Debtors had not made the \$1,100,000 payment, on or about
3 May 18, 2007, the Debtors received the Trustee's notice of default as to the Alternative Payment. As a result,
4 the Debtors agreed to enter into a forbearance agreement (the "Forbearance Agreement") with the Trust,
5 which formalized the real estate sale plan already being marketed. The Debtors discuss their efforts and the
6 status of the sales with the Trustee of the Trust on a regular basis.

7 4. The Debtors' Situation in 2008

8 Although the Debtors have attempted to complete all of the sales contemplated by their agreement
9 with the Trust, a combination of variables causing deteriorating financial performance and third-party reticence
10 to consent to transfers have stymied the Debtors' efforts to live up to their commitments to the Trust.

11 Since mid-2007, the Debtors' financial results have deteriorated as a result of a combination of rising
12 costs and declining sales and guest frequency. By the end of March 2008, the deterioration rapidly
13 accelerated. Specifically, cost increases have been unprecedented. By way of example:

- 14 • The price of prime rib alone has increased by around 5%, chiefly as a result of the Midwest
15 diversion of corn products from the cattle feed market to the production of alternate fuel
16 sources such as ethanol. Thus, the feed available to ranchers has spiked in price, forcing
17 them to charge more per pound of beef. Further, in response to their own cost pressures, the
18 ranchers have reduced herd sizes, further driving up commodity costs due to lack of available
19 product. The Debtors only serve corn fed beef as it is the over whelming preference of their
20 core guests.
- 21 • Similarly, the nationwide oil and gas price increases have forced purveyors to assess "fuel
22 charges" on all products (whether produce, dairy, staples or alcohol), adding almost \$500,000
23 annually to the Debtors' operating cost.
- 24 • During 2007, the Debtors incurred increased payroll costs of around \$400,000 as a direct
25 result of state minimum wage increases. During first quarter 2008, an additional \$100,000 in
26 increased wages were paid as new minimum wage increases took effect.

27 Administrative and accounting costs necessary to comply with new federal regulations, public
28 company filing requirements and the increases in medical benefit and workman's compensation costs added
another \$100,000 to the costs of business.

Unfortunately, the above cost increases come in the middle of an economic downturn in which
Americans are spending less on "elective items" such as dining out, making it nearly impossible to raise menu

1 prices. According to the restaurant industry reports, unemployment, economic uncertainty and instability in
2 the housing market are the greatest contributors to declining restaurant revenue in all segments.

3 As a result of this reduced revenue-increased cost environment, the Debtors have been unable to
4 generate sufficient cash to timely pay their bills on an ongoing basis and still sell real estate to satisfy the
5 Trust obligations. As the spiral has accelerated, landlords are unwilling to consent to transfers when
6 payments are not current, and state authorities will not allow transfer of single units until all state obligations
7 are current.

8 As such, the Debtor seeks to complete its liquidation commitments within the protection of chapter 11
9 cases to gain sufficient time to sell assets for their highest and best price as going concerns. In the past six
10 years, the Debtors have sold and assigned more than 20 restaurants. In each case, the Debtors were able to
11 sell its leasehold interest, alcohol license, personal property and inventory for cash. In contrast, two
12 restaurants have been closed and offered for sale. In each case, no sale has been consummated because
13 the building offers no "going concern" value. A restaurateur does not want the property, because the
14 inventory and operating licenses (including liquor) are not available, and the "dark building" offers no built in
15 customer base. Alternate use buyers have shied away from purchase, because a restaurant building requires
16 extensive remodeling (especially with approximately 40% of the square footage allocated to the kitchen) or
17 razing to be suitable for alternative use.

18 Beginning in the week of May 11, 2008, the Debtors have started to receive 3-day notices from some
19 of their landlords. Other landlords have made statements to the Debtors that they may commence eviction
20 proceedings but have not yet served formal 3-day notices.

21 The Debtors believe that they can maximize cash available for distribution to creditors by offering for
22 sale their assets as operating "going concerns" while under the court's protection. They believe this can be
23 accomplished expeditiously and efficiently given the sales programs and leads already in place. However, it
24 cannot be accomplished without this Court's protection from parties seeking to block sales by seeking
25 preferential payment in front of senior creditors.

26 The remaining units will produce sufficient cash to support operations until sold. During the coming
27 ninety days, the restaurants the Debtor expects to continue to operate until sales are consummated should
28 produce a positive EBITDA.

1 **C. Relief Requested**

2 By this Motion, the Debtors respectfully request that this Court enter an order (i) authorizing the
3 payment of prepetition accrued Utility Services, (ii) prohibiting the Utility Companies from altering, refusing or
4 discontinuing service on account of prepetition invoices, and (iii) establishing procedures for determining
5 requests, if any, for additional adequate assurance by the Utility Companies.
6

7 **D. Factual Basis for Relief Requested**

8 The Debtors operate 21 full service steakhouse restaurants located in the seven states of Arizona,
9 California, Indiana, Michigan, North Carolina, Ohio and Utah. They also maintain their corporate headquarters
10 in San Diego, California. In order to operate their restaurants and maintain their headquarters, the Debtors
11 receive water, electricity, telephone, Internet, gas and similar utility services from 127 utility companies (each
12 a "Utility Company" and collectively the "Utility Companies").

13 The services provided by the Utility Companies to the Debtors' operations are absolutely essential to
14 the continuation of their business. The Debtors cannot operate their 21 restaurants without the utility services
15 provided by the Utility Companies identified on exhibit "A" to this Motion. That exhibit sets forth, among other
16 things, the names of the Utility Companies, the particular utility service provided, the Debtors' account
17 numbers with those companies, the amount paid to the Utility Companies on the last full month for which a bill
18 is available, the amount which is 50% of the last full month's bill (described below as the adequate assurance
19 of payment deposit offer) and (where applicable or known) the amounts of the existing deposits held by each
20 Utility Company.

21 As of this date, the Debtors are generally current with all Utility Companies, except to the extent that
22 the Debtors have not yet been billed for prepetition utility services or the Debtors have been billed but
23 payment for such utility services was not yet due, or checks on account of such utility services were issued
24 but will not be honored because of the commencement of these cases. The Debtors anticipate that they will
25 pay all utility bills for postpetition utility services as billed and when due subject to the Debtors' rights, if any, in
26 the ordinary course, to contest, among other things, the amount of a bill or the services rendered.
27
28

II.

LEGAL ARGUMENT

A. The New Section 366

Under section 366, as amended in 2005, in a chapter 11 case a public utility may “alter, refuse or discontinue utility service, if during the 30-day period beginning on the date of the filing of the petition, the utility does not receive from the debtor . . . adequate assurance of payment for utility service that is satisfactory to the utility.” § 366(c)(2). However, “on request of a party in interest and after notice and a hearing, the court may order modification of the amount of an assurance of payment” under subsection (c)(2). § 366(c)(3)(A). “Assurance of payment” means a cash deposit, a letter of credit, a certificate of deposit, a surety bond, a prepayment of utility consumption or another form of security this is mutually agreeable to the debtor-in-possession and the utility. § 366(c)(1)(A). An administrative expense priority claim is no longer “assurance of payment.” § 366(c)(1)(B). Bankruptcy courts have “the authority to determine the form and amount of adequate assurance if the parties cannot reach agreement, as long as the form of the assurance of payment is one of the forms described in § 366(c)(1)(A). See 3 Collier on Bankruptcy ¶ 366.03[2] (rev. 15th ed. 2006) (“Under § 366(c)(2), the debtor must pay what the utility demands, **unless the court orders otherwise**”) (emphasis added).” In re Beach House Property, LLC, 2008 WL 961498, *1 (Bankr. S.D. Fla. April 8, 2008).

Although the new section 366 limits the forms of adequate assurance of payment, the Court retains the discretion to modify the amount of the deposit or other form of security. § 366(c)(3)(A). The Court may also deem a Utility Company’s failure to respond to the Debtors’ offer of an Adequate Assurance Cash Deposit as acceptance of the Debtors’ offer and satisfaction of the requirements of section 366(c)(2):

The clear language of the amendments to Section 366 and the brief legislative history does not prohibit the bankruptcy court from entering orders continuing the injunction in favor of debtors when the utility companies failed to reply or affirmatively accept what the DIP proposed as satisfactory assurance of payment. A contrary interpretation would make it impossible for the DIP to satisfy Section 366 prior to the termination of the injunction period, when a utility company maintains silence.

1 In re Syroco, Inc., 374 B.R. 60, (Bankr. D.P.R. 2007).

2
3 **B. The Proposed Adequate Assurance Procedures**

4 To ensure the Debtors' access to utility services is not interrupted, the Debtors propose that

5 1. Service of the Order on this Motion: The Debtors will serve the order on this Motion on the
6 Utility Companies listed on the attached exhibit "A";

7 2. Fifteen-Day Period for Utility Companies to Request Adequate Assurance Cash Deposit: The
8 Debtors will provide a deposit to each Utility Company that sends a written request to counsel for the Debtors
9 so that it is received by May 30, 2008 (fifteen days from the Petition Date). Such a deposit shall be equal to
10 two weeks of utility service based on the full month for which a bill is available (the "Adequate Assurance
11 Cash Deposit") but only if the Utility Provider does not already hold a deposit (whether cash, letter of credit,
12 certificate of deposit, surety bond, prepayment or otherwise) that is equal to or greater than the Adequate
13 Assurance Cash Deposit.² A Utility Company's acceptance of such an Adequate Assurance Cash Deposit
14 shall be acknowledgement that the deposit is satisfactory to the Utility Company within the meaning of section
15 366(c)(2) and, absent any further order of the Court, is forbidden to alter, refuse, or discontinue service to, or
16 discriminate against, the Debtors.

17 3. Failure to Request Adequate Assurance Cash Deposit: Any Utility Company that does not
18 request payment of an Adequate Assurance Deposit within 15 days of the Petition Date shall be deemed to
19 have adequate assurance that is satisfactory to the Utility Company within the meaning of section 366(c)(2)
20 and, absent any further order of the Court, is forbidden to alter, refuse, or discontinue service to, or
21 discriminate against, the Debtors.

22 4. Thirty-Day Period for Debtors to Negotiate Amount of Adequate Assurance Cash Deposit
23 With Utility Companies Who Have Made a Timely Request for Adequate Assurance Cash Deposit: In the
24 event that a Utility Company makes a timely request for an Adequate Assurance Cash Deposit within the
25 fifteen-day period described above and the Debtors and that Utility Company are unable to reach an
26 agreement regarding the sufficiency of an Adequate Assurance Cash Deposit within the 30 days after the

27 ² The amount of the Debtors' proposed Adequate Assurance Cash Deposit for each Utility Company is
28 listed on exhibit "A" under the column entitled "Half Bill."

1 Petition Date, either party may ask the Court for a further hearing on an expedited basis to address such
2 issues. Pending such hearing, the Utility Company is forbidden to alter, refuse, or discontinue service to, or
3 discriminate against, the Debtors.

4 The Debtors believe these procedures comport with the requirements of section 366, provide
5 sufficient assurance of payment to the Utility Companies and establish a practical mechanism for the Debtors
6 to continue their operations. Should the telephone companies, power companies or other Utility Companies
7 providing service to the Debtors refuse or discontinue such service, the impact on the Debtors would be to
8 force the Debtors to cease doing business to the severe detriment of their estates, creditors, employees and
9 all other parties in interest. By contrast the Debtors proposed method of furnishing adequate assurance of
10 payment for post-petition Utility Services is in keeping with the spirit and intent of section 366 of the
11 Bankruptcy Code, is not prejudicial to the rights of any of the Utility Companies, and is in the best interests of
12 the Debtors' estates.

13
14 **C. Notice of This Motion Complies With This Court's Requirements and Is Appropriate**

15 Pursuant to this Court's Guidelines for First Day Motions, this Motion has been served by facsimile, or
16 personal service, or email (where consent was granted) or, where necessary, by express or overnight mail on
17 all known secured creditors, and the twenty largest unsecured creditors in each of the Debtors' cases and the
18 United States Trustee. Because of the exigent circumstances, the Debtors respectfully submit, and request
19 that this Court so find, that no further notice of this Motion is required.

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III.

CONCLUSION

For the foregoing reasons, the Debtors respectfully request that this Court enter an order granting the Motion and approving the procedures set forth herein and prohibiting the Utility Companies from altering, refusing, or discontinuing utility services.

Dated: May 15, 2008

LINER YANKELEVITZ
SUNSHINE & REGENSTREIF LLP

By: /s/ Enid M. Colson
Julia W. Brand
Enid M. Colson
Proposed Counsel for Debtors and
Debtors-In-Possession

Exhibit A

UTILITY SCHEDULE

Restaurant Location	Utility name/address contact & fax if avail	service provided	Last Full Month Bill Available	Half Bill	Deposit	Acct #	Phone #
Corporate	San Diego Gas and Elect. 436 West Street San Diego, CA 92113 att: Jackie Chan fax: 619-222-3456	Electric	884.28	442.14	11,942.00	7570 252 637 5	800-411-7343
Corporate	San Diego Gas and Elect. 436 West Street San Diego, CA 92113 att: Jackie Chan fax: 619-222-3456	Electric	1,563.28	781.64		5320 255 575 6	800-411-7343
Corporate	San Diego Gas and Elect. 436 West Street San Diego, CA 92113 att: Jackie Chan fax: 619-222-3456	Gas	26.17	13.09		5320 257 042 5	800-411-7343
CORPORATE	AT&T POB 78045 PHOENIX, AZ 85062-8045	PHONE	4,523.00	2,261.50		171-7913366033	800-358-1111
Corporate	DMX, Inc. PO Box 660557 Dallas, TX 75266-0557	Music	1,289.98	644.99		228960	800-345-5000
CORPORATE	SPRINT DATA SERVICES POB 219623 KANSAS CITY, MO 94121-9623	T-1	470.74	235.37		13111461	800-676-5110
MODESTO	Pacific Gas & Electric PO BOX 997300 SACRAMENTO CA 95899-7300 att: BUSSINESS SERVICE	Electric and Gas	1,421.67	710.84	3,594.00	2166537169-2	1-800-468-4743

MODESTO	Modesto Irrigation PO BOX 5655 Modesto Ca. 95352-5355	WATER	2,008.19	1,004.10	1261206734	209-526-7373
MODESTO	Gildon Solid Waste 1722 Mono Dr. Modesto Ca. 95354	TRASH	45.57	22.79	NR-000	800-894-8980
MODESTO	Gildon Solid Waste 1722 Mono Dr. Modesto Ca. 95354	TRASH	162.09	81.05	N-000	800-894-8980
Santa Rosa	Santa Rosa Recycling 436 West Street San Diego, CA 92113 att: Jackie Chan fax: 619-222-3456	Trash	605.91	302.96	7131475	707-586-1478
Santa Rosa	Pacific Gas & Elec PO BOX 997300 Sacramento, Ca. 95899	GAS	3,780.46	1,890.23	274670584-7	1-800-468-4743
Santa Rosa	Pacific Gas & Elec PO BOX 997300 Sacramento, Ca. 95899	ELECTRIC	3,275.66	1,637.83	8174673775-8	1-800-468-4743
Santa Rosa	City Of Santa Rosa PO BOX 1658 Santa Rosa, Ca. 95402	W/Trash	484.00	242.00	473918444	707-543-3500
Santa Rosa	DirecTV PO BOX 60036 Los Angeles, Ca. 90060	CABLE	100.00	50.00	80067313	1-888-388-4249
S. San Fran	S San Francisco Scavenger PO BOX 348 SOUTH SAN FRANCISCO CA. 94083	Trash	888.71	444.36	24614	650-589-4020

S.San Fran	Pacific Gas & Electric PO BOX 95899 Sacramento Ca. 95999	Electric	1,703.39	851.70	14,056.00	9847063717-8	1-800-468-4743
S.San Fran	Pacific Gas & Electric PO BOX 95899 Sacramento Ca. 95999	Gas	1,839.16	919.58		4640684725-4	1-800-468-4743
S.San Fran	California Water PO BOX 940001 San Jose Ca. 95194	WATER / SEWER	327.67	163.84		8948544444	
S.San Fran	Comcast PO BOX 34744 Seattle Washington 98124	CABLE	169.83	84.92		8770210420347763'	800-788-5656
Lafayette Ca	Valley Waste Mang PO BOX 78251 Phoenix Az. 85062	Trash	253.40	126.70		200-0008321-1044-9	1-800-507-0094
Lafayette Ca	Allied Waste PO BOX 78440 Phenix Az 85062	Trash	762.29	381.15		1-0215-0133918	925-685-4711
Lafayette Ca	Pacific Gas & Electric PO BOX 997300 Sacramento Ca. 95899	Elec	2,738.79	1,369.40	24,415.91	8744561159-0	1-800-468-4743
Lafayette Ca	Pacific Gas & Electric PO BOX 997300 Sacramento Ca. 95899	Gas	1,887.50	943.75		6635887204-3	1-800-468-4743
Lafayette Ca	East Bay Municipal Utility Paument Center Oakland Ca. 94649	WATER/SEWER	1,170.00	585.00		41743462 41743453	1-866-403-2683
Lafayette Ca	Dish Network Dept 0063 Palatine, IL. 60055	CABLE	101.98	50.99		8255707050314991	1-800-454-0843

Arrowhead	ARIZONA PUBLIC SERVICE PO BOX 2907 Phoenix Az. 85062	Elec	4,022.68	2,011.34	14,372.00	806104288	602-371-6767
Arrowhead	Southwest Gas 10851 N Black Canyon Hwy Phoenix Az. 85029	Gsa	2,106.85	1,053.43		421-4350290-003	602-861-1999
Arrowhead	DirecTV PO BOX 90060 Los Angeles, Ca. 90060	CABLE	101.39	50.70		23674101	1888-200-4388
Arrowhead	City Of Glendale 5850 West Glendale Ave Glendale Az. 85301	WATER/SEWER/ TRASH	13,093.85	6,546.93	5,230.00	0187489-0	623-930-3190
Roseville	Pacific Gas & Electric PO BOX 997300 Sacramento Ca. 95899	Gas	2,862.03	1,431.02	5,264.00	972812730	1-800-468-4743
Roseville	City Of Roseville PO BOX 45807 San Francisco Ca. 94145	W/S & elec	3,790.02	1,895.01		179050-31476-1	916-774-5300
Roseville	Sure West PO BOX 1110 Roseville Ca 95678	Phone	640.00	320.00		521907 & 521878	866-787-3937
Roseville	Allied Waste Sacramento District PO BOX 78030 Phoenix Az 85062	Trash	237.12	118.56		1-0316-9973637	916-631-0600
Bakersfield	AT & T ADVERTISING & F P.O. BOX 989046 WEST SACRAMENTO CA, 95798	Telephone	57.12	28.56		8304383506-0004	(800) 228-7102
Bakersfield	CITY OF BAKERSFIELD P.O. BOX 2057 BAKERSFIELD CA, 9330-3205	Trash	1,291.29	645.65		18585-12412	661-326-3114
Bakersfield	PACIFIC GAS & ELECTRIC P.O. BOX 997300	Gas	1,785.04	892.52	17,926.00	3553291068	1800-468-4743

Bakersfield	SACRAMENTO CA, 95899-7300 att: Jonell Whiteley	Electric	2,980.41	1,490.21	2995751313	1800-468-4743
	PACIFIC GAS & ELECTRIC P.O. BOX 997300					
	SACRAMENTO CA, 95899-7300					
Bakersfield	CITY OF BAKERSFIELD PO BOX 2057 BASKERSFIELD	Trash Water Sewer	189.01	94.51	6420018888	661-326*3114
Bakersfield	CITY OF BAKERSFIELD PO BOX 2057 BASKERSFIELD	Fire	24.04	12.02	18585-12412	661-326-3114
Bakersfield	DIRECT TV P.O. BOX 60036 LOS ANGELES CA, 90060	Cable	48.48	24.24	13665209	888-273-7722
Troy	idearc Media Corp P.O. Box 619009 DFW Airport, Tx 75261-9009	Phone	70.00	35.00	360000739014	(866) 803-0854
Troy	Veolia 10690 West Six Mile Rd Northville, MI 48168	Trash	409.61	204.81	V3008249-9	(248) 349-7230
Troy	DTE Energy P.O. Box 2859 Detroit, MI 48260-0001	Electric	2,452.84	1,226.42	2749 597 0002 3	(800) 477-4747
Troy	Consumers Energy Lansing, MI 48937-0001	Gas	3,347.69	1,673.85	19 12 08 6356 0 4	(800) 477-5050
Troy	City of Troy 4693 Rochester Rd Troy, MI 48085	Water	2,612.17	1,306.09	2140549	(248) 524-3370
Sacramento	Pacific Gas and Electric P.O. Box 997300 Sacramento, Ca 95899-7300	Gas	2,514.22	1,257.11	7445560404-6	(800) 743-5000

att: JONELL WHITELEY fax:					
Sacramento	SMUD P.O. Box 15555 Sacramento, Ca 95852 att: fax:	Electric	3,419.77	1,709.89	\$2,667,468 (877) 622-7683
Sacramento	ALLIED WASTE SERVICE P.O. Box 78030 Phoenix, Az 85062-8030 att: fax:	Trash	688.81	344.41	1-0316-9973645 (916) 631-0600
Sacramento	City of Sacramento P.O. Box 2770 Sacramento, Ca 95812-2770 att: fax:	Water	1,223.89	611.95	7050144000 (916) 808-4554
Sacramento	Avaya 24009 Network Pl Chicago, IL 60673-1240 att: fax:	Phone	194.20	97.10	X320471 (800) 489-9588
Sacramento	DirecTV P.O. Box 60036 Los Angeles, Ca 90060-0036	Cable	196.88	98.44	014615828 (888) 388-4249
Sandy	DIRECTV INC P.O. Box 60036 Los Angeles, CA 90060-0036 att: fax:	Cable	106.18	53.09	001179815 (888) 388-4249

Sandy	WASTE MANAGEMENT- PO Box 78251 Phoenix, AZ 85062-8251	Trash	937.78	468.89	585-0007344-0585-5	(801) 282-8219
Sandy	QUESTAR GAS P.O. Box 45841 Salt Lake City UT 841390001	Gas	1,020.61	510.31	4257380000	(800) 323-5517
Sandy	ROCKY MOUNTAIN POW 1033 NE 6TH AVENUE Portland OR 972560001	Electric	1,726.18	863.09	38406236-0019	(888) 221-7070
Sandy	SANDY CITY P.O. Box 1099 Sandy UT 840911099	Water	252.40	126.20	003-00028147-02	(801) 568-7134
Sandy	SOUTH VALLEY SEWER P.O. Box 1610 Draper, UT 84020-1610	Sewer	98.57	49.29	19126	(801) 571-1166
Sandy	SOUTH VALLEY WATER 7495 SOUTH 1300 WEST WEST JORDAN UT 840843417	Water	316.18	158.09	1.1630.1	(801) 566-7711
Mission Valley	COX COMMUNICATION 5159 Federal Biv San Diego, Ca 92105 P.O.Box 79171 Phoenix, AZ 85062-9171	Cable	113.32	56.66	0013110047117801	(619) 269-2000
Mission Valley	S D G & E PO BOX 25111 SANTA ANA, CA 92799-5111	Gas	1,637.16	818.58	4309 820 188 8	(800) 411-7343
Mission Valley	S D G & E PO BOX 25111 SANTA ANA, CA 92799-5111	Electric	3,091.45	1,545.73	12,532.00	(800) 411-7343
Mission Valley	SAN DIEGO CITY TREAS CITY OF SAN DIEGO WATER UTILITIES DEPT SAN DIEGO, CA 92187	Water	832.70	416.35	U16-30892-23-8	(619) 515-3500

Mission Valley	Allied Waste Service P.O.Box 78829 PHOENIX, AZ. 85062-8829	Trash	1,216.27	608.14	3-0529-0029280	(858)278-6061
Ventura	Charter Communication P.O. Box 78018 Phoenix AZ, 85062 - 8018	Cable	158.88	79.44	200162515501-1013002	(888) 438 - 2427
Ventura	Verizon P.O. Box 9688 Mission Hills CA, 91346 - 9688	Phone	36.84	18.42	01 1785 1129449476 05	(805) 494 - 6888
Ventura	Idearc Madia Corp. P.O. Box 619009 DFW Airport TX, 75261 - 9009	Advertising	114.00	57.00	480006007307	(800) 269 - 3488
Ventura	E.D. Harrison & Son, Inc. P.O. Box 6484 Carol Stream IL, 60197 - 6484	Trash	506.70	253.35	1-0015096-8	(248) 349 - 7230
Ventura	Edison P.O. Box 600 Rosemead CA, 91771 - 0001	Electric	1,643.01	821.51	2-23-648-9399	(800) 990 - 7788
Ventura	The Gas Company P.O. Box C Monterey Park CA, 91756	Gas	1,059.88	529.94	156-615-3031-9	(800) 427 - 2000
Ventura	CITY OF SAN BUENAVENTA P.O. Box 2299 Ventura CA, 9300 - 22299	Water	2,423.49	1,211.75	8-15-01890-02	805-667-6500
Auburn Hills	AT&T-Aurora PO Box 8111 Aurora, IL 60507 800-479-2977 fax: 619-222-3456	Internet	50.90	25.45	248 340-9597 844 9	800-480-8088

Auburn Hills	City of Auburn Hills Water Department 1827 N Squirrel Road Auburn Hills, MI 48057	Water/Sewer	1,988.48	994.24	355-00051451	248-370-9340
Auburn Hills	Comcast Cablevision PO Box 3006 Southeastern, PA 19398	Cable	163.27	81.64	09558 253492-01-2	248-549-2100
Auburn Hills	Consumers Energy Lansing, MI 48937	Electric	2,849.08	1,424.54	19 19 61 6420 0 3	800-477-5050
Auburn Hills	DTE Energy 3200 Hobson St 3rd Floor Detroit, MI 48201	Gas	4,859.01	2,429.51	2615 362 0006 4	800-477-4747
Auburn Hills	Waste Management of MI City Waste System PO Box 9001054 Louisville, KY 40290	Trash	401.68	200.84	714-0069624-1714-0	800-796-9696
Fairfield	Comcast PO Box 34744 Seattle WA 98124	Cable	106.47	53.24	06102 125992-01-5	800-722-3409
Fairfield	Fairfield Municipal Utilities 1000 Webster Street Fairfield, CA 94533	Fire Meters	30.31	15.16	00000190-02	707-428-7346
Fairfield	Fairfield Municipal Utilities 1000 Webster Street Fairfield, CA 94533	Water/Sewer	741.95	370.98	00000189-04	707-428-7346
Fairfield	Pacific Gas & Electric PO Box 997300 Sacramento, CA 95899	Electric	2,731.84	1,365.92	5861193173-2	800-743-5000
Fairfield	Pacific Gas & Electric PO Box 997300 Sacramento, CA 95899	Gas	2,202.19	1,101.10	5861193173-2	800-743-5000

Fairfield	Solano Garbage PO Box 78519 Phoenix, AZ 85062	Trash	627.00	313.50	3858 41 001101 5	707-439-2800
Oceanside	Cox Communications POB 6058 CYPRESS, CA 90630-0058	CABLE	114.26	57.13	001-3410-076705802	619-269-2000
Oceanside	SDG&E POB 25111 SANTA ANA, CA 92799-5111	GAS & ELECTRIC	1,035.95	517.98	6193-848-043-9	800-411-7343
Oceanside	CITY OF OCEANSIDE 300 NORTH COAST HWY OCEANSIDE, CA 92054	WATER/TRASH/SEWER	1,275.16	637.58	222879-105626	760-435-3900
Oceanside	SDG&E POB 25111 SANTA ANA, CA 92799-5111	GAS & ELECTRIC	2,506.32	1,253.16	6193-848-5438	800-411-7343
LAFAYETTE INDIANA	COMCAST CABLEVISION POB 3006 SOUTHEASTERN, PA. 19398-300	CABLE	58.36	29.18	01728-141936-01-2	765-447-6886
LAFAYETTE INDIANA	VECTREN ENERGY DELI POB 6249 INDIANAPOLIS, IN 46206-6249	ELECTRIC	2,437.28	1,218.64	02-6002567065170841	800-777-2060
LAFAYETTE INDIANA	CITY OF LAFAYETTE POB 1350 LAFAYETTE, IN 47902-1350	WATER/WASTE	824.30	412.15	99-10460.30	765-476-4488
LAFAYETTE INDIANA	WASTE MANAGEMENT POB 90001054 LOUISVILLE, KY 40290-1054	TRASH	266.56	133.28	300-0001088-0023-6	800-443-5646
LAFAYETTE INDIANA	VERIZON POB 920041 DALLAS, TX 75392-0041	TELEPHONE	377.53	188.77	13-1101-26 70456634-04	800-483-5000
LAFAYETTE INDIANA	DUKE ENERGY POB 9001084 LOUISVILLE, KY 40290-1084	ENERGY	2,133.49	1,066.75	6250-3048-01-4	800-744-1202

TEMECULA	DIRECT TV INC POB 60036 LOS ANGELES, CA 90060-0036	CABLE TV	51.98	25.99	007383536	888-200-4388
TEMECULA	VERIZON CALIFORNIA POB 30001 INGLEWOOD, CA 90313-0001	TELEPHONE	407.56	203.78	951-694-1475	800-606-8855
TEMECULA	CR&R IN POB 125 STANTON, CA 90680-0125	TRASH	546.24	273.12	2215943-5	800-755-8112
TEMECULA	SOUTHERN CA EDISON POB 600 ROSEMEAD, CA 91771-0001	GAS & ELECTRIC	3,072.70	1,536.35	2-23-648-9621	800-990-7788
TEMECULA	RANCHO WATER POB 9030 TEMECULA, CA 92589-9030	WATER	13.49	6.75	01-05-27610-0	951-296-6930
TEMECULA	THE GAS CO POB C MONTEREY PARK, CA 91756	GAS	1,547.15	773.58	017-525-1810-8	800-427-2200
TEMECULA	RANCHO WATER POB 9030 TEMECULA, CA 92589-9030	WATER	538.40	269.20	01-05-27620-0	951-296-6930
TRAVERSE CITY	CHARTER COMM 8555 INNOVATION WAY CHICAGO, IL 60682-0085	CABLE TV	160.28	80.14	500269391701-5020002	800-545-8926
TRAVERSE CITY	AT&T POB 8111 AURORA, IL 60507	PHONE	851.98	425.99	574-234-8797-218-0	800-479-2977
TRAVERSE CITY	AMERICAN WASTE POB 1030 KALKASKA, MI 49646	WASTE	274.38	137.19	29638	231-258-9030
TRAVERSE CITY	CONSUMERS ENERGY LANSING, MI 48937-0001	ELECTRIC	2,419.29	1,209.65	16-28-62-1037-02-9	800-477-5050

TRAVERSE CITY	GRAND TRAVERSE CITY DEPT OF PUBLIC WORKS 2650 LAFRANIER RD TRAVERSE CITY, MI 49686-8972	WATER	3,465.00	1,732.50	01002711	231-995-6039
CENTERVILLE	VECTREN ENERGY DELI POB 6249 INDIANAPOLIS, IN 46206-8249	ENERGY	2,424.73	1,212.37	03-401522726-2325045-2	800-777-2060
CENTERVILLE	DAYTON POWER & LIGH POB 740598 CINCINNATI, OH 45274-0598	ENERGY	2,808.87	1,404.44	5196337754-7	513-331-3580
CENTERVILLE	MONTGOMERY COUNTY 451 W THIRD ST DAYTON, OH 45422-1401	WATER/SEWER	2,837.13	1,418.57	252689-505974	937-225-4920
CENTERVILLE	AT&T POB 8111 AURORA, IL 60507	PHONE	115.43	57.72	262-896-5677	937-433-7399
CENTERVILLE	RUMPKES CONSOLIDATE POB 538708 CINCINNATI, OH 45253	TRASH	593.92	296.96	12-10903-4	800-223-3960
TIPPICANOE	DIRECT TV INC POB 60036 LOS ANGELES, CA 90060-0036	CABLE TV	7.48	3.74	008391451	888-200-4388
TIPPICANOE	AT&T POB 8100 AURORA, IL 60507-8100	PHONE	851.98	425.99	574 234-8797 218 0	800-660-3000
TIPPICANOE	AT&T POB 8100 AURORA, IL 60507-8100	PHONE	82.02	41.01	574 288-4653 969 6	800-660-3000
TIPPICANOE	RELIABLE DISPOSAL 7227 RELIABLE PATH STEVENSVILLE, MI 49127	TRASH	504.00	252.00	3246-10-087647	800-677-1083

TIPPICANOE	INDIANA MICHIGAN POW POB 24411 CANTON, OH 44701-4411	ENERGY	41.85	20.93		048-727-102-1-7	800-311-4634
TIPPICANOE	INDIANA MICHIGAN POW POB 24411 CANTON, OH 44701-4411	ENERGY	4,483.11	2,241.56		042-822-657-1-1	888-710-4237
TIPPICANOE	NIPSCO POB 13007 MERRILLVILLE, IN 46411-3007	GAS	4,342.09	2,171.05		869-073-004-3	800-464-7726
TIPPICANOE	SOUTH BEND WATER W POB 1714 SOUTH BEND, IN 46634	WATER	1,314.09	657.05		43171-22154	219-235-9236
TIPPICANOE	AMERICAN ELECTRIC POW POB 24002 CANTON, OH 44701-4002	ELECTRIC			8,856.00		800-311-4634
RALEIGH	TIME WARNER CABLE POB 70873 CHARLOTTE, NC 28272-0873	CABLE	61.05	30.53		16626801-001	800-892-2253
RALEIGH	WASTE MANAGEMENT POB 105453 ATLANTA, GA 30348-5453	WASTE	297.06	148.53		201-0014033-2018-5	919-405-2440
RALEIGH	PUBLIC SERVICE CO OF POB 100256 COLUMBIA, SC 29202-3256	GAS	1,284.80	642.40		2-1981-0309-0697	877-776-2427
RALEIGH	PROGRESS ENERGY CA POB 2041 RALEIGH, NC 27602-2041	ELECTRIC	2,605.37	1,302.69		8475160746	800-452-2777
RALEIGH	CITY OF RALEIGH POB 96084 CHARLOTTE, NC 28296-0084	WATER	601.23	300.62		89233-26286	919-857-4540
RALEIGH	BELL SOUTH POB 70529 CHARLOTTE, NC 28272-0529	PHONE	42.69	21.35		M238040	866-620-6000

CLIFFHOUSE	Pacific Gas & Electric PO BOX 997300 Sacramento Ca. 95899	GAS &ELECTRIC	7,760.00	5098232537	1-800-468-4743
WILLIAMSBURG	VIRGINIA NATURAL GAS POB 70991 CHARLOTTE, NC 28272-0991	GAS	6,580.00	19000040414003	757-873-1322

Exhibit B

Name, Address, Telephone No. & I.D. No.

Julia W. Brand, Esq. (SBN: 121760)

Enid M. Colson, Esq. (SBN: 189912)

Liner Yankelevitz Sunshine & Regenstreif LLP

1100 Glendon Ave., 14th Floor

Los Angeles, CA 90024-3503

(310) 500-3500

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF CALIFORNIA

325 West "F" Street, San Diego, California 92101-6991

In Re

STEAKHOUSE PARTNERS, INC., a Delaware corporation

BANKRUPTCY NO.

08-04147-11

Date of Hearing:

Time of Hearing:

Debtor. Name of Judge: James W. Meyers

**ORDER ON FIRST DAY MOTION NO. 5; MOTION FOR
ORDER (1) AUTHORIZING PAYMENT OF PREPETITION ACCRUED
UTILITY SERVICES, ETC.**

IT IS ORDERED THAT the relief sought as set forth on the continuation pages attached and numbered two (2)

through _____ with exhibits, if any, for a total of _____ pages, is granted. Motion/Application Docket Entry No. _____

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DATED:

Judge, United States Bankruptcy Court
James W. Meyers

Signature by the attorney constitutes a certification under
Fed. R. of Bankr. P. 9011 that the relief in the order is the
relief granted by the court.

Submitted by:

Liner Yankelevitz Sunshine & Regenstreif LLP

(Firm name)

By: /s/ Enid M. Colson

Attorney for ☒ Movant ☐ Respondent

Enid M. Colson

The Debtors and Debtors-in-Possession Steakhouse Partners, Inc., Paragon Steakhouse Restaurants and Paragon of Michigan (the "Debtors"), having properly filed and provided the required notice of its First Day Motion No: 5 "Motion for Order (1) Authorizing Payment of Prepetition Accrued Utility Services, (2) Prohibiting Utilities from Altering, Refusing or Discontinuing Service on Account of Prepetition Invoices and (3) Establishing Procedures for Determining Requests for Additional Adequate Assurance (the "Utility Motion") the Omnibus Declaration of Joseph L. Wulkowicz filed in support of the Debtors' First Day Motions, the Court having determined that the legal and factual bases set forth in the Utility Motion establish just cause for the relief requested, and it appearing that such relief is in the best interests of the Debtors' estates, and after due deliberation and sufficient good cause appearing therefor,

IT IS HEREBY ORDERED AS FOLLOWS:

1. The Motion for Order (1) Authorizing Payment of Prepetition Accrued Utility Services, (2) Prohibiting Utilities from Altering, Refusing or Discontinuing Service on Account of Prepetition Invoices and (3) Establishing Procedures for Determining Requests for Additional Adequate Assurance (the "Utility Motion") is hereby granted;
2. The Debtors are authorized to pay on a timely basis in accordance with their prepetition practices all undisputed invoices for pre- and post-petition utility services;
3. The Debtors shall provide a deposit to each Utility Company that sends a written request to counsel for the Debtors so that it is received by May 30, 2008 (fifteen days from the Petition Date). Such a deposit shall be equal to two weeks of utility service based on the full month for which a bill is available (the "Adequate Assurance Cash Deposit") but only if the Utility Provider does not already hold a deposit (whether cash, letter of credit, certificate of deposit, surety bond, prepayment or otherwise) that is equal to or greater than the Adequate Assurance Cash Deposit. A Utility Company's acceptance of such an Adequate Assurance Cash Deposit shall be acknowledgement that the deposit is satisfactory to the Utility

Company within the meaning of section 366(c)(2) and, absent any further order of the Court, is forbidden to alter, refuse, or discontinue service to, or discriminate against, the Debtors.

4. Any Utility Company that does not request payment of an Adequate Assurance Deposit within 15 days of the Petition Date shall be deemed to have adequate assurance that is satisfactory to the Utility Company within the meaning of section 366(c)(2) and, absent any further order of the Court, is forbidden to alter, refuse, or discontinue service to, or discriminate against, the Debtors.

5. In the event that a Utility Company makes a timely request for an Adequate Assurance Cash Deposit within the fifteen-day period described above and the Debtors and that Utility Company are unable to reach an agreement regarding the sufficiency of an Adequate Assurance Cash Deposit within the 30 days after the Petition Date, the Debtors or the Utility Company may ask the Court for a further hearing on an expedited basis to address such issues. Pending such hearing, the Utility Company is forbidden to alter, refuse, or discontinue service to, or discriminate against, the Debtors.

IT IS SO ORDERED

Name, Address, Telephone No. & I.D. No.

Julia W. Brand, Esq. (SBN: 121760)
Enid M. Colson, Esq. (SBN: 189912)
Liner Yankelevitz Sunshine & Regenstreif LLP
1100 Glendon Avenue, 14th Floor
Los Angeles, California 90024-3503
310.500.3500

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF CALIFORNIA

325 West "F" Street, San Diego, California 92101-6991

In Re

PARAGON STEAKHOUSE RESTAURANTS, a Delaware
corporation

BANKRUPTCY NO.

08-04152-11

Date of Hearing:

Time of Hearing:

Debtor. Name of Judge: James W. Meyers

**ORDER ON FIRST DAY MOTION NO. 5; MOTION FOR
ORDER (1) AUTHORIZING PAYMENT OF PREPETITION
ACCRUED UTILITY SERVICES, ETC.**

IT IS ORDERED THAT the relief sought as set forth on the continuation pages attached and numbered two (2)

through _____ with exhibits, if any, for a total of _____ pages, is granted. Motion/Application Docket Entry No. _____

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DATED:

Judge, United States Bankruptcy Court
James W. Meyers

Signature by the attorney constitutes a certification under
Fed. R. of Bankr. P. 9011 that the relief in the order is the
relief granted by the court.

Submitted by:

Liner Yankelevitz Sunshine & Regenstreif LLP
(Firm name)

By: /s/ Enid M. Colson

Attorney for ☐ Movant ☐ Respondent

Enid M. Colson

The Debtors and Debtors-in-Possession Steakhouse Partners, Inc., Paragon Steakhouse Restaurants and Paragon of Michigan (the "Debtors"), having properly filed and provided the required notice of its First Day Motion No: 5 "Motion for Order (1) Authorizing Payment of Prepetition Accrued Utility Services, (2) Prohibiting Utilities from Altering, Refusing or Discontinuing Service on Account of Prepetition Invoices and (3) Establishing Procedures for Determining Requests for Additional Adequate Assurance (the "Utility Motion") the Omnibus Declaration of Joseph L. Wulkowicz filed in support of the Debtors' First Day Motions, the Court having determined that the legal and factual bases set forth in the Utility Motion establish just cause for the relief requested, and it appearing that such relief is in the best interests of the Debtors' estates, and after due deliberation and sufficient good cause appearing therefor,

IT IS HEREBY ORDERED AS FOLLOWS:

1. The Motion for Order (1) Authorizing Payment of Prepetition Accrued Utility Services, (2) Prohibiting Utilities from Altering, Refusing or Discontinuing Service on Account of Prepetition Invoices and (3) Establishing Procedures for Determining Requests for Additional Adequate Assurance (the "Utility Motion") is hereby granted;
2. The Debtors are authorized to pay on a timely basis in accordance with their prepetition practices all undisputed invoices for pre- and post-petition utility services;
3. The Debtors shall provide a deposit to each Utility Company that sends a written request to counsel for the Debtors so that it is received by May 30, 2008 (fifteen days from the Petition Date). Such a deposit shall be equal to two weeks of utility service based on the full month for which a bill is available (the "Adequate Assurance Cash Deposit") but only if the Utility Provider does not already hold a deposit (whether cash, letter of credit, certificate of deposit, surety bond, prepayment or otherwise) that is equal to or greater than the Adequate Assurance Cash Deposit. A Utility Company's acceptance of such an Adequate Assurance Cash Deposit shall be acknowledgement that the deposit is satisfactory to the Utility

Company within the meaning of section 366(c)(2) and, absent any further order of the Court, is forbidden to alter, refuse, or discontinue service to, or discriminate against, the Debtors.

4. Any Utility Company that does not request payment of an Adequate Assurance Deposit within 15 days of the Petition Date shall be deemed to have adequate assurance that is satisfactory to the Utility Company within the meaning of section 366(c)(2) and, absent any further order of the Court, is forbidden to alter, refuse, or discontinue service to, or discriminate against, the Debtors.

5. In the event that a Utility Company makes a timely request for an Adequate Assurance Cash Deposit within the fifteen-day period described above and the Debtors and that Utility Company are unable to reach an agreement regarding the sufficiency of an Adequate Assurance Cash Deposit within the 30 days after the Petition Date, the Debtors or the Utility Company may ask the Court for a further hearing on an expedited basis to address such issues. Pending such hearing, the Utility Company is forbidden to alter, refuse, or discontinue service to, or discriminate against, the Debtors.

IT IS SO ORDERED

CSD 1001A [11/15/04]

Name, Address, Telephone No. & I.D. No.

Julia W. Brand, Esq. (SBN: 121760)
Enid M. Colson, Esq. (SBN: 188912)
Liner Yankelevitz Sunshine & Regenstreif, LLP
1100 Glendon Avenue, 14th Floor
Los Angeles, California 90024-3503
310.500.3500

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF CALIFORNIA

325 West "F" Street, San Diego, California 92101-6991

In Re

PARAGON OF MICHIGAN, INC., a Wisconsin corporation

BANKRUPTCY NO.

08-04153-11

Date of Hearing:

Time of Hearing:

Debtor. Name of Judge: James W. Meyers

**ORDER ON FIRST DAY MOTION NO. 5: MOTION FOR
MOTION FOR ORDER (1) AUTHORIZING PAYMENT OF
PREPETITION ACCRUED UTILITY SERVICES, ETC.**

IT IS ORDERED THAT the relief sought as set forth on the continuation pages attached and numbered two (2)

through _____ with exhibits, if any, for a total of _____ pages, is granted. Motion/Application Docket Entry No. _____

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DATED:

Judge, United States Bankruptcy Court
James W. Meyers

Signature by the attorney constitutes a certification under
Fed. R. of Bankr. P. 9011 that the relief in the order is the
relief granted by the court.

Submitted by:

Liner Yankelevitz Sunshine & Regenstreif, LLP
(Firm name)

By: /s/ Enid M. Colson

Attorney for ☐ Movant ☐ Respondent

Enid M. Colson

The Debtors and Debtors-in-Possession Steakhouse Partners, Inc., Paragon Steakhouse Restaurants and Paragon of Michigan (the "Debtors"), having properly filed and provided the required notice of its First Day Motion No: 5 "Motion for Order (1) Authorizing Payment of Prepetition Accrued Utility Services, (2) Prohibiting Utilities from Altering, Refusing or Discontinuing Service on Account of Prepetition Invoices and (3) Establishing Procedures for Determining Requests for Additional Adequate Assurance (the "Utility Motion") the Omnibus Declaration of Joseph L. Wulkowicz filed in support of the Debtors' First Day Motions, the Court having determined that the legal and factual bases set forth in the Utility Motion establish just cause for the relief requested, and it appearing that such relief is in the best interests of the Debtors' estates, and after due deliberation and sufficient good cause appearing therefor,

IT IS HEREBY ORDERED AS FOLLOWS:

1. The Motion for Order (1) Authorizing Payment of Prepetition Accrued Utility Services, (2) Prohibiting Utilities from Altering, Refusing or Discontinuing Service on Account of Prepetition Invoices and (3) Establishing Procedures for Determining Requests for Additional Adequate Assurance (the "Utility Motion") is hereby granted;
2. The Debtors are authorized to pay on a timely basis in accordance with their prepetition practices all undisputed invoices for pre- and post-petition utility services;
3. The Debtors shall provide a deposit to each Utility Company that sends a written request to counsel for the Debtors so that it is received by May 30, 2008 (fifteen days from the Petition Date). Such a deposit shall be equal to two weeks of utility service based on the full month for which a bill is available (the "Adequate Assurance Cash Deposit") but only if the Utility Provider does not already hold a deposit (whether cash, letter of credit, certificate of deposit, surety bond, prepayment or otherwise) that is equal to or greater than the Adequate Assurance Cash Deposit. A Utility Company's acceptance of such an Adequate Assurance Cash Deposit shall be acknowledgement that the deposit is satisfactory to the Utility

Company within the meaning of section 366(c)(2) and, absent any further order of the Court, is forbidden to alter, refuse, or discontinue service to, or discriminate against, the Debtors.

4. Any Utility Company that does not request payment of an Adequate Assurance Deposit within 15 days of the Petition Date shall be deemed to have adequate assurance that is satisfactory to the Utility Company within the meaning of section 366(c)(2) and, absent any further order of the Court, is forbidden to alter, refuse, or discontinue service to, or discriminate against, the Debtors.

5. In the event that a Utility Company makes a timely request for an Adequate Assurance Cash Deposit within the fifteen-day period described above and the Debtors and that Utility Company are unable to reach an agreement regarding the sufficiency of an Adequate Assurance Cash Deposit within the 30 days after the Petition Date, the Debtors or the Utility Company may ask the Court for a further hearing on an expedited basis to address such issues. Pending such hearing, the Utility Company is forbidden to alter, refuse, or discontinue service to, or discriminate against, the Debtors.

IT IS SO ORDERED