

CSD 1001A [11/15/04]

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

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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.

08-4152-11

Date of Hearing:

Time of Hearing:

Debtor. Name of Judge: James W. Meyers

**ORDER ON GRANTING FIRST DAY MOTION NO. 3 ON AN
INTERIM BASIS**

IT IS ORDERED THAT the relief sought as set forth on the continuation pages attached and numbered two (2) through 2 with exhibits, if any, for a total of 2 pages, is granted. Motion/Application Docket Entry No. 8

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DATED:

May 19, 2008

Judge
Jame

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.

Judge, United States Bankruptcy 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: 3 Motion for Order Authorizing Payment of Non-Insider Prepetition Accrued Wages, Salaries, Commissions, Employee Expenses, Workers' Compensation and Employee Benefits and Payment of Related Taxes and Tax Deposits and Authorizing and Directing Banks to Honor Payroll Account Checks and Expense Reimbursement Checks" ("Payroll Motion") and the Omnibus Declaration of Joseph L. Wulkowicz filed in support of the Debtors' First Day Motions, the Declaration of Julia W. Brand filed on May 18, 2008 representing that approximately 85% of the payroll checks issued pre-petition cleared prior to, or were in the process of clearing on, the Petition Date, that a de minimis amount (approximately \$4,800) have yet to be processed and that no employee will receive more than the priority claim amount of \$10,950 from the checks that will be honored, and it appearing that interim 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 Debtors' Payroll Motion is hereby granted on an interim basis only to the extent necessary to permit Debtors' bank to honor payroll checks issued pre-petition; and
2. The Court sets a hearing for May 27, 2008 at 10:30 a.m. at which time the Court shall consider the remainder of the relief requested in the Payroll Motion.

IT IS SO ORDERED