

**UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

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In re	:	CHAPTER 11
	:	(Jointly Administered)
<b>ARCLIN US HOLDING, INC, <i>et. al</i></b>	:	
	:	Case No. 09-12628 (KJC)
Debtors	:	
	:	Ref. Docket no. 69

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**ORDER REINSTATING MEDICAL BENEFITS  
UNDER 11 U.S.C. §1114**

AND NOW, this 9<sup>th</sup> day of October, 2009, upon consideration of Motion of Steve Phillips for Reinstatement of Severance Pay and Medical Benefits” (docket no. 69), and the Debtors’ Response thereto, and the further submissions pursuant to Order dated September 8, 2009 (docket no. 151), and for the reasons set forth in the foregoing Memorandum, it is hereby **ORDERED** and **DECREED** that

1. The payments owed by the Debtors to Steve Phillips pursuant to that certain “Confidential Separation Agreement and Full Release of All Claims” dated January 28, 2009 (the “Separation Agreement”) for twenty-nine (29) months of health insurance premiums under the Arclin Retiree Benefit Plan, as more fully described in the Separation Agreement (the “Premiums”), are “retiree benefits” under 11 U.S.C. §1114(a), and entitled to all of the protections from modification and termination as set forth more fully in 11 U.S.C. §1114;

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<sup>9</sup>The following chapter 11 debtors are being jointly administered in this case: Arclin US Holdings, Inc., Mamorandum LLC, Arclin Chemicals Holding Inc., Arclin Industries U.S.A. Inc., Arclin Fort Smith Inc., Arclin U.S.A. Inc. and Arclin Surfaces, Inc. See Order dated July 28, 2009 (docket no. 29).

2. Pursuant to §1114(e)(2), the Debtors shall reimburse Phillips immediately for any payments he made personally for medical benefits covered by the Separation Agreement, and the Debtors shall continue to pay all Premiums going forward, unless or until any termination or modification is approved by order of this Court pursuant to the procedures set forth in §1114(d), (g) or (h);
3. To the extent there is any dispute about the amount Phillips is to be reimbursed for any payments he has made personally for medical benefits covered by the Separation Agreement, the Court will consider resolution at the omnibus hearing now scheduled for November 4, 2009 at 10:00 o'clock a.m.; and
4. By agreement of the parties, Phillips is released from any duties, covenants, and agreements contained in paragraph 10 of the Separation Agreement and the Debtors' waiver of any and all right to enforce the terms of paragraph 10 is APPROVED.

BY THE COURT:



KEVIN J. CAREY  
UNITED STATES BANKRUPTCY JUDGE

cc: Frederick B. Rosner, Esquire<sup>1</sup>  
Mr. Steve Phillips

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<sup>1</sup>Counsel shall serve a copy of this Order and the accompanying Memorandum upon all interested parties and file a Certificate of Service with the Court.