

Court File No.: 12- CV-

9757-0066

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

THE HONOURABLE ) TUESDAY, THE 12<sup>TH</sup> DAY  
MR. JUSTICE MORAWETZ ) OF JUNE, 2012

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
R.S.C. 1985, c. C-36, AS AMENDED

AND IN THE MATTER OF ALLIED SYSTEMS HOLDINGS, INC., ALLIED SYSTEMS  
(CANADA) COMPANY,  
AXIS CANADA COMPANY AND THOSE OTHER COMPANIES LISTED ON  
SCHEDULE "A" HERETO

APPLICATION OF ALLIED SYSTEMS HOLDINGS, INC. UNDER SECTION 46 OF  
THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS  
AMENDED

INITIAL RECOGNITION ORDER  
(FOREIGN MAIN PROCEEDING)

THIS APPLICATION, made by Allied Systems Holdings, Inc. in its capacity as foreign representative (the "**Foreign Representative**") of Allied Systems Holdings, Inc., Allied Systems (Canada) Company ("**Allied Canada**"), Axis Canada Company ("**Axis Canada**", and together with Allied Canada, the "**Canadian Companies**") and those other entities listed on Schedule "A" hereto (collectively, the "**Chapter 11 Debtors**"), pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") for an Order substantially in the form enclosed in the Application Record, was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the Notice of Application, the affidavit of Scott Macaulay sworn June 11, 2012 (the "**Macaulay Affidavit**"), the report dated June 11, 2012 (the "**Report**") of Duff &

Phelps Canada Restructuring Inc., in its capacity as proposed information officer (the “**Proposed Information Officer**”), and the first supplemental affidavit of Christopher Eustace sworn June 11, 2012, the second supplemental affidavit of Christopher Eustace sworn June 12, 2012, and the third supplemental affidavit of Christopher Eustace sworn June 12, 2012 (collectively, the “**Eustace Affidavits**”) each filed, and upon being provided with copies of the documents required by section 46 of the CCAA,

AND UPON BEING ADVISED by counsel for the Foreign Representative that in addition to this Initial Recognition Order, a Supplemental Order is being sought,

AND UPON HEARING the submissions of counsel for the Foreign Representative, counsel for the Proposed Information Officer, counsel for Yucaipa American Alliance Fund I, L.P.; Yucaipa American Alliance Fund II, L.P.; Yucaipa American Alliance (Parallel) Fund I, L.P.; Yucaipa American Alliance (Parallel) Fund II, L.P., counsel for Black Diamond CLO 2005-1 Ltd., BDCM Opportunity Fund II, LP and Spectrum Investment Partners LP, and those other parties present, no one else appearing, and upon reading the affidavit of service of Jason McMurtrie sworn June 11, 2012:

### **SERVICE**

1. THIS COURT ORDERS that the time for service of the Notice of Application, the Application Record, the Eustace Affidavits and the Report is hereby abridged and validated so that this Application is properly returnable today and hereby dispenses with further service thereof.

### **FOREIGN REPRESENTATIVE**

2. THIS COURT ORDERS AND DECLARES that the Foreign Representative is the "foreign representative" as defined in section 45 of the CCAA of the Chapter 11 Debtors in respect of the cases commenced in the United States Bankruptcy Court for the District of Delaware by the Chapter 11 Debtors pursuant to Chapter 11 of the United States Bankruptcy Code (the “**Foreign Proceeding**”).

### **CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING**

3. THIS COURT DECLARES that the centre of its main interests for each of the Chapter 11 Debtors is the United States of America and that the Foreign Proceeding is hereby recognized as a “foreign main proceeding” as defined in section 45 of the CCAA.

#### **STAY OF PROCEEDINGS**

4. THIS COURT ORDERS that until otherwise ordered by this Court:

- (a) all proceedings taken or that might be taken against the Chapter 11 Debtors under the *Bankruptcy and Insolvency Act* or the *Winding-up and Restructuring Act* are stayed;
- (b) further proceedings in any action, suit or proceeding against the Chapter 11 Debtors are restrained; and
- (c) the commencement of any action, suit or proceeding against the Chapter 11 Debtors is prohibited.

#### **NO SALE OF PROPERTY**

5. THIS COURT ORDERS that, except with leave of this Court, each of the Chapter 11 Debtors is prohibited from selling or otherwise disposing of:

- (a) outside the ordinary course of its business, any of its property in Canada that relates to the business; and
- (b) any of its other property in Canada.

#### **GENERAL**

6. THIS COURT ORDERS that within five (5) business days from the date of this Order, or as soon as practicable thereafter, the Foreign Representative shall cause to be published a notice substantially in the form attached to this Order as Schedule B, once a week for two consecutive weeks, in the *Globe and Mail* (National Edition).

7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada, to give effect to this Order and

to assist the Chapter 11 Debtors and the Foreign Representative and their respective counsel and agents in carrying out the terms of this Order.

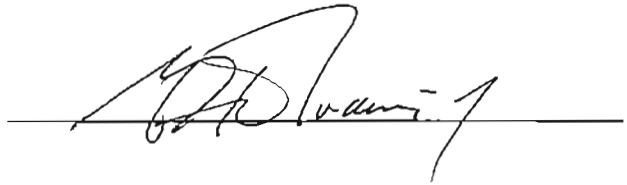
8. THIS COURT ORDERS AND DECLARES that this Order shall be effective as of 12:31 p.m. Eastern Standard Time on the date of this Order.

9. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order or seek other relief on not less than seven (7) days notice to the Chapter 11 Debtors and the Foreign Representative and their respective counsel, and to any other party or parties likely to be affected by the order sought, or upon such other notice, if any, as this Court may order.

ENTERED AT / INSCRIT À TORONTO  
ON / BOOK NO.  
LE / DANS LE REGISTRE NO.:



JUN 12 2012



## **SCHEDULE A – CHAPTER 11 DEBTORS**

Allied Systems Holdings, Inc.

Allied Automotive Group, Inc.

Allied Freight Broker LLC

Allied Systems (Canada) Company

Allied Systems, Ltd. (L.P.)

Axis Areta, LLC

Axis Canada Company

Axis Group, Inc.

Commercial Carriers, Inc.

CT Services, Inc.

Cordin Transport LLC

F.J. Boutell Driveway LLC

GACS Incorporated

Logistic Systems, LLC

Logistic Technology, LLC

QAT, Inc.

RMX LLC

Transport Support LLC

Terminal Services LLC

## **SCHEDULE B – NOTICE OF RECOGNITION ORDERS**

ONTARIO  
SUPERIOR COURT OF JUSTICE  
(COMMERCIAL LIST)

IN THE MATTER OF THE *COMPANIES' CREDITORS ARRANGEMENT ACT*,  
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NOTICE OF RECOGNITION ORDERS

**PLEASE BE ADVISED** that this Notice is being published pursuant to an Order of the Ontario Superior Court of Justice (Commercial List) (the "**Canadian Court**"), granted on June 12, 2012.

**PLEASE TAKE NOTICE** that, on June 12, 2012, Allied Systems Holdings, Inc. ("**Allied Systems**"), Allied Automotive Group, Inc.; Allied Freight Broker LLC; Allied Systems (Canada) Company ("**Allied Canada**"); Axis Areta, LLC; Axis Canada Company ("**Axis Canada**"); Axis Group, Inc.; Commercial Carriers, Inc.; CT Services, Inc.; Cordin Transport LLC; F.J. Boutell Driveway LLC; GACS Incorporated; Logistic Systems, LLC; Logistic Technology, LLC; QAT, Inc.; RMX LLC; Transport Support LLC; and, Terminal Services LLC (together with Allied Systems US, the "**Chapter 11 Debtors**") commenced proceedings pursuant to Chapter 11 of the United States Code (the "**Bankruptcy Code**") with the United States Bankruptcy Court for the District of Delaware (the "**US Court**"). In connection with the Chapter 11 Proceedings, the Chapter 11 Debtors have appointed Allied Systems as their foreign representative (the "**Foreign Representative**"). The Foreign Representative's address is 2302 Parklake Drive, Suite 600, Atlanta, Georgia 30345-2918. The Chapter 11 Debtors carry on business in Canada through Allied Canada and Axis Canada.

**PLEASE TAKE FURTHER NOTICE** that an Initial Recognition Order and a Supplemental Order (together, the "**Recognition Orders**") have been issued by the Canadian Court pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, that, among other

things: (i) recognize the Chapter 11 Proceedings as “foreign main proceeding”; (ii) recognize Allied Systems as the Foreign Representative of the Chapter 11 Debtors; and (iii) appoint Duff & Phelps Canada Restructuring Inc. as the Information Officer with respect to the Chapter 11 Proceedings.

**PLEASE TAKE FURTHER NOTICE** that counsel to the Foreign Representative is.:

**GOWLING LAFLEUR HENDERSON LLP**

100 King Street West, Suite 1600

Toronto, Ontario M5X 1G5

Attention: Jennifer Stam

Tel: 416.862.5697

Fax: 416.862.7661

**Jennifer.Stam@gowlings.com**

**PLEASE TAKE FURTHER NOTICE** that persons who wish to receive a copy of the Recognition Orders or obtain any further information in respect thereof or in respect of the matters set forth in this Notice, should contact the Information Officer at the following address:

**DUFF & PHELPS CANADA RESTRUCTURING INC.**

200 King Street West, Suite 1002

Toronto, Ontario M5H 3T4

Attention: Mitch Vininsky

Tel: 416.932.6013

Fax: 647.4979477

**mitch.vininsky@duffandphelps.com**

**PLEASE FINALLY NOTE** that the Recognition Orders, and any other orders that may be granted by the Canadian Court, can be viewed at [www.duffandphelps.com/restructuringcases](http://www.duffandphelps.com/restructuringcases).

**DATED AT TORONTO, ONTARIO** this ● day of June, 2012.

**DUFF & PHELPS CANADA RESTRUCTURING INC.**

(solely in its capacity as Information Officer)



**IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT,  
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***ONTARIO***

**SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto, Ontario, Canada

**INITIAL RECOGNITION ORDER  
(FOREIGN MAIN PROCEEDING)**

**GOWLING LAFLEUR HENDERSON LLP**

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