

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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**

**AMENDED AND RESTATED MOTION RECORD
(DIRECTOR SETTLEMENT)
(Motion returnable: April 22, 2013)**

April 11, 2013

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
One First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario M5X 1G5

Jennifer Stam (LSUC#46735J)
Telephone: (416) 862-5697
Facsimile: (416) 862-7661

Ava Kim (LSUC# 57256C)
Telephone: (416) 862-3560
Facsimile: (416) 862-7661

Lawyers for the Applicant

INDEX

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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**

**MOTION RECORD
(Motion returnable: April 22, 2013)**

INDEX

Tab	Document	Page No.
1.	Amended and Restated Notice of Motion returnable April 22, 2013	001
2.	Affidavit of Scott Macaulay sworn April 11, 2013	020
3.	Affidavit of John Blount sworn July 25, 2012	050
4.	Consent Order of this Court dated June 26, 2012	065
5.	Order of this Court dated July 16, 2012	069
6.	Draft Order	075
7.	Draft Amended and Restated Supplemental Order	086
8.	Blackline of Draft Amended and Restated Supplemental Order to Supplemental Order dated June 13, 2012	110

TAB 1

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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**

**AMENDED AND RESTATED NOTICE OF MOTION
(Returnable: April 22, 2013)**

Allied Systems Holdings, Inc. ("Allied US", the "Applicant" or the "Foreign Representative"), in its capacity as foreign representative of Allied US, Allied Systems (Canada) Company ("Allied Canada"), Axis Canada Company ("Axis Canada") and those other entities listed on Schedule "A" hereto (the "Chapter 11 Debtors") will make a motion to Justice Geoffrey Morawetz on April 19, 2013, at 10:00am at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: The motion is to be heard orally.

THE MOTION IS FOR:

1. an Order recognizing and giving full force and effect to the order of the United States Bankruptcy Court for the District of Delaware dated April 11, 2013 approving, among other things, the settlement agreement between the National Automobile, Aerospace,

Transportation and General Works Union of Canada (the “CAW”) and Allied Canada dated March 15, 2013 (the “CAW Settlement Agreement”);

2. an Order approving a charge in the maximum amount of \$1,970,000 with respect to the CAW Employee Severance Obligations and the Non-Bargaining Employee Obligations (as defined in the Affidavit of Scott Macaulay sworn April 11, 2013) (the “**Directors’ Charge**”); and
3. an Order amending and restating the Supplemental Order (defined below) to reflect amendments: (i) pursuant to the Order of this Court made on June 26, 2012; (ii) pursuant to the Order of this Court made on July 16, 2012; and (iii) the proposed Order above regarding the Directors’ Charge.

THE GROUNDS FOR THE MOTION ARE:

1. On June 10, 2012 (the “**Filing Date**”), the Chapter 11 Debtors filed involuntary and voluntary petitions with the United States Bankruptcy Court for the District of Delaware pursuant to Chapter 11 of title 11 of the United States Bankruptcy Code (the “**Chapter 11 Cases**”);
2. On June 12, 2012, the Applicant, as foreign representative, commenced proceedings under Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended pursuant to an initial recognition order of this Honourable Court, which, *inter alia*: (i) recognized the Chapter 11 Cases as a foreign main proceeding; and (ii) designated the Applicant as the foreign representative on behalf of the Chapter 11 Debtors;
3. On June 13, 2012, this Court granted a supplemental order (the “**Supplemental Order**”) which, *inter alia*: (i) appointed Duff & Phelps Canada Restructuring Inc. as information officer (the “**Information Officer**”); and (ii) approved the Administration Charge and the DIP Lenders’ Charge (each as defined in the Supplemental Order) (collectively, the “**Charges**”) and granted priority to the Charges ahead of the First Lien Credit Facility and the Second Lien Credit Facility (as defined in the Affidavit of Scott Macaulay sworn June 11, 2012 (the “**June 11 Affidavit**”)) but behind any other trusts, liens, charges and

encumbrances, claims of secured creditors, statutory or otherwise (collectively, the “**Encumbrances**”);

4. On June 26, 2012, this Court granted a consent Order amending the Supplemental Order to replace all references to: (i) “Yucaipa American Alliance Fund II, L.P., as agent and lender” with “Yucaipa American Alliance Fund II, LLC, as agent”; and (ii) “Yucaipa American Alliance (Parallel) Fund II, L.P., as lender with “Yucaipa Leveraged Finance, LLC” and “CB Investments, LLC, as lenders”.
5. On July 16, 2012, this Court granted an order granting priority to the Charges ahead of all of the Encumbrances, including any deemed trusts created under Provincial pension legislation, other than: (i) Encumbrances (if any) that are valid, perfected (by registration or possession), non-avoidable and are senior to liens securing the First Lien Credit Facility (as defined in the June 11 Affidavit) as of the date of the Final Financing Order (as defined in the Affidavit of Scott Macaulay sworn July 11, 2012 (the “**July 11 Affidavit**”); and (ii) the Carve-Out (as defined in the Final Financing Order);

Allied Canada’s Employees and the Application of the Canada Labour Code

6. Allied Canada’s business is subject to the *Canada Labour Code* (“**CLC**”) and Allied Canada’s directors are therefore subject to directors’ liabilities (including deemed directors’ liabilities) for statutory termination and severance;
7. Allied Canada has laid off a sizeable proportion of their employees pursuant to their downsizing activities in between approximately May 2011 and June 2012 and under the CLC, employees are entitled to begin receiving severance after a period of twelve (12) months from the time they are laid off;
8. Most of these employees, upon notice provided pursuant to the CLC, elected to postpone receipt of severance in order to retain recall rights and seniority for a period of time and as a result, Allied Canada is currently only paying a relatively small amount for severance payments per month;

9. If the majority of laid off employees who chose to postpone their severance payments elect instead to receive severance, Allied Canada's obligations would be substantial;
10. Allied Canada continues to pay wages to its active employees in the ordinary course;
11. As a result of the potential personal liability of directors for severance and termination under the CLC, all of Allied Canada's directors resigned shortly after the Filing Date and the board has remained vacant since that time;
12. Despite efforts to fill the vacancy, Allied Canada has not been able to locate an individual that is willing to serve as a director absent certain protections with respect to their personal liability;
13. A member of Allied's senior management remains willing to serve as a director of Allied Canada if the proposed order is granted by this Court;
14. In order to address the potential personal liability issues faced by any director of Allied Canada, Allied Canada now proposes a multi-pronged solution, a brief summary of which is as follows:
 - (a) With respect to those employees (all CAW) who were laid off pre-filing and still receiving or entitled to receive CLC severance, Allied will continue to pay those amounts in the normal course and those payments will be an administrative expense claim in the Chapter 11 proceedings. As well, the new director will receive an indemnity for those obligations under the proposed Order which indemnity will be secured by a \$1.4 million Directors' Charge. Recourse to the Directors' Charge will only be available if Allied Canada does not make such payments and if recourse to the existing insurance policies is exhausted and does not cover or is insufficient to cover such liability.
 - (b) Employees who are currently working but who could be laid off in the future fall into three (3) categories – Teamster employees, CAW employees and non-bargaining employees:

- (i) Teamster employees – the Teamster locals have provided comfort letters (see below) confirming that the union will not pursue directors personally for unpaid severance amounts;
 - (ii) CAW employees – pursuant to the CAW Settlement Agreement, the CAW (on its own behalf and on behalf of its members) agree that there is no recourse against the directors personally but they are limited to what could be recovered out of the estate as well as insurance policies;
 - (iii) Non-bargaining employees – as it was not practical to negotiate a settlement with each non-bargaining employee, Allied is seeking to indemnify the Directors (defined below), which indemnity will be secured by a \$570,000 charge (discussed below) sufficient to cover the potential liability in respect of CLC severance in the event that those non-bargaining employees were terminated and did not receive CLC severance from Allied Canada. Again, funds under this portion of the Directors' Charge are only available if recourse to the insurance policies is exhausted and there is no coverage or the available proceeds are insufficient to cover such liability.
15. It is proposed that the priority of the Directors' Charge, vis a vis, the other Court-ordered charges (as each is defined in the Supplemental Order), will be as follows:
- (a) First – Administration Charge (to the maximum amount of \$600,000);
 - (b) Second – Directors' Charge with respect only to CAW Employee Severance Obligations (to the maximum amount of \$1.4 million);
 - (c) Third – DIP Lender's Charge;
 - (d) Fourth – Directors' Charge with respect only to Non-Bargaining Employee Obligations (to the maximum amount of \$570,000).

General

16. Such further and other grounds as counsel may advise and this Honourable Court may permit;

The following documentary evidence will be used at the hearing of the application:

1. The affidavit of Scott Macaulay sworn April 11, 2013;
2. The affidavit of John Blount sworn July 25, 2012;
3. The Order of this Court made on June 26, 2012;
4. The Order of this Court made on July 16, 2012;
5. The fifth report of the Information Officer to be filed; and
6. Such further and other materials as counsel may advise and this Honourable Court may permit.

April 11, 2013

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
1 First Canadian Place
100 King Street West, Suite 1600
Toronto, Ontario M5X 1G5

Jennifer Stam (LSUC No.: 46735J)
Tel: (416) 862-5697
Fax: (416) 862-7661

TO: THE ATTACHED SERVICE LIST

Ava Kim (LSUC No.: 57156C)
Tel: (416) 862-3560
Fax: (416) 862-7661

Lawyers for the Applicant

SCHEDULE A – APPLICANTS

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**SERVICE LIST
(as at April 11, 2013)**

GENERAL	
GOWLING LAFLEUR HENDERSON LLP 1 First Canadian Place 100 King Street West, Suite 1600 Toronto, Ontario M5X 1G5 Lawyers for the Applicant	Jennifer Stam Tel: 416.862.5697 Email: jennifer.stam@gowlings.com Ava Kim Tel: 416.862.3560 Email: ava.kim@gowlings.com Katie Parent Tel: 416.862.4312 Email: katie.parent@gowlings.com
DUFF & PHELPS CANADA RESTRUCTURING INC. Bay Adelaide Centre 333 Bay Street 14 th Floor Toronto, Ontario M5H 2R2 Information Officer	Bobby Kofman Tel: 416.932.6228 Email: bobby.kofman@duffandphelps.com Mitch Vininsky Tel: 416.932.6013 Email: mitch.vininsky@duffandphelps.com

NORTON ROSE CANADA LLP Royal Bank Plaza, South Tower 200 Bay Street, Suite 3800 Toronto, Ontario M5J 2Z4 Lawyers for the Information Officer	Tony Reyes Tel: 416.216.4825 Email: tony.reyes@nortonrose.com Evan Cobb Tel: 416.216.1929 Email: evan.cobb@nortonrose.com
OSLER, HOSKIN & HARCOURT LLP 1 First Canadian Place 100 King Street West, Suite 6100 P.O. Box 50 Toronto, Ontario M5X 1B8 Lawyers for Yucaipa American Alliance Fund I, L.P. and Yucaipa American Alliance Fund II, L.P.	Tracy Sandler Tel: 416.862.5890 Email: tsandler@osler.com Alexander Cobb Tel: 416.862.5964 Email: acobb@osler.com
GOODMANS LLP Bay Adelaide Centre 333 Bay Street, Suite 3400 Toronto, Ontario M5H 2S7 Lawyers for Black Diamond CLO 2005-1 Ltd., Spectrum Investment Partners LP and BDCM Opportunity Fund II, LP	Joe Latham Tel: 416.597.4211 Email: jlatham@goodmans.ca Logan Willis Tel: 416.597.6299 Email: LWillis@goodmans.ca
STIKEMAN ELLIOTT LLP 5300 Commerce Court West 199 Bay Street, Suite Toronto, Ontario M5L 1B9 Lawyers for the Official Committee of Unsecured Creditors	Alexander Rose Tel: 416-869-5261 Email: arose@stikeman.com Maria Konyukhova Tel: 416-869-5230 Email: mkonyukhova@stikeman.com
THE BANK OF NOVA SCOTIA 20 Queen Street West, 12th Floor Toronto, Ontario M5H3R3	Borys Terebenec Tel: 416.866.7704 Email: borys.terebenec@scotiabank.com Rhonda Fairley Tel: 647.288.1875 Email: rhonda.fairley@scotiabank.com
MILLER, CANFIELD, PADDOCK AND STONE, LLP 443 Ouellette Avenue P.O. Box 1390 Windsor, Ontario N9A 6R4	John D. Leslie Tel: 519.561.7422 Email: leslie@millercanfield.com

<p>144 Front Street West Suite 400 Toronto, Ontario M5J 2L7</p> <p>Lawyers for Ford Motor Company</p>	
<p>EMMET, MARVIN & MARTIN, LLP 120 Broadway 32nd Floor New York, NY 10271</p> <p>Lawyers for Bank of New York Mellon</p>	<p>Elizabeth Clark Tel: 212-238-3037 Email: eclark@emmetmarvin.com</p>
<p>DEPARTMENT OF JUSTICE Ontario Regional Office The Exchange Tower, Box 36 130 King Street W., Suite 3400 Toronto, Ontario M5X 1K6</p>	<p>Diane Winters Tel: 416.973.3172 Email: dwinters@justice.gc.ca</p>
<p>HER MAJESTY THE QUEEN IN RIGHT OF THE PROVINCE OF BRITISH COLUMBIA Ministry of Justice Legal Services Branch Revenue & Taxation Group Suite 400, 1675 Douglas Street PO Box 9289 Stn Prov Govt Victoria, BC V8W 9J7</p>	<p>Aaron Welch Tel: 250.356.8589 Email: AGLSBRevTax@gov.bc.ca; aaron.welch@gov.bc.ca</p>
<p>MINISTRY OF JUSTICE (BRITISH COLUMBIA) LEGAL SERVICES BRANCH 1301-865 Hornby Street Vancouver, BC V6Z 2G3</p>	<p>Sandra Wilkinson Tel: 604.660.3431 Email: sandra.wilkinson@gov.bc.ca</p>
<p>KOSKIE MINSKY LLP 20 Queen Street West, Suite 900 Toronto, Ontario M5H 3R3</p> <p>Lawyers for Canadian Auto Carriers and Logistics Pension Plan</p>	<p>Michael Mazzuca Email: mmazzuca@kmlaw.ca</p> <p>James Harnum Email: jharnum@kmlaw.ca</p>
<p>DEPARTMENT OF JUSTICE 255 Albert Street Ottawa, Ontario K1A 0H2</p> <p>Senior Counsel, Office of the Superintendent Of Financial Institutions Canada</p>	<p>Carol Taraschuk Email: Carol.Taraschuk@osfi-bsif.gc.ca</p>

PPSA CREDITORS	
GOLDMAN SACHS CREDIT PARTNERS L.P. 30 Hudson Street, 17 th Floor Jersey City, New Jersey 07302 200 West Street, 15 th Floor New York, New York 10282	Tel: 212.902.1000 Tel: 212.902.1000
BANK OF NEW YORK MELLON 600 E. Las Colinas Blvd., Suite 1300 Irving, Texas 75039	Melinda Valentine Tel: 972.501.8520 Email: melinda.valentine@bnymellon.com Rachel Suiter Tel: Email: rachel.suiter@bnymellon.com Michael A. Scrivner Email: asicompliance@bnymellon.com
WESTERN STERLING TRUCKS LTD. 18353 118 Avenue Edmonton, Alberta T5S 1M8	Tel: 780.481.7400
NEW WEST FREIGHTLINER INC. 3444 – 44 Avenue SE Calgary, AB T2B 3J9	Phone: 403.569.4800 Fax: 403.248.1894

UNIONS	
CAW-CANADA LEGAL DEPARTMENT 205 Placer Court Toronto, Ontario M2H 3H9 Lawyers for National Automobile, Aerospace, Transportation and General Workers Union of Canada (CAW-Canada) and its Locals 27, 444, 698, 1044, 1285 and CAW Ontario	Barry E. Wadsworth Tel: 416.495.3776 Email: barry.wadsworth@caw.ca
TEAMSTERS LOCAL UNION NO. 213 490 East Broadway Vancouver, B.C. V5T 1X3	Representative: Walter Canta Tel: 604.876.5213 Fax: 604.872.8604 Email: walter@teamsters213.org

	Casey McCabe, Counsel Tel: 604.873.2859 Fax: 604.874.6459 Email: ecmccabe@teamsters213.org
GENERAL TEAMSTERS LOCAL UNION NO. 362 (Calgary) 1200A 58th Avenue S.E. Calgary, Alberta T2H 2C9	Representatives: Bernie Haggarty and Rick Eichel Emails: bhaggarty@gtl362.ca ; reichel@gtl362.ca Tel: 403.259.4608
GENERAL TEAMSTERS LOCAL UNION NO. 362 (Edmonton) 15035-121A. Avenue Edmonton, Alberta T5V 1N1	Representative: Tony Atkins Tel: 780.455.2255 Email: ta@teamsters362.com
MCGOWAN JOHNSON Barristers and Solicitors #120-7260 12 th Street S. E. Calgary, Alberta T2H 2S5 Lawyers for General Teamsters Local Union No. 362	Clayton H. Cook Email: chcook@mcgowanjohnson.com Tel: 403.255.5114 Fax: 403.258.3840
TEAMSTERS LOCAL UNION NO. 979 (Winnipeg) B1-1680 Dublin Ave Winnipeg, Manitoba R3H 1A8	Representative: Eric Jorgensen Tel: 204.694.9798 Email: ejorgensen@mymts.net
TEAMSTERS LOCAL UNION NO. 395 (Saskatoon) 1055 Park St, Unit 235 Regina, Saskatchewan S4N 5H4	Representative: Randy Powers Tel: 306.569.9259 Email: rpteamsters395@sasktel.net
TEAMSTERS LOCAL UNION NO. 395 (Saskatoon) 201-135 Robin Crescent, Saskatoon, Saskatchewan S4N 5H4	Representative: Dave Phipps Tel: 306.382.7868 Email: dpteamsters395@sasktel.net
TEAMSTERS QUEBEC, LOCAL 106 12-100 Urgel-Charbonneau Pointe-aux-Trembles, Quebec, H1B 5X1	Representative: Leo Laliberte Tel: 514.645.9016 Email: llaliberte@teamsters106.org
TEAMSTERS LOCAL UNION 927 (Halifax) 19 Alma Crescent Halifax, Nova Scotia B3N 2C4	Representative: Derek Doiron Tel: 902.445.5301 Email: ddoiron@teamsters927.org

COURTESY COPIES	
TROUTMAN SANDERS LLP 600 Peachtree Street, N.E., Suite 5200 Atlanta, Georgia 30308 Lawyers for the Debtors	Jeffery W. Kelley Tel: 404.885.3383 Email: jeffrey.kelley@troutmansanders.com Ezra Cohen Tel: 404.885.3116 Email: ezra.cohen@troutmansanders.com
PATTON BOGGS LLP 2000 McKinney Ave, Suite 1700 Dallas, Texas 75201 Lawyers for The CIT Group / Business Credit, Inc.	Eric Kimball Tel: 214.758.1525 Email: ekimball@pattonboggs.com
FRIED FRANK One New York Plaza New York, New York 10004 Lawyers for The CIT Group / Business Credit, Inc.	Gary Kaplan Tel: 212.859.8812 Email: gary.kaplan@friedfrank.com

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

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

**SUPPLEMENTAL SERVICE LIST
(Pensions)**

PENSIONS AND PENSION AUTHORITIES	
ECKLER LTD (CANADIAN AUTO CARRIERS & LOGISITICS PENSION PLAN) 110 Sheppard Ave East, Suite 900 Toronto, Ontario M2N 7A3	Mark Davis Tel: 416.696.4968 Email: mdavis@eckler.ca
TEAMSTERS CANADIAN PENSION PLAN LOCAL 106 9393 Edison St, Suite 200 Montreal, Quebec H1J 1T4	Yves Gagnon Tel: 1.514.493.7744 Ext. 228 Email: y.gagnon@teamsters91.org
TEAMSTERS CANADIAN PENSION PLAN LOCAL 213 490 Broadway Vancouver, British Columbia V5T 1X3	Bilbeer Sandhu Tel: 604.879.8627 Email: bsandhu@teamsters213benefits.com
PRAIRIE TEAMSTERS PENSION PLAN 7260 12th St SE, Suite 209 Calgary, Alberta T2H 2S5	Morgan Jenkyns Tel: 403.252.6924 Ext 226 Email: mjenkyns@ptadmin.ca

SUPERINTENDENT OF FINANCIAL SERVICES COMMISSION OF ONTARIO 5160 Yonge Street PO Box 85 Toronto, ON M2N 6L9	Mark Bailey Tel: 416.590.7555 Email: mark.bailey@fsco.gov.on.ca
SUPERINTENDENT OF PENSIONS (ALBERTA) Alberta Treasury Board and Finance Employment Pensions Financial Sector Regulation and Policy (FSRP) Room 402, Terrace Building 9515 - 107 Street Edmonton, Alberta, T5K 2C3	Tel: 780.427.9722
RÉGIE DES RENTES DU QUÉBEC Case postale 5200 Québec, Québec G1K 7S9 <u>Delivery Address</u> Place de la Cité 6 2600 Laurier Boulevard Office 548 Québec, Québec G1V 4T3	Tel: 1.877.660.8282

Court File No. 12-CV- 9757-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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**

**SUPPLEMENTAL SERVICE LIST
(Government Tax and Environmental Agencies)**

GOVERNMENT TAX AGENCIES	
MINISTRY OF FINANCE (ONTARIO) Tax Advisory Services Branch 33 King Street West, 6th Floor PO Box 620 Oshawa, ON L1H 8E9	Kevin O'Hara Tel: 905.433.6000 Email: kevin.ohara@ontario.ca
ALBERTA FINANCE Tax and Revenue Administration 9811 – 109 Street Edmonton, AB T5K 2L5	Tel: 780.427.3044
SASKATCHEWAN FINANCE Revenue Division, Tax Information Services 2350 Albert Street Regina, SK S4P 4A6	Tel: 306.787.6645
MANITOBA FINANCE Taxation Division 101-401 York Avenue Winnipeg, MB R3C 0P8	Tel: 204.945.5603

DIRECTION PRINCIPALE DES SERVICES A LA CLIENTELE DES ENTREPRISES Revenu Quebec 3800, rue de Marly secteur 6-2-5 Quebec (Quebec) G1X 4A5	Tel: 418.652.6835
DEPARTMENT OF FINANCE Tax Information and Programs PO Box 6000 Fredericton NB E3B 5H1 <u>Delivery Address</u> Centennial Building Room 371, Floor 3 670 King Street Fredericton, NB E3B 1G1	Tel: 506.453.2404
DEPARTMENT OF PROVINCIAL TREASURY (PRINCE EDWARD ISLAND) Taxation and Property Records Division PO Box 1330 Charlottetown PE C1A 7N1 <u>Delivery Address</u> 95 Rochford Street Shaw Building, 1 st Floor Charlottetown, PE C1A 3T6	Tel: 902.368.4070
TAXATION AND FISCAL POLICY BRANCH (NEWFOUNDLAND AND LABRADOR) East Block, Confederation Building, 3 rd Floor PO Box 8700 Newfoundland and Labrador St. John's NL A1B 4J6 <u>Delivery Address</u> 2 nd Floor East Block, Confederation Building St. John's NL A1B 4J6	Tel: 709.729.6165
NOVA SCOTIA DEPARTMENT OF FINANCE PO Box 187 1723 Hollis St., 6 th Floor Halifax, NS B3J 2N3	Tel: 902.424.4295
FINANCE – REVENUE SERVICES Government of Yukon PO Box 2703 Whitehorse, YK Y1A 2C6 <u>Delivery Address</u> 2071 2 nd Avenue, 3 rd Floor Whitehorse, YK Y1A 1B2	Tel: 867.667.5343

18

<p>TREASURY, DEPARTMENT OF FINANCE Government of Northwest Territories PO Box 1320 Yellowknife NT X1A 2L9 <u>Delivery Address</u> 4922-48th Street, 3rd Floor YK Centre Yellowknife, NT X1A 2L9</p>	<p>Tel: 867.920.3470</p>
<p>DEPARTMENT OF FINANCE Government of Nunavut PO Box 1000 STN 330 Iqaluit, NU X0A 1H0 <u>Delivery Address</u> Building 924 Mivvik Road Iqaluit, NU X0A 1H0</p>	<p>Tel: 867.975.5803</p>
<p>GOVERNMENT ENVIRONMENTAL AGENCIES</p>	
<p>MINISTRY OF THE ENVIRONMENT (ONTARIO) Public Information Centre 1st floor, 135 St. Clair Avenue West Toronto, ON M4V 1P5</p>	<p>Tel: 416.325.4000</p>
<p>MANITOBA CONSERVATION AND WATER STEWARDSHIP Box 22 200 Saulteaux Crescent Winnipeg, Manitoba R3J 3W3</p>	<p>Tel: 204.945.6698</p>

<p>IN THE MATTER OF THE <i>COMPANIES' CREDITORS ARRANGEMENT ACT</i>, RSC. 1985, C.C-36, AS AMENDED</p> <p>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</p> <p>APPLICATION OF ALLIED SYSTEMS HOLDINGS, INC. UNDER SECTION 46 OF THE <i>COMPANIES' CREDITORS ARRANGEMENT ACT</i>, R.S.C. 1985, c. C-36, AS AMENDED</p>	<p>Court File No.: 12- CV-9757-00CL</p>
	<p>ONTARIO SUPERIOR COURT OF JUSTICE (COMMERCIAL LIST)</p> <p>Proceeding commenced at Toronto, Ontario Canada</p>
	<p>AMENDED AND RESTATED NOTICE OF MOTION</p>
	<p>GOWLING LAFLEUR HENDERSON LLP Barristers and Solicitors One First Canadian Place Suite 1600 TORONTO, Ontario M5X 1G5</p> <p>Jennifer Stam (LSUC#46735J) Telephone: (416) 862-5697 Facsimile: (416) 862-7661</p> <p>Ava Kim (LSUC#57256C) Telephone: (416) 862-3560 Facsimile: (416) 862-7661</p> <p>Lawyers for the Applicant</p>

2

TAB 2

Court File No. 12-CV-9757-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

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

AFFIDAVIT OF SCOTT MACAULAY
(sworn April 11, 2013)

I, Scott Macaulay, of the City of Snellville in the State of Georgia, MAKE OATH
AND SAY:

I. I am the senior vice president and chief financial officer of Allied Systems Holdings, Inc. ("Allied US") and the vice president and treasurer of Allied Systems (Canada) Company ("Allied Canada") and the treasurer of Axis Canada Company ("Axis Canada") together with Allied Canada, the "Canadian Debtors". Overall, I have been an employee of Allied for the last fourteen (14) years. As such, I have personal knowledge of the matters to which I hereinafter depose in this Affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.

2. This Affidavit is sworn in support of a motion by Allied US in its capacity as foreign representative (the "Applicant") of Allied US, Allied Canada, Axis Canada and those other companies listed on Schedule "A" hereto (collectively, "Allied", the "Allied Group" or the "Chapter 11 Debtors") for an Order:

- (a) recognizing the order of the United States Bankruptcy Court for the District of Delaware dated April 11, 2013 ("US Order") (a copy of which is attached hereto as Exhibit "A"); approving the settlement agreement between the National Automobile, Aerospace, Transportation and General Works Union of Canada (the "CAW") and Allied Canada dated March 15, 2013 (the "CAW Settlement Agreement");
- (b) approving the Directors' Charge (defined below); and
- (c) amending the Supplemental Order (defined below) to provide for priority for the Directors' Charge.

3. All dollar references herein are in CDN dollars unless otherwise specified.

4. All capitalized terms used herein and not otherwise defined shall have the meanings given to them in the affidavit of John Blount sworn July 25, 2012 (the "July 25 Blount Affidavit") and the CAW Settlement Agreement. A copy of the CAW Settlement Agreement is attached hereto as Exhibit "B".

BACKGROUND

5. On July 25, 2012, Allied US filed with this Court a motion record ("July 25 Motion Record"), in support of an order for a Directors' Charge. This supplemental affidavit to the July 25 Blount Affidavit is sworn in support of the July 25 Motion Record. The July 25 Blount Affidavit provides a comprehensive overview of the status of the Canadian Debtors' employees and the need for the Directors' Charge. As such, this Supplemental Affidavit provides an overview of the events and changes that have occurred since the July 25 Motion Record was filed.

6. The original motion for the Directors' Charge was returnable on July 31, 2012. Prior to that date, certain of Allied's creditors expressed concerns and objections to the motion. As such, on July 31, 2012, Allied agreed to adjourn its motion to determine whether an unopposed solution could be obtained. Since then, the Canadian Debtors have undergone extensive negotiations with their unions, the DIP Lenders, the petitioning creditors and the committee of unsecured creditors to come to a consensus on the terms of the Directors' Charge. As a result, Allied Canada: (i) entered into the CAW Settlement Agreement (discussed below); and (ii) obtained comfort letters from each of Teamsters Quebec, Local 106, General Teamsters Local Union No. 362, Teamsters Local Union No. 995, General Teamsters Local Union No. 979, Teamsters, Chauffeurs, Warehousemen, Helpers and Miscellaneous Workers Local Union No. 927 and Teamsters Local Union No. 213 (collectively, "Teamsters") (copies of which are attached as Exhibits "G" through "H") (also discussed below).

THE CANADIAN DEBTORS' EMPLOYEES

Active and Inactive Employees of Allied Canada

7. As was set out in the July 25 Blount Affidavit, Allied Canada is subject to the *Canada Labour Code*, R.S.C., 1985, C1-2 (the "CLC") which imposes directors' liability (including possibly deemed directors' liability) for statutory severance and termination.
8. Allied Canada has continued to make severance payments to those laid-off employees who elected to receive severance payments instead of postponing their receipt of severance to retain recall rights and seniority for a period of time. Currently, the amount being paid by Allied Canada in respect of severance payments is approximately \$65,000 a month. If the obligation to pay severance to the balance of the employees who elected to postpone receipt of their severance were to arise, the total amount would be approximately \$1.4 million (which is inclusive of the current severance obligations) and represents the amount owed to employees who were laid off prior to the Filing Date.

Allied Canada's Directors and Officers

9. No one has been appointed as a director of Allied Canada since its two (2) directors resigned as directors in June, 2012, (shortly after the Filing Date). Despite inquiries, Allied Canada has been unable to locate an individual willing to serve as a director absent certain protections in connection with his or her potential personal liability. If the US Court and this Court grant the proposed orders, an individual who is currently a member of Allied's senior management remains willing to serve as a director of Allied Canada.

Axis Canada's Employees and Directors and Officers

10. Axis Canada continues to have two (2) directors and three (3) officers who have remained since the filing. Given that the CEC does not apply to Axis Canada, the liability issues for its directors and officers are not the same situation as those for Allied Canada's. As such, the Directors' Charge no longer includes coverage for the directors of Axis Canada.

THE PROPOSED SOLUTION

11. In order to address the potential personal liability issues faced by any director of Allied Canada, Allied Canada now proposes a multi-pronged solution. Although each part is discussed in more detail below, a brief summary is as follows:

- (a) With respect to those employees (all CAW) who were laid off pre-filing and are still receiving or entitled to receive CEC severance, Allied will continue to pay those amounts in the normal course and those obligations will be an administrative expense claim in the Chapter 11 proceedings. As well, the new director will receive an indemnity for those obligations under the proposed Order which indemnity will be secured by a \$1.4 million Directors' Charge. Recourse to the Directors' Charge will only be available if Allied Canada does not make such payments and if recourse to the existing Directors' Policies (defined below) is exhausted and they do not cover or are insufficient to cover such liability.

- (b) Employees who are currently working but who could be laid off in the future fall into three (3) categories — Teamster employees, CAW employees and non-bargaining employees:
- (i) Teamster employees — the Teamster locals have provided comfort letters (see below) confirming that the union will not pursue directors personally for unpaid severance amounts;
 - (ii) CAW employees — pursuant to the CAW Settlement Agreement, the CAW (on its own behalf and on behalf of its members) agree that there is no recourse against the directors personally and that they are limited to what could be recovered out of the estate as well as insurance policies;
 - (iii) Non-bargaining employees — as it was not practical to negotiate a settlement with each non-bargaining employee, Allied is seeking to indemnify the Directors (defined below), which indemnity will be secured by a \$5,700,000 charge (discussed below) sufficient to cover the potential liability in respect of CLC severance in the event that those non-bargaining employees are terminated and do not receive CLC severance from Allied Canada. Again, funds under this portion of the Directors' Charge are only available if recourse to the Directors' Policies is exhausted and there is no coverage or the available proceeds are insufficient to cover such liability.

THE CAW SETTLEMENT AGREEMENT

12. On March 15, 2013, after lengthy negotiations with the CAW, Allied Canada entered into the CAW Settlement Agreement whereby Allied Canada agreed to: (i) pay severance obligations owing to CAW employees who were laid off between May 2011 and June 10, 2012 (calculated in accordance with section 235(1) of the CLC), up to a maximum amount of \$1.4 Million ("CAW Employee Severance Obligations"); and (ii) indemnify its Directors (defined below) with respect to any obligation or liability of a Director to pay the CAW Employee Severance Obligations. As part of the agreement, to secure the

obligation to pay the CAW Employee Severance Obligations, the Directors of Allied Canada are to have the benefit of a charge which is to rank subordinate to the Administration Charge (as defined in the Supplemental Order of this Court dated June 13, 2012 (the "Supplemental Order")) but in priority to the DIP Lender's Charge (as defined in the Supplemental Order). The Directors are to have access to the benefit of the charge once coverage under Allied Canada's existing and applicable directors' and officers' insurance policies (the "Directors' Policies") have been sought and exhausted and the proceeds thereof are insufficient to pay the remaining amount of the CAW Employee Severance Obligations.

13. In consideration of the promise to pay the CAW Employee Severance Obligations, the CAW, on behalf of itself and its members (who are current employees of Allied Canada), agreed to release any claims it may have against any director of Allied Canada (whether past, present or future, actual or deemed) for payment of any amounts in respect of termination or severance owing pursuant to the CLC, a collective agreement, other written agreement or notice or otherwise and that recovery of such amounts are to be limited to any proceeds that the CAW may recover from the Directors' Policies.

TEAMSTERS' LOCAL UNIONS COMFORT LETTERS

14. After lengthy negotiations with the Teamsters local unions, the local unions agreed to provide individual comfort letters. Teamsters agreed to provide these comfort letters on the basis that their members' interests would be best served if Allied Canada had a director in place, as it would increase the likelihood that the company will be maintained as a going concern and therefore, preserve ongoing employment.
15. The comfort letters generally provide that each Teamsters local union agrees not to make a claim against any current or future director of Allied Canada if Allied Canada fails to pay any obligations for which a director may have liability, either under section 235(1) of the CLC or the collective agreement, except to the extent that those claims may be satisfied from the proceeds of the Directors' Policies or the assets of Allied Canada.

THE PROPOSED DIRECTORS' CHARGE

The Scope of the Charge

16. Since the filing of the July 25 Motion Record, the scope of the proposed Directors' Charge has changed substantially, as provided in the following paragraphs.
17. Allied Canada is now seeking an indemnity for its current and future directors (the "Directors" and individually a "Director"):
- (a) with respect to any obligation or liability of a Director to pay the CAW Employee Severance Obligations; and
 - (b) with respect to any obligation or liability of a Director for obligations for termination or severance pay required to be paid pursuant to the CEC upon termination of any employees who are not members of a union and who were active employees on June 10, 2012 ("Non-Bargaining Employee Obligations").
18. In connection with the indemnity, Allied is seeking the approval of a charge on the property of Allied Canada in the maximum amount of \$1,970,000 (the "Directors' Charge") consisting of the following:
- (a) \$1.4 million for the CAW Employee Severance Obligations;
 - (b) \$570,000 for the Non-Bargaining Employee Obligations.

It is contemplated that access to this Directors' Charge would only be available to the extent that recourse to the Directors' Policies is exhausted and either there is no coverage or the proceeds available are insufficient to pay such liability.

The Proposed Priority of the Directors' Charge

19. It is proposed that the priority of the Directors' Charge, vis a vis, the other Court-ordered charges (as each is defined in the Supplemental Order), will be as follows:
- (a) First - Administration Charge (to the maximum amount of \$600,000);

- (b) Second – Directors' Charge with respect only to CAW Employee Severance Obligations (to the maximum amount of \$1.4 million);
- (c) Third – DIP Lender's Charge;
- (d) Fourth – Directors' Charge with respect only to Non-Bargaining Employee Obligations (to the maximum amount of \$570,000).

20. As discussed in the July 25 Blount Affidavit, the July 16 Order included an amendment to the priority of the Administration Charge and the DIP Lender's Charge to provide for the Administration Charge and DIP Lender's Charge to rank in priority to all Encumbrances other than:

- (i) Encumbrances (if any) in favour of any Person that are valid, perfected (by registration or possession), non-avoidable and are senior to Encumbrances securing the First Lien Credit Facility as of the date of the Final Financing Order, as defined in the Order of this Court on July 16, 2012); and
- (ii) the Carve-Out (as defined in such Final Financing Order).

21. As part of the motion on July 16, the Applicant and others agreed to an endorsement to address certain concerns of the Canadian Auto Carriers & Logistics pension plan (the "CAW Pension Plan") which is set out below:

In response to concerns raised by the Canadian Auto Carriers pension plan, which is one of Allied Canada's registered pensions plans, the Applicant has confirmed that Allied Canada is presently making the monthly contributions required by the CAW Collective Agreement.

If any required future monthly contributions are not paid, this Order does not foreclose the pension plan from asserting a deemed trust and from asserting priority over the Charges (as defined in the Supplemental Order of this Court dated June 13, 2012 as amended by this Order and as the same may be further amended from time to time), for required but unpaid contributions and this Order does not foreclose any other party, including

¹ Capitalized terms used in this paragraph and not otherwise defined have the meaning given to them in the Supplemental Order.

the Applicant and the DIP lender, from asserting the non-existence, invalidity or unenforceability of such deemed trust priority of the Charges over such deemed trust.

22. It is proposed that the Directors' Charge will have similar priority as set out above vis a vis Encumbrances. Further, given that the Directors' Charge will be one of the "Charges" as defined in the amended Supplemental Order, any concern that the CAW Pension Plan may have should be satisfied by the existing endorsement.

VIABLE ALTERNATIVES

23. Given the unique circumstances of Allied Canada in these restructuring proceedings, I believe that the implementation of the proposed Directors' Charge continues to be the best alternative in these circumstances. In the event that the proposed Directors' Charge is not granted and no individual is willing to serve as a director of Allied Canada, Allied would need to consider the appointment of a restructuring officer, receiver or other person during the course of the proceedings.
24. These alternatives, although viable, would increase Allied's restructuring costs. Further, I believe that any such person would require similar levels of protection as the proposed Directors' Charge.

THE US MOTION

25. On March 25, 2013, Allied filed a motion before the US Court for, among other things, approval of the CAW Settlement Agreement and authorization to proceed before this Court to seek the Directors' Charge and on April 11, 2013, the US Court granted the US Order.

NOTICE TO POTENTIALLY AFFECTED PERSONS

26. The Applicant intends to provide notice to substantially the same parties that were provided with notice of the July 25 Motion Record and are set out in greater detail below.
27. I am informed by Jennifer Stam of Gowling Lafleur Henderson LLP and do verily believe that this motion will be served on, among others:

- (a) all personal property security registrants ("PPSA Registrants") or counsel;
- (b) Allied's Canadian pension plans², the Financial Services Commissioner of Ontario and the Superintendents of Pensions in Alberta and Quebec and the Office of the Superintendent of Financial Institutions Canada; and
- (c) various Federal and Provincial taxing and environmental authorities.

28. With respect to the above groups of persons, I note the following:

- (a) *PPSA Registrants* - I am advised by Ms. Stam that PPSA searches were conducted against Allied Canada and Axis Canada in:
 - (i) Ontario, which is current to April 3, 2013;
 - (ii) Québec, which is current to April 4, 2013;
 - (iii) British Columbia, Alberta, Saskatchewan, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, the Northwest Territories and Nunavut which are current to April 5, 2013; and
 - (iv) Manitoba, which is current to April 8, 2013.

Other than those registrations that relate to the First and Second Lien Credit Facilities, the only registrations that appear are as follows:

- (i) Registrations in favour of Yucaipa America Alliance Fund II, LLC, as DIP Agent;
- (ii) Registrations in favour of New West Freightliner Inc. and
- (iii) Registrations in favour of Western Sterling Trucks Ltd.

To the extent that these registrations perfect a lien for unpaid amounts that has priority over the First Lien Credit Facility, their interest is not proposed to be primed by the Charges. However, out of an abundance of caution, the Applicant intends to give notice

² The Canadian bargaining pension plans consist of: (i) Eckler Ltd. (Canadian Auto Carriers & Logistics Pension Plan); (ii) Teamsters Canadian Pension Plan Local 106; (iii) Teamsters Canadian Pension Plan Local 213; and (iv) Prairie Teamsters Pension Plan.

to these parties unless and until such registrations are discharged in accordance with applicable law.

(b) *UCC Registrants*— I am advised by US counsel to the Chapter 11 Debtors that UCC searches were conducted against Allied Canada and Axis Canada in:

- (i) the District of Columbia which is current to April 2, 2013; and
- (ii) Georgia (DeKalb County) which is current to March 24, 2013.

Other than those registrations which relate to the First and Second Lien Credit Facilities, there are no other registrations. I am not aware of any UCC filings that have been made since that time other than those that may have been made relating to the debtor-in-possession credit facilities.

(c) *FSCO and Pension Plans*— Allied Canada participates in the following registered pension plans (the "Canadian Registered Pension Plans"):

- (i) Canadian Auto Carriers & Logistics Pension Plan for union members in Ontario and Quebec;
- (ii) Teamsters Canadian Pension Plan (Local 213) for union members in Vancouver, British Columbia;
- (iii) Prairie Teamsters Pension Plan (Locals 362, 395, 979) for union members in Edmonton, Alberta, Calgary, Alberta, Saskatoon, Saskatchewan and Winnipeg, Manitoba; and
- (iv) Teamsters Canadian Pension Plan – Local 106 Miscellaneous Industries Division for bargaining unit office employees in Quebec.

None of the Canadian Registered Pension Plans are defined benefit plans for which Allied Canada or Axis Canada is liable for the deficiency. To my knowledge, all required contributions to the Canadian Registered Pension Plans have been made and are up to date. It is the intention of Allied Canada to continue to make such contributions during the course of Allied's restructuring proceedings. However, out of an abundance of caution, the Applicant intends to give notice to the Canadian Registered Pension Plans as well as the applicable pension plan authorities.

(d) *Tax and Other Authorities* - To my knowledge, both Allied Canada and Axis Canada are current with respect to remittances of sales taxes (which have become due for remittance). It is the intention of Allied Canada and Axis Canada to continue to collect and remit sales and other related taxes during the course of Allied's restructuring proceedings. However, out of an abundance of caution, the Applicant intends to provide notice to Canada Revenue Agency as well as to the Provincial and Territorial tax authorities.

(e) *Environmental Authorities* - To my knowledge, there are currently no remediation efforts being undertaken by Allied Canada or Axis Canada and I am not aware of any environmental issues outstanding. However, out of an abundance of caution, the Applicant intends to provide notice to the Ministry of Environment in the Provinces of Ontario and Manitoba, being the Provinces which is where Allied Canada's owned properties are located.

29. In light of the above, I do not believe there is any material prejudice to the granting of an order providing for priority of the Directors' Charge over other Encumbrances.

Consent of Existing First & Second Lien Creditors and Committee of Unsecured Creditors

30. The following parties have indicated that they either consent to or do not oppose the relief being sought:

(a) Yucaipa American Alliance Fund II, LLC, Yucaipa Leveraged Finance, LLC, CB Investments, LLC, 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 III, L.P. as DIP Agent and lender as well as participant in the first and second lien credit facilities.

(b) Black Diamond CLO 2005-1 Ltd., BDCM Opportunity Fund II, LP and Spectrum Investment Partners LP ("Black Diamond/Spectrum") as well as GII are participants in the first and second lien credit facilities. Black Diamond/Spectrum.

(c) The committee of unsecured creditors.

SCHEDULE A - APPLICANTS

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

E.J. Boufell Driveway LLC

GACS Incorporated

Logistic Systems, LLC

Logistic Technology, LLC

QAT, Inc.

RMX LLC

Transport Support LLC

Terminal Services LLC

CONCLUSION

31. I believe the proposed solution, including the settlement with the CAW and the proposed Directors' Charge on the terms set out above, represents the best alternative to Allied Canada's situation.
32. If the Directors' Charge is not granted, I am concerned that:
- (a) no individual will be willing to serve as a director of Allied Canada;
 - (b) the remaining officers of Allied Canada may be concerned as to their situation and consider resigning also;
 - (c) Allied Canada's unions may become concerned about Allied's intention regarding laid off employees which could cause an immediate call for severance by numerous individuals;
 - (d) the lack of any director of Allied Canada may have a negative impact on its relationship with its creditors and customers.
33. Additionally, as set out above, I do not believe there are any cost efficient viable alternatives.
34. For the reasons set out above, the Applicant respectfully requests that the relief sought in this motion be granted.

SWORN before me at the City of
in the State of
this 11th day of April, 2013

William S. Carr
Commissioner for Taking Affidavits or Notary.

Dianna S Capps
NOTARY PUBLIC
DeKalb County, GEORGIA
My Commission Expires
3/7/2017


SCOTT MACAULAY

This is Exhibit A referred to in the
 affidavit of Scott Macaulay
 sworn before me, this 11th
 day of April, 2013

IN THE UNITED STATES BANKRUPTCY COURT
 FOR THE DISTRICT OF DELAWARE

Sharing L. Cox
 A COMMISSIONER FOR TAKING AFFIDAVITS

In re:

ALLIED SYSTEMS HOLDINGS, INC., et al.¹

Debtors.

Chapter 11

Case No. 12-11564 (CSS)

(Jointly Administered)

Re: Docket Nos. 1020 & 1078

**ORDER (I) APPROVING CAW SETTLEMENT AGREEMENT AND (II)
 GRANTING AUTHORITY TO MOVE THE ONTARIO SUPERIOR
 COURT OF JUSTICE TO ESTABLISH DIRECTORS' CHARGE ON
 PROPERTY OF ALLIED SYSTEMS (CANADA) COMPANY**

Upon consideration of Debtors' Motion for Approval of CAW Settlement Agreement and for Authority to Move the Ontario Superior Court of Justice to Establish a Directors' Charge on Property of Allied Systems (Canada) Company (the "Motion"), filed by the above-captioned debtors and debtors in possession (collectively "Allied" or the "Debtors"), the Court having determined after due deliberation that it has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; that venue is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409; that this is a core proceeding pursuant to 28 U.S.C. § 157(b); that due and proper notice of the Motion and the hearing thereon has been given; and that granting the relief sought in the Motion is in the best interest of the Debtors, their estates, creditors and all parties in interest; and that the legal and factual bases set forth in the Motion establish cause for granting the relief sought in the Motion;

¹ The Debtors in these cases, along with the federal tax identification number (or Canadian business number where applicable) for each of the Debtors, are: Allied Systems Holdings, Inc. (58-0360550); Allied Automotive Group, Inc. (58-2201081); Allied Freight Broker LLC (59-2876864); Allied Systems (Canada) Company (90-0169283); Allied Systems, Ltd. (L.P.) (58-1710028); Axis Areta, LLC (45-5215545); Axis Canada Company (875688228); Axis Group, Inc. (58-2204628); Commercial Carriers, Inc. (38-0436930); CT Services, Inc. (38-2918187); Cordin Transport LLC (38-1985795); F.J. Boutell Driveway LLC (38-0365100); GACS Incorporated (58-1944786); Logistic Systems, LLC (45-4241751); Logistic Technology, LLC (45-4242057); QAT, Inc. (59-2876863); RMX LLC (31-0961359); Transport Support LLC (38-2349563); and Terminal Services LLC (91-0847582). The location of the Debtors' corporate headquarters and the Debtors' address for service of process is 2302 Parklake Drive, Bldg. 15, Ste. 600, Atlanta, Georgia 30345.

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The CAW Settlement Agreement² between Allied Canada and CAW is hereby approved.
3. Allied is hereby authorized to move the Ontario Superior Court of Justice to enter an order (the "Canadian Approval Order") recognizing this U.S. Approval Order and establishing the Directors' Charge, as described in the CAW Settlement Agreement, with respect to CAW Employee Severance Obligations, and as described in this Motion, with respect to Non-Bargaining CLC Severance Obligations.
4. On entry of the Canadian Approval Order and the establishment of the Directors' Charge, as provided in paragraph 2 of the CAW Settlement Agreement, Allied Canada's obligation to pay CAW Employees Severance Obligations shall be an administrative expense in the Chapter 11 Case of Allied Canada.
5. On entry of the Canadian Approval Order and the establishment of the Directors' Charge, as provided in paragraph 6 of the CAW Settlement Agreement, any recovery with respect to a CAW Claim asserted against any director (whether past, present, future, actual or deemed of Allied Canada or any affiliate of Allied Canada (the "Releasees")), which cannot be recovered from Allied Canada shall be limited to any proceeds that the CAW may recover from the Director's Policies, and any other CAW Claim against the Releasees, whether known or unknown, matured or unmatured, direct, indirect, foreseen, unforeseen, existing or hereafter arising, shall be forever released and discharge.

² Capitalized terms defined solely in the Motion and used in this Order shall have the meaning ascribed to them in the Motion. Capitalized terms defined in the CAW Settlement Agreement, whether or not also defined in the Motion, shall have the meaning that is ascribed to them in the CAW Settlement Agreement.

6. This Court retains jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

Dated: April 11, 2013
Wilmington, Delaware.



THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

This is Exhibit W-2 referred to in the
affidavit of Scott Macaulay
sworn before me this 11th
day of April 20 13

CAW Settlement Agreement

William S. Coops
A COMMISSIONER FOR TAKING AFFIDAVITS

This Agreement (the "CAW Settlement Agreement") dated March 15, 2013 sets out certain terms agreed upon by Allied Systems (Canada) Company ("Allied Canada") and the National Automobile, Aerospace, Transportation and General Works Union of Canada (the "CAW").

1. Defined terms:

- a. "Approval Order" means the Order of the Ontario Superior Court of Justice recognizing the Order of the United States Bankruptcy Court for the District of Delaware approving this CAW Settlement Agreement;
- b. "Bankruptcy Proceedings" means the proceedings of Allied Canada and others (1) pursuant to Chapter 11 of the United States Bankruptcy Code, jointly administered under Case No. 12-11564 (CSS) and (2) pursuant to Part IV of the Companies' Creditors Arrangement Act, Court File Number 12-CV-9757-00CL;
- c. "CAW Claim" means any demand or claim, asserted or otherwise made by the CAW or any of its respective members (who are current employees of Allied Canada) against Allied Canada for payment of any amounts in respect of termination or severance whether owing pursuant to the CLC, a collective agreement, other written agreement or notice or otherwise;
- d. "CAW Laid Off Employees" means those CAW bargaining members who are employees of Allied Canada and who were laid off between May 2011 and June 10, 2012 and who have not been recalled;
- e. "CLC" means the Canada Labour Code, R.S.C., 1985, c. L-2, as amended;
- f. "CLC Severance" means severance pay calculated in accordance with section 235(1) of the CLC and shall not, for greater certainty, include any enhanced, contractual or common law severance entitlements;
- g. "Courts" means the United States Bankruptcy Court for the District of Delaware and the Ontario Superior Court of Justice;

h. "Supplemental Order" means the Order of the Ontario Superior Court of Justice made on June 13, 2012, as amended;

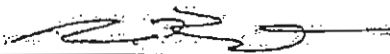
i. "US Approval Order" means the Order of the United States Bankruptcy Court for the District of Delaware approving this CAW Settlement Agreement;

2. Allied Canada will pay CEC Severance owing to CAW Laid Off Employees in the maximum amount of \$1.4 million (the "CAW Employee Severance Obligations"), which amount may be paid on an ongoing basis, as an administrative expense of the bankruptcy proceeding of Allied Canada under Chapter 11 of the United States Bankruptcy Code.
3. Allied Canada shall indemnify its directors (including any persons that are deemed directors or that hereafter become directors, whether actual or deemed) (the "Directors", and individually, a "Director") with respect to any obligation or liability of a Director to pay the CAW Employee Severance Obligations.
4. To secure the obligation to pay the CAW Employee Severance Obligations, the Directors shall have the benefit of a charge (the "Directors' Charge"), the terms of which shall be set out in the Approval Order and which shall rank subordinate to the Administration Charge but in priority to the DIP Lender's Charge (as both terms are defined in the Supplemental Order).
5. In the event that all or any portion of the CAW Employee Severance Obligations cannot be recovered from Allied Canada, the CAW shall be entitled to claim against any existing and applicable directors' and officers' insurance policies (the "Director's Policies") to the extent such policies provide coverage in relation to the CAW Employee Severance Obligations. If any claims against the Director's Policies have been sought and exhausted and the proceeds thereof (the "Insurance Proceeds") are insufficient to pay the remaining amount of the CAW Employee Severance Obligations, the CAW shall be entitled to the benefit of and a claim against the Directors' Charge for any remaining unpaid CAW Employee Severance Obligations.

6. In consideration of the promise to pay the CAW Employee Severance Obligations in accordance with paragraph 2 above and the granting of the Directors' Charge and such other good consideration, the sufficiency of which is hereby acknowledged, upon the granting of the US Approval Order and the Approval Order, any recovery with respect to a CAW Claim asserted against any director (whether past, present, future, actual or deemed) of Allied Canada or any affiliate of Allied Canada (the "Releasees"), which cannot be recovered from Allied Canada shall be limited to any proceeds that the CAW may recover from the Director's Policies; and any other CAW Claim against the Releasees, whether known, unknown, matured or unmatured, direct, indirect, foreseen, unforeseen, existing or hereafter arising, shall be and is hereby forever released and discharged.
7. Subject to the stay of proceedings in the Bankruptcy Proceedings, Allied Canada agrees that, to the extent possible and not restricted by law, it will assist the CAW in connection with any CAW Claim for which recovery is sought from Insurance Proceeds.
8. This CAW Settlement Agreement shall be subject to the approval of the Courts and shall be governed by the laws of the Province of Ontario and the laws of Canada applicable therein.

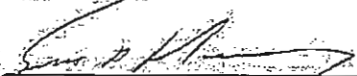
40

ALLIED SYSTEMS (CANADA) COMPANY

Per: 

Name: John B. Court

Title: SVP

Per: 

Name: Scott D. Maclean

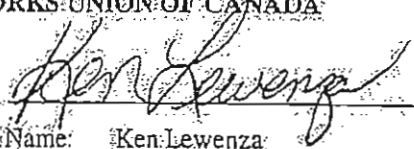
Title: SVP

I/We have authority to bind the Corporation.

41

NATIONAL AUTOMOBILE, AEROSPACE,
TRANSPORTATION AND GENERAL
WORKS UNION OF CANADA

Per:



Name: Ken Lewenza

Title: National President, CAW-Canada

I have authority to bind the Union:



TEAMSTERS

QUÉBEC

LOCAL 106

Affilié / La fraternité internationale des Teamsters
Affiliated / International Brotherhood of Teamsters

42
This is Exhibit Page 2 referred to in the
affidavit of SEPH MACHUTAY
sworn before me, this 11th
day of NOV 20 13

Guillaume L. Carrière

A COMMISSIONER FOR TAKING AFFIDAVITS

Montreal, January 16th 2013

Mr. John Jansen
Executive Vice-president of Customer
Relations & Business Development
Allied Systems (Canada) Company
45 Goderich Road
Hamilton (Ontario)
L8E 4W8

REF.: Bankruptcy proceedings of Allied Systems (Canada) Company ("Allied Canada") and others pursuant to Chapter 11 of the United States Bankruptcy Code, jointly administered under Case No. 12-11584 (CSS) and pursuant to Part IV of the Companies' Creditors Arrangement Act, Court File No. 12-CV-9757-00CL (the "Bankruptcy Proceedings")

Teamsters Local Union 106 (the "Union")

Dear Sir:

You have advised that the directors of Allied Canada have resigned and that Allied Canada requires a new director for the benefit of the enterprise in order to increase the likelihood that it be maintained as a going concern and to increase the chances of maximizing value in its Bankruptcy Proceedings. You have also advised that any possible new directors are concerned about possible personal liability under Section 251.18 (Civil Liability of Directors) of the Canada Labour Code ("CLC") and, as such, you have asked for the Union's confirmation that it will not pursue individuals for such liability.

I write to advise that the Union will not pursue or make any claim or enforce any grievance against any future director for Allied Canada personally if, during the current Bankruptcy Proceedings, there is a default by Allied Canada pursuant to its obligations to pay any amounts for which a director may have personal liability either under the collective agreement or Section 235(1) of the CLC, except to the extent that those claims may be satisfied from the proceeds of directors insurance or the assets of Allied.

We are agreeing this restriction because we believe that our member's interests are best served by increasing the likelihood that the enterprise continues as a going concern and increasing the likelihood of ongoing employment.

Yours truly,

Jean Chartrand
JEAN CHARTRAND
President

JC/kd

GENERAL TEAMSTERS, LOCAL UNION NO. 362

SECRETARY-TREASURER
R. EICHEL



PRESIDENT
A.M. PORTER

AFFILIATED WITH THE INTERNATIONAL

BROTHERHOOD OF TEAMSTERS

1200A - 58TH AVENUE S.E.
CALGARY, ALBERTA T2H 2C9
TELEPHONE (403) 269-4608
FAX (403) 265-8616

Printed by CEP Local 340 Members

15035 - 121A AVENUE
EDMONTON, ALBERTA T5V 1N1
TELEPHONE (780) 455-2255
FAX (780) 455-6876

January 2, 2013

MR. JOHN JANSEN
EXECUTIVE VICE PRESIDENT OF CUSTOMER
RELATIONS & BUSINESS DEVELOPMENT
ALLIED SYSTEMS (CANADA) COMPANY
45 GODERICH ROAD
HAMILTON ON L8E 4W8

This is Exhibit "D" referred to in the
affidavit of Scott Macaulay
sworn before me, this 14th
day of April, 2013.

William J. Copes
A COMMISSIONER FOR TAKING AFFIDAVITS

Dear John:

RE: Bankruptcy proceedings of Allied Systems (Canada) Company ("Allied Canada") and others pursuant to Chapter 11 of the United States Bankruptcy Code, jointly administered under Case No. 12-11564 (CSS) and pursuant to Part IV of the Companies' Creditors Arrangement Act, Court File No. 12-CV-9757-00CL (the "Bankruptcy Proceedings")

RE: Teamsters Local Union No. 362 (the "Union")

You have advised that the directors of Allied Canada have resigned and that Allied Canada requires a new director for the benefit of the enterprise in order to increase the likelihood that it be maintained as a going concern and to increase the chances of maximizing value in its Bankruptcy Proceedings. You have also advised that any possible new directors are concerned about possible personal liability under Section 251.18 (Civil Liability of Directors) of the Canada Labour Code ("CLC") and, as such, you have asked for the Union's confirmation that it will not pursue individuals for such liability.

I write to advise that the Union will not pursue or make any claim or enforce any grievance against any current or future director of Allied Canada personally if, during the current Bankruptcy Proceedings, there is a default by Allied Canada pursuant to its obligations to pay any amounts for which a director may have personal liability either under the collective agreement or Section 235(1) of the CLC, except to the extent that those claims may be satisfied from the proceeds of directors insurance or the assets of Allied.

We are agreeing this restriction because we believe that our members' interests are best served by increasing the likelihood that the enterprise continue as a going concern and increasing the likelihood of ongoing employment.

Yours truly,

Richard S. Eichel
Richard S. Eichel
Secretary-Treasurer

Randy Powers
Secretary - Treasurer

#235 - 1055 PARK STREET
REGINA, SASKATCHEWAN S4N 5H4
(306) 569-9259
FAX: (306) 352-5499



Dave Phipps
Business Agent

#203 - 135 ROBIN CR.
SASKATOON, SASKATCHEWAN S7L 6M3
(306) 362-7888
FAX: (306) 853-2886

Teamsters Local Union No. 395

rec'd 4/15/13

January 10, 2013

MR. JOHN JANSEN
EXECUTIVE VICE PRESIDENT OF CUSTOMER
RELATIONS & BUSINESS DEVELOPMENT
ALLIED SYSTEMS (CANADA) COMPANY
45 GODERICH ROAD
HAMILTON ON L8E 4W8

This is Exhibit B referred to in the
affidavit of Scott Macaulay
sworn before me, this 11th
day of April 20 13

William J. Cross
A COMMISSIONER FOR TAKING AFFIDAVITS

Dear John:

RE: Bankruptcy proceedings of Allied Systems (Canada) Company ("Allied Canada") and others pursuant to Chapter 11 of the United States Bankruptcy Code, jointly administered under Case No. 12-11564 (CSS) and pursuant to Part IV of the Companies' Creditors Arrangement Act, Court File No. 12-CV-9757-00CL (the "Bankruptcy Proceedings").

RE: Teamsters Local Union No. 362 (the "Union")

You have advised that the directors of Allied Canada have resigned and that Allied Canada requires a new director for the benefit of the enterprise in order to increase the likelihood that it be maintained as a going concern and to increase the chances of maximizing value in its Bankruptcy Proceedings. You have also advised that any possible new directors are concerned about possible personal liability under Section 251.18 (Civil Liability of Directors) of the Canada Labour Code ("CLC") and, as such, you have asked for the Union's confirmation that it will not pursue individuals for such liability.

I write to advise that the Union will not pursue or make any claim or enforce any grievance against any current or future director of Allied Canada personally if, during the current Bankruptcy Proceedings, there is a default by Allied Canada pursuant to its obligations to pay any amounts for which a director may have personal liability either under the collective agreement or Section 235(1) of the CLC, except to the extent that those claims may be satisfied from the proceeds of directors' insurance or the assets of Allied.

We are agreeing with this restriction because we believe that our member's interests are best served by increasing the likelihood that the enterprise continue as a going concern and increasing the likelihood of ongoing employment.

Yours truly,

Randy Powers
Randy Powers
Secretary-Treasurer

AFFILIATED WITH THE
INTERNATIONAL BROTHERHOOD OF TEAMSTERS
TEAMSTERS CANADA AND THE C.L.C.



45



GENERAL TEAMSTERS LOCAL UNION No. 979

AFFILIATED WITH THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS
AND TEAMSTERS CANADA
C.L.C.

B1-1680 DUBLIN AVENUE, WINNIPEG, MANITOBA R3H 1A8
TELEPHONE: (204) 694-9798 FAX: (204) 633-2554



MR. JOHN JANSEN

EXECUTIVE VICE PRESIDENT OF CUSTOMER
RELATIONS & BUSINESS DEVELOPMENT
ALLIED SYSTEMS (CANADA) COMPANY
45 GODERICH ROAD
HAMILTON ON L8E 4W8

January 9, 2013

This is Exhibit 4-F referred to in the
affidavit of Scott Macaulay
sworn before me, this 11th
day of April 2013

Shannon J. Cox
A COMMISSIONER FOR TAKING AFFIDAVITS

Dear John:

RE: Bankruptcy proceedings of Allied Systems (Canada) Company ("Allied Canada") and others
pursuant to Chapter 11 of the United States Bankruptcy Code, jointly administered under Case
No. 12-11564 (CSS) and pursuant to Part IV of the Companies' Creditors Arrangement Act, Court
File No. 12-CV-9757-00CL (the "Bankruptcy Proceedings")

RE: Teamsters Local Union No. 979 (the "Union")

You have advised that the directors of Allied Canada have resigned and that Allied Canada requires a new
director for the benefit of the enterprise in order to increase the likelihood that it be maintained as a going
concern and to increase the chances of maximizing value in its Bankruptcy Proceedings. You have also
advised that any possible new directors are concerned about possible personal liability under Section 251.18
(Civil Liability of Directors) of the Canada Labour Code ("CLC") and, as such, you have asked for the Union's
confirmation that it will not pursue individuals for such liability.

I write to advise that the Union will not file or pursue any grievance(s) against any current or future director of
Allied Canada personally if, during the current Bankruptcy Proceedings, there is a default by Allied Canada
pursuant to its obligations to pay any amounts for which a director may have personal liability either under the
collective agreement or Section 235(1) of the CLC, except to the extent that those claims may be satisfied from
the proceeds of directors insurance or the assets of Allied.

We are agreeing to this restriction because we believe that our members' interests are best served by
increasing the likelihood that the enterprise continues as a going concern and increasing the likelihood of
ongoing employment. However, the Union's agreement to not file or pursue any grievance(s) is not meant to
limit the rights of or otherwise bar individual employees from pursuing individual claims which may be available
to them outside of the grievance procedure.

Yours truly,

Kelly Gorzen
Kelly Gorzen
Secretary-Treasurer

46
This is Exhibit "G" referred to in the
affidavit of Scott Macaulay
sworn before me this 11th
day of May 2013

Norman S. Chapp
COMMISSIONER FOR TAKING AFFIDAVITS



Affiliated with the
International Brotherhood
of Teamsters

TEAMSTERS, CHAUFFEURS,
WAREHOUSEMEN, HELPERS and
MISCELLANEOUS WORKERS

Local 927

19 Alma Crescent, Halifax, Nova Scotia B3N 2C4
Telephone: 445-5301-4; Fax: 445-5303



Affiliated with
Teamsters Canada

Mr. John Jansen

January 21, 2013

Executive Vice President Of Customer
Relations & Business Development
Allied Systems (Canada) Company
45 Goderich Road
Hamilton ON L8E 4W8

Dear John:

RE: Bankruptcy proceedings of Allied Systems (Canada) Company ("Allied Canada") and others
pursuant to Chapter 11 of the United States Bankruptcy Code, jointly administered under Case No.
12-11564 (CSS) and pursuant to Part IV of the companies' Creditors Arrangement Act, Court File No.
12-CV-9757-00CL (the "Bankruptcy Proceedings").

RE: Teamsters Local Union No. 927 (the "Union")

You have advised that the directors of Allied Canada have resigned and that Allied Canada requires a new
director for the benefit of the enterprise in order to increase the likelihood that it be maintained as a going
concern and to increase the chances of maximizing value in its Bankruptcy Proceedings. You have also
advised that any possible new directors are concerned about possible personal liability under section 251.18
(Civil Liability of Directors) of the Canada Labour Code ("CLC") and, as such, you have asked for the
Union's confirmation that it will not pursue individuals for such liability.

I write to advise that the Union will not pursue any claims or enforce grievance(s) against any current or
future director of Allied Canada personally if, during the current Bankruptcy Proceedings, there is a default
by Allied Canada pursuant to its obligations to pay any amounts for which a director may have personal
liability either under the collective agreement or Section 235(1) of the CLC, except to the extent that those
claims may be satisfied from the proceeds of directors insurance or the assets of Allied.

We are agreeing to this restriction because we believe that our members' interests are increasing the
likelihood that the enterprise continues as a going concern and increasing the likelihood of ongoing
employment.

Yours truly,

Derek Doiron

Derek Doiron
Secretary-Treasurer



Teamsters Local Union No. 213

Affiliated with the International Brotherhood of Teamsters, Teamsters Canada and the Canadian Labour Congress.

490 East Broadway, Vancouver, B.C. V5T 1X3
Telephone: (604) 876-5213 Fax: (604) 872-8604

E-mail: team213@teamsters213.org

December 19, 2012

VIA COURIER

Mr. John Jansen
Executive Vice President of Customer
Relations & Business Development
Allied Systems (Canada) Company
45 Goderich Road
Hamilton, Ontario L8E 4W8

Dear John:

Re: Bankruptcy proceedings of Allied Systems (Canada) Company ("Allied Canada") and others pursuant to Chapter 11 of the United States Bankruptcy Code, jointly administered under Case No. 12-11564 (CSS) and pursuant to Part IV of the Companies' Creditors Arrangement Act, Court File No. 12-CV-9757-00CL (the "Bankruptcy Proceedings")

And re: Teamsters Local Union No. 213 (the "Union")

You have advised that the directors of Allied Canada have resigned and that Allied Canada requires a new director for the benefit of the enterprise in order to maintain a going concern and increase the chances of maximizing value in its Bankruptcy Proceedings. You have also advised that any possible new directors are concerned about the possible personal liability under Section 235(1) (Civil Liability of Directors) of the Canada Labour Code ("CLC") and, as such, you have asked for the Union's confirmation that it will not pursue individuals for such liability.

I write to advise that the Union will not pursue or make any claim against any current or future director of Allied Canada, should there be a default by Allied Canada pursuant to its obligation to pay any amounts for which a director may have personal liability either under the collective agreement or Section 235(1) of the CLC other than any claims that may be recoverable wholly through insurance.

On Monday, December 10, 2012, the Union met with its members to discuss the Bankruptcy Proceedings of Allied Canada and to inform them of the Union's position.

185 Froelich Rd.
Kelowna, B.C. V1X 3M6
Fax: (250) 765-5833
Ph: (250) 765-3195

3-2190 Kenworth Rd.
Nanaimo, B.C. V9T 3Y3
Fax: (250) 758-8409
Ph: (250) 756-2314

2-802 Esquimalt Road
Victoria, B.C. V9A 3M4
Ph: (250) 383-9788

102-3645 18th Avenue
Prince George, B.C. V2N 1A5
Fax: (250) 563-2379
Ph: (250) 563-6561

407 Black Street
Whitehorse, Yukon Y1A 2N2
Page 1 of 2
Ph: 1-888-876-5213

This is Exhibit 11 referred to in the
affidavit of Scott Macaulay
sworn before me, this 11th
day of April 20 13

Shirley S. Capps
A COMMISSIONER FOR TAKING AFFIDAVITS

48

with respect to our recent discussions. I trust you understand the Union's position. I am willing to discuss this matter further with you if you so desire.

Yours truly,



Walter Qanta
Secretary-Treasurer

WC/pmh

**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**

**ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto, Ontario, Canada**

**AFFIDAVIT OF SCOTT MACAULAY
(sworn April 11, 2013)**

**GOWLINGS LAFLEUR HENDERSON LLP
Barristers and Solicitors
One First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5**

Jennifer Stam (LSUC#46735J)
Telephone: (416) 862-5697
Facsimile: (416) 862-7661

Ava Kim (LSUC#57256C)
Telephone: (416) 862-3560
Facsimile: (416) 862-7661

Lawyers for the Applicant

47

TAB 3

50

Court File No.: 12- CV-9757-00CL

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

**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**

**AFFIDAVIT OF JOHN BLOUNT
(sworn July 25, 2012)**

**I, John Blount, of the City of Atlanta in the State of Georgia, MAKE OATH AND
SAY:**

1. I am the senior vice president, chief administrative officer, secretary and general counsel of Allied Systems Holdings, Inc. ("**Allied US**") and the vice president and secretary of Allied Systems (Canada) Company ("**Allied Canada**") and the vice president and secretary of Axis Canada Company ("**Axis Canada**", together with Allied Canada, the "**Canadian Debtors**"). Overall, I have been an employee of Allied for the last nine and a half (9.5) years. As such, I have personal knowledge of the matters to which I hereinafter depose in this Affidavit. Where I do not possess personal knowledge, I have stated the source of my information and, in all such cases, believe it to be true.
2. This Affidavit is sworn in support of a motion by Allied US in its capacity as foreign representative (the "**Applicant**") of Allied US, Allied Canada, Axis Canada and those

other companies listed on Schedule "A" hereto (collectively, "**Allied**", the "**Allied Group**" or the "**Chapter 11 Debtors**") for an Order:

- (a) approving the Directors' Charge (defined below); and
- (b) amending the Supplemental Order (defined below) to provide for priority for the Directors' Charge.

3. All dollar references herein are in CDN dollars unless otherwise specified.

BACKGROUND

- 4. Allied is in the business of: (a) short haul car transport of light vehicles from manufacturing plants, ports, auctions and railway distribution points to automobile dealerships in the United States and Canada; and (b) logistics and management of car haul transport. It is a business that requires the use of specialized equipment specifically designed for the hauling of cars and is heavily customer focused.
- 5. On June 10, 2012 (the "**Filing Date**"), Allied US and Allied Systems, Ltd. (L.P.) ("**ASL**") each consented to the petition (the "**Involuntary Petitions**") for relief filed against each of them pursuant to Chapter 11 of title 11 ("**Chapter 11**") of the United States Code (the "**Bankruptcy Code**") with the United States Bankruptcy Court for the District of Delaware (the "**US Court**"). On the same day the balance of the Chapter 11 Debtors each filed voluntary petitions for relief (together with the Involuntary Petitions, the "**Petitions**") pursuant to Chapter 11 of the United States Code with the US Court. The cases commenced or consented to by the Chapter 11 Debtors in the US Court shall be referred to herein as the "**Chapter 11 Cases**".
- 6. The Chapter 11 Debtors commenced proceedings pursuant to Part IV of the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**") pursuant to the Initial Recognition Order of the Ontario Superior Court of Justice (the "**Canadian Court**") dated June 12, 2012 (the "**Initial Recognition Order**"). On June 13, 2012, the Canadian Court granted the Supplemental Order (as amended, the "**Supplemental Order**", collectively with the Initial Order, the "**Orders**"). Pursuant to the Orders, *inter*

alia: (a) the Chapter 11 Cases were recognized as a “foreign main proceeding” for the purposes of section 47 and 48 of the CCAA; (b) Allied US was appointed as the foreign representative of the Chapter 11 Debtors; (c) certain orders made in the US Court dated June 12, 2012 were recognized; and (d) Duff & Phelps Canada Restructuring Inc. was appointed as the information officer (the “**Information Officer**”).

7. I am aware that copies of the Initial Order and the Supplemental Order (without appendices) will be attached to the second report of the Information Officer (the “**Second Report**”). On July 16, 2012, this Court granted an Order (the “**July 16 Order**”) (a) recognizing certain final orders of the US Court that had previously been granted on an interim basis; (b) approving relief regarding the cash management system with The Bank of Nova Scotia; and (c) amending the Supplemental Order to provide for increased priority for the Administration Charge and the DIP Lenders’ Charge (as both terms are defined in the Supplemental Order).

THE CANADIAN DEBTORS’ EMPLOYEES

Active and Inactive Employees of Allied Canada

8. As was set out in the affidavit of Scott Macaulay sworn June 11, 2012 (the “**First Day Affidavit**”), Allied Canada has extensive operations in Canada and employs many active (and inactive) employees. Currently, there are approximately 600¹ (bargaining and non-bargaining) active employees in Canada. Allied Canada continues to pay wages to those employees in the normal course. An average gross payroll for Allied Canada is approximately \$1.8 million per pay period.
9. Given the nature of Allied Canada’s business, it is subject to the *Canada Labour Code* (“CLC”). The CLC imposes directors’ liability (including possibly deemed directors’ liability) for statutory severance and termination pay.
10. As a logistics services provider, Axis Canada is not subject to the CLC.

¹ The First Day Affidavit referred to a slightly different number which was the best information available to Scott Macaulay on the Canadian Debtors at the time of the filing. I believe this number to be updated as of June 15, 2012 and more accurate.

11. In the last fourteen (14) months, due to downsizing of the Canadian operations, Allied Canada has been forced to lay off approximately 260 bargaining employees (the vast majority of which are represented by the CAW). Most of these employees were laid off in May of 2011. The remainder were laid off throughout the balance of 2011.
12. Pursuant to the CLC, after employees are laid off for a period of twelve (12) months, they become entitled to start receiving severance. Allied Canada provided the statutory notices to employees in accordance with the CLC and has provided any eligible employees with the option to either (a) commence receiving severance in monthly installments; or (b) postpone the receipt of severance and elect to retain recall rights and seniority for a period of time.
13. The liability to pay severance to many of these employees has not yet arisen as they elected to postpone the receipt of severance. Allied Canada has continued to make severance payments to those employees who elected to start receiving severance since the filing as authorized in the Final Wages Order approved by the US Order and recognized in these proceedings. Currently, the amount being paid by Allied Canada in respect of severance is approximately \$44,000 a month. However, if the obligation to pay severance to the balance of the laid off employees were to arise, the total amount would be approximately \$1.7 million (this number is inclusive of the current severance obligations and is comprised of \$1.2 million for the approximately 206 employees who have been laid off for more than twelve months and \$485,000 for those employees who have been laid off for less than twelve (12) months).

Allied Canada's Directors and Officers

14. As of the Filing Date, Allied Canada had two (2) directors as well as four (4) officers. Subsequent to the filing, both of Allied Canada's directors resigned.
15. These two (2) individuals, Keith Rentzel and Robert Ferrell, are US employees and, although they resigned as directors of Allied Canada, they remain employees of Allied. The resignation of Mr. Rentzel and Mr. Ferrell was due primarily to the potential personal liability for severance for directors under the CLC. Allied has encouraged these

two individuals to stay with Allied because they are key to the business and therefore the restructuring. As set out above, the Allied business, like many businesses, is driven by customer relationships. In this industry, maintaining relationships with customers particularly in this area, is the key to survival. In order to service customers, Allied needs to maintain its fleet of rigs, which is specialized automotive equipment and requires experience and knowledge in order to maintain.

16. Mr. Rentzel and Mr. Ferrell are responsible for customer relations and fleet maintenance and procurement respectively. Specifically, Mr. Rentzel has over thirty (30) years of industry experience including sixteen (16) years with Allied and several years with a predecessor to Allied prior to that time. He is seen as the “face of Allied” by its customers and has the important responsibility of ongoing customer relations, including in Canada. I believe that if Mr. Rentzel were to resign from Allied, our relationships with key customers, including in Canada, could deteriorate.
17. Mr. Ferrell is head of maintenance and fleet management and procurement for Allied and is responsible for maintaining Allied’s approximately 2,400 rigs across North America and negotiations with Allied’s tractor and trailer manufacturers. He has over thirty (30) years of industry experience including over fourteen (14) years with Allied and has extremely extensive knowledge of Allied’s specialized hauling equipment and maintenance needs including in Canada. I do not believe it would be easy or cost effective to try and replace Mr. Ferrell if he were to leave especially as it relates to the maintenance needs of the Allied fleet. His departure could cause disruption to the business and additional cost to the company.
18. Both Mr. Rentzel and Mr. Ferrell continue to express concerns with respect to the liabilities they incurred for severance before they resigned as directors of Allied Canada.
19. The resignation of the directors has been a problem for Allied Canada and Allied has spent a considerable amount of time since the resignation attempting to re-constitute a board for Allied Canada. Clearly, it will be preferable for Allied Canada to proceed through its restructuring with at least one director. Since the commencement of the Chapter 11 and CCAA proceedings, Allied Canada continues to operate in a business as

usual manner and has continued to pay its active employees. Certain of the Allied Canada's officers have also expressed concerns about their own liability in the absence of an appointed director.

20. However, absent some protection for directors from corporate liabilities for which directors have personal liability, I believe it will be virtually impossible to find a qualified person who would be willing to serve in that position. Allied Canada has identified an individual who is currently a member of senior management of Allied, who has indicated that he is willing to serve as a director of Allied Canada provided that the Directors' Charge (defined below) is granted.

Axis Canada's Employees and Directors and Officers

21. Axis Canada has two (2) directors and three (3) officers. They have remained since the filing. Given that the CLC does not apply to Axis Canada and there are only twelve (12) non-bargaining employees of Axis Canada, the liability issues for directors and officers is not the same situation as Allied Canada.
22. However, for the protection of the directors and officers, the proposed Directors' Charge (defined below) would also cover certain statutory liabilities as proposed for the directors and officers of Axis Canada.

THE PROPOSED DIRECTORS' CHARGE

The Scope of the Charge

23. Allied Canada and Axis Canada are seeking an indemnity for its directors and officers (both current and former, actual or deemed) (the "**Directors and Officers**");
 - (a) with respect to any such obligation or liability of a Director or Officer for severance, both before and after the commencement of the Chapter 11 Cases ("**Severance Obligations**");

- (b) with respect to any such obligation or liability of a Director or Officer for termination pay required to be paid upon termination of any active employees in Canada ("**Termination Obligations**"); and
 - (c) with respect to any other statutory obligations or liabilities that they may incur as Directors and Officers of Allied Canada, for the period of time after the commencement of the Chapter 11 Cases ("**Other Obligations**").
24. In connection with the indemnity, Allied is seeking the approval of a charge on the collateral located in Canada (the "**Canadian Collateral**") of the Chapter 11 Debtors in the maximum amount of \$9.9 million (the "**Directors' Charge**"). The underlying calculations regarding the Directors' Charge will be set out in the Second Report in more detail but can be briefly summarized as follows:
- (a) \$1.7 million for the Severance Obligations relating to those employees who are currently laid off (regardless of whether the obligation to pay severance has arisen yet);
 - (b) \$2.1 million for Other Obligations consisting primarily of an average stub period for wages, withholdings and one month of sales taxes, plus a slight buffer;
 - (c) \$6.1 million for Severance Obligations and Termination Obligations relating to the estimate of statutory severance and termination under the CLC in the event that there was an unexpected event and a sudden termination of all currently active employees.
25. It is contemplated that access to this Directors' Charge would be available to the extent that directors' and officers' insurance is not available. In that regard, Allied does have certain directors' and officers' insurance policies. I am aware that Allied Canada's Canadian counsel has reviewed those policies and believes that on the balance, coverage would be available under those policies. However, the policies do not, on their face specifically state that severance and termination liability under the CLC are covered by the insurance. I do not believe that attempting to obtain further assurances or coverage given the intervening insolvency proceedings would be viable or even possible.

57

The Proposed Priority of the Directors' Charge

26. It is proposed that the priority of the Directors' Charge, vis a vis, the other Court-ordered charges (as each is defined in the Supplemental Order), will be as follows:
- (a) First – Administration Charge (to the maximum amount of \$600,000);
 - (b) Second – The Directors' Charge with respect to (a) Severance Obligations (to the maximum amount of \$1.7 million) and (b) Other Obligations (to the maximum amount of \$2.1 million);
 - (c) Third – DIP Lender's Charge;
 - (d) Fourth – the Directors' Charge (to the maximum amount of \$6.1 million).
27. The July 16 Order included an amendment to the priority of the Administration Charge and the DIP Lender's Charge to provide for the Administration Charge and DIP Lender's Charge to rank in priority to all Encumbrances other than:²
- (i) Encumbrances (if any) in favour of any Person that are valid, perfected (by registration or possession), non-avoidable and are senior to Encumbrances securing the First Lien Credit Facility as of the date of the Final Financing Order, as defined in the Order of this Court on July 16, 2012); and
 - (ii) the Carve-Out (as defined in such Final Financing Order).
28. As part of the motion on July 16, the Applicant and others agreed to an endorsement to address certain concerns of the Canadian Auto Carriers & Logistics pension plan (the "**CAW Pension Plan**") which is set out below:

In response to concerns raised by the Canadian Auto Carriers pension plan, which is one of Allied Canada's registered pensions plans, the Applicant has confirmed that Allied Canada is presently making the monthly contributions required by the CAW Collective Agreement.

² Capitalized terms used in this paragraph and not otherwise defined have the meaning given to them in the Supplemental Order.

If any required future monthly contributions are not paid, this Order does not foreclose the pension plan from asserting a deemed trust and from asserting priority over the Charges (as defined in the Supplemental Order of this Court dated June 13, 2012 as amended by this Order and as the same may be further amended from time to time), for required but unpaid contributions and this Order does not foreclose any other party, including the Applicant and the DIP lender, from asserting the non-existence, invalidity or unenforceability of such deemed trust priority of the Charges over such deemed trust.

29. It is proposed that the Directors' Charge will have similar priority as set out above vis a vis Encumbrances. Further, given that the Directors' Charge will be one of the "Charges" as defined in the amended Supplemental Order, any concern that the CAW Pension Plan may have should be satisfied by the existing endorsement.

VIABLE ALTERNATIVES

30. I understand from counsel that certain elements of the proposed Directors' Charge may not be standard for a Canadian insolvency proceeding. However, I believe that the Allied Canada situation is somewhat unique and that the implementation of a Directors' Charge is the best alternative in these circumstances. In the event that the proposed Directors' Charge is not granted and no individual is willing to serve as a director of Allied Canada, Allied would need to consider the appointment of a restructuring officer, receiver or other person during the course of the proceedings.
31. These alternatives, although viable, would increase Allied's restructuring costs. Further, I believe that any such person would require similar levels of protection as the proposed Directors' Charge.

NOTICE TO POTENTIALLY AFFECTED PERSONS

32. In connection with this motion, the Applicant intends to provide notice to substantially the same parties that were provided with notice of the July 16 motion and are set out in greater detail below.
33. I am informed by Jennifer Stam of Gowling Lafleur Henderson LLP and do verily believe that this motion will be served on, among others:

59

- (a) all personal property security registrants (“**PPSA Registrants**”) or counsel;
- (b) Allied’s Canadian pension plans³, the Financial Services Commissioner of Ontario and the Superintendents of Pensions in Alberta and Quebec and the Office of the Superintendent of Financial Institutions Canada; and
- (c) various Federal and Provincial taxing and environmental authorities.

34. With respect to the above groups of persons, I note the following:

- (a) *PPSA Registrants* – I am advised by Ms. Stam that PPSA searches were conducted against Allied Canada and Axis Canada in:
 - (i) British Columbia, Alberta, Saskatchewan, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, the Northwest Territories and Nunavut which are current to June 5, 2012; and
 - (ii) Manitoba, Ontario, Quebec and Yukon Territory which are current to June 4, 2012.

Other than those registrations that relate to the First and Second Lien Credit Facilities, the only registrations that appear are as follows:

- (i) Registrations in favour of Kal Tire A Corporate Partnership (“**Kal Tire**”);
- (ii) Registrations in favour of Sterling Western Star Trucks Alberta (“**Sterling**”);
- (iii) Registrations in favour of Redhead Equipment (“**Redhead**”); and
- (iv) Registrations in favour of Western Sterling Trucks Ltd. (“**Western**”).

To the extent that these registrations perfect a lien for unpaid amounts that has priority over the First Lien Credit Facility (as defined in the First Day Affidavit), their interest is not proposed to be primed by the Charges. However, out of an abundance of caution, the Applicant intends to give notice to these parties unless and until such registrations are discharged in accordance with applicable law.

³ The Canadian bargaining pension plans consist of: (i) Eckler Ltd. (Canadian Auto Carriers & Logistics Pension Plan); (ii) Teamsters Canadian Pension Plan Local 106; (iii) Teamsters Canadian Pension Plan Local 213; and (iv) Prairie Teamsters Pension Plan

60

- (b) *UCC Registrants* – I am advised by US counsel to the Chapter 11 Debtors that UCC searches were conducted against Allied Canada and Axis Canada in:
 - (i) the District of Columbia which is current to March 9, 2012; and
 - (ii) Georgia (DeKalb County) which is current to March 1, 2012.

Other than those registrations which relate to the First and Second Lien Credit Facilities, there are no other registrations. I am not aware of any UCC filings that have been made since that time other than those that may have been made relating to the debtor-in-possession credit facilities.

- (c) *FSCO and Pension Plans* – Allied Canada participates in the following registered pension plans (the “**Canadian Registered Pension Plans**”):
 - (i) Canadian Auto Carriers & Logistics Pension Plan for union members in Ontario and Quebec;
 - (ii) Teamsters Canadian Pension Plan (Local 213) for union members in Vancouver, British Columbia;
 - (iii) Prairie Teamsters Pension Plan (Locals 362, 395, 979) for union members in Edmonton, Alberta, Calgary, Alberta, Saskatoon, Saskatchewan and Winnipeg, Manitoba; and
 - (iv) Teamsters Canadian Pension Plan – Local 106 Miscellaneous Industries Division for union members in Montreal and Quebec City.

None of the Canadian Registered Pension Plans are defined benefit plans for which Allied Canada or Axis Canada is liable for the deficiency. To my knowledge, all required contributions to the Canadian Registered Pension Plans have been made and are up to date. It is the intention of Allied Canada to continue to make such contributions during the course of Allied’s restructuring proceedings. However, out of an abundance of caution, the Applicant intends to give notice to the Canadian Registered Pension Plans as well as the applicable pension plan authorities.

- (d) *Tax and Other Authorities* – To my knowledge, both Allied Canada and Axis Canada are current with respect to remittances of sales taxes (which have become due for remittance). It is the intention of Allied Canada and Axis Canada to

continue to collect and remit sales and other related taxes during the course of Allied's restructuring proceedings. However, out of an abundance of caution, the Applicant intends to provide notice to Canada Revenue Agency as well as to the Provincial and Territorial tax authorities.

- (e) *Environmental Authorities* – To my knowledge, there are currently no remediation efforts being undertaken by Allied Canada or Axis Canada and I am not aware of any environmental issues outstanding. However, out of an abundance of caution, the Applicant intends to provide notice to the Ministry of Environment in the Provinces of Ontario and Manitoba, being the Provinces which is where Allied Canada's owned properties are located.

35. In light of the above, I do not believe there is any material prejudice to the granting of an order providing for priority of the Directors' Charge over other Encumbrances.

Consent of Existing First & Second Lien Creditors

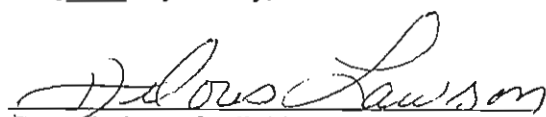
36. Yucaipa American Alliance Fund II, LLC, Yucaipa Leveraged Finance, LLC, CB Investments, LLC, Yucaipa American Alliance Fund I, L.P., Yucaipa American Alliance Fund II, L.P.; Yucaipa American Alliance (Parallel) Fund I, L.P.; Yucaipa American Alliance (Parallel) Fund II, L.P, as DIP Agent and lender as well as participant in the first and second lien credit facilities, have consented to the granting of the Directors' Charge as well as the proposed priority of the Directors' Charge.
37. The Applicant, through counsel, has also been in discussions with Black Diamond CLO 2005-1 Ltd., BDCM Opportunity Fund II, LP and Spectrum Investment Partners LP ("**Black Diamond/Spectrum**") as well as CIT who are participants in the first and second lien credit facilities. I am aware that Black Diamond/Spectrum have expressed concerns regarding this motion and are currently not supportive of it. As of the date of this affidavit, I am unaware of the position of CIT.

62

CONCLUSION

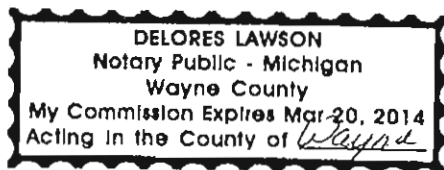
38. If the Directors' Charge is not granted, I am concerned that:
- (a) no individual will be willing to serve as a director of Allied Canada,
 - (b) the individuals who resigned as directors but who otherwise remain key employees to the Allied business may resign from Allied entirely;
 - (c) the remaining officers of Allied Canada may be concerned as to their situation and consider resigning also;
 - (d) Allied Canada's unions may become concerned about Allied's intention regarding laid off employees which could cause an immediate call for severance by numerous individuals;
 - (e) the lack of any director of Allied Canada may have a negative impact on its relationship with its creditors and customers.
39. Additionally, as set out above, I do not believe there are any cost efficient viable alternatives. In light of the foregoing, I believe that providing for the Directors' Charge on the terms set out above provide for the best alternative to Allied Canada's situation.
40. For the reasons set out above, the Applicant respectfully requests that the relief sought in this motion be granted.

SWORN before me at the City of Dearborn
in the State of Michigan,
this 25 day of July, 2012


Commissioner for Taking Affidavits or Notary

)
)
)
)
)


JOHN BLOUNT



SCHEDULE A – APPLICANTS

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto, Ontario, Canada

AFFIDAVIT OF JOHN BLOUNT
(sworn July 25, 2012)

GOWLINGS LAFLEUR HENDERSON LLP
Barristers and Solicitors
One First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5

Jennifer Stam (LSUC#46735J)
Telephone: (416) 862-5697
Facsimile: (416) 862-7661

Ava Kim (LSUC#57256C)
Telephone: (416) 862-3560
Facsimile: (416) 862-7661

Lawyers for the Applicant

AP

TAB 4

65

Court File No.: 12- CV-9757-00CL

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) TUESDAY, THE 26TH 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

CONSENT ORDER
AMENDING SUPPLEMENTAL ORDER (FOREIGN MAIN PROCEEDING)

THIS REQUEST FOR A CONSENT ORDER made by Allied Systems Holdings, Inc. (the "Foreign Representative") in its capacity as foreign representative of Allied Systems Holdings Inc. and those other parties listed on Schedule "A" hereto was heard this day at 330 University Avenue, Toronto, Ontario.

ON HEARING submissions of counsel for the Foreign Representative, counsel for Duff & Phelps Canada Restructuring Inc. in its capacity as 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., and on being advised of the consent of counsel for Black Diamond CLO 2005-1 Ltd.,

66

BDCM Opportunity Fund II, LP and Spectrum Investment Partners LP, no one else appearing:

1. THIS COURT ORDERS that the Supplemental Order (Foreign Main Proceeding) granted by this Court on June 13, 2012 (the "Supplemental Order") is hereby amended, *nunc pro tunc*, to replace all references to "the DIP Lender" with "Yucaipa American Alliance Fund II, LLC, as DIP Agent".

2. THIS COURT ORDERS that paragraph 21 of the Supplemental Order is amended, *nunc pro tunc*, to replace all references to:

- (a) "Yucaipa American Alliance Fund II, L.P., as agent and lender" with "Yucaipa American Alliance Fund II, LLC, as agent"; and
- (b) "Yucaipa American Alliance (Parallel) Fund II, L.P., as lender" with "Yucaipa Leveraged Finance, LLC" and "CB Investments, LLC, as lenders".

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



JUN 26 2012



67

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

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

ONTARIO
SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto, Ontario, Canada

CONSENT ORDER

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
One First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5

Jennifer Stam (LSUC#467351)
Telephone: (416) 862-5697
Facsimile: (416) 862-7661

Lawyers for the Applicant



TAB 5

69

Court File No.: 12- CV-9757-00CL



ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) MONDAY, THE 16TH DAY
MR. JUSTICE MORAWETZ) OF JULY, 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

ORDER

THIS MOTION, made by Allied Systems Holdings, Inc. ("Allied US") in its capacity as the foreign representative (the "Foreign Representative") of Allied US, Allied Systems (Canada) Company, Axis Canada Company and those other companies listed on Schedule "A" hereto (the "Chapter 11 Debtors"), pursuant to 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 motion, the affidavit of Scott Macaulay sworn July 11, 2012 (the "Macaulay Affidavit"), the first report dated July 11, 2012 (the "First Report")

of Duff & Phelps Canada Restructuring Inc. in its capacity as information officer (the “**Information Officer**”) and the supplemental affidavit of Ava Kim sworn July 13, 2012, and on hearing the submissions of counsel for the Foreign Representative, counsel for the Information Officer, counsel for Yucaipa American Alliance Fund II, LLC, Yucaipa Leveraged Finance, LLC, CB Investments, LLC, 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 (collectively “**Black Diamond/Spectrum**”), and those other parties present, no one else appearing although duly served as appears from the affidavit of service of Ava Kim sworn July 12, 2012,


SERVICE

1. THIS COURT ORDERS that the time for service of the Motion Record and the First Report is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.
2. THIS COURT ORDERS that capitalized terms used herein and not otherwise defined have the meaning given to them in the Supplemental Order (Foreign Main Proceeding) granted by this Court on June 13, 2012 (the “**Supplemental Order**”).

RECOGNITION OF FOREIGN ORDERS

3. THIS COURT ORDERS that the following orders (collectively, the “**Foreign Orders**”) of the United States Bankruptcy Court for the District of Delaware made in the Foreign Proceeding are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

- (a) Final Wages Order;
- (b) Final Insurance Order;
- (c) Final Critical Vendors Order;
- (d) Final Customs, Warehouseman, Common Carriers and Cargo Claims Order;

- 
- (e) Final Utilities Service Order;
 - (f) Final Financing Order, and
 - (g) Amended Sales and Use Tax Order

(as all such Orders are defined in the Macaulay Affidavit. Certified copies of each such Foreign Orders are attached as Schedules B through H hereto)

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property in Canada.

CASH MANAGEMENT ORDER

4. THIS COURT ORDERS, in furtherance of the Cash management Order, that Allied Canada and Axis Canada will indemnify The Bank of Nova Scotia (the “Bank”) from any liability the Bank may incur to any third party by virtue of the Bank’s operating the cash management system in accordance with the practices and procedures that the Bank established before the commencement of the Chapter 11 cases of Allied Canada and Axis Canada.

5. THIS COURT ORDERS that any sums due the Bank by virtue of the foregoing indemnification shall not be subject to impairment without the consent of the Bank.

VALIDITY AND PRIORITY OF CHARGES

6. THIS COURT ORDERS that paragraph 24 of the Supplemental Order is hereby deleted in its entirety and replaced with the following:

“24. THIS COURT ORDERS:

(a) that “**Encumbrances**” means any security interests, trusts, liens charges and encumbrances (collectively, “**Encumbrances**”) in favour of any Person;

(b) that each of the Administration Charge and the DIP Lender's Charge shall constitute a charge on the Property in Canada and such Charges shall rank in priority to all Encumbrances other than:

(i) Encumbrances (if any) in favour of any Person that are valid, perfected (by registration or possession), non-avoidable and are senior to Encumbrances securing the First Lien Credit Facility as of the date of the Final Financing Order, as defined in the Order of this Court on July 16, 2012); and

(ii) the Carve-Out (as defined in such Final Financing Order)."

GENERAL

7. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Foreign Representative, and the Information Officer and their respective agents in carrying out the terms of this Order.

8. THIS COURT ORDERS that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

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

JUL 16 2012

13

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

**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**

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto, Ontario, Canada

ORDER

GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
One First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5

Jennifer Stam (LSUC#46735J)
Telephone: (416) 862-5697
Facsimile: (416) 862-7661

Lawyers for the Applicant

TAB 6

ON READING the

1. Notice of motion dated July 25, 2012 (the “**Original D&O Notice of Motion**”),
2. the affidavit of John Blount sworn July 25, 2012 (the “**Blount Affidavit**”),
3. the second report dated July 26, 2012 (the “**Second Report**”) of Duff & Phelps Canada Restructuring Inc. in its capacity as information officer (the “**Information Officer**”),
4. the amended and restated notice of motion amending the Original Notice of Motion dated April 11, 2013 (the “**Amended and Restated Notice of Motion**”),
5. the affidavit of Scott Macaulay sworn April 11, 2013 (the “**Macaulay Affidavit**”),
6. the sixth report of the Information Officer (the “**Sixth Report**”),

and on hearing the submissions of counsel for:

1. the Foreign Representative,
2. the Information Officer,
3. Yucaipa American Alliance Fund II, LLC, Yucaipa Leveraged Finance, LLC, CB Investments, LLC, 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.,
4. Black Diamond CLO 2005-1 Ltd., BDCM Opportunity Fund II, LP and Spectrum Investment Partners LP (collectively “**Black Diamond/Spectrum**”),
5. the National Automobile, Aerospace, Transportation and General Workers Union of Canada (the “**CAW**”), consenting and
6. those other parties present, no one else appearing although duly served as appears from the affidavit of service of ■ sworn April ■, 2013,

77

SERVICE

1. THIS COURT ORDERS that the time for service of the Original Motion Record, the Second Report, the Amended and Restated Motion Record and the Fifth Report is hereby abridged and validated so that this Motion is properly returnable today and hereby dispenses with further service thereof.

2. THIS COURT ORDERS that capitalized terms used herein and not otherwise defined have the meaning given to them in the Macaulay Affidavit.

RECOGNITION OF FOREIGN APPROVAL ORDER

3. THIS COURT ORDERS that the order of the United States Bankruptcy Court for the District of Delaware dated April 11, 2013 approving, among other things, the CAW Settlement Agreement ("**US Approval Order**") is hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA. A certified copy of the US Approval Order is attached as Schedule "B" hereto.

DIRECTORS' CHARGE

4. THIS COURT ORDERS that Allied Canada shall indemnify its current and future directors (the "**Directors**", and individually, a "**Director**"):

- (a) with respect to any obligation or liability of a Director to pay the CLC Severance to the CAW Laid Off Employees up to a maximum amount of \$1.4 million ("**CAW Employee Severance Obligations**"); and
- (b) with respect to any obligation or liability of a Director for obligations for termination or severance pay required to be paid pursuant to the CLC upon termination of any employees who are not members of a union and who were active employees on June 10, 2012 ("**Non-Bargaining Employee Obligations**") up to a maximum amount of \$570,000,

except to the extent that, with respect to any Director, the obligation or liability was incurred as a result of the Director's gross negligence or wilful misconduct.

5. THIS COURT ORDERS that the Directors shall be entitled to the benefit of and are hereby granted a charge (the "**Directors' Charge**") on the property of Allied Canada, which charge shall not exceed an aggregate amount of:

- (a) \$1.4 million in respect of the CAW Employee Severance Obligations; and
- (b) \$570,000 in respect of the Non-Bargaining Employee Obligations,

as security for the indemnity provided in paragraph 4 of this Order and subject to paragraph 8 of this Order. The Directors' Charge shall have the priority set out in paragraphs 22 to 24 of the Amended and Restated Supplemental Order, as such Supplemental Order is amended by this Order.

6. THIS COURT ORDERS that the Directors' Charge with respect to the CAW Employee Severance Obligations shall apply in these proceedings and any subsequent bankruptcy or receivership and shall be reduced as any amounts set out in paragraph 4 are paid by an amount equal to each such payment made.

7. THIS COURT ORDERS that the Directors' Charge with respect to the Non-Bargaining Employee Obligations shall apply in these proceedings and any subsequent bankruptcy or receivership and shall be reduced as any amounts set out in paragraph 4 are paid by an amount equal to each such payment made.

8. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, (a) no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge, and (b) the Directors shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 4 of this Order and, for greater certainty, before any Person seeks to

rely upon the Directors' Charge, coverage under existing insurance policies shall have been sought and exhausted first.

VALIDITY AND PRIORITY OF CHARGES

9. THIS COURT ORDERS that paragraphs 22 through 27 of the Supplemental Order are hereby deleted in their entirety and replaced with the following:

“22. THIS COURT ORDERS that the priorities of the Administration Charge, the Directors' Charge and the DIP Lender's Charge, as among them, shall be as follows:

First – Administration Charge (to the maximum amount of \$600,000);

Second – Directors' Charge (as defined in the Order of this Court made on ■, 2013) (“**D&O Order**”) with respect only to CAW Employee Severance Obligations (as defined in the D&O Order) (to the maximum amount of \$1.4 million);

Third – DIP Lender's Charge; and

Fourth – Directors' Charge (as defined in the D&O Order) with respect only to Non-Bargaining Employee Obligations (as defined in the D&O Order) (to the maximum amount of \$570,000).

23. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge, the Directors' Charge or the DIP Lender's Charge (collectively, the “**Charges**”) shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect the Charges.

24. THIS COURT ORDERS that:

(a) “**Encumbrances**” means any security interests, trusts, liens, charges and encumbrances (collectively, “**Encumbrances**”) in favour of any Person;

(b) each of the Charges shall constitute a charge on the Property in Canada (with the exception of the Directors' Charge which shall constitute a charge on the property of Allied Canada) and such Charges shall rank in priority to all Encumbrances other than:

(i) Encumbrances (if any) in favour of any Person that are valid, perfected (by registration or possession), non-avoidable and are senior to Encumbrances securing the First Lien Credit Facility as of the date of the Final Financing Order, as defined in the Order of this Court on July 16, 2012); and

(ii) the Carve-Out (as defined in such Final Financing Order).

25. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Chapter 11 Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Administration Charge, the Directors' Charge or the DIP Lender's Charge, unless the Chapter 11 Debtors also obtain the prior written consent of the Information Officer and the DIP Lender.

26. THIS COURT ORDERS that the Administration Charge, the Directors' Charge and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any Chapter 11 Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by a Chapter 11 Debtor of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Chapter 11 Debtors to the Chargees pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

27. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Chapter 11 Debtor's interest in such real property leases."

RELEASE

10. THIS COURT ORDERS that any recovery with respect to any demand or claim, asserted or otherwise made by the CAW or any of their respective members (who are current employees of Allied Canada) against Allied Canada for payment of any amounts in respect of termination or severance whether owing pursuant to the CLC, a collective agreement, other written agreement or notice or otherwise (a "**CAW Claim**") that is also asserted against any director (whether past, present or future, actual or deemed) of Allied Canada or any affiliate of Allied Canada (the "**Releasees**"), and which cannot be recovered from Allied Canada shall be limited to proceeds of existing and applicable directors' and officer's insurance ("**Insurance Proceeds**") and that any other CAW Claim against the Releasees whether known, unknown, matured or unmatured, direct, indirect, foreseen, unforeseen, existing or hereafter arising be and is hereby forever released and discharged.

GENERAL

11. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Foreign Representative, and the Information Officer and their respective agents in carrying out the terms of this Order.

12. THIS COURT ORDERS that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

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

84

SCHEDULE B – US APPROVAL ORDER

Attached.

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

**ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto, Ontario, Canada**

**ORDER
(Director Settlement)**

**GOWLING LAFLEUR HENDERSON LLP
Barristers and Solicitors
One First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario M5X 1G5**

**Jennifer Stam (LSUC#46735J)
Telephone: (416) 862-5697
Facsimile: (416) 862-7661**

**Ava Kim (LSUC#57256C)
Telephone: (416) 862-3560
Facsimile: (416) 862-7661**

Lawyers for the Applicant

28

TAB 7

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)	WEDNESDAY, THE 13 TH 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**

**AMENDED AND RESTATED SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)**

THIS APPLICATION, made by Allied Systems Holdings, Inc. ("**Allied US**") in its capacity as the foreign representative (the "**Foreign Representative**") of Allied US, Allied Systems (Canada) Company, Axis Canada Company and those other companies listed on Schedule "A" hereto (the "**Chapter 11 Debtors**"), pursuant to 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.

87

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. (“**Duff Canada**”) in its capacity as 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, the third supplemental affidavit of Christopher Eustace sworn June 12, 2012, and the fourth supplemental affidavit of Christopher Eustace sworn June 12, 2012 (collectively, the “**Eustace Affidavits**”), and on 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 (collectively “**Black Diamond/Spectrum**”), and those other parties present, no one else appearing although duly served as appears from the affidavit of service of Jason McMurtrie sworn June 11, 2012 and on reading the consent of Duff Canada to act as the information officer:

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.
2. THIS COURT ORDERS that capitalized terms used herein and not otherwise defined have the meaning given to them in the Macaulay Affidavit.

INITIAL RECOGNITION ORDER

3. THIS COURT ORDERS that the provisions of this Amended and Restated Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Initial Recognition Order (Foreign Main Proceeding) dated as of June 12, 2012 (the “**Recognition Order**”), provided that in the event of a conflict between the

provisions of this Amended and Restated Supplemental Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

4. THIS COURT ORDERS that the following orders (collectively, the “**Foreign Orders**”) of the United States Bankruptcy Court for the District of Delaware made in the Foreign Proceeding are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

- (a) the Foreign Representative Order;
- (b) Financing Order;
- (c) Cash Management Order;
- (d) Pre-Petition Wages & Benefits Order;
- (e) Insurance Program & Insurance Premium Financing Order;
- (f) Pre-Petition Customers, Warehousemen, Common Carriers and Cargo Claims Order;
- (g) Pre-Petition Sales & Use Tax Order;
- (h) Critical Vendor Order; and
- (i) Utilities Service Order,

(copies of each such Foreign Orders are attached as schedules B through J hereto)

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada.

APPOINTMENT OF INFORMATION OFFICER

5. THIS COURT ORDERS that Duff Canada (the **“Information Officer”**) is hereby appointed as an officer of this Court, with the powers and duties set out herein.

NO PROCEEDINGS AGAINST THE CHAPTER 11 DEBTORS OR THE PROPERTY

6. THIS COURT ORDERS that until such date as this Court may order (the **“Stay Period”**) no proceeding or enforcement process in any court or tribunal in Canada (each, a **“Proceeding”**) shall be commenced or continued against or in respect of the Chapter 11 Debtors or affecting their business (the **“Business”**) or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the **“Property”**), except with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Chapter 11 Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

7. THIS COURT ORDERS that, without limiting the stays of proceedings provided for in the Recognition Order, during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing, collectively being **“Persons”** and each being a **“Person”**) against or in respect of the Chapter 11 Debtors, or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies outside of Canada, (ii) empower any of the Chapter 11 Debtors to carry on any business in Canada which that Chapter 11 Debtor is not lawfully entitled to carry on, (iii) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (iv) prevent the filing of any registration to preserve or perfect a security interest, or (v) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

8. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal

right, contract, agreement, licence or permit in favour of or held by any of the Chapter 11 Debtors and affecting the Business in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

9. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Chapter 11 Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Chapter 11 Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Chapter 11 Debtors, and that the Chapter 11 Debtors shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.

10. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Allied Systems (Canada) Company and/or Axis Canada Company (the “**Canadian Companies**”) with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Chapter 11 Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

11. THIS COURT ORDERS that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

12. THIS COURT ORDERS that the Information Officer:

- (a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (b) shall report to this Court at least once every three months with respect to the status of these proceedings and the status of the Foreign Proceedings, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;
- (c) in addition to the periodic reports referred to in paragraph 12(b) above, the Information Officer may report to this Court at such other times and intervals as the Information Officer may deem appropriate with respect to any of the matters referred to in paragraph 12(b) above;
- (d) shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial documents of the Chapter 11 Debtors, to the extent that is necessary to perform its duties arising under this Order; and
- (e) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

13. THIS COURT ORDERS that the Chapter 11 Debtors shall (i) advise the Information Officer of all material steps taken by the Chapter 11 Debtors in these proceedings or in the Foreign Proceedings, (ii) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (iii) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

14. THIS COURT ORDERS that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

15. THIS COURT ORDERS that the Information Officer (i) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (ii) may post on its website any other materials that the Information Officer deems appropriate.

16. THIS COURT ORDERS that the Information Officer may provide any creditor of a Chapter 11 Debtor with information provided by the Chapter 11 Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the Chapter 11 Debtors is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative and the relevant Chapter 11 Debtors may agree.

17. THIS COURT ORDERS that the Information Officer and counsel to the Information Officer shall be paid by Allied Systems (Canada) Company ("**Allied Canada**") their reasonable fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. Allied Canada is hereby authorized and directed to pay the accounts of the Information Officer and counsel for the Information Officer on a weekly basis.

18. THIS COURT ORDERS that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceeding.

19. THIS COURT ORDERS that the Information Officer and counsel to the Information Officer, if any, shall be entitled to the benefit of and are hereby granted a charge (the **"Administration Charge"**) on the Property in Canada, which charge shall not exceed an aggregate amount of \$600,000, as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 22 and 24 hereof.

INTERIM FINANCING

20. THIS COURT ORDERS that Yucaipa American Alliance Fund II, LLC, as agent and lender (the **"DIP Agent"**), shall be entitled to the benefit of and is hereby granted a charge (the **"DIP Lender's Charge"**) on the Property in Canada, which DIP Lender's Charge shall (i) be consistent with the liens and charges created by the Interim Financing Order and (ii) charge the Property by way of hypothec to the extent of an aggregate amount of CDN \$25,000,000.00, provided however that the DIP Lender's Charge (i) shall not secure an obligation that exists before this Order is made, and (ii) with respect to the Property in Canada, shall have the priority set out in paragraphs 21 and 23 hereof, and further provided that the DIP Lender's Charge shall not be enforced except with leave of this Court.

21. THIS COURT ORDERS that notwithstanding the foregoing or any provisions to the contrary contained in this Order or the DIP Financing Agreement (the **"DIP Financing Agreement"**) entered into by Allied Systems US and ASL, as borrowers, certain of the Chapter 11 Debtors as guarantors, Yucaipa American Alliance Fund II, LLC, as DIP Agent and Yucaipa Leveraged Finance, LLC and CB Investments, LLC, as lenders, the DIP Agent has been granted a security interest hereunder in any shares or other equity interests in the capital stock (**"ULC Shares"**) of an issuer that is an unlimited company, unlimited liability company or unlimited liability corporation under the laws of Canada or any of its provinces or political subdivisions (each, a **"ULC"**), the debtor that owns such ULC Shares will remain the sole registered and beneficial owner of such ULC Shares until such time as such ULC Shares are effectively transferred into the name of the DIP Agent or any of its successors or assigns (in either case, a **"ULC Beneficiary"**) or any other person or entity on the books and records of the applicable ULC. Nothing in this Order or the DIP Financing Agreement is intended to, and nothing in this Order or the DIP Financing Agreement shall, constitute the

DIP Agent, any other ULC Beneficiary or any other person or entity other than the applicable debtor, a member or shareholder of a ULC for the purposes of the *Companies Act* (Nova Scotia), the *Business Corporations Act* (Alberta), the *Business Corporations Act* (British Columbia) and any other present or future laws governing ULCs (the “ULC Laws”) (whether listed or unlisted, registered or beneficial), until such time as notice is given to such Debtor and further steps are taken pursuant hereto or thereto so as to register the DIP Agent, any other ULC Beneficiary or such other person or entity, as specified in such notice, as the holder of the ULC Shares.

21A. THIS COURT ORDERS that notwithstanding any other provision of this Order or the Initial Recognition Order:

(a) Yucaipa American Alliance II, LLC, as DIP Agent, may (but is not required to) take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the related documents;

(b) Upon the occurrence of an Event of Default (as defined in the DIP Financing Agreement), provided Yucaipa American Alliance II, LLC, as DIP Agent, is authorized to do so pursuant to the Financing DIP Order in the Chapter 11 Cases and on five (5) business days’ notice to counsel to the Foreign Representative, the Information Officer and Black Diamond/Spectrum, Yucaipa American Alliance II, LLC, as DIP Agent, may exercise its rights and remedies under the Financing Order and the DIP Agreement in accordance with the terms thereof in respect of the Property located in Canada and without further Order or application to this Court.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

22. THIS COURT ORDERS that the priorities of the Administration Charge, the Directors’ Charge and the DIP Lender’s Charge, as among them, shall be as follows:

- (a) First – Administration Charge (to the maximum amount of \$600,000);
- (b) Second – Directors’ Charge (as defined in the Order of this Court made on ■, 2013) (“D&O Order”) with respect only to CAW Employee Severance

95

Obligations (as defined in the D&O Order) (to the maximum amount of \$1.4 million);

- (c) Third – DIP Lender’s Charge; and
- (d) Fourth – Directors’ Charge (as defined in the D&O Order) with respect only to Non-Bargaining Employee Obligations (as defined in the D&O Order) (to the maximum amount of \$570,000).

23. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge, the Directors’ Charge or the DIP Lender’s Charge (collectively, the “**Charges**”) shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect the Charges.

24. THIS COURT ORDERS that:

(a) “**Encumbrances**” means any security interests, trusts, liens, charges and encumbrances (collectively, “**Encumbrances**”) in favour of any Person;

(b) each of the Charges shall constitute a charge on the Property in Canada (except with respect to the Directors’ Charge which shall constitute a charge on the property of Allied Canada) and such Charges shall rank in priority to all Encumbrances other than:

(i) Encumbrances (if any) in favour of any Person that are valid, perfected (by registration or possession), non-avoidable and are senior to Encumbrances securing the First Lien Credit Facility as of the date of the Final Financing Order, as defined in the Order of this Court on July 16, 2012); and

(ii) the Carve-Out (as defined in such Final Financing Order).

25. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Chapter 11 Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Administration Charge, the Directors’ Charge or the DIP Lender’s Charge, unless the Chapter 11 Debtors

also obtain the prior written consent of the Information Officer and Yucaipa American Alliance Fund II, LLC, as DIP Agent.

26. THIS COURT ORDERS that the Administration Charge, the Directors' Charge and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and remedies of the chargees entitled to the benefit of the Charges (collectively, the "**Chargees**") shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "**Agreement**") which binds any Chapter 11 Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by a Chapter 11 Debtor of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Chapter 11 Debtors to the Chargees pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

27. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Chapter 11 Debtor's interest in such real property leases.

SERVICE AND NOTICE

28. THIS COURT ORDERS that the Chapter 11 Debtors, the Foreign Representative and the Information Officer each be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Chapter 11 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Chapter 11 Debtors and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

29. THIS COURT ORDERS that the Chapter 11 Debtors, the Foreign Representative and the Information Officer, and any party who has filed a Notice of Appearance, may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time.

GENERAL

30. THIS COURT ORDERS that the Information Officer may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

31. THIS COURT ORDERS that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any Chapter 11 Debtor, the Business or the Property.

32. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be

necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Foreign Representative, and the Information Officer and their respective agents in carrying out the terms of this Order.

33. THIS COURT ORDERS that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

34. 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, the Foreign Representative, the Information Officer 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.

35. THIS COURT ORDERS that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

99

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

18D

SCHEDULE B – FOREIGN REPRESENTATIVE ORDER

SCHEDULE C – FINANCING ORDER

SCHEDULE D – CASH MANAGEMENT ORDER

SCHEDULE E – PRE-PETITION WAGES & BENEFITS ORDER

184

**SCHEDULE F – INSURANCE PROGRAM & INSURANCE PREMIUM FINANCING
ORDER**

**SCHEDULE G – PRE-PETITION CUSTOMERS, WAREHOUSEMAN, COMMON
CARRIERS AND CARGO CLAIMS ORDER**

106

SCHEDULE H – PRE-PETITION SALES & TAX ORDER

107

SCHEDULE I – CRITICAL VENDOR ORDER

108

SCHEDULE J – UTILITIES SERVICE ORDER

**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**

**ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto, Ontario, Canada**

**AMENDED AND RESTATED
SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)**

Barristers and Solicitors
One First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5

Jennifer Stam (LSUC#46735J)
Telephone: (416) 862-5697
Facsimile: (416) 862-7661

Ava Kim (LSUC#57256C)
Telephone: (416) 862-3560
Facsimile: (416) 862-7661

Lawyers for the Applicant

TAB 8

**ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)**

THE HONOURABLE)	WEDNESDAY, THE 13 TH 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**

**AMENDED AND RESTATED SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)**

THIS APPLICATION, made by Allied Systems Holdings, Inc. ("Allied US") in its capacity as the foreign representative (the "**Foreign Representative**") of Allied US, Allied Systems (Canada) Company, Axis Canada Company and those other companies listed on Schedule "A" hereto (the "**Chapter 11 Debtors**"), pursuant to 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.

111

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. (“**Duff Canada**”) in its capacity as 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, the third supplemental affidavit of Christopher Eustace sworn June 12, 2012, and the fourth supplemental affidavit of Christopher Eustace sworn June 12, 2012 (collectively, the “**Eustace Affidavits**”), and on 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 (collectively “**Black Diamond/Spectrum**”), and those other parties present, no one else appearing although duly served as appears from the affidavit of service of Jason McMurtrie sworn June 11, 2012 and on reading the consent of Duff Canada to act as the information officer:

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.
2. THIS COURT ORDERS that capitalized terms used herein and not otherwise defined have the meaning given to them in the Macaulay Affidavit.

INITIAL RECOGNITION ORDER

3. THIS COURT ORDERS that the provisions of this Amended and Restated Supplemental Order shall be interpreted in a manner complementary and supplementary to the provisions of the Initial Recognition Order (Foreign Main Proceeding) dated as of ~~the date hereof~~ June 12, 2012 (the “**Recognition Order**”), provided that in the event of a conflict between the provisions of this Amended and Restated Supplemental Order and the provisions of the Recognition Order, the provisions of the Recognition Order shall govern.

RECOGNITION OF FOREIGN ORDERS

4. THIS COURT ORDERS that the following orders (collectively, the “**Foreign Orders**”) of the United States Bankruptcy Court for the District of Delaware made in the Foreign Proceeding are hereby recognized and given full force and effect in all provinces and territories of Canada pursuant to section 49 of the CCAA:

- (a) the Foreign Representative Order;
- (b) Financing Order;
- (c) Cash Management Order;
- (d) Pre-Petition Wages & Benefits Order;
- (e) Insurance Program & Insurance Premium Financing Order;
- (f) Pre-Petition Customers, Warehousemen, Common Carriers and Cargo Claims Order;
- (g) Pre-Petition Sales & Use Tax Order;

(h) Critical Vendor Order; and

(i) Utilities Service Order,

(copies of each such Foreign Orders are attached as schedules B through J hereto)

provided, however, that in the event of any conflict between the terms of the Foreign Orders and the Orders of this Court made in the within proceedings, the Orders of this Court shall govern with respect to Property (as defined below) in Canada.

APPOINTMENT OF INFORMATION OFFICER

5. THIS COURT ORDERS that Duff Canada (the “**Information Officer**”) is hereby appointed as an officer of this Court, with the powers and duties set out herein.

NO PROCEEDINGS AGAINST THE CHAPTER 11 DEBTORS OR THE PROPERTY

6. THIS COURT ORDERS that until such date as this Court may order (the “**Stay Period**”) no proceeding or enforcement process in any court or tribunal in Canada (each, a “**Proceeding**”) shall be commenced or continued against or in respect of the Chapter 11 Debtors or affecting their business (the “**Business**”) or their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the “**Property**”), except with leave of this Court, and any and all Proceedings currently under way against or in respect of any of the Chapter 11 Debtors or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

7. THIS COURT ORDERS that, without limiting the stays of proceedings provided for in the Recognition Order, during the Stay Period, all rights and remedies of any individual, firm, corporation, governmental body or agency, or any other entities (all of the foregoing,

collectively being “**Persons**” and each being a “**Person**”) against or in respect of the Chapter 11 Debtors, or affecting the Business or the Property, are hereby stayed and suspended except with leave of this Court, provided that nothing in this Order shall (i) prevent the assertion of or the exercise of rights and remedies outside of Canada, (ii) empower any of the Chapter 11 Debtors to carry on any business in Canada which that Chapter 11 Debtor is not lawfully entitled to carry on, (iii) affect such investigations or Proceedings by a regulatory body as are permitted by section 11.1 of the CCAA, (iv) prevent the filing of any registration to preserve or perfect a security interest, or (v) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

8. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by any of the Chapter 11 Debtors and affecting the Business in Canada, except with leave of this Court.

ADDITIONAL PROTECTIONS

9. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with the Chapter 11 Debtors or statutory or regulatory mandates for the supply of goods and/or services in Canada, including without limitation all computer software, communication and other data services, centralized banking services, payroll services, insurance, transportation services, utility or other services provided in respect of the Property or Business of the Chapter 11 Debtors, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Chapter 11 Debtors, and that the Chapter 11 Debtors shall be entitled to the continued use in Canada of their current premises, telephone numbers, facsimile numbers, internet addresses and domain names.

10. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.03(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Allied Systems (Canada) Company and/or Axis Canada Company (the “**Canadian Companies**”) with respect to any

15

claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Chapter 11 Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations.

11. THIS COURT ORDERS that no Proceeding shall be commenced or continued against or in respect of the Information Officer, except with leave of this Court. In addition to the rights and protections afforded the Information Officer herein, or as an officer of this Court, the Information Officer shall have the benefit of all of the rights and protections afforded to a Monitor under the CCAA, and shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part.

OTHER PROVISIONS RELATING TO INFORMATION OFFICER

12. THIS COURT ORDERS that the Information Officer:

- (a) is hereby authorized to provide such assistance to the Foreign Representative in the performance of its duties as the Foreign Representative may reasonably request;
- (b) shall report to this Court at least once every three months with respect to the status of these proceedings and the status of the Foreign Proceedings, which reports may include information relating to the Property, the Business, or such other matters as may be relevant to the proceedings herein;
- (c) in addition to the periodic reports referred to in paragraph 12(b) above, the Information Officer may report to this Court at such other times and intervals as the Information Officer may deem appropriate with respect to any of the matters referred to in paragraph 12(b) above;
- (d) shall have full and complete access to the Property, including the premises, books, records, data, including data in electronic form, and other financial

documents of the Chapter 11 Debtors, to the extent that is necessary to perform its duties arising under this Order; and

- (e) shall be at liberty to engage independent legal counsel or such other persons as the Information Officer deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order.

13. THIS COURT ORDERS that the Chapter 11 Debtors shall (i) advise the Information Officer of all material steps taken by the Chapter 11 Debtors in these proceedings or in the Foreign Proceedings, (ii) co-operate fully with the Information Officer in the exercise of its powers and discharge of its obligations, and (iii) provide the Information Officer with the assistance that is necessary to enable the Information Officer to adequately carry out its functions.

14. THIS COURT ORDERS that the Information Officer shall not take possession of the Property and shall take no part whatsoever in the management or supervision of the management of the Business and shall not, by fulfilling its obligations hereunder, be deemed to have taken or maintained possession or control of the Business or Property, or any part thereof.

15. THIS COURT ORDERS that the Information Officer (i) shall post on its website all Orders of this Court made in these proceedings, all reports of the Information Officer filed herein, and such other materials as this Court may order from time to time, and (ii) may post on its website any other materials that the Information Officer deems appropriate.

16. THIS COURT ORDERS that the Information Officer may provide any creditor of a Chapter 11 Debtor with information provided by the Chapter 11 Debtors in response to reasonable requests for information made in writing by such creditor addressed to the Information Officer. The Information Officer shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Information Officer has been advised by the Chapter 11 Debtors is privileged or confidential, the Information Officer shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Information Officer, the Foreign Representative and the relevant Chapter 11 Debtors may agree.

17. THIS COURT ORDERS that the Information Officer and counsel to the Information Officer shall be paid by Allied Systems (Canada) Company ("**Allied Canada**") their reasonable fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order, in each case at their standard rates and charges unless otherwise ordered by the Court on the passing of accounts. Allied Canada is hereby authorized and directed to pay the accounts of the Information Officer and counsel for the Information Officer on a weekly basis.

18. THIS COURT ORDERS that the Information Officer and its legal counsel shall pass their accounts from time to time, and for this purpose the accounts of the Information Officer and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice, and the accounts of the Information Officer and its counsel shall not be subject to approval in the Foreign Proceeding.

19. THIS COURT ORDERS that the Information Officer and counsel to the Information Officer, if any, shall be entitled to the benefit of and are hereby granted a charge (the "**Administration Charge**") on the Property in Canada, which charge shall not exceed an aggregate amount of \$600,000, as security for their professional fees and disbursements incurred in respect of these proceedings, both before and after the making of this Order. The Administration Charge shall have the priority set out in paragraphs 22 and 24 hereof.

INTERIM FINANCING

20. THIS COURT ORDERS that the Yucaipa American Alliance Fund II, LLC, as agent and lender (the "**DIP Lender Agent**"), shall be entitled to the benefit of and is hereby granted a charge (the "**DIP Lender's Charge**") on the Property in Canada, which DIP Lender's Charge shall (i) be consistent with the liens and charges created by the Interim Financing Order and (ii) charge the Property by way of hypothec to the extent of an aggregate amount of CDN \$25,000,000.00, provided however that the DIP Lender's Charge (i) shall not secure an obligation that exists before this Order is made, and (ii) with respect to the Property in Canada, shall have the priority set out in paragraphs 21 and 23 hereof, and further provided that the DIP Lender's Charge shall not be enforced except with leave of this Court.

21. THIS COURT ORDERS that notwithstanding the foregoing or any provisions to the contrary contained in this Order or the DIP Financing Agreement (the “**DIP Financing Agreement**”) entered into by Allied Systems US and ASL, as borrowers, certain of the Chapter 11 Debtors as guarantors, Yucaipa American Alliance Fund II, ~~L.P.~~ LLC, as ~~agent and lender~~ (the “DIP Agent”) and Yucaipa American Alliance (Parallel) Fund II, ~~L.P.~~, as ~~lender~~ Leveraged Finance, LLC and CB Investments, LLC, as lenders, the DIP Agent has been granted a security interest hereunder in any shares or other equity interests in the capital stock (“**ULC Shares**”) of an issuer that is an unlimited company, unlimited liability company or unlimited liability corporation under the laws of Canada or any of its provinces or political subdivisions (each, a “**ULC**”), the debtor that owns such ULC Shares will remain the sole registered and beneficial owner of such ULC Shares until such time as such ULC Shares are effectively transferred into the name of the DIP Agent or any of its successors or assigns (in either case, a “**ULC Beneficiary**”) or any other person or entity on the books and records of the applicable ULC. Nothing in this Order or the DIP Financing Agreement is intended to, and nothing in this Order or the DIP Financing Agreement shall, constitute the DIP Agent, any other ULC Beneficiary or any other person or entity other than the applicable debtor, a member or shareholder of a ULC for the purposes of the *Companies Act* (Nova Scotia), the *Business Corporations Act* (Alberta), the *Business Corporations Act* (British Columbia) and any other present or future laws governing ULCs (the “**ULC Laws**”) (whether listed or unlisted, registered or beneficial), until such time as notice is given to such Debtor and further steps are taken pursuant hereto or thereto so as to register the DIP Agent, any other ULC Beneficiary or such other person or entity, as specified in such notice, as the holder of the ULC Shares.

21A. THIS COURT ORDERS that notwithstanding any other provision of this Order or the Initial Recognition Order:

(a) ~~the Yucaipa American Alliance II, L.P.~~ Yucaipa American Alliance II, LLC, as ~~DIP Lender~~ Agent, may (but is not required to) take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the DIP Lender’s Charge or any of the related documents;

119

(b) Upon the occurrence of an Event of Default (as defined in the DIP Financing Agreement), provided ~~the Yucaipa American Alliance II, LLC, as DIP Lender Agent,~~ is authorized to do so pursuant to the Financing DIP Order in the Chapter 11 Cases and on five (5) business days' notice to counsel to the Foreign Representative, the Information Officer and Black Diamond/Spectrum, ~~the DIP Lender Yucaipa American Alliance II, LLC, as DIP Agent,~~ may exercise its rights and remedies under the Financing Order and the DIP Agreement in accordance with the terms thereof in respect of the Property located in Canada and without further Order or application to this Court.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

22. THIS COURT ORDERS that the priorities of the Administration Charge, the Directors' Charge and the DIP Lender's Charge, as among them, shall be as follows:

- (a) First – Administration Charge (to the maximum amount of \$600,000); ~~and~~
- (b) Second – Directors' Charge (as defined in the Order of this Court made on ■, 2013) ("D&O Order") with respect only to CAW Employee Severance Obligations (as defined in the D&O Order) (to the maximum amount of \$1.4 million);
- (c) ~~Second—Third—~~ DIP Lender's Charge ; and
- (d) Fourth – Directors' Charge (as defined in the D&O Order) with respect only to Non-Bargaining Employee Obligations (as defined in the D&O Order) (to the maximum amount of \$570,000).

23. THIS COURT ORDERS that the filing, registration or perfection of the Administration Charge, the Directors' Charge or the DIP Lender's Charge (collectively, the "Charges") shall not be required, and that the Charges shall be valid and enforceable for all purposes, including as against any right, title or interest filed, registered, recorded or

perfected subsequent to the Charges coming into existence, notwithstanding any such failure to file, register, record or perfect the Charges.

24. THIS COURT ORDERS that:

24. ~~THIS COURT ORDERS that each of the Administration Charge and the DIP Lender's Charge (all as constituted and defined herein) shall constitute a charge on the Property in Canada and such Charges shall rank in priority to the security granted under the First Lien Credit Facility and the Second Lien Credit Facility (as both terms are defined in the Macaulay Affidavit) pending the return of the Comeback Motion, but shall not rank in priority to any other~~ (a) "Encumbrances" means any security interests, trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "Encumbrances") in favour of any Person;

(b) each of the Charges shall constitute a charge on the Property in Canada (except with respect to the Directors' Charge which shall constitute a charge on the property of Allied Canada) and such Charges shall rank in priority to all Encumbrances other than:

(i) Encumbrances (if any) in favour of any Person that are valid, perfected (by registration or possession), non-avoidable and are senior to Encumbrances securing the First Lien Credit Facility as of the date of the Final Financing Order, as defined in the Order of this Court on July 16, 2012); and

(ii) the Carve-Out (as defined in such Final Financing Order).

25. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the Chapter 11 Debtors shall not grant any Encumbrances over any Property in Canada that rank in priority to, or *pari passu* with, the Administration Charge, the Directors' Charge or the DIP Lender's Charge, unless the Chapter 11 Debtors also obtain the prior written consent of the Information Officer and ~~the DIP Lender~~ Yucaipa American Alliance Fund II, LLC, as DIP Agent.

26. THIS COURT ORDERS that the Administration Charge, the Directors' Charge and the DIP Lender's Charge shall not be rendered invalid or unenforceable and the rights and

remedies of the chargees entitled to the benefit of the Charges (collectively, the “**Chargees**”) shall not otherwise be limited or impaired in any way by (i) the pendency of these proceedings and the declarations of insolvency made herein; (ii) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (iii) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (iv) the provisions of any federal or provincial statutes; or (v) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an “**Agreement**”) which binds any Chapter 11 Debtor, and notwithstanding any provision to the contrary in any Agreement:

- (a) the creation of the Charges shall not create or be deemed to constitute a breach by a Chapter 11 Debtor of any Agreement to which it is a party;
- (b) none of the Chargees shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges; and
- (c) the payments made by the Chapter 11 Debtors to the Chargees pursuant to this Order, and the granting of the Charges, do not and will not constitute preferences, fraudulent conveyances, transfers at undervalue, oppressive conduct, or other challengeable or voidable transactions under any applicable law.

27. THIS COURT ORDERS that any Charge created by this Order over leases of real property in Canada shall only be a Charge in the applicable Chapter 11 Debtor's interest in such real property leases.

SERVICE AND NOTICE

28. THIS COURT ORDERS that the Chapter 11 Debtors, the Foreign Representative and the Information Officer each be at liberty to serve this Order, any other materials and orders in these proceedings, any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmission to the Chapter

11 Debtors' creditors or other interested parties at their respective addresses as last shown on the records of the Chapter 11 Debtors and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date of forwarding thereof, or if sent by ordinary mail, on the third business day after mailing.

29. THIS COURT ORDERS that the Chapter 11 Debtors, the Foreign Representative and the Information Officer, and any party who has filed a Notice of Appearance, may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials to counsels' email addresses as recorded on the Service List from time to time.

GENERAL

30. THIS COURT ORDERS that the Information Officer may from time to time apply to this Court for advice and directions in the discharge of its powers and duties hereunder.

31. THIS COURT ORDERS that nothing in this Order shall prevent the Information Officer from acting as an interim receiver, a receiver, a receiver and manager, a monitor, a proposal trustee, or a trustee in bankruptcy of any Chapter 11 Debtor, the Business or the Property.

32. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the Chapter 11 Debtors, the Foreign Representative, the Information Officer, and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Chapter 11 Debtors, the Foreign Representative, and the Information Officer, the latter as an officer of this Court, as may be necessary or desirable to give effect to this Order, or to assist the Chapter 11 Debtors, the Foreign Representative, and the Information Officer and their respective agents in carrying out the terms of this Order.

33. THIS COURT ORDERS that each of the Chapter 11 Debtors, the Foreign Representative and the Information Officer be at liberty and is hereby authorized and

empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

34. 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, the Foreign Representative, the Information Officer 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.

35. THIS COURT ORDERS that this Order shall be effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.

124

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 – FOREIGN ~~REPRESENTATIVE~~REPRESENTATIVE ORDER

SCHEDULE C – FINANCING ORDER

SCHEDULE D – CASH MANAGEMENT ORDER

SCHEDULE E – PRE-PETITION WAGES & BENEFITS ORDER

**SCHEDULE F – INSURANCE PROGRAM & INSURANCE PREMIUM FINANCING
ORDER**

**SCHEDULE G – PRE-PETITION CUSTOMERS, WAREHOUSEMAN, COMMON
CARRIERS AND CARGO CLAIMS ORDER**

SCHEDULE H – PRE-PETITION SALES & TAX ORDER

SCHEDULE I – CRITICAL VENDOR ORDER

24

SCHEDULE J – UTILITIES SERVICE ORDER

**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**

ONTARIO

SUPERIOR COURT OF JUSTICE

Proceeding commenced at Toronto, Ontario, Canada

**AMENDED AND RESTATED
SUPPLEMENTAL ORDER
(FOREIGN MAIN PROCEEDING)**

**~~GOWLING LAFLEUR HENDERSON LLP~~
Barristers and Solicitors
One First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5**

**Jennifer Stam (LSUC#46735J)
Telephone: (416) 862-5697
Facsimile: (416) 862-7661**

**Ava Kim (LSUC#57256C)
Telephone: (416) 862-3560
Facsimile: (416) 862-7661**

**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**

**ONTARIO
SUPERIOR COURT OF JUSTICE
Proceeding commenced at Toronto, Ontario, Canada**

**MOTION RECORD
(Returnable: April 22, 2013)**

**GOWLINGS LAFLEUR HENDERSON LLP
Barristers and Solicitors
One First Canadian Place
100 King Street West, Suite 1600
TORONTO, Ontario
M5X 1G5**

**Jennifer Stam (LSUC#46735J)
Telephone: (416) 862-5697
Facsimile: (416) 862-7661

Ava Kim (LSUC#57256C)
Telephone: (416) 862-3560
Facsimile: (416) 862-7661**

Lawyers for the Applicant