

**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**

**FACTUM OF THE APPLICANT
(Director Settlement)
(returnable April 22, 2013)**

April 17, 2013

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APPLICATION OF ALLIED SYSTEMS HOLDINGS, INC. UNDER SECTION 46 OF THE
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(as at April 11, 2013)**

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FACTUM OF THE APPLICANT

PART I - INTRODUCTION

1. This motion is brought by Allied Systems Holdings, Inc. ("**Allied U.S.**") in its capacity as foreign representative (the "**Applicant**") of Allied U.S., Allied Systems (Canada) Company ("**Allied Canada**"), Axis Canada Company ("**Axis Canada**") (together with Allied Canada, the "**Canadian Debtors**") and those other entities listed on Schedule "A" (collectively, "**Allied**" or the "**Allied Group**") to the Affidavit of Scott Macaulay sworn April 11, 2013 (the "**Macaulay Affidavit**") for an Order:

- (a) 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 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 a charge in the maximum amount of \$1,970,000 with respect to the CAW Employee Severance Obligations (defined below) and the Non-Bargaining Employee Obligations (defined below) (the “**Directors’ Charge**”); and
 - (c) amending the Supplemental Order of this Court dated June 13, 2012 (the “**Supplemental Order**”) to provide for priority for the Directors’ Charge.
2. If the Directors’ Charge is not granted, the Allied Group is 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.

PART II - SUMMARY OF FACTS

3. On July 25, 2012, Allied U.S. filed with this Court a motion record (“**July 25 Motion Record**”) in support of an order for a directors’ charge. Allied Canada’s business is subject to the *Canada Labour Code*, R.S.C., 1985, C1-2 (“**CLC**”) and Allied Canada’s directors are therefore subject to directors’ liabilities for statutory termination and severance. As certain of Allied’s creditors expressed concerns and objections, Allied agreed to adjourn the motion to attempt to obtain an unopposed solution. Since then, the Canadian Debtors have undergone extensive negotiations with its unions, Yucaipa American Alliance Fund II, LLC, as DIP agent, for and on behalf of the DIP lenders (the “**DIP Lenders**”), the petitioning creditors and the committee of unsecured creditors to come to a consensus on the terms of the directors’ charge.

4. 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. 395, 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**”) (also discussed below).

THE PROPOSED SOLUTION

5. In order to address the potential personal liability issues faced by any director of Allied Canada, Allied Canada now proposes a multi-pronged solution. If the proposed solution is implemented, a current member of Allied’s senior management has agreed to be appointed as a director of Allied Canada. A summary of the solution 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 severance payments required to be paid under the CLC, 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 up to \$1.4 million of the Directors’ Charge. Recourse to the Directors’ Charge will only be available if Allied Canada does not make such payments and if recourse to Allied Canada’s existing and applicable directors’ and officers’ insurance policies (the “**Directors’ Policies**”) 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 Teamsters have provided comfort letters (see below) confirming that they 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, 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 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.

Macaulay Affidavit at para. 11, Motion Record, Tab 2

THE CAW SETTLEMENT AGREEMENT

6. On March 15, 2013, after lengthy negotiations with the CAW, Allied Canada entered into the CAW Settlement Agreement whereby Allied Canada agreed to:

- (a) 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
- (b) indemnify its Directors with respect to any obligation or liability of a Director to pay the CAW Employee Severance Obligations which indemnity is to be secured by the Directors' Charge.

7. In exchange for the agreement to pay the CAW Employee Severance Obligations and seek the Directors' Charge, the CAW, on behalf of itself and its members (who are current employees of Allied Canada) have agreed to release any claims it may have against any director of Allied Canada (whether past, present, future, deemed or actual) personally, 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 to the extent that any such claims are not paid by Allied, their only other recourse would be to the Directors' Policies.

8. As part of the agreement, to secure the indemnification obligation with respect to CAW Employee Severance Obligations, the Directors (defined below) of Allied Canada are to have the benefit of a charge in the maximum amount of \$1.4 million, which is to rank subordinate to the Administration Charge (as defined in 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 the Directors' Policies has been sought and exhausted and the

proceeds thereof are insufficient to pay the remaining amount of the CAW Employee Severance Obligations.

Macaulay Affidavit at para. 12, Motion Record, Tab 2

THE PROPOSED DIRECTORS' CHARGE

The Scope of the Charge

9. Allied Canada is 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 termination pay or severance pay required to be paid pursuant to the CLC upon termination of any employees who are not members of a union (the **"Non-Bargaining Employees"**) and who were active employees on June 10, 2012 (**"Non-Bargaining Employee Obligations"**).

Macaulay Affidavit at para. 17, Motion Record, Tab 2

10. 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 consisting of the following:

- (a) \$1.4 million for the CAW Employee Severance Obligations
- (b) \$570,000 for the Non-Bargaining Employee Obligations

Macaulay Affidavit at para. 18, Motion Record, Tab 2

11. It is contemplated that access to this Directors' Charge would 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. In that regard, Allied does have certain directors' and officers' insurance policies and Allied Canada's Canadian counsel believes that 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.

Macaulay Affidavit at para. 18, Motion Record, Tab 2

THE PROPOSED PRIORITY OF THE DIRECTORS' CHARGE

12. 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).

Macaulay Affidavit at para. 19, Motion Record, Tab 2

NON-BARGAINING EMPLOYEES

13. Allied Canada also seeks to indemnify the Directors against potential personal liability for Non-Bargaining Employee Obligations owed to the Non-Bargaining Employees. To secure Allied Canada's indemnification obligation with respect to the Non-Bargaining Employee Obligations, the Directors shall have the benefit of the Directors' Charge up to a maximum amount of \$570,000. This portion of the Directors' Charge shall be subordinate to the DIP Lenders Charge. Access to this portion of the Directors' Charge shall also only be available if and when recourse to the Directors' Policies has been exhausted.

Macaulay Affidavit at paras. 12, 18, and 19 Motion Record, Tab 2

U.S. BANKRUPTCY COURT APPROVED THE CAW SETTLEMENT AGREEMENT

14. On March 25, 2013, Allied filed a motion before the United States Bankruptcy Court for the District of Delaware for, among other things, approval of the CAW Settlement Agreement and authorization to proceed before this Court to seek the Directors' Charge (the "U.S. Motion"). The U.S. Motion was granted on April 11th, 2013 (the "U.S. Order") (a copy of which is attached as Exhibit "A" to the Macaulay Affidavit).

Macaulay Affidavit at para. 25, Motion Record, Tab 2

PART III - STATEMENT OF ISSUES, LAW & AUTHORITIES

15. The issues for consideration on this motion are:

- (a) Whether this Court possesses jurisdiction to recognize and give full force and effect to the U.S. Order approving the CAW Settlement Agreement and to grant the proposed Directors' Charge; and
- (b) Whether it is appropriate for this Court to exercise its jurisdiction to give full force and effect to the U.S. Order and to grant the proposed Directors' Charge in the circumstances.

THE COURT HAS THE JURISDICTION TO GRANT THE RELIEF SOUGHT

16. The purpose of Part IV of the CCAA is to “provide mechanisms for dealing with cases of cross-border insolvencies and to promote”, among other things, the fair and efficient administration of cross-border insolvencies that protects the interests of creditors and other interested persons, and those of debtor companies.

Companies' Creditors Arrangement Act, R.S.C. 1985, c. C-36, (“CCAA”), s. 44

Massachusetts Elephant & Castle Group, Inc., (Re), 2011 ONSC 4201 at para.10, BOA, Tab 1

17. Sections 49, 50, and 61 of the CCAA provide this Court with the jurisdiction to recognize and give full force and effect to the U.S. Order approving the CAW Settlement Agreement and to grant the proposed Directors' Charge in the context of an application for recognition of a foreign proceeding. Further, the U.S. Order authorizes the Applicant to bring this motion before the Canadian court for, among other things, approval of the Directors' Charge.

CCAA, ss. 49-50, 61

18. Based on the foregoing, it is clear that this Court has jurisdiction and authority to hear this motion and grant the relief sought.

IT IS APPROPRIATE TO GIVE EFFECT TO THE U.S. ORDER

19. Courts have recognized U.S. orders made in Chapter 11 proceedings in cases where the U.S. orders were consistent with the provisions in the CCAA and where no public policy issues were raised.

Lightsquared LP, Re, 2012 ONSC 2994 at para. 36, BOA, Tab 2

Order of Justice Pepall made on July 9, 2009 pursuant to the Application made by Lear Canada at para 13, BOA, Tab 13

20. In these circumstances, it is appropriate that this Court recognize and give full force and effect to the U.S. Order approving the CAW Settlement Agreement. There are no provisions in the U.S. Order that would be inconsistent with the provisions of the CCAA or that would raise public policy exceptions referenced in section 61 of the CCAA.

IT IS APPROPRIATE TO GRANT THE PROPOSED DIRECTORS' CHARGE

21. Courts have granted substantive relief in these proceedings as well as other Part IV proceedings providing for the granting of administration and debtor-in-possession charges on assets located in Canada.

Supplemental Order of Justice Morawetz made on July 4, 2011 pursuant to the Application of the Massachusetts Elephant & Castle Group, Inc. at paras. 10 and 13-18, BOA, Tab 4

Sections 11.51 and 11.52 of the CCAA

22. Sections 11.51 and 11.52 of the CCAA should be referred to as a general test as to whether a Directors' Charge should be granted in the context of a Part IV proceeding. These sections state that the court may make an order on application by a debtor company and on notice to the secured creditors who are likely to be affected by the security or charge.

CCAA, ss. 11.51 and 11.52

Initial Order of Justice Morawetz in Re NFC Acquisition GP Inc., et al., Court File Number CV-12-9554-00CL ("New Foods") at para. 20-22, BOA, Tab 5

The granting of the proposed Directors' Charge is consistent with the purpose of the CCAA and is appropriate in the circumstances

23. The proposed Directors' Charge will allow a new director of Allied Canada to step forward as well as protect the Allied Group overall, including for the purposes of maximizing value of stakeholders. It is understandable that any new director would insist on these protections as he is agreeing to attract certain liabilities for the sake of the restructuring that, prior to any appointment, he did not have.

24. The Applicant is seeking a Directors' Charge with respect to current and future directors of Allied Canada in the maximum amount of \$1,970,000. Given the Canadian Debtors' circumstances, the proposed charge:

- (a) secures the indemnity which is limited to liability for CLC severance and is being provided only to current and future directors of Allied Canada; and
- (b) is limited to \$1.4 million for the CAW Employee Severance Obligations and \$570,000 for the Non-Bargaining Employee Obligations; and
- (c) is only available if and when recourse under the Directors' Policies has been exhausted.

The proposed amount of the Directors' Charge has been negotiated at length with several interested parties including the CAW, Yucaipa American Alliance Fund II, LLC, as DIP agent, for and on behalf of the DIP Lenders, petitioning creditors and the committee of unsecured creditors, none of whom are objecting to this motion.

Macaulay Affidavit at paras. 18 and 30, Motion Record, Tab 2

25. The Information Officer has reviewed the proposed amounts and calculations as to the method for calculating these amounts.

Fifth Report of Duff & Phelps Canada Restructuring Inc. dated April 11, 2013, Motion Record of the Information Officer, Tab 2.

The Directors' Charge Should Extend to Severance Obligations

26. The granting of the proposed Directors' Charge in respect of severance obligations is appropriate on the unique circumstances of this filing because of the following:

- (a) Section 11.51 provides for indemnification for any obligation or liability that a director or officer may incur as a director or officer of a company. The directors' charge in Canwest included protection in respect of termination and severance because of the application of the Canada Labour Code in that business;

Initial Order of Justice Pepall made on October 6, 2009 pursuant to the Application made by Canwest Global Communications Corp. at paras. 21-24, BOA, Tab 6

- (b) No individual would agree to be appointed as a director of Allied Canada absent protection regarding all potential severance liability;
- (c) Allied Canada is currently paying current severance obligations in accordance with the Final Wages Order;
- (d) It is beneficial to Allied Canada and the Allied Group as a whole if Allied Canada has at least one director; and
- (e) In the unlikely event that all current employees were terminated severance was not paid under the CLC, the current director (absent gross negligence or wilful misconduct) should not have to bear personal liability for those amounts.

There are no other alternatives that would be more efficient or cost effective in these circumstances

27. 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. Any such person would likely require similar levels of protection as contemplated in the proposed Directors' Charge.

Blount Affidavit, at paras. 30-31, Motion Record, Tab 3

28. The proposed Directors' Charge is, in effect, "back up" protection for a number of reasons. First, current severance obligations are currently being paid as are all wages, and vacation pay. Allied Canada intends to honour these obligations directly.

Blount Affidavit at para. 13, Motion Record, Tab 3

29. Second, in the event that employees were to pursue directors for these obligations, the Directors' Charge will only be available to individuals once efforts to obtain recovery under the existing directors' and officers' insurance policies are exhausted. Further, obtaining further insurance for debtor companies in Chapter 11 and CCAA proceedings is not generally a cost effective or even viable alternative.

Blount Affidavit at para. 25, Motion Record, Tab 3

Appropriate Notice has been given to potentially affected parties

30. Exhaustive notice has been given of this motion as set out in the Macaulay Affidavit and includes, without limitation:

- (a) all personal property security registrants (“PPSA Registrants”) or counsel;
- (b) Allied’s Canadian pension plans, 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.

Macaulay Affidavit at para. 27, Motion Record, Tab 2

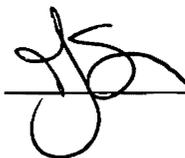
31. In light of the above, there is no material prejudice to the granting of an order providing for priority of the Directors’ Charge over other Encumbrances (as defined in the Supplemental Order).

PART IV - CONCLUSION

32. Recognizing and giving full force and effect to the U.S. Order and granting of the proposed Directors’ Charge by this Court on the terms sought by the Applicant is appropriate and consistent with the purpose of both the CCAA as a whole and Part IV specifically. This Court has the clear jurisdiction to grant such relief and it is appropriate that such relief be sought in this Court in the first instance given that it relates to Canadian debtors, Canadian assets, Canadian liabilities and issues of Canadian law.

33. For all of the foregoing reasons, this is an appropriate case in which to recognize the U.S. Order and grant the Directors’ Charge.

ALL OF WHICH IS RESPECTFULLY SUBMITTED this 17th day of April, 2013.



Jennifer Stam

SCHEDULE "A"

LIST OF AUTHORITIES

Massachusetts Elephant & Castle Group, Inc., (Re), 2011 ONSC 4201

Lightsquared LP, Re, 2012 ONSC 2994

Order of Justice Pepall made on July 9, 2009 pursuant to the Application made by Lear Canada

Supplemental Order of Justice Morawetz made on July 4, 2011 pursuant to the Application of the Massachusetts Elephant & Castle Group, Inc.

Initial Order of Justice Morawetz in Re NFC Acquisition GP Inc., et al., Court File Number CV-12-9554-00CL

Initial Order of Justice Pepall made on October 6, 2009 pursuant to the Application made by Canwest Global Communications Corp.

SCHEDULE “B”

TEXT OF STATUTES, REGULATIONS & BY – LAWS

Companies’ Creditors Arrangement Act (R.S.C., 1985, c. C-36)

Security or charge relating to director’s indemnification

11.51 (1) On application by a debtor company and on notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring that all or part of the property of the company is subject to a security or charge — in an amount that the court considers appropriate — in favour of any director or officer of the company to indemnify the director or officer against obligations and liabilities that they may incur as a director or officer of the company after the commencement of proceedings under this Act.

Priority

(2) The court may order that the security or charge rank in priority over the claim of any secured creditor of the company.

Restriction — indemnification insurance

(3) The court may not make the order if in its opinion the company could obtain adequate indemnification insurance for the director or officer at a reasonable cost.

Negligence, misconduct or fault

(4) The court shall make an order declaring that the security or charge does not apply in respect of a specific obligation or liability incurred by a director or officer if in its opinion the obligation or liability was incurred as a result of the director’s or officer’s gross negligence or wilful misconduct or, in Quebec, the director’s or officer’s gross or intentional fault.

Court may order security or charge to cover certain costs

11.52 (1) On notice to the secured creditors who are likely to be affected by the security or charge, the court may make an order declaring that all or part of the property of a debtor company is subject to a security or charge — in an amount that the court considers appropriate — in respect of the fees and expenses of

(a) the monitor, including the fees and expenses of any financial, legal or other experts engaged by the monitor in the performance of the monitor’s duties;

(b) any financial, legal or other experts engaged by the company for the purpose of proceedings under this Act; and

(c) any financial, legal or other experts engaged by any other interested person if the court is satisfied that the security or charge is necessary for their effective participation in proceedings under this Act.

Priority

(2) The court may order that the security or charge rank in priority over the claim of any secured creditor of the company.

...

Purpose

44. The purpose of this Part is to provide mechanisms for dealing with cases of cross-border insolvencies and to promote

(a) cooperation between the courts and other competent authorities in Canada with those of foreign jurisdictions in cases of cross-border insolvencies;

(b) greater legal certainty for trade and investment;

(c) the fair and efficient administration of cross-border insolvencies that protects the interests of creditors and other interested persons, and those of debtor companies;

(d) the protection and the maximization of the value of debtor company's property; and

(e) the rescue of financially troubled businesses to protect investment and preserve employment.

...

Other orders

49. (1) If an order recognizing a foreign proceeding is made, the court may, on application by the foreign representative who applied for the order, if the court is satisfied that it is necessary for the protection of the debtor company's property or the interests of a creditor or creditors, make any order that it considers appropriate, including an order

(a) if the foreign proceeding is a foreign non-main proceeding, referred to in subsection 48(1);

(b) respecting the examination of witnesses, the taking of evidence or the delivery of information concerning the debtor company's property, business and financial affairs, debts, liabilities and obligations; and

(c) authorizing the foreign representative to monitor the debtor company's business and financial affairs in Canada for the purpose of reorganization.

Restriction

(2) If any proceedings under this Act have been commenced in respect of the debtor company at the time an order recognizing the foreign proceeding is made, an order made under subsection (1) must be consistent with any order that may be made in any proceedings under this Act.

Application of this and other Acts

(3) The making of an order under paragraph (1)(a) does not preclude the commencement or the continuation of proceedings under this Act, the Bankruptcy and Insolvency Act or the Winding-up and Restructuring Act in respect of the debtor company.

Terms and conditions of orders

50. An order under this Part may be made on any terms and conditions that the court considers appropriate in the circumstances.

...

Court not prevented from applying certain rules

61. (1) Nothing in this Part prevents the court, on the application of a foreign representative or any other interested person, from applying any legal or equitable rules governing the recognition of foreign insolvency orders and assistance to foreign representatives that are not inconsistent with the provisions of this Act.

Public policy exception

(2) Nothing in this Part prevents the court from refusing to do something that would be contrary to public policy.

Canada Labour Code (R.S.C., 1985, c. L-2)

Minimum rate

235. (1) An employer who terminates the employment of an employee who has completed twelve consecutive months of continuous employment by the employer shall, except where the termination is by way of dismissal for just cause, pay to the employee the greater of

(a) two days wages at the employee's regular rate of wages for his regular hours of work in respect of each completed year of employment that is within the term of the employee's continuous employment by the employer, and

(b) five days wages at the employee's regular rate of wages for his regular hours of work.

Circumstances deemed to be termination and deemed not to be termination

(2) For the purposes of this Division,

(a) except where otherwise provided by regulation, an employer shall be deemed to have terminated the employment of an employee when the employer lays off that employee.

(b) [Repealed, 2011, c. 24, s. 167]

...

Civil liability of directors

251.18 Directors of a corporation are jointly and severally liable for wages and other amounts to which an employee is entitled under this Part, to a maximum amount equivalent to six months' wages, to the extent that

(a) the entitlement arose during the particular director's incumbency; and

(b) recovery of the amount from the corporation is impossible or unlikely.

**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**

**FACTUM OF THE APPLICANT
(Director Settlement)
(returnable April 22, 2013)**

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