
First Report to Court of Duff & Phelps
Canada Restructuring Inc. as Information
Officer of Allied Systems Holdings, Inc.,
Allied Systems (Canada) Company, Axis
Canada Company and those other
companies listed on Schedule “A” hereto

July 11, 2012

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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**

**FIRST REPORT OF DUFF & PHELPS CANADA RESTRUCTURING INC.
AS INFORMATION OFFICER OF
ALLIED SYSTEMS HOLDINGS, INC., ALLIED SYSTEMS (CANADA) COMPANY, AXIS
CANADA COMPANY AND THOSE OTHER COMPANIES LISTED ON SCHEDULE "A"
HERETO**

July 11, 2012

1.0 Introduction

On May 17, 2012, involuntary petitions were filed by BDCM Opportunity Fund II, LP, Black Diamond CLO 2005-1 Ltd. and Spectrum Investment Partners, L.P. against Allied Systems Holdings, Inc. ("Allied Systems US") and its subsidiary, Allied Systems, Ltd. (L.P.) ("ASL") pursuant to Chapter 11 of Title 11 of the *United States Code* ("Chapter 11") ("Involuntary Petitions") in the United States Bankruptcy Court for the District of Delaware ("U.S. Court").

On June 10, 2012, voluntary petitions were filed with the U.S. Court for relief under Chapter 11 by several subsidiaries of Allied Systems US ("Subsidiaries")¹ (Allied Systems US, ASL and the Subsidiaries are collectively referred to as the "Chapter

¹ The U.S. subsidiaries are: Allied Automotive Group, Inc.; Allied Freight Broker LLC; Axis Areta, LLC; Axis Group, Inc.; Commercial Carriers, Inc.; CT Services, Inc.; Cordin Transport LLC; F.J. Boutell Driveway LLC; GACS Incorporated; Logistic Systems, LLC; Logistic Technology, LLC; QAT, Inc.; RMX LLC; Transport Support LLC; and Terminal Services LLC. The Canadian subsidiaries are Allied Systems (Canada) Company and Axis Canada Company.

11 Debtors” or “Allied Group”), including Allied Systems (Canada) Company (“Allied Systems Canada”) and Axis Canada Company (“Axis Canada”) (jointly, the “Canadian Debtors”). In connection therewith, Allied Systems US and ASL consented to the Involuntary Petitions. The cases commenced or consented to by the Chapter 11 Debtors in the U.S. Court are herein defined as the “Chapter 11 Proceedings”.

The Chapter 11 Debtors were granted ancillary relief under Part IV of the *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”) pursuant to an Order of the Ontario Superior Court of Justice (“Court”) dated June 12, 2012 (the “Initial Order”) and a Court Order dated June 13, 2012 (the “Supplemental Order”, and together with the Initial Order, the “Orders”). Copies of the Orders, including a Court Order amending the Supplemental Order, all without attachments, are provided in Appendix “A”.

Pursuant to the Orders, *inter alia*: a) the Chapter 11 Proceedings were recognized as a “foreign main proceeding” pursuant to Part IV of the CCAA; b) Allied Systems US was appointed as Allied Group’s foreign representative (“Foreign Representative”); c) certain orders made by the U.S. Court dated June 12, 2012 (the “First Day Orders”) were recognized; and d) Duff & Phelps Canada Restructuring Inc. (“D&P”) was appointed as information officer (the “Information Officer”).

This report (“Report”) is filed in D&P’s capacity as Information Officer.

1.1 Purposes of this Report

The purposes of this Report are to:

- a) Provide background information about Allied Group;
- b) Provide information with respect to the Foreign Representative’s request for:
 - the recognition of Final Orders and the Amended Sales and Use Tax Order (defined below) ;
 - certain ancillary relief in respect of Allied Group’s cash management system; and
 - the granting of a “priority” charge to the Administration Charge and the DIP Lender’s Charge (as defined in the Supplemental Order); and
- c) Summarize the activities of the Information Officer.

1.2 Currency

All currency references in this Report are to United States dollars, unless otherwise noted.

1.3 Definitions

Certain capitalized terms used in this Report and not otherwise defined herein have the meanings ascribed to them in the affidavit of Scott Macaulay, Senior Vice President and Chief Financial Officer of Allied Systems US, sworn July 11, 2012 (“July Macaulay Affidavit”).

1.4 Restrictions

In preparing this Report, the Information Officer has relied upon unaudited financial information prepared by Allied Group’s representatives, Allied Group’s books and records and discussions with its representatives. The Information Officer has not performed an audit or other verification of such information. The Information Officer expresses no opinion or other form of assurance with respect to the accuracy of any financial information presented in this Report, or relied upon by the Information Officer.

2.0 Background

2.1 Business Overview

Allied Group is primarily engaged in the “car-haul” business, being the transport by specially designed tractor trailers of vehicles, such as automobiles, sport-utility vehicles and light trucks, from manufacturing plants, ports, auctions, and railway distribution points to automobile dealerships in the United States and Canada. In Canada, this business is conducted by Allied Systems Canada.

Allied Group also operates a logistics business which, among other things, arranges for and manages vehicle distribution services, automobile inspections, auction and yard management services, vehicle tracking, vehicle accessorizing, and dealer preparation services for the automotive industry in the United States and Canada, and provides yard management services in Mexico. In Canada, this business is conducted by Axis Canada.

Allied Group's operations are centralized from its head office located in Atlanta, Georgia. Allied Group employs approximately 1,835 individuals, including approximately 461 active employees in Canada². Approximately 390 active Canadian employees are members of the International Brotherhood of Teamsters or the Canadian Auto Workers' unions.

Further information concerning Allied Group's background is provided in the affidavit of Mr. Macaulay sworn June 11, 2012 ("Macaulay Affidavit") and in the Report to Court of D&P as Proposed Information Officer dated June 11, 2012 ("Proposed IO Report"). The Macaulay Affidavit, the Proposed IO Report and other materials filed with the Court in the Canadian proceedings are available on D&P's website at www.duffandphelps.com/restructuringcases. Information regarding the Chapter 11 Proceedings is posted on the "Restructuring News" portion of Allied Group's website at www.alliedautomotive.com.

3.0 Canadian Debtors' Activities

The Information Officer has met with and corresponded with representatives of the Canadian Debtors. The Information Officer understands that Allied Group's operations, including those of the Canadian Debtors, have continued in the ordinary course and without significant disruptions since the Chapter 11 Proceedings commenced.

In response to a request from one of the two unions representing certain of the Canadian Debtors' employees, the Canadian Debtors confirmed the proposed treatment of their collective agreements in the context of these proceedings.

4.0 Final Orders

Pursuant to the Supplemental Order, the Court recognized the First Day Orders (certain of which were granted on an interim basis) made by the U.S. Court. The First Day Orders are appended to the Supplemental Order and are briefly described in the Proposed IO Report.

The Chapter 11 Debtors filed motions with the U.S. Court seeking the entry of final orders ("Final Orders") to amend or supplement relief already provided in those First Day Orders that were granted on an interim basis. With the exception of the Final Financing Order (discussed below), the U.S. Court entered the Final Orders on July 10, 2012. The Foreign Representative will be seeking an Order on July 16, 2012 for the Court to recognize certain of the Final Orders relevant to the Canadian Debtors.

² Allied Systems Canada and Axis Canada employ 449 and 12 individuals, respectively.

The Final Orders (other than the Final Financing Order) as well as versions (“Blackline Versions”) of the Final Orders compared to the First Day Orders previously recognized by the Court are provided in Appendices “B” through “F”.

The applicable Final Orders the Foreign Representative will be seeking this Court to recognize are as follows:

- Final Wages Order - authorizes payment of wages, payroll taxes, certain employee benefits and related expenses due prior to the commencement of the Chapter 11 Proceedings, and other compensation to employees, owner-operators and independent contractors;
- Final Insurance Order - authorizes Allied Group to continue its insurance programs;
- Final Critical Vendors Order - authorizes, but does not direct, Allied Group to pay certain pre-filing claims of critical vendors (“Critical Vendors”) and grants certain other related relief;
- Final Customs Duties, Warehousemen, Common Carriers and Cargo Claims Order - authorizes Allied Group to pay pre-filing obligations arising before the commencement of the Chapter 11 Proceedings for customs duties, common carrier claims, warehousemen claims and cargo claims and authorizes Allied Group to honor certain pre-filing cargo claims and authorizes financial institutions to honor and process cheques and transfers related to such claims;
- Final Utilities Service Order - determines adequate assurance of payment for future utility services; and
- Final Financing Order - authorizes Allied Group to obtain secured DIP financing. The Foreign Representative will file this order with the Court upon its entry by the U.S. Court following a motion to be heard on July 12, 2012 and will compare it to the interim Financing Order.

The relatively few minor changes in the Final Orders compared to the corresponding First Day Orders include³:

- Final Wages Order - an increase in the maximum amount authorized to be paid in the aggregate for Employee Obligations from \$10.5 million to \$15.5 million and the amount authorized for payments of pre-filing Employee Obligations to any individual employee (with the exception of payments for Employee Obligations due to Union Employees and compensation due to owner-operators under Union Agreements) was set at \$11,725;
- Final Insurance Order - an increase from \$1 million to \$2.5 million for the maximum amount permitted for payments for specified obligations due prior to the commencement of the Chapter 11 Proceedings;
- Final Critical Vendors Order – an increase from \$800,000⁴ to \$1.1 million for the payment of Critical Vendor claims and a determination that if a Critical Vendor accepts payment for its claim(s) and thereafter fails to extend credit on terms substantially the same as, or better than, those provided before commencement of the Chapter 11 Proceedings, such payment will be deemed an unauthorized transfer and will be recoverable by Allied Group;
- Final Customs Duties, Warehousemen, Common Carriers and Cargo Claims Order – an increase from \$2 million to \$3.5 million for the payment of specified obligations for customs duties, common carriers, warehousemen and cargo service providers. Certain dispute mechanisms are also included; and
- Final Utilities Service Order – no significant changes.

Allied Group has also filed a motion with the U.S. Court to be heard on July 12, 2012 seeking an amendment to the Sales and Use Tax Order (“Amended Sales and Use Tax Order”). The U.S. Court had issued the Sales and Use Tax Order on a final, rather than interim, basis on June 12, 2012. The Amended Sales and Use Tax Order contemplates an increase for the maximum aggregate permitted for payments for sales and use taxes from \$180,000 to \$280,000. A copy of the proposed Amended Sales and Use Tax Order and a comparison of it to the Sales and Use Tax Order is provided in Appendix “G”. The Foreign Representative will

³ Certain capitalized terms are as defined in the Final Orders.

⁴ The limit in the interim Critical Vendor Order was increased from \$500,000 to \$800,000 pursuant to an amended order made by the U.S. Court on June 22, 2012. Recognition by the Court of the increase in the amended order was not sought by the Foreign Representative.

file this order with the Court upon its entry by the U.S. Court and will identify any further changes, if any.

It is the Information Officer's view that the Final Orders and the Amended Sales and Use Tax Order are necessary for the continued operation of Allied Group's business as a going concern. The Information Officer is of the view that the Court's recognition of these orders is appropriate in these circumstances.

The Information Officer understands that the proposed Final Financing Order will include, among other things, an increase from \$10 million to \$20 million for the aggregate principal amount of permitted borrowing under the DIP Loan, which is consistent with the funding sought by Allied Group upon commencement of the Chapter 11 Proceedings. The Information Officer will review any other significant revisions to the Final Financing Order, and if necessary, will advise the Court on the return of this motion of its views on those changes.

5.0 Cash Management

The Canadian Debtors' banking functions are carried out primarily by The Bank of Nova Scotia ("BNS") (the "Canadian Cash Management System"). BNS is not a lender to Allied Group. The Canadian Debtors wish to continue utilizing BNS's banking services and have agreed to indemnify BNS for any liability it may incur from any third party by virtue of providing and operating the Canadian Cash Management System in accordance with BNS's practices and procedures established before the commencement of the Chapter 11 Proceedings ("BNS Indemnification").

The general arrangements related to Allied Group and its various cash management service providers are set out in the Cash Management Order.

The Foreign Representative is seeking an order from the Court that provides for the BNS Indemnification. The Information Officer is of the view that the requested relief is appropriate in these circumstances as it avoids any disruptions in the Canadian Debtors' cash management and does not prejudice any parties.

6.0 Priority for Charges

Pursuant to the Supplemental Order, the Administration Charge and the DIP Lender's Charge (the "Charges") rank in priority to the existing security interests created pursuant to the First Lien Credit Facility ("First Facility") and the Second Lien Credit Facility (both as defined in the Macaulay Affidavit and together, the "Facilities"). As Allied Group was unable to provide notice to all potentially affected parties at the time the Foreign Representative sought the Orders, the Foreign Representative did not seek priority for the Charges over other trusts, liens,

charges and encumbrances, claims of secured creditors or otherwise (collectively, “Encumbrances”).

As the Foreign Representative advises that proper notice has now been given to all known parties with potential Encumbrances, the Foreign Representative is seeking to amend the Supplemental Order such that the Charges be granted priority status and rank ahead of the Facilities and the Encumbrances, including any deemed trusts created under Provincial pension legislation, other than:

- a) Encumbrances, if any, that are valid, perfected by registration or possession, non-avoidable and senior to the Encumbrances securing the First Facility as of the date of the Final Financing Order (as defined in the Foreign Representative’s draft form of Order); and
- b) The Carve-Out (as defined in the draft Final Financing Order and generally includes certain professional fees associated with the Chapter 11 Proceedings).

The Information Officer believes that the relief being sought is appropriate because⁵:

- The Canadian Debtors’ operations are integrated with and centrally managed and controlled by the US-based Chapter 11 Debtors, from their head office in Georgia;
- The Canadian Debtors are financed, indirectly, pursuant to the Facilities in place with the US-based Chapter 11 Debtors. The Canadian Debtors are guarantors of the Facilities. All of Allied Group’s assets, including substantially all of the assets of the Canadian Debtors, are secured by the Facilities;
- As it relates to the Canadian Debtors, funding from the DIP Facility is required to, among other things, pay employees in the ordinary course, operate and maintain the trailer fleet, insure assets and fund these proceedings. The Canadian Debtors’ business would be disrupted and its viability jeopardized without the continued benefit of the DIP Facility. DIP financing will allow the business to continue to operate while Allied Group attempts to find a going-concern solution for its business;
- Allied Group is dependent on the DIP Facility to fund its operations and these proceedings. The DIP Lender has advised that it requires the proposed priority status in respect of the DIP Lender’s Charge. The

⁵ Some of these reasons were included in Section 4.2 of the Proposed IO Report.

Canadian Debtors are reliant on the US-based Chapter 11 Debtors to operate their business, including all material management functions;

- Based on the advances made under the Facilities compared to the Information Officer's understanding of the approximate value of Allied Group's business and assets, the Information Officer is of the view that in these circumstances there will be no prejudice to the Canadian unsecured creditors of Allied Group if the Court grants the proposed Order;
- The granting of priority status to a DIP Lender's charge and an administration charge has become common in CCAA proceedings; and
- If the order is not granted, the DIP Lender may be reluctant or unwilling to make continued advances under the DIP Facility, which would impair the continued operation of Allied Group's business as a going concern thus significantly impairing value for stakeholders.

7.0 Overview of the Information Officer's Activities

The Information Officer's activities since the date of the Initial Order have included the following:

- Reviewing the Canadian Debtors' operations during the proceedings, including corresponding with the Canadian Debtors' management;
- Attending at Allied Systems Canada's premises to discuss with management its operations and relationships with stakeholders;
- Corresponding with representatives of Axis Canada;
- Corresponding with Rothschild Inc., Allied Group's financial advisor in connection with its review of Allied Group's business and assets;
- Reviewing correspondence between Allied Group and the DIP Lender and between Allied Group and certain lenders subject to the Facilities;
- Arranging for the placement of a Notice of Recognition Order on June 19, 2012 and June 25, 2012 in The Globe and Mail (National Edition), pursuant to the Initial Order;
- Staying apprised of matters in the Chapter 11 proceedings;
- Filing the requisite CCAA forms with the Office of the Superintendent of Bankruptcy;

-
- Responding to creditor inquiries regarding the Chapter 11 Proceedings and CCAA proceedings;
 - Reviewing certain financial and other information;
 - Placing on its website copies of materials filed in these proceedings;
 - Drafting this Report;
 - Corresponding frequently with the Foreign Representative's Canadian counsel; and
 - Addressing all other matters pertaining to the administration of these proceedings.

8.0 Conclusion

Based on the foregoing, it is the Information Officer's view that the relief being sought by the Foreign Representative is reasonable.

Additionally, the Information Officer requests that this Honourable Court approve its activities detailed in this Report.

* * *

All of which is respectfully submitted,

Duff + Phelps Canada Restructuring Inc.

**DUFF & PHELPS CANADA RESTRUCTURING INC.
IN ITS CAPACITY AS INFORMATION OFFICER OF
ALLIED SYSTEMS HOLDINGS, INC., ALLIED SYSTEMS (CANADA) COMPANY, AXIS
CANADA COMPANY AND THOSE OTHER COMPANIES LISTED ON SCHEDULE "A"
HERETO AND NOT IN ITS PERSONAL CAPACITY**

Schedule "A"

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

Appendix “A”

Court File No.: 12- CV- 9757-0066

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) TUESDAY, THE 12TH DAY
)
MR. JUSTICE MORAWETZ) OF JUNE, 2012

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

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

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



INITIAL RECOGNITION ORDER
(FOREIGN MAIN PROCEEDING)

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

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

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

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

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

SERVICE

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

FOREIGN REPRESENTATIVE

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

CENTRE OF MAIN INTEREST AND RECOGNITION OF FOREIGN PROCEEDING

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

STAY OF PROCEEDINGS

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

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

NO SALE OF PROPERTY

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

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

GENERAL

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

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

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

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

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

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



JUN 12 2012



ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

THE HONOURABLE) WEDNESDAY, THE 13TH 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

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.

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 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 (the "**Recognition Order**"), provided that in the event of a conflict between the provisions of this 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 the DIP Lender 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., as agent and lender (the **“DIP Agent”**) and Yucaipa American Alliance (Parallel) Fund II, L.P., as lender, 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 DIP Lender 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 the DIP Lender 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 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 and the DIP Lender’s Charge, as among them, shall be as follows:

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

Second – DIP Lender’s Charge

23. THIS COURT ORDERS that the filing, registration or perfection of the Administration 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 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 trusts, liens, charges and encumbrances, claims of secured creditors, statutory or otherwise (collectively, "**Encumbrances**") in favour of any Person.

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 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 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 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.

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

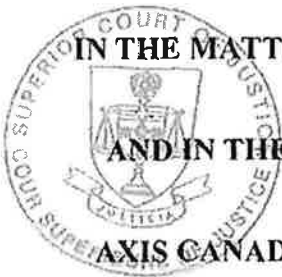


JUN 13 2012



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.,

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 A TORONTO
ON / BOOK NO:
LE / DANS LE REGISTRE NO.:



JUN 26 2012



SCHEDULE A – CHAPTER 11 DEBTORS

Allied Systems Holdings, Inc.
Allied Automotive Group, Inc.
Allied Freight Broker LLC
Allied Systems (Canada) Company
Allied Systems, Ltd. (L.P.)
Axis Areta, LLC
Axis Canada Company
Axis Group, Inc.
Commercial Carriers, Inc.
CT Services, Inc.
Cordin Transport LLC
F.J. Boutell Driveway LLC
GACS Incorporated
Logistic Systems, LLC
Logistic Technology, LLC
QAT, Inc.
RMX LLC
Transport Support LLC
Terminal Services LLC

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

Lawyers for the Applicant

Appendix “B”

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

ALLIED SYSTEMS HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 12-11564 (CSS)

(Jointly Administered)

Re: Docket Nos. 78, 110, 124 & ____

**FINAL ORDER AUTHORIZING PAYMENT OF WAGES, PAYROLL TAXES,
CERTAIN EMPLOYEE BENEFITS AND RELATED EXPENSES DUE PRIOR TO THE
COMMENCEMENT OF THE CHAPTER 11 CASES, AND OTHER COMPENSATION
TO EMPLOYEES, OWNER-OPERATORS AND INDEPENDENT CONTRACTORS**

This matter is before the Court on the motion (the “Motion”) of Allied Systems Holdings, Inc. and its U.S. and Canadian subsidiaries (collectively, the “Debtors”) seeking authority to pay wages, compensation, payroll taxes, certain employee benefits and related expenses which were earned before the commencement of these Chapter 11 Cases² by Employees, owner-operators and independent contractors.

The Court has considered the Motion, the Declaration of Scott D. Macaulay in Support of Chapter 11 Petitions and First Day Motions, and the matters reflected in the record of the hearing held on the Motion. It appears that the Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334; that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); that the Debtors have provided appropriate notice of the Motion and the opportunity for a hearing on

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 Driveaway 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.

² Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Motion.

the Motion under the circumstances and that no further notice is necessary; and that the relief sought in the Motion is in the best interests of the Debtors, their estates, and their creditors; and that good and sufficient cause exists for such relief.

Accordingly, it is hereby **ORDERED** as follows:

1. The Motion is **GRANTED** as set forth herein on a final basis.
2. The Debtors are authorized, but not directed, to pay the Employee Obligations (as defined in the Motion) that were earned by virtue of the services rendered or equipment furnished by their employees or owner-operators before the commencement of these Chapter 11 Cases.
3. The Employee Obligations that the Debtors are authorized, but not directed, to pay include, without limitation: (i) wages, salaries, compensation and lease payments; (ii) payroll taxes; (iii) vacation, sick and holiday pay; (iv) qualified 401(k) plan obligations; (v) health and welfare benefits; (vi) severance amounts; (vii) flexible spending account programs; (viii) qualified pension plans; (ix) life insurance plans; (x) miscellaneous payroll deductions; and (xi) other benefits, in an aggregate amount not to exceed \$15,500,000 (inclusive of the \$10,500,000 cap authorized by the Interim Order).
4. The Debtors are authorized, but not directed, to continue to honor, pay and maintain, in their sole discretion, all of their employee benefit plans to the extent such benefit plans were in effect as of the commencement of these Chapter 11 Cases.
5. The banks and other financial institutions that process, honor and pay any and all checks on account of Employee Obligations may rely on the representation of the Debtors as to which checks are issued and authorized to be paid in accordance with this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

6. Neither this Order, nor the Debtors' payment of any amounts authorized by this Order, shall (i) result in any assumption of any executory contract by the Debtors; (ii) result in a commitment to continue any plan, program, or policy of the Debtors; (iii) be deemed an admission as to the validity of the underlying obligations or a waiver of any rights the Debtors may have to subsequently dispute such obligations; or (iv) impose any administrative, pre-petition, or post-petition liabilities upon the Debtors.

7. Except with respect to Employee Obligations due Union Employees and compensation due owner-operators under Union Agreements, no payment by the Debtors to any individual employee for Employee Obligations earned before the commencement of these Chapter 11 cases shall exceed \$11,725.

8. The Debtors are authorized to make all payments permitted hereunder whether due before or after the commencement of these Chapter 11 Cases.

9. Notwithstanding any other provision of this Order, no payments which implicate 11 U.S.C. § 503(c) shall be made by the Debtors, except upon further order of this Court.

10. Nothing herein shall be deemed to alter, modify or waive the Debtors' obligations under applicable Canadian law.

11. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Local Rule 6004(a) and the Local Rules are satisfied by such notice.

12. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

13. This Court shall retain jurisdiction to interpret and enforce this Order.

Dated: July 10, 2012
Wilmington, Delaware



THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

ALLIED SYSTEMS HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 12-11564 (CSS)

(Jointly Administered)

Re: Docket ~~No~~Nos. 78, 110, 124

**FINAL ORDER AUTHORIZING PAYMENT OF WAGES, PAYROLL TAXES,
CERTAIN EMPLOYEE BENEFITS AND RELATED EXPENSES DUE PRIOR TO THE
COMMENCEMENT OF THE CHAPTER 11 CASES, AND OTHER COMPENSATION
TO EMPLOYEES, OWNER-OPERATORS AND INDEPENDENT CONTRACTORS**

~~**INTERIM ORDER AUTHORIZING PAYMENT OF PRE-PETITION WAGES,
PAYROLL TAXES, CERTAIN EMPLOYEE BENEFITS AND RELATED
EXPENSES, AND OTHER COMPENSATION TO EMPLOYEES
AND INDEPENDENT CONTRACTORS**~~

~~This matter is before the Court on the motion (the “**Motion**”) of Allied Systems Holdings, Inc. and its U.S. and Canadian subsidiaries (collectively, the “**Debtors**”) ~~seek~~ seeking authority to pay ~~prepetition~~ wages, compensation, payroll taxes, certain employee benefits and related expenses ~~(the “**Motion**”)~~ which were earned before the commencement of these Chapter 11 Cases² by Employees, owner-operators and independent contractors.~~

The Court² has considered the Motion, the Declaration of Scott D. Macaulay in Support of Chapter 11 Petitions and First Day Motions, and the matters reflected in the record of the

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 (~~87568828875688228~~); Axis Group, Inc. (58-2204628); Commercial Carriers, Inc. (38-0436930); CT Services, Inc. (38-2918187); Cordin Transport LLC (38-1985795); F.J. Boutell Driveaway 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.

² ~~Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Motion.~~

² ~~Capitalized terms used herein but not otherwise defined shall have the meanings ascribed to them in the Motion.~~

hearing held on the Motion. It appears that the Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334; that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); that the Debtors have provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances and that no further notice is necessary; and that the relief sought in the Motion is in the best interests of the Debtors, their estates, and their creditors; and that good and sufficient cause exists for such relief.

Accordingly, it is hereby **ORDERED** as follows:

1. ~~4.~~The Motion is **GRANTED** as set forth herein on ~~an interim-a final~~ basis.
~~2. The Final Hearing Date shall be July 12, 2012 at 11:00 a.m. prevailing Eastern Time. Any objections or responses to entry of the final order shall be filed on or before six days prior to the Final Hearing Date and served on parties in interest as required by the Local Rules.~~

2. ~~3.~~The Debtors are authorized, but not directed, to pay the Employee Obligations (as defined in the Motion) that ~~have accrued~~The Debtors are authorized, but not directed, to pay the Employee Obligations (as defined in the Motion) that were earned by virtue of the services rendered or equipment furnished by their employees ~~prior to the Petition Date~~or owner-operators before the commencement of these Chapter 11 Cases.

3. ~~4.~~The Employee Obligations that the Debtors are authorized, but not directed, to pay include, without limitation: (i) wages, salaries~~and~~The Employee Obligations that the Debtors are authorized, but not directed, to pay include, without limitation: (i) wages, salaries, compensation and lease payments; (ii) payroll taxes; (iii) vacation, sick and holiday pay; (iv) qualified 401(k) plan obligations; (v) health and welfare benefits; (vi) severance amounts; (vii) flexible spending account programs; (viii) qualified pension plans; (ix) life insurance plans; (x) miscellaneous payroll deductions; and (xi) other

benefits, in an aggregate amount not to exceed ~~\$10,500,000.00 during the interim period from the date of this Order until the date that a Final Order is entered in this matter.~~ \$15,500,000 (inclusive of the \$10,500,000 cap authorized by the Interim Order).

4. ~~5. The Debtors are authorized, but not directed, to continue to honor, pay and maintain, in their sole discretion, all of their employee benefits. The Debtors are authorized, but not directed, to continue to honor, pay and maintain, in their sole discretion, all of their employee benefit plans~~ to the extent such ~~benefits~~ benefit plans were in effect as of the ~~Petition Date~~ commencement of these Chapter 11 Cases.

5. ~~6.~~ The banks and other financial institutions that process, honor and pay any and all checks on account of Employee Obligations may rely on the representation of the Debtors as to which checks are issued and authorized to be paid in accordance with this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

6. ~~7.~~ Neither this Order, nor the Debtors' payment of any amounts authorized by this Order, shall (i) result in any assumption of any executory contract by the Debtors; (ii) result in a commitment to continue any plan, program, or policy of the Debtors; (iii) be deemed an admission as to the validity of the underlying obligations or a waiver of any rights the Debtors may have to subsequently dispute such obligations; or (iv) impose any administrative, ~~prepetition~~ pre-petition, or ~~postpetition~~ post-petition liabilities upon the Debtors.

7. ~~8. Notwithstanding any other provision of this Order~~ Except with respect to Employee Obligations due Union Employees and compensation due owner-operators under Union Agreements, no payment by the Debtors to any individual employee ~~shall exceed the~~

~~amounts set forth in 11 U.S.C. §§ 507(a)(4) and (a)(5), except upon further order of this Court, for Employee Obligations earned before the commencement of these Chapter 11 cases shall exceed \$11,725.~~

8. ~~The Debtors are authorized to make all payments permitted hereunder whether due before or after the commencement of these Chapter 11 Cases.~~

9. ~~9.~~ Notwithstanding any other provision of this Order, no payments which implicate 11 U.S.C. § 503(c) shall be made by the Debtors, except upon further order of this Court.

10. ~~10.~~ Nothing herein shall be deemed to alter, modify or waive the Debtors' obligations under applicable Canadian law.

~~11. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the Motion or otherwise deemed waived.~~

11. ~~12.~~

12. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Local Rule 6004(a) and the Local Rules are satisfied by such notice.

13. ~~13.~~ Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

14. ~~14.~~ This Court shall retain jurisdiction to interpret and enforce this Order.

Dated: ~~June~~ _____ July _____, 2012 _____

Wilmington, Delaware

THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

Appendix “C”

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

In re:

ALLIED SYSTEMS HOLDINGS, INC., et al.,¹

Debtors.

Chapter 11

Case No. 12-11564 (CSS)

(Jointly Administered)

Re: Docket Nos. 73, 105, 121 & ____

**FINAL ORDER GRANTING MOTION OF DEBTORS FOR
ORDER AUTHORIZING DEBTORS TO CONTINUE
THEIR INSURANCE PROGRAMS**

This matter is before the Court² on the motion of Allied Systems Holdings, Inc. and its U.S. and Canadian subsidiaries (collectively, the “**Debtors**”) for authority to continue their Insurance Programs (the “**Motion**”).

The Court has considered the Motion, the Declaration of Scott D. Macaulay in Support of Chapter 11 Petitions and First Day Motions, and the matters reflected in the record of the hearing held on the Motion. It appears that the Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334; that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); that the Debtors have provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances and that no further notice is necessary; and that the relief sought in the motion is in the best interests of the Debtors, their estates, and their creditors; and that good and sufficient cause exists for such relief.

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 Driveaway 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.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Accordingly, it is hereby **ORDERED** as follows:

1. The Motion is **GRANTED** as set forth herein on a final basis.
2. The Debtors are hereby: (a) authorized to maintain their Insurance Programs in accordance with their prepetition practice, (b) authorized, but not required, to pay the following obligations due before the commencement of the Chapter 11 Cases: (i) insurance premiums, (ii) deductible reimbursement due to insurance carriers for insured commercial auto liability claims, and (iii) amounts due third party administrators for benefits paid or to be paid under workers' compensation programs with certain states for which the Debtors have self-insured retention, and (c) authorized, but not required, to pay in the ordinary course of business, as they become due during these Chapter 11 Cases: (i) insurance premiums and premium finance installments on insurance policies and premium finance agreements entered before or after the Petition Date, (ii) deductible reimbursement on commercial auto liability claims arising before or after the Petition Date and (iii) amounts due to third party administrators for administrative services and for benefits due on claims arising before or after the Petition Date under workers' compensation programs with certain states for which the Debtors have self-insured retention.
3. Payment of any amounts described in the foregoing paragraph 2(b) of this Order due prior to the commencement of these Chapter 11 Cases is capped at \$2,500,000 (inclusive of the \$1,000,000 cap authorized by the Interim Order).
4. Nothing in this Order is intended or shall be construed to constitute relief from the automatic stay under Section 362 of the Bankruptcy Code.
5. To the extent the 14-day stay of Bankruptcy Rule 6004(h) may be construed to apply to the subject matter of this Order, such stay is hereby waived.

6. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

7. This Court shall retain jurisdiction to interpret and enforce this Order.

Dated: July 10, 2012
Wilmington, Delaware



THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

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

In re:

**ALLIED SYSTEMS HOLDINGS, INC., *et al.*,¹

Debtors.**

Chapter 11

Case No. 12-11564 (CSS)

(Jointly Administered)

Re: Docket ~~No~~Nos. 73, 105, 121

**INTERIM-FINAL ORDER GRANTING MOTION OF DEBTORS FOR
ORDER AUTHORIZING DEBTORS TO CONTINUE
THEIR INSURANCE PROGRAMS**

This matter is before the Court² on the motion of Allied Systems Holdings, Inc. and ~~certain of its direct and indirect wholly-owned U.S. and Canadian~~ subsidiaries, ~~the debtors and debtors in possession herein~~ (collectively, the “**Debtors**”), ~~for~~ authority to continue their Insurance Programs (the “**Motion**”).

The Court has considered the Motion, the Declaration of Scott D. Macaulay in Support of Chapter 11 Petitions and First Day Motions, and the matters reflected in the record of the hearing held on the Motion. It appears that the Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334; that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); that the Debtors have provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances and that no further notice is necessary; and that the relief

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 (~~87568828875688228~~); Axis Group, Inc. (58-2204628); Commercial Carriers, Inc. (38-0436930); CT Services, Inc. (38-2918187); Cordin Transport LLC (38-1985795); F.J. Boutell Driveaway 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.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

sought in the motion is in the best interests of the Debtors, their estates, and their creditors; and that good and sufficient cause exists for such relief.

Accordingly, it is hereby **ORDERED** as follows:

1. The Motion is **GRANTED** as set forth herein on ~~an interim~~ a final basis.

~~2. In addition, a Final Hearing with respect to the Motion shall be held on July 12, 2012 at 11:00 a.m. prevailing Eastern Time. Any objections or responses to the Motion shall be filed on or before July 6, 2012, and served on parties in interest as required by the Local Rules.~~

2. ~~3.~~The Debtors are hereby: (a) authorized to maintain their Insurance Programs in accordance with their prepetition practice, (b) authorized, but not required, to pay the following obligations due before the commencement of the Chapter 11 Cases: (i) insurance premiums, (ii) deductible reimbursement due to insurance carriers for insured commercial auto liability claims, and (iii) amounts due third party ~~administrator~~ administrators for benefits paid or to be paid under workers' compensation programs with certain states for which the Debtors have self-insured retention, and (c) authorized, but not required, to pay in the ordinary course of business, as they become due during these Chapter 11 Cases: (i) insurance premiums and premium finance installments on insurance policies and premium finance agreements entered before or after the Petition Date, (ii) deductible reimbursement on commercial auto liability claims arising before or after the Petition Date and (iii) amounts due to third party administrators for administrative services and for benefits due on claims arising before or after the Petition Date under workers' compensation programs with certain states for which the Debtors have self-insured retention.

3. ~~4.~~Payment of any ~~prepetition~~ amounts described in the foregoing paragraph ~~3-2(b)~~ of this Order due prior to the commencement of these Chapter 11 Cases is capped at

~~[\$2,500,000] (inclusive of the \$1,000,000 pending the Final Hearing, cap authorized by the Interim Order).~~

~~5. Any payments made by the Debtors pursuant to this Order are not, and shall not be deemed, an admission as to the validity of the underlying obligations, a waiver of any rights the Debtors may have to subsequently dispute such obligations, or an assumption of any agreements, contracts or leases under Section 365 of the Bankruptcy Code.~~

~~4.~~ ~~6.~~ Nothing in this Order is intended or shall be construed to constitute relief from the automatic stay under Section 362 of the Bankruptcy Code.

~~7. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the Motion or otherwise deemed waived.~~

~~5.~~ ~~8.~~ To the extent the ~~fourteen-day~~ 14-day stay of Bankruptcy Rule 6004(h) may be construed to apply to the subject matter of this Order, such stay is hereby waived.

~~6.~~ ~~9.~~ The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

~~7.~~ ~~10.~~ This Court shall retain jurisdiction to interpret and enforce this Order.

Dated: ~~June~~ _____ July _____, 2012 _____

Wilmington, Delaware

THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

Appendix “D”

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

ALLIED SYSTEMS HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 12-11564 (CSS)

(Jointly Administered)

Re: Docket Nos. 74, 106, 122, 149, 154 & _____

**FINAL ORDER AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS
TO PAY CERTAIN CLAIMS OF CRITICAL VENDORS
AND GRANTING CERTAIN OTHER RELIEF**

This matter is before the Court on the motion of Allied Systems Holdings, Inc. and certain (“**Allied Holdings**”) and its U.S. and Canadian subsidiaries (collectively, the “**Debtors**”) for an order, pursuant to 11 U.S.C. §§ 105(a) and 363 authorizing them to pay certain claims which are due to certain Critical Vendors² and which arose before the commencement of these Chapter 11 Cases and granting certain other relief (the “**Motion**”).

The Court has considered the Motion, the Declaration of Scott D. Macaulay in Support of Chapter 11 Petitions and First Day Motions, and the matters reflected in the record of the hearing held on the Motion. It appears that the Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334; that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); that

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 Driveaway 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.

² Capitalized terms used herein but not otherwise defines shall have the meanings ascribed to them in the Motion.

the Debtors have provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances and that no further notice is necessary; and that the relief sought in the motion is in the best interests of the Debtors, their estates, and their creditors; and that good and sufficient cause exists for such relief.

Accordingly, it is hereby **ORDERED** as follows:

1. The Motion is **GRANTED** as set forth herein on a final basis.
2. The Debtors are authorized, but not directed, in the reasonable exercise of their business judgment, to pay all or part of, on a case-by-case basis, the Critical Vendor Claims in an aggregate amount not to exceed \$1,100,000 (inclusive of the \$800,000 cap approved pursuant to the Interim Order).
3. In accordance with this Order and any other order of this Court, each of the financial institutions at which the Debtors maintain their accounts relating to the prepetition or postpetition obligations are authorized to honor checks presented for payment and all fund transfer requests made by the Debtors related to such obligations to the extent that sufficient funds are on deposit in such accounts.
4. Nothing herein shall impair the Debtors' ability to contest, without prejudice, in their sole discretion, the validity and amounts of any claim obligations to the Critical Vendors.
5. The Debtors are authorized to issue postpetition checks or to make additional electronic payment requests with respect to payment of a Critical Vendor Claim or Lien Claim, in the event prepetition checks or electronic payment requests are dishonored or rejected.
6. If any Critical Vendor accepts payment on account of a Critical Vendor Claim and thereafter fails to extend credit on terms substantially the same as or better than those provided by the Critical Vendor to the Debtors prepetition, any such payment shall be deemed an

unauthorized postpetition transfer under Section 549 of the Bankruptcy Code and shall be recoverable by the Debtors in cash or goods.

7. Nothing herein shall permit the Debtors to waive any actions against any Critical Vendor arising under Chapter 5 of the Bankruptcy Code without further order of the Court following consultation with the Official Committee of Unsecured Creditors appointed in these Chapter 11 Cases.

8. The requirements set forth in Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules are satisfied by the contents of the Motion.

9. Notwithstanding Bankruptcy Rule 6004(h) the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

10. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

11. This Court shall retain jurisdiction to interpret and enforce this Order.

Dated: July 10 2012
Wilmington, Delaware



THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

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

In re:

ALLIED SYSTEMS HOLDINGS, INC., et al.,¹

Debtors.

Chapter 11

Case No. 12-11564 (CSS)

(Jointly Administered)

Re: Docket ~~No~~Nos. 74, 106, 122, 149 & 154

**INTERIM FINAL ORDER AUTHORIZING, BUT NOT DIRECTING, THE DEBTORS
TO PAY CERTAIN ~~PREPETITION~~ CLAIMS OF CRITICAL VENDORS
AND GRANTING CERTAIN OTHER RELIEF**

This matter is before the Court on the motion of Allied Systems Holdings, Inc. and certain (“**Allied Holdings**”) and its U.S. and Canadian subsidiaries (collectively, the “**Debtors**”) for an order, pursuant to 11 U.S.C. §§ 105(a) and 363 authorizing them to pay certain ~~prepetition~~ claims ~~of which are due to certain~~ Critical Vendors² and which arose before the commencement of these Chapter 11 Cases and granting certain other relief (the “**Motion**”).

The Court has considered the Motion, the Declaration of Scott D. Macaulay in Support of Chapter 11 Petitions and First Day Motions, and the matters reflected in the record of the hearing held on the Motion. It appears that the Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334; that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); that

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 (~~87568828875688228~~); Axis Group, Inc. (58-2204628); Commercial Carriers, Inc. (38-0436930); CT Services, Inc. (38-2918187); Cordin Transport LLC (38-1985795); F.J. Boutell Driveaway 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.

² Capitalized terms used herein but not otherwise defines shall have the meanings ascribed to them in the Motion.

the Debtors have provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances and that no further notice is necessary; and that the relief sought in the motion is in the best interests of the Debtors, their estates, and their creditors; and that good and sufficient cause exists for such relief.

Accordingly, it is hereby **ORDERED** as follows:

1. The Motion is **GRANTED** as set forth herein on ~~an interim a final~~ basis.

~~2. In addition, a Final Hearing with respect to the Motion shall be held on July 12, 2012 at 11:00 a.m. prevailing Eastern Time. Any objections or responses to the Motion shall be filed on or before July 6, 2012, and served on parties in interest as required by the Local Rules.~~

~~2. 3.~~ The Debtors are authorized, but not directed, in the reasonable exercise of their business judgment, to pay all or part of, on a case-by-case basis, the Critical Vendor Claims in an aggregate amount not to exceed ~~\$500,000 during the interim period from the date of this Order until the date that a Final Order is entered in this matter.~~ 1,100,000 (inclusive of the \$800,000 cap approved pursuant to the Interim Order).

~~4. Nothing herein shall impair the Debtors' ability to contest, without prejudice, in their sole discretion, the validity and amounts of any claim obligations owed to the Critical Vendors.~~

~~3. 5.~~ In accordance with this Order and any other order of this Court, each of the financial institutions at which the Debtors maintain their accounts relating to the prepetition or postpetition obligations are authorized to honor checks presented for payment and all fund transfer requests made by the Debtors related to such obligations to the extent that sufficient funds are on deposit in such accounts.

4. Nothing herein shall impair the Debtors' ability to contest, without prejudice, in their sole discretion, the validity and amounts of any claim obligations to the Critical Vendors.

5. ~~6.~~ The Debtors are authorized to issue postpetition checks or to make additional electronic payment requests with respect to payment of a Critical Vendor Claim or Lien Claim, in the event prepetition checks or electronic payment requests are dishonored or rejected.

~~7. — The requirements set forth in Bankruptcy Rule 6003(b) are satisfied.~~

6. If any Critical Vendor accepts payment on account of a Critical Vendor Claim and thereafter fails to extend credit on terms substantially the same as or better than those provided by the Critical Vendor to the Debtors prepetition, any such payment shall be deemed an unauthorized postpetition transfer under Section 549 of the Bankruptcy Code and shall be recoverable by the Debtors in cash or goods.

7. Nothing herein shall permit the Debtors to waive any actions against any Critical Vendor arising under Chapter 5 of the Bankruptcy Code without further order of the Court following consultation with the Official Committee of Unsecured Creditors appointed in these Chapter 11 Cases.

8. The requirements set forth in Bankruptcy Rule 6004(a) and the Local Bankruptcy Rules are satisfied by the contents of the Motion.

9. Notwithstanding Bankruptcy Rule 6004(h) the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

10. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

11. This Court shall retain jurisdiction to interpret and enforce this Order.

Dated: ~~June~~ _____ July _____, 2012 _____

Wilmington, Delaware

THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

Appendix “E”

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

In re:

ALLIED SYSTEMS HOLDINGS, INC., et al.,¹

Debtors.

Chapter 11

Case No. 12-11564 (CSS)

(Jointly Administered)

Re: Docket Nos. 75, 107, 123

**FINAL ORDER AUTHORIZING DEBTORS TO PAY CERTAIN CUSTOMS
DUTIES AND CLAIMS OF COMMON CARRIERS AND WAREHOUSEMEN
AND AUTHORIZING THE DEBTORS TO HONOR CERTAIN CARGO
CLAIMS AND AUTHORIZING FINANCIAL INSTITUTIONS TO HONOR
AND PROCESS CHECKS
AND TRANSFERS RELATED TO SUCH CLAIMS**

This matter is before the Court² on the motion of Allied Systems Holdings, Inc. and its U.S. and Canadian subsidiaries (collectively, the “**Debtors**”), for authority to pay obligations arising before the commencement of these Chapter 11 Cases for Customs Duties, Common Carrier Claims, Warehousemen Claims and Cargo Claims, and to authorize financial institutions to honor and process checks and transfers related to such claims (the “**Motion**”).

The Court has considered the Motion, the Declaration of Scott D. Macaulay in Support of Chapter 11 Petitions and First Day Motions, and the matters reflected in the record of the hearing held on the Motion. It appears that the Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334; that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); that the

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 Driveaway 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.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

Debtors have provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances and that no further notice is necessary; and that the relief sought in the motion is in the best interests of the Debtors, their estates, and their creditors; and that good and sufficient cause exists for such relief.

Accordingly, it is hereby **ORDERED** as follows:

1. The Motion is **GRANTED** as set forth herein on a final basis.
2. The Debtors are authorized, but not required, to pay obligations, in an amount not to exceed \$3,500,000.00 (inclusive of the \$2,000,000 permitted by the Interim Order granting the Motion) arising before the commencement of these Chapter 11 Cases for Customs Duties, Common Carriers Claims, Warehousemen Claims and Cargo Claims. The Cargo Claims subject to the cap set forth above are those billed to and accepted by the Debtors before the commencement of these Chapter 11 Cases. Cargo Claims arising before the commencement of these Chapter 11 Cases but accepted by the Debtors thereafter may be paid in the ordinary course of business.
3. The Debtors' banks are authorized to process, honor and pay any and all checks issued to honor transfers in connection with Customs Duties, claims of Common Carriers, Warehousemen and Cargo Claims. The banks and other financial institutions that process, honor and pay any and all checks on account of Customs Duties, Common Carriers, Warehousemen, and Cargo Claims may rely on the representation of the Debtors as to which checks are issued and authorized to be paid in accordance with this Order without any duty of further inquiry and without liability for following the Debtors' instructions.
4. Upon receipt of payment of an obligation arising from Customs Duties, Common Carriers Claims, Warehousemen Claims, and Cargo Claims, any lien held by the lienor on account of such obligation shall be released.

5. Payment of an obligation arising from Customs Duties, Common Carriers Claims, Warehousemen Claims, and Cargo Claims shall not preclude the Debtors from contesting the validity or amount due to those creditors. To the extent that the Debtors successfully dispute the validity or amount due on account of any such Customs Duties, Common Carriers Claims, Warehousemen Claims, and Cargo Claims, any recipient of a payment made pursuant to this Order on account of such invalidated obligation shall either: (i) immediately return the successfully disputed payment or (ii) apply the amount the successfully disputed payment to outstanding postpetition obligations of the Debtors.

6. Authorization of the payment of the Customs Duties, Common Carrier Claims, Warehousemen Claims, and Cargo Claims shall not be deemed to constitute the postpetition assumption of any executory contract pursuant to Section 365 of the Bankruptcy Code.

7. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Local Rule 6004(a) and the Local Rules are satisfied by such notice.

8. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

10. This Court shall retain jurisdiction to interpret and enforce this Order.

Dated: July 10, 2012
Wilmington, Delaware



THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

ALLIED SYSTEMS HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 12-11564 (CSS)

(Jointly Administered)

Re: Docket ~~No~~Nos. 75, 107, 123

**INTERIM-FINAL ORDER AUTHORIZING DEBTORS TO PAY
~~PREPETITION CERTAIN~~ CUSTOMS DUTIES AND CLAIMS OF COMMON
CARRIERS AND WAREHOUSEMEN AND AUTHORIZING THE DEBTORS
TO HONOR ~~CERTAIN PREPETITION CARGO CLAIMS AND~~
~~AUTHORIZING CERTAIN CARGO CLAIMS AND AUTHORIZING~~
FINANCIAL INSTITUTIONS TO HONOR AND PROCESS CHECKS
AND TRANSFERS RELATED TO SUCH CLAIMS**

This matter is before the Court² on the motion of Allied Systems Holdings, Inc. and its U.S. and Canadian subsidiaries (collectively, the “Debtors”), for authority to pay ~~prepetition customs duties claims of common carriers and warehousemen, to honor certain prepetition cargo claims, obligations arising before the commencement of these Chapter 11 Cases for Customs Duties, Common Carrier Claims, Warehousemen Claims and Cargo Claims,~~ and to authorize financial institutions to honor and process checks and transfers related to such claims (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 (~~87568828875688228~~); Axis Group, Inc. (58-2204628); Commercial Carriers, Inc. (38-0436930); CT Services, Inc. (38-2918187); Cordin Transport LLC (38-1985795); F.J. Boutell Driveaway 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.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

The Court has considered the Motion, the Declaration of Scott D. Macaulay in Support of Chapter 11 Petitions and First Day Motions, and the matters reflected in the record of the hearing held on the Motion. It appears that the Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334; that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); that the Debtors have provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances and that no further notice is necessary; and that the relief sought in the motion is in the best interests of the Debtors, their estates, and their creditors; and that good and sufficient cause exists for such relief.

Accordingly, it is hereby **ORDERED** as follows:

1. The Motion is **GRANTED** as set forth herein on ~~an interim a final~~ basis.

~~2. In addition, a Final Hearing with respect to the Motion shall be held on July 12, 2012 at 11:00 a.m. prevailing Eastern Time. Any objections or responses to the Motion shall be filed on or before July 6, 2012, and served on parties in interest as required by the Local Rules.~~

~~2. 3. The Debtors are authorized, but not required, to honor or pay those prepetition obligations arising from Customs Duties, Common Carriers, Warehousemen, and Cargo Claims in an amount not to exceed \$2,000,000.00 pending the Final Hearing 3,500,000.00 (inclusive of the \$2,000,000 permitted by the Interim Order granting the Motion) or arising before the commencement of these Chapter 11 Cases for Customs Duties, Common Carriers Claims, Warehousemen Claims and Cargo Claims. The Cargo Claims subject to the cap set forth above are those billed to and accepted by the Debtors before the commencement of these Chapter 11 Cases. Cargo Claims arising before the commencement of these Chapter 11 Cases but accepted by the Debtors thereafter may be paid in the ordinary course of business.~~

3. The Debtors' banks are authorized to process, honor and pay any and all checks issued to honor transfers in connection with Customs Duties, claims of Common Carriers,

Warehousemen and Cargo Claims. The banks and other financial institutions that process, honor and pay any and all checks on account of Customs Duties, Common Carriers, Warehousemen, and Cargo Claims may rely on the representation of the Debtors as to which checks are issued and authorized to be paid in accordance with this Order without any duty of further inquiry and without liability for following the Debtors' instructions.

4. Upon receipt of payment of an obligation arising from Customs Duties, Common Carriers Claims, Warehousemen Claims, and Cargo Claims, any lien held by the lienor on account of such obligation shall be released.

~~4. The banks and other financial institutions that process, honor and pay any and all checks on account of prepetition Customs Duties, Common Carriers, Warehousemen, and Cargo Claims (as such terms are defined in the Motion) may rely on the representation of the Debtors as to which checks are issued and authorized to be paid in accordance with this Order without any duty of further inquiry and without liability for following the Debtors' instructions.~~

5. Payment of an obligation arising from Customs Duties, Common Carriers Claims, Warehousemen Claims, and Cargo Claims shall not preclude the Debtors from contesting the validity or amount due to those creditors. ~~Authorization of the payment of the Customs Duties, Common Carriers, Warehousemen, and Cargo Claims shall not be deemed to constitute the postpetition assumption of any executory contract pursuant to Section 365 of the Bankruptcy Code.~~ To the extent that the Debtors successfully dispute the validity or amount due on account of any such Customs Duties, Common Carriers Claims, Warehousemen Claims, and Cargo Claims, any recipient of a payment made pursuant to this Order on account of such invalidated obligation shall either: (i) immediately return the successfully disputed payment or (ii) apply the amount the successfully disputed payment to outstanding postpetition obligations of the Debtors.

6. Authorization of the payment of the Customs Duties, Common Carrier Claims, Warehousemen Claims, and Cargo Claims shall not be deemed to constitute the postpetition assumption of any executory contract pursuant to Section 365 of the Bankruptcy Code.

~~6. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the Motion or otherwise deemed waived.~~

7. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Local Rule 6004(a) and the Local Rules are satisfied by such notice.

8. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

10. This Court shall retain jurisdiction to interpret and enforce this Order.

Dated: ~~June~~ _____ July _____, 2012 _____

Wilmington, Delaware

THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

Appendix “F”

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

In re:

ALLIED SYSTEMS HOLDINGS, INC., et al.,¹

Debtors.

Chapter 11

Case No. 12-11564 (CSS)

(Joint Administration Pending)

Re: Docket No. 72 , 104, 120 and ____

**FINAL ORDER DETERMINING ADEQUATE
ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICES**

Upon the motion (the “**Motion**”)² of Allied Systems Holdings, Inc. and its U.S. and Canadian subsidiaries (collectively, the “**Debtors**”), for entry of a final order (this “**Order**”) determining adequate assurance of payment for future utility services, all as more fully set forth in the Motion; and upon the Declaration of Scott D. Macaulay in Support of Chapter 11 Petitions and First Day Motions; and the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) venue of this proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; (iv) the relief requested in the Motion is in the best interests of the Debtors’ estates, their creditors, and other parties in interest; and (v) the Debtors provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances; and the Court having reviewed the Motion and having heard the statements in

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 Driveaway 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.

² Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

support of the relief requested therein; and the Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefore,

IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED** as set forth herein.
2. As Adequate Assurance, the Debtors deposited the Adequate Assurance Deposit into the Adequate Assurance Deposit Account as provided in the Motion within twenty (20) business days following entry of the Interim Order. The Adequate Assurance Deposit will be held for the benefit of Utility Providers during the pendency of these Chapter 11 Cases.³
3. Absent compliance with the procedures set forth in the Motion and this Order, the Debtors' utility providers (the "**Utility Companies**") are prohibited from altering, refusing or discontinuing service on account of any unpaid prepetition charges and are deemed to have received adequate assurance of payment in compliance with Section 366 of the Bankruptcy Code.
4. The Adequate Assurance Deposit in conjunction with the Debtors' cash flow from operations, cash on hand and proceeds from the proposed debtor-in-possession facility demonstrate the Debtors' ability to pay for future utility services in the ordinary course of business (together, the "**Proposed Adequate Assurance**") and constitute sufficient adequate assurance to the Utility Companies. The Proposed Adequate Assurance is, therefore, hereby approved and is deemed adequate assurance of payment as the term is used in Section 366 of the Bankruptcy Code, except as otherwise determined pursuant to this Order.

³ The portion of the Adequate Assurance Deposit attributable to each Utility Provider shall be returned to the Debtors on the earlier of (a) the Debtors' termination of services from such provider and (b) the conclusion of these Chapter 11 Cases, if not applied earlier.

5. The following Adequate Assurance Procedures are approved:
- i. In the event that a Utility Company maintains that the Adequate Assurance Deposit is not satisfactory assurance of future payment, the Utility Company must serve a request (an “**Additional Adequate Assurance Request**”) for additional adequate assurance upon the proposed counsel for the Debtors—Troutman Sanders LLP, Suite 5200, 600 Peachtree Street, N.E., Atlanta, Georgia 30308, c/o Jeffrey W. Kelley; and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, c/o Mark D. Collins, and counsel to the Debtors’ proposed agent under the DIP Facility, Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, CA 90071-1560, c/o Robert Klyman and Young Conaway Stargatt & Taylor, LLP, 1000 N. King Street., Wilmington, DE 19801, c/o Michael Nestor.
 - ii. Any Additional Adequate Assurance Request must: (i) be made in writing; (ii) set forth the location(s) for which Utility Services are provided, including corresponding account number(s); (iii) include a summary of the Debtors’ payment history relevant to the affected account(s), including any deposit, letter(s) of credit, or other security securing the Debtors’ obligation(s); (iv) set forth what the Utility Company would accept as satisfactory adequate assurance of future payment; and (v) provide a fax and electronic mail address to which the Debtors may respond to the Additional Adequate Assurance Request.
 - iii. The Debtors shall have until thirty days after the Additional Adequate Assurance Request Deadline (the “**Resolution Period**”) to negotiate with the Utility Companies that serve an Additional Adequate Assurance Request.
 - iv. Without further order of the Court, the Debtors may enter into agreements granting additional adequate assurance to a Utility Company serving a timely Additional Adequate Assurance Request if the Debtors, in their discretion, determine that the Additional Adequate Assurance Request is reasonable or if the parties negotiate alternate consensual provisions.
 - v. If the Debtors determine that an Additional Adequate Assurance Request is unreasonable and are not able to reach an alternative resolution with the Utility Company during the Resolution Period, the Debtors, during or immediately after the Resolution Period, will request a hearing before the Court to determine the adequacy of assurance of payment with respect to a particular Utility Company, pursuant to Section 366 of the Bankruptcy Code (the “**Determination Hearing**”).

vi. Pending resolution of any such Determination Hearing, the Utility Company shall be prohibited from altering, refusing, or discontinuing services to the Debtors.

6. This Order applies to any subsequently identified Utility Company, regardless of when each Utility Provider was added to the Utility Service List.

7. To the extent the 14-day stay of Bankruptcy Rule 6004(h) may be construed to apply to the subject matter of this Order, such stay is hereby waived.

8. The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

9. This Court shall retain jurisdiction to interpret and enforce this Order.

Dated: July 10, 2012
Wilmington, Delaware



THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

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

In re:

ALLIED SYSTEMS HOLDINGS, INC., et al.,¹

Debtors.

Chapter 11

Case No. 12-11564 (CSS)

~~**(Jointly Administered)**~~

(Joint Administration Pending)

Re: Docket No. 72, 104, 120 and

**INTERIM-FINAL ORDER DETERMINING ADEQUATE
ASSURANCE OF PAYMENT FOR FUTURE UTILITY SERVICES**

Upon the motion (the “**Motion**”)² of Allied Systems Holdings, Inc. and its U.S. and Canadian subsidiaries (collectively, the “**Debtors**”), for entry of ~~an interim a final~~ order (this “**Order**”) ~~(a) deeming utilities adequately assured of payment, (b) prohibiting utilities from altering, refusing, or discontinuing services, (c) establishing procedures for resolving requests for additional assurance and (d) scheduling a final hearing (the “**Final Hearing**”) to consider entry of the Final Order determining adequate assurance of payment for future utility services, all as more fully set forth in the Motion;~~ and upon the Declaration of Scott D. Macaulay in Support of Chapter 11 Petitions and First Day Motions, ~~filed on the Petition Date;~~ and the Court having found that:— (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334; (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (iii) venue of this

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 (~~87568828875688228~~); Axis Group, Inc. (58-2204628); Commercial Carriers, Inc. (38-0436930); CT Services, Inc. (38-2918187); Cordin Transport LLC (38-1985795); F.J. Boutell Driveaway 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.

²— Capitalized terms used but not otherwise defined herein shall have the meanings ascribed to them in the Motion.

proceeding and the Motion in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1409; (iv) the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and (v) the Debtors provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances; and the Court having reviewed the Motion and having heard the statements in support of the relief requested therein ~~at a hearing before the Court (the "Hearing")~~; and the Court having determined that the legal and factual bases set forth in the Motion ~~and at the Hearing~~ establish just cause for the relief granted herein; and upon all of the proceedings had before the Court; and after due deliberation and sufficient cause appearing therefore,

IT IS HEREBY ORDERED THAT:

1. The Motion is **GRANTED** as set forth herein ~~on an interim basis~~.

~~2. In addition, a Final Hearing with respect to the Motion shall be held on July 12, 2012 at 11:00 a.m. prevailing Eastern Time. Any objections or responses to the Motion (including any objections to the proposed Adequate Assurance Proceedings) shall be filed by July 6, 2012.~~

2. ~~3. The As Adequate Assurance, the~~ Debtors ~~shall deposit deposited~~ the Adequate Assurance Deposit into the Adequate Assurance Deposit Account as provided in the Motion within twenty (20) business days following entry of ~~this Order~~ the Interim Order. The Adequate Assurance Deposit will be held for the benefit of Utility Providers during the pendency of these Chapter 11 Cases.³

3. ~~4.~~ Absent compliance with the procedures set forth in the Motion and this Order, the Debtors' utility providers (the "**Utility Companies**") are prohibited from altering, refusing or

³ The portion of the Adequate Assurance Deposit attributable to each Utility Provider shall be returned to the Debtors on the earlier of (a) the Debtors' termination of services from such provider and (b) the conclusion of these Chapter 11 Cases, if not applied earlier.

discontinuing service on account of any unpaid prepetition charges and are deemed to have received adequate assurance of payment in compliance with Section 366 of the Bankruptcy Code, ~~pending entry of the Final Order.~~

4. ~~5.~~The Adequate Assurance Deposit in conjunction with the Debtors' cash flow from operations, cash on hand and proceeds from the proposed debtor-in-possession facility demonstrate the Debtors' ability to pay for future utility services in the ordinary course of business (together, the "**Proposed Adequate Assurance**") and constitute sufficient adequate assurance to the Utility Companies. The Proposed Adequate Assurance is, therefore, hereby approved and is deemed adequate assurance of payment as the term is used in Section 366 of the Bankruptcy Code, except as otherwise determined pursuant to this Order, ~~pending entry of the Final Order.~~

5. ~~6.~~The following Adequate Assurance Procedures are approved:

- i. ~~i.~~In the event that a Utility Company maintains that the Adequate Assurance Deposit is not satisfactory assurance of future payment, the Utility Company must serve a request (an "**Additional Adequate Assurance Request**") for additional adequate assurance upon the proposed counsel for the Debtors—Troutman Sanders LLP, Suite 5200, 600 Peachtree Street, N.E., Atlanta, Georgia 30308, c/o Jeffrey W. Kelley; and Richards, Layton & Finger, P.A., One Rodney Square, 920 North King Street, Wilmington, Delaware 19801, c/o Mark D. Collins, and counsel to the Debtors' proposed agent under the DIP Facility, Latham & Watkins LLP, 355 South Grand Avenue, Los Angeles, CA 90071-1560, c/o Robert Klyman and Young Conaway Stargatt & Taylor, LLP, 1000 N. King Street., Wilmington, DE 19801, c/o Michael Nestor.
- ii. ~~ii.~~Any Additional Adequate Assurance Request must: (i) be made in writing; (ii) set forth the location(s) for which Utility Services are provided, including corresponding account number(s); (iii) include a summary of the Debtors' payment history relevant to the affected account(s), including any deposit, letter(s) of credit, or other security securing the Debtors' obligation(s); (iv) set forth what the Utility Company would accept as satisfactory adequate assurance of future payment; and (v) provide a fax and electronic

mail address to which the Debtors may respond to the Additional Adequate Assurance Request.

iii. ~~iii.~~The Debtors shall ~~promptly have until thirty days after the Additional Adequate Assurance Request Deadline~~ (the “**Resolution Period**”) ~~to~~ negotiate with the Utility Companies that serve an Additional Adequate Assurance Request. ~~iv.~~

iv. Without further order of the Court, the Debtors may enter into agreements granting additional adequate assurance to a Utility Company serving a timely Additional Adequate Assurance Request if the Debtors, in their discretion, determine that the Additional Adequate Assurance Request is reasonable or if the parties negotiate alternate consensual provisions.

v. ~~v.~~If the Debtors determine that an Additional Adequate Assurance Request is unreasonable and are not able to reach ~~a prompt an~~ alternative resolution with the Utility Company during the Resolution Period, the Debtors, during or immediately after the Resolution Period, will request a hearing before the Court ~~at the next regularly scheduled omnibus hearing date~~ to determine the adequacy of assurance of payment with respect to a particularly Utility Company, pursuant to Section 366 of the Bankruptcy Code (the “**Determination Hearing**”).

vi. ~~vi.~~Pending resolution of any such Determination Hearing, the Utility Company shall be prohibited from altering, refusing, or discontinuing services to the Debtors.

6. ~~7.~~This Order applies to any subsequently identified Utility Company, regardless of when each Utility ~~Company Provider~~ was added to the Utility Service List.

~~8. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the Motion or otherwise deemed waived.~~

7. ~~9.~~To the extent the ~~fourteen day 14 day~~ stay of Bankruptcy Rule 6004(h) may be construed to apply to the subject matter of this Order, such stay is hereby waived.

8. ~~10.~~The Debtors are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the Motion.

9. ~~11.~~This Court shall retain jurisdiction to interpret and enforce this Order.

| Dated: ~~June~~ July _____, 2012
Wilmington, Delaware

THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

Appendix “G”

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

In re:

ALLIED SYSTEMS HOLDINGS, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 12-11564 (CSS)

(Jointly Administered)

Re: Docket Nos. 76, 108 & ____

**AMENDED ORDER GRANTING MOTION OF THE DEBTORS FOR
ORDER AUTHORIZING THE DEBTORS TO PAY PREPETITION
SALES, USE, AND OTHER TAXES AND RELATED OBLIGATIONS**

This matter is before the Court on the motion of Allied Systems Holdings, Inc. and certain and its U.S. and Canadian subsidiaries (collectively, the “**Debtors**”) for an order, pursuant to 11 U.S.C. §§ 105(a) and 541 (a) authorizing them to pay certain prepetition sales and use tax obligations and (b) authorizing the Debtors’ banks and financial institutions to honor and process checks and transfers related to such relief (the “**Motion**”).²

The Court has considered the Motion, the Declaration of Scott D. Macaulay in Support of Chapter 11 Petitions and First Day Motions, and the matters reflected in the record of the hearing held on the Motion. It appears that the Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334; that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); that the Debtors have provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances and that no further notice is necessary; and that the relief

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 (87568828); Axis Group, Inc. (58-2204628); Commercial Carriers, Inc. (38-0436930); CT Services, Inc. (38-2918187); Cordin Transport LLC (38-1985795); F.J. Boutell Driveaway 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.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

sought in the motion is in the best interests of the Debtors, their estates, and their creditors; and that good and sufficient cause exists for such relief.

Accordingly, it is hereby **ORDERED** as follows:

1. The Motion is **GRANTED** as set forth herein.
2. The Debtors are authorized but not directed to honor or pay Sales and Use Taxes arising before the commencement of these Chapter 11 cases as those taxes are defined and more particularly described in the Motion, not to exceed \$280,000.
3. The Debtors' banks are authorized to process, honor and pay any and all checks issued to pay Sales and Use Taxes, without duty of inquiry or liability for following the Debtors' instructions in relation to payments authorized by this Order.
4. The payment of any Sales and Use Taxes shall not preclude the Debtors from contesting the validity or amount due to those creditors.
5. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the Motion or otherwise deemed waived.
6. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Local Rule 6004(a) and the Local Rules are satisfied by such notice.
7. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.
8. This Court shall retain jurisdiction to interpret and enforce this Order.

Dated: July ____, 2012
Wilmington, Delaware

THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

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

In re:

ALLIED SYSTEMS HOLDINGS, INC., et al.,¹

Debtors.

Chapter 11

Case No. 12-11564 (CSS)

(Jointly Administered)

Re: Docket Nos. 76, 108 & _____

**AMENDED ORDER GRANTING MOTION OF THE DEBTORS FOR
ORDER AUTHORIZING THE DEBTORS TO PAY PREPETITION
SALES, USE, AND OTHER TAXES AND RELATED OBLIGATIONS**

This matter is before the Court on the motion of Allied Systems Holdings, Inc. and certain and its U.S. and Canadian subsidiaries (collectively, the “**Debtors**”) for an order, pursuant to 11 U.S.C. §§ 105(a) and 541 (a) authorizing them to pay certain prepetition sales and use tax obligations and (b) authorizing the Debtors’ banks and financial institutions to honor and process checks and transfers related to such relief (the “**Motion**”).²

The Court has considered the Motion, the Declaration of Scott D. Macaulay in Support of Chapter 11 Petitions and First Day Motions, and the matters reflected in the record of the hearing held on the Motion. It appears that the Court has jurisdiction over this proceeding pursuant to 28 U.S.C. §§ 157 and 1334; that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); that the Debtors have provided appropriate notice of the Motion and the opportunity for a hearing on the Motion under the circumstances and that no further notice is necessary; and that the relief

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 (87568828); Axis Group, Inc. (58-2204628); Commercial Carriers, Inc. (38-0436930); CT Services, Inc. (38-2918187); Cordin Transport LLC (38-1985795); F.J. Boutell Driveaway 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.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Motion.

sought in the motion is in the best interests of the Debtors, their estates, and their creditors; and that good and sufficient cause exists for such relief.

Accordingly, it is hereby **ORDERED** as follows:

1. The Motion is **GRANTED** as set forth herein.
2. The Debtors are authorized, ~~but not directed,~~ to honor or pay ~~the prepetition~~ Sales and Use Taxes, arising before the commencement of these Chapter 11 cases as those taxes are defined and more particularly described in the Motion, not to exceed \$~~180,000.00, subject at all times to the Approved Budget, as may be amended from time to time with the consent of the Agent under the DIP Facility~~280,000.

3. The Debtors' banks are authorized to process, honor and pay any and all checks issued to pay Sales and Use Taxes, without duty of inquiry or liability for following the Debtors' instructions in relation to payments authorized by this Order.

4. The payment of any Sales and Use Taxes shall not preclude the Debtors from contesting the validity or amount due to those creditors.

5. The requirements set forth in Bankruptcy Rule 6003(b) are satisfied by the Motion or otherwise deemed waived.

6. Notice of the Motion as provided therein shall be deemed good and sufficient and the requirements of Local Rule 6004(a) and the Local Rules are satisfied by such notice.

7. Notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order shall be immediately effective and enforceable upon its entry.

8. This Court shall retain jurisdiction to interpret and enforce this Order.

Dated: ~~June~~ July, 2012

Wilmington, Delaware

THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE