DUFF & PHELPS

Seventh 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

June 24, 2013

DUFF & PHELPS

Contents

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

SEVENTH 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

JUNE 24, 2013

1.0 Introduction

1. 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. ("Black Diamond/Spectrum") 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").

2. On June 10, 2012, voluntary petitions were filed with the U.S. Court for relief under Chapter 11 by the US and Canadian subsidiaries of Allied Systems US ("Subsidiaries")[1] (Allied Systems US, ASL and the Subsidiaries

[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 Driveaway 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.

are collectively referred to as the "Chapter 11 Debtors" or "Allied Group"), including Allied Systems (Canada) Company ("Allied 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".

3. 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", and together with the U.S. Court, the "Courts") 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").

4. 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 were recognized; and d) Duff & Phelps Canada Restructuring Inc. ("D&P") was appointed as the Information Officer (the "Information Officer").

5. This report ("Report") is filed by D&P in its capacity as Information Officer.

1.1 Purposes of this Report

1. The purposes of this Report are to:

   a) Provide background information about Allied Group;

   b) Summarize motions brought by Allied Group before the U.S. Court and the relief granted by the U.S. Court on June 19, 2013;

   c) Discuss the priority of the First Lien Facility (as defined below) as determined pursuant to procedures in the Chapter 11 Proceedings and the implications on the liens attaching to Canadian assets of Allied Group; and

d) Recommend that this Honourable Court make orders[2]:

- Recognizing the Replacement DIP Order;
- Discharging the Existing DIP Lenders' Charge and granting super-priority status to the Replacement DIP Lenders' Charge upon the advance of funds by the Replacement DIP Lender and the repayment of the Existing DIP Facility; and
- Recognizing the Bidding Procedures Order.

1.2 Currency

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

1.3 Restrictions

1. 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

1. 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 Canada.

2. 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.

[2] Capitalized terms are defined below.

3. Allied Group's operations are centralized from its head office located in Atlanta, Georgia. Allied Group employs approximately 1,835 individuals, including approximately 425 active employees and independent contractors in Canada[3]. Approximately 90% of Allied Group's active Canadian employees are members of either the International Brotherhood of Teamsters or the National Automobile, Aerospace, Transportation and General Works Union of Canada unions.

4. Further background concerning Allied Group was provided in the affidavit of Scott Macaulay, Senior Vice President and Chief Financial Officer of Allied Systems US, sworn June 11, 2012 ("Macaulay Affidavit") and the Information Officer's previous reports ("IO Reports"). The Macaulay Affidavit, the IO Reports 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 Replacement DIP Order

1. Pursuant to Orders made on June 12, 2012 and July 12, 2012 ("Financing Orders"), the U.S. Court approved a debtor-in-possession ("DIP") facility from Yucaipa American Alliance Fund II, LLC, as agent, and Yucaipa Leveraged Finance, LLC and CB Investments, LLC, as lenders ("Existing DIP Lenders") ("Existing DIP Facility") with a $20 million limit and granted a charge against Allied Group's assets ("Existing DIP Lenders' Charge").

2. This Court recognized the Financing Orders on June 13, 2012 and July 16, 2012, respectively, and also granted a super-priority charge on the Chapter 11 Debtors' Property (as defined in the Supplemental Order) in Canada.

3. Pursuant to the Existing DIP Facility, substantially all of Allied Group's assets ("Assets") are encumbered in favour of the Existing DIP Lenders.

4. In January, 2013, the Existing DIP Lenders increased the amount available under the Existing DIP Facility to $22 million pursuant to an amendment to the Existing DIP Facility ("DIP Amendment"). The DIP Amendment was approved by an Order of the U.S. Court on February 1, 2013.

5. The Existing DIP Facility expires and is repayable on June 30, 2013.

[3] The number of active Canadian employees varies by season.

6. Allied Group requires additional funding to continue to operate and to complete a sale of its business and assets.

7. As set out in Mr. Macaulay's affidavit sworn May 29, 2013, Allied Group and Rothschild Inc. ("Rothschild"), Allied Group's financial advisor, approached ten parties to extend or replace the Existing DIP Facility. All of the parties required a charge in priority to Allied Group's first lien credit facility ("First Lien Facility") and second lien credit facility ("Second Lien Facility", together with the First Lien Facility, the "Facilities") owed by Allied Group to its lenders[4]. Black Diamond/Spectrum did not consent to subordinate the Facilities to a third party lender. Accordingly, Allied Group and Rothschild negotiated a replacement DIP facility of up to $33.5 million with Black Diamond/Spectrum and other lenders (collectively, the "Replacement DIP Lenders"), subject to various conditions.

8. As set out in the Information Officer's Sixth Report to Court dated June 18, 2013, on May 31, 2013, the U.S. Court was scheduled to hear motions by Allied Group ("Motions") to approve:

   a) A replacement DIP credit facility to be provided by the Replacement DIP Lenders of up to $33.5 million. The purpose of the facility was to replace, in full, the Existing DIP Facility and to provide Allied Group with further liquidity; and

   b) A stalking horse sale process in which the stalking horse bidder was to be an entity formed by Black Diamond Commercial Finance, LLC and Spectrum Commercial Finance LLC, in their capacities as "Co-Administrative Agents" under the First Lien Facility.

9. Objections to the Motions were filed by: (i) Teamsters National Automobile Transporters Industry Negotiating Committee, (ii) General Motors Holdings LLC and related entities; (iii) the Official Committee of Unsecured Creditors ("Committee"); and (iv) Yucaipa American Alliance Fund I, L.P. and related entities ("Yucaipa").

10. Due to the objections of Yucaipa and the Committee, the Motions were not granted by the U.S. Court on May 31, 2013. Allied Group, Yucaipa, Black Diamond/Spectrum and the Committee subsequently met (including at a formal mediation) to attempt to reach a consensual agreement on the form of the Motions.

[4] At the commencement of the Chapter 11 Proceedings, Allied Group owed approximately $244 million and $30 million in principal under the First Lien Facility and Second Lien Facility, respectively.

11. On June 13, 2013, Allied Group filed the following amended materials ("Amended Materials") with the U.S. Court seeking an order or orders for:

    a) a modified replacement DIP facility agreement to be provided by the Replacement DIP Lenders ("Replacement DIP Facility"); and

    b) modified Bid Procedures, including provisions for an auction to be held for Allied Group's assets without a stalking horse bid ("Bid Procedures").

12. The Replacement DIP Facility:

    a) Repays the Existing DIP Facility in the amount of $20 million[1];

    b) Provides Allied Group with up to $11.5 million of incremental liquidity;

    c) Is repayable, at the latest, on December 31, 2013, subject to certain earlier repayment provisions;

    d) Allows Allied Group to avoid potential defaults under the Existing DIP Facility; and

    e) Is subject to priority similar to the Existing DIP Facility.

13. Concurrent with, and as a condition of, the execution of the Replacement DIP Facility, Allied Group agreed to the Bidding Procedures and an auction process, as described in Section 4 below.

14. The Replacement DIP Facility is conditional on, among other things:

    a) The U.S. Court making an order approving the Replacement DIP Facility (the "Replacement DIP Order") and this Court recognizing the Replacement DIP Order;

    b) The Courts granting a charge in favour of the Replacement DIP Lenders against Allied Group's assets, including the assets of the Canadian Debtors ("Replacement DIP Lenders' Charge"); and

    c) The U.S. Court making an order approving the Bidding Procedures ("Bidding Procedures Order") and this Court recognizing the Bidding Procedures Order.

[1] Represents the amount drawn under the Existing DIP Facility.

15. The Amended Materials were supported by Black Diamond/Spectrum and the Committee.

16. Yucaipa objected to the Amended Materials. As part of its objection, Yucaipa submitted its own bid procedures and replacement DIP agreement for the U.S. Court's consideration.

17. On June 19, 2013, the U.S. Court made the Replacement DIP Order and granted the Replacement DIP Lenders' Charge. As discussed below, the U.S. Court also granted the Bidding Procedures Order.

3.1 Information Officer's View

1. In assessing the reasonableness of this Court recognizing the Replacement DIP Order and granting the Replacement DIP Lenders' Charge, the Information Officer considered the following:

    a) This Court has recognized the Chapter 11 Proceedings as foreign main proceedings.

    b) The Existing DIP Facility is not large enough or of sufficient duration to meet Allied Group's financing requirements. Allied Group's internal projections reflect that additional liquidity is required beyond the expiry of the Existing DIP Facility and without additional funding, Allied Group may cease to operate;

    c) The Replacement DIP Facility is to be secured by, among other assets, the same Canadian assets as the Existing DIP Facility and that security is to have the same rank as the Existing DIP Facility;

    d) The U.S. Court heard and considered extensive submissions on the financial terms of the Replacement DIP Facility; and

    e) The Canadian Debtors are financed, indirectly, pursuant to the Existing DIP Facility and are guarantors of the Existing DIP Facility. All of Allied Group's assets, including substantially all of the assets of the Canadian Debtors, are secured by the Existing DIP Facility.

2. The Replacement DIP Order does not treat Canadian stakeholders any differently than U.S. stakeholders and, as a result, the Information Officer is not aware of any additional objections that are uniquely applicable to Canada and were not raised and disposed of in the Chapter 11 Proceedings.

3.2 First Lien Security

1. The validity and enforceability of the First Lien Facility was confirmed pursuant to an Order issued by the U.S. Court on July 12, 2012 (the "Final Financing Order"). A copy of the Final Financing Order is provided in Appendix "B" to this Report.

2. Paragraph 12(b) of the Final Financing Order provided for an "objection period" relating to the First Lien Facility pursuant to which any objections of non-Debtor parties-in-interest (other than the Committee or the petitioning creditors) would have to be brought on or before the later to occur of:

   a) 75 days after the "Consent Date" (being June 10, 2012); and

   b) 60 days after the formation of the Committee (being June 19, 2012).

3. Accordingly, objections were required to be brought by no later than August 24, 2012. Other than an action by the Committee against Yucaipa ("Yucaipa Action") with respect to the enforceability of Yucaipa's share of the First Lien Facility, no objections were made. The result is that the U.S. Court's findings on the validity of the First Lien Facility as set out in paragraph D of the Final Financing Order are final and binding on all parties (subject to the Yucaipa Action). This has been confirmed in the Replacement DIP Order.

4. The Final Financing Order was recognized by the Court pursuant to an Order made on July 16, 2012 ("July 16th Order"); however, the provisions dealing with the validity and enforceability of the security relating to the First Lien Facility have not previously been addressed directly by this Court. All parties on the Canadian service list were provided with copies of the July 16th Order and the Final Financing Order. The Information Officer is not aware of any objections to the validity or enforceability of the first lien security in Canada by any party, including the Committee, which has been active in this matter. To the extent that interested parties in Canada have questions regarding this matter, they may direct those questions to counsel for the Foreign Representative or the Information Officer.

4.0 Sale Process

4.1 Bidding Procedures

1. On June 19, 2013, the U.S. Court made the Bidding Procedures Order.

2. The key provisions of the Bidding Procedures Order include the following (all capitalized terms not defined herein have the meanings provided to them in the Bidding Procedures Order)[5]:

    a) All bids must be received by August 8, 2013 at 5:00 p.m. EST ("Bid Deadline")[6];

    b) Prospective purchasers will be provided with a form of asset purchase agreement, which will be filed by Allied Group with the U.S. Court;

    c) Qualified Bidders must meet the following criteria: (i) deliver an executed confidentiality agreement; (ii) deliver financial information and credit-quality support for their ability to consummate the transaction; (iii) determination by Allied Group, in its discretion, that the Potential Bidder will submit a *bona fide* offer for the Assets; and (d) submit a Qualified Bid on or before the Bid Deadline;

    d) Qualified Bids must:

        i. contemplate a cash purchase price equal to at least an amount sufficient to satisfy the Replacement DIP Facility and to fund Allied Group's post-closing wind-down budget and provide for the assumption of the Assumed Liabilities;[7]

        ii. include a deposit of 10% of the aggregate value of the Qualified Bidder's bid;

        iii. include a purchase agreement in a form acceptable to Allied Group;

[5] Reference should be made to the Bidding Procedures for complete terms.

[6] The agent under the First Lien Facility is not required to submit a bid by the Bid Deadline in order to participate in the auction.

[7] This requirement will not apply to a Potential Bidder that submits a Written Offer for less than substantially all of the Assets, provided however that such Potential Bidder's bid will not be designated as a Qualified Bid, unless Allied Group receives one or more other Written Offers, to acquire non-overlapping assets that, in aggregate, meet the minimum bid requirements.

iv. to the extent a Qualified Bidder includes non-cash consideration as part of its Written Offer, no later than seven (7) business days before the Bid Deadline, the Qualified Bidder must (i) identify the form(s) of non–cash consideration included in the Written Offer, or that may be included in a subsequent Qualified Bid; (ii) provide the methodology for valuing the non-cash consideration and supporting documentation; and (iii) provide detailed term sheets with respect to the material terms of the non-cash consideration;

v. to the extent a Qualified Bidder includes non-cash consideration as part of its Written Offer, the Qualified Bidder must obtain consent from: (i) the majority of First Lien Lenders that are not participating in the Written Offer, if a First Lien Lender is a participant in a Written Offer; or (ii) the Requisite Lender, if any party other than a First Lien Lender submits a Written Offer. The determination of the Requisite Lenders[8] can only be made by agreement between Black Diamond/Spectrum and Yucaipa or by the U.S. Court at or prior to the Sale Hearing; and

vi. contain certain other requirements provided for in the Bidding Procedures;

e) The Prepetition First Lien Agents, acting at the direction of the Requisite Lender, are automatically deemed to be a Qualified Bidder and can credit bid all or a portion of the obligations owing under the First Lien Facility, provided however that a Written Offer meets the Qualified Bid requirements (other than those specified in this Report in Section 4.1 d (iv) and (v) above). No other Lender under the First Lien Facility will be entitled to credit bid its portion of the obligations under the First Lien Facility;

f) If there is only one Qualified Bid submitted by the Bid Deadline and the Prepetition First Lien Agents do not intend to submit a Qualified Bid at or prior to the Auction, Allied Group will request at the Sale Hearing that the U.S. Court approve the sole Qualified Bid;

g) If one or more Qualified Bids are received, an Auction will be held on August 14, 2013, at 12:00 p.m. EST at the offices of Allied Group's counsel in Delaware. The Information Officer is permitted to attend the Auction;

[8] As set out in the Information Officer's Fifth Report to Court dated April 11, 2013 ("Fifth Report"), the determination of the Requisite Lender under the First Lien Facility is subject to litigation. Further information on the litigation is provided in the Fifth Report, which is attached as Appendix "A".

h) The Auction will begin with the Opening Bid, being the highest or otherwise best Qualified Bid, and shall proceed thereafter in increments of at least $500,000;

i) Allied Group and its advisors will determine the Successful Bid. Allied Group will also determine which Qualified Bid, if any, should serve as the "Backup Bid";

j) The Bidding Procedures Order establishes a process for the assumption and assignment of contracts, agreements and leases ("together, the "Contracts") by a Successful Bidder ("Assignment Process"). In this regard, Allied Group is to serve a Cure Notice by no later than July 15, 2013, on the non-debtor parties to all potential Assumed and Assigned Agreements to be assigned to the Successful Bidder. The Cure Notice will list the potential Assumed and Assigned Agreements and the Cure Amounts, if any, as well as the objection process. Allied Group is to seek U.S. Court approval to assign the Contracts at the Sale Hearing, described below. The Assignment Process is to apply to the Chapter 11 Debtors, including the Canadian Debtors. Canadian contract counterparties will have the opportunity to participate at the Sale Hearing; and

k) There shall be a Sale Hearing before the U.S. Court on August 22, 2013, at 1:00 p.m. EST. The Information Officer has been advised that if the U.S. Court makes an Order approving the Successful Bid, the Foreign Representative will seek recognition by this Court as soon as practicable after the Sale Hearing.

4.2 Information Officer's View

1. The U.S. Court has entered the Bidding Procedures Order after hearing extensive submissions by Allied Group and its stakeholders. The Bidding Procedures Order is not prejudicial to Canadian stakeholders and does not treat Canadian stakeholders any differently than U.S. stakeholders. Based on the foregoing, it is the Information Officer's view that recognizing the Bidding Procedures Order is appropriate.

5.0 Conclusion

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

2. The Information Officer respectfully recommends that this Honourable Court make orders granting the relief detailed in Section 1.1 of the Report.

* * *

All of which is respectfully submitted,

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”

DUFF & PHELPS

Fifth 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

April 11, 2013

DUFF & PHELPS

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

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AS INFORMATION OFFICER OF
ALLIED SYSTEMS HOLDINGS, INC., ALLIED SYSTEMS (CANADA) COMPANY, AXIS CANADA COMPANY AND THOSE OTHER COMPANIES LISTED ON SCHEDULE "A" HERETO

APRIL 11, 2013

1.0 Introduction

1. 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. ("Black Diamond/Spectrum") 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").

2. On June 10, 2012, voluntary petitions were filed with the U.S. Court for relief under Chapter 11 by the US and Canadian subsidiaries of Allied Systems US ("Subsidiaries")[1] (Allied Systems US, ASL and the Subsidiaries

[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 Driveaway 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.

are collectively referred to as the "Chapter 11 Debtors" or "Allied Group"), including Allied Systems (Canada) Company ("Allied 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".

3. 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", and together with the U.S. Court, the "Courts") 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").

4. 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 were recognized; and d) Duff & Phelps Canada Restructuring Inc. ("D&P") was appointed as the Information Officer (the "Information Officer").

5. On July 16, 2012, this Court made an Order: a) recognizing certain final orders of the U.S. Court that had previously been granted on an interim basis; b) approving certain ancillary relief in respect of Allied Group's cash management system; and c) amending the Supplemental Order to provide for increased priority for the Administration Charge and the DIP Lender's Charge (as both terms are defined in the Supplemental Order).

6. This report ("Report") is filed in D&P's capacity as Information Officer.

1.1 Purposes of this Report

1. The purposes of this Report are to:

   a) Provide background information about Allied Group;

   b) Provide an update to the Court on the status of these proceedings and the Chapter 11 Proceedings, pursuant to the terms of the Supplemental Order;

   c) Provide information with respect to the CAW Settlement Agreement (defined below) approved by Order of the U.S. Court dated April 11, 2013 ("U.S. Approval Order") and the proposed Directors' Charge (defined below);

d) Recommend that this Honorable Court make orders:

a. Recognizing the U.S. Approval Order, establishing the Directors' Charge and amending the Supplemental Order to provide for priority for the Directors' Charge;

b. Approving the fees and disbursements of the Information Officer and its counsel, Norton Rose Canada LLP ("Norton Rose"), from commencement of these proceedings to March 31, 2013 and March 25, 2013, respectively; and

c. Approving the conduct and activities of the Information Officer as described in the Information Officer's First Report to Court dated July 11, 2012; Second Report to Court dated July 26, 2012 ("Second Report"); Third Report to Court dated October 11, 2012; Fourth Report to Court dated January 11, 2013 ("Fourth Report"); and this Report.

1.2 Currency

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

1.3 Restrictions

1. 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

1. 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 Canada.

2. Allied Group's operations are centralized from its head office located in Atlanta, Georgia. As of the date of the Orders, Allied Group employed approximately 1,835 individuals, including approximately 600 active employees in Canada[2]. At that time, approximately 390 active Canadian employees were members either of the International Brotherhood of Teamsters ("Teamsters") or the Canadian Auto Workers' unions.

3. Further background concerning Allied Group was provided in the affidavit of Scott Macaulay, Senior Vice President and Chief Financial Officer of Allied Systems US, sworn June 11, 2012 ("Macaulay Affidavit") and the Information Officer's previous reports ("IO Reports"). The Macaulay Affidavit, the IO Reports 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 Operations

1. The Information Officer has been advised by Mr. Macaulay and other senior members of Allied Group's management team that Allied Group's operations, including those of the Canadian Debtors, have continued in the ordinary course and without significant disruption since the commencement of the Chapter 11 Proceedings.

2. John Jansen, President of Allied Canada, advised the Information Officer that employees, creditors and customers of the Canadian Debtors have been supportive of Allied Group's attempt to restructure.

3. Allied Group continues to operate with excess capacity. Specifically, Allied Group had approximately 939 out of its 2,000 readily available tractor-trailers in use as of March 29, 2013, representing the same usage reported by the Information Officer in its Fourth Report.

4. For the two month period ending February 28, 2013, Allied Group generated revenue of $47 million compared to $40 million in the same period in 2012, representing an 18% increase. The revenue increase is mainly the result of pricing increases implemented by Allied Group.

[2] The number of active Canadian employees varies by season.

5. For the two month period ending February 28, 2013, Allied Group generated revenue of $47 million compared to $40 million in the same period in 2012, representing an 18% increase. The revenue increase is mainly the result of pricing increases implemented by Allied Group.

6. The revenue increase has resulted in Allied Group's EBITDA before professional fees increasing to approximately negative $1 million for the year-to-date period ending February 28, 2013 from approximately negative $5 million for the same period in 2012.

4.0 Financing

1. At the commencement of the Chapter 11 Proceedings, Allied Group entered into a debtor-in-possession loan facility in the amount of $20 million ("DIP Facility") with Yucaipa American Alliance Fund II, LLC, as agent, and Yucaipa Leveraged Finance, LLC and CB Investments, LLC, as lenders ("DIP Lender"). The DIP Facility was approved by Order of the U.S. Court dated June 12, 2012 and recognized by Order of this Court dated June 13, 2012.

2. In January, 2013, the DIP Lender increased the amount available under the DIP Facility to $22 million pursuant to an amendment to the DIP Facility ("DIP Amendment"). The DIP Amendment was approved by an Order of the U.S. Court on February 1, 2013.

3. Based on Allied Group's books and records, as at March 31, 2013, Allied Group had borrowed $18 million under the DIP Facility. This amount is consistent with Allied Group's projections at the outset of the Chapter 11 Proceedings [3]. As at March 31, 2013, Allied Group had liquidity of approximately $10.6 million, comprised of $4 million available under the DIP Facility and $6.6 million of unrestricted cash on hand.

4. No direct advances have been made to the Canadian Debtors under the DIP Facility.

5. The DIP Facility expires and becomes payable on June 11, 2013.

[3] The projection is based on Allied Group's DIP Facility budget provided to the DIP Lenders at the outset of the proceedings.

6. Allied Group does not expect to complete the Chapter 11 Proceedings before the expiry date of the DIP Facility. Accordingly, Allied Group and Rothschild Inc. ("Rothschild"), its financial advisor, have approached the DIP Lender and other parties to extend or replace the DIP Facility.

7. The Information Officer understands that discussions are ongoing with respect to a new DIP facility and that Allied Group expects to seek an Order of the U.S. Court approving a new DIP facility in May, 2013. If such an order is made, Allied Group would then seek recognition of it in Canada.

5.0 Chapter 11 Proceedings

5.1 Sale Process

1. As detailed in the Fourth Report, on October 16, 2012, the U.S. Court made an order authorizing Allied Group to employ and retain Rothschild. One purpose of Rothschild's engagement is to explore the possibilities with respect to a sale of Allied Group's business and assets, including the business and assets of the Canadian Debtors.

2. Rothschild has advised the Information Officer that it is:

   - Meeting with prospective purchasers and their respective advisors regarding the sale process;
   - Working with Allied Group's management and counsel to respond to diligence requests from potential purchasers;
   - Reviewing proposals received by Allied Group for the sale of its business and assets;
   - Considering the strategic direction of the sale process as a result of ongoing litigation amongst Allied Group's senior lenders (discussed below); and
   - Meeting with representatives of Allied Group's secured lenders and the Official Committee of Unsecured Creditors of Allied Group ("Committee") regarding the status of the sale process.

5.2 First and Second Lien Lenders

1. Pursuant to a First Lien Credit Facility and Second Lien Credit Facility (both as defined in the Macaulay Affidavit and together, the "Facilities"), as amended, Black Diamond/Spectrum, Yucaipa American Alliance Fund I, LP and Yucaipa American Alliance (Parallel) Fund I, LP (together, "Yucaipa", including companies affiliated with Yucaipa) and other parties are lenders to Allied Group (collectively, the "First and Second Lien Lenders").

2. Yucaipa is also Allied Group's majority shareholder, owning a 67% interest in Allied Group.

5.2.1 Requisite Lender

1. The Information Officer has previously reported on litigation between Black Diamond/Spectrum and Yucaipa. Specifically, the Information Officer advised in its Fourth Report that:

   - On January 18, 2012, Black Diamond/Spectrum filed suit against the Yucaipa Defendants in the Supreme Court of the State of New York ("NY Court") to seek a judicial declaration that the Fourth Amendment to the First Lien Facility dated August 21, 2009[4] is null and void and that, consequently, the Yucaipa Defendants are not the Requisite Lender ("Requisite Lender") as defined in the First Lien Facility ("Requisite Lender Suit").

   - The Requisite Lender has certain voting and other rights with respect to the First Lien Facility, which could include the right to credit bid in a sale process for Allied Group's assets. Accordingly, its determination is relevant to these proceedings.

   - On November 19, 2012, the NY Court heard the Requisite Lender Suit and granted summary judgment in favour of Black Diamond/Spectrum.

2. Pursuant to a Memorandum of Decision dated March 8, 2013 ("Memorandum"), the NY Court ordered, among other things, that "the Purported Fourth Amendment is not, and never was, effective under the plain terms of the Credit Agreement, Yucaipa is not the Requisite Lender and Plaintiffs [Black Diamond/Spectrum] are entitled to summary judgment as a result". A copy of the Memorandum is provided in Appendix "A".

[4] The effect of the Fourth Amendment was to designate the Yucaipa Defendants as the Requisite Lender.

3. The Information Officer also reported that both Allied Group and Yucaipa applied in October, 2012 to the U.S. Court to hear claims on the validity of certain amendments to the First Lien Facility and certain other issues not argued before the NY Court and that Black Diamond/Spectrum filed a cross-motion for the U.S. Court to abstain from hearing matters related to the Requisite Lender. The Information Officer understands that the U.S. Court deferred hearing these motions until it received and had an opportunity to review a written ruling from the NY Court.

5.2.2 Equitable Subordination

1. On January 25, 2013, Black Diamond/Spectrum filed a complaint ("Black Diamond Complaint") with the U.S. Court for an Order, among other things, subordinating the claims held by Yucaipa pursuant to the Facilities to the claims of the other First and Second Lien Lenders. A copy of the Black Diamond Complaint is provided in Appendix "B".

2. On February 1, 2013, the Committee filed a complaint ("Committee Complaint") with the U.S. Court for an Order, among other things, subordinating the claims of Yucaipa to all other creditor claims asserted against Allied Group and requiring Yucaipa to make a capital contribution of approximately $57.5 million to Allied Group ("Capital Contribution"). A copy of the Committee Complaint is provided in Appendix "C" (the Black Diamond Complaint and Committee Complaint are jointly referred to as the "Complaints"[5]).

3. The nature of the Complaints is similar: Yucaipa advanced its interests ahead of and to the detriment of other creditors. The Committee Complaint alleges that Yucaipa "took control over all facets of the Debtors' capital structure in order to protect its equity investment over the legitimate rights and expectations of the Debtors' secured and unsecured creditors"[6]. The Committee Complaint also alleges that: "Yucaipa gave itself the ability to prevent creditors from exercising rights against [Allied Group] that could have benefitted [Allied Group] and their creditors but would have adversely affected Yucaipa's equity interests"[7].

4. Yucaipa denies the allegations in, and has objected to, the Complaints.

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[5] The Complaints filed in the U.S. Court's public record have been redacted to exclude sensitive information regarding Allied Group's business.

[6] Committee Complaint, paragraph 1.

[7] Committee Complaint, paragraph 12.

5. With respect to the Capital Contribution, the Committee's position is that:

   - In 2007, upon Allied Group exiting its first Chapter 11 reorganization, Allied Group borrowed $265 million under the First Lien Credit Facility and $50 million under the Second Lien Credit Facility from a syndicate of lenders. Under the original terms of the First Lien Credit Facility, Yucaipa, as Allied Group's majority shareholder, was subject to various restrictions, including a restriction from acquiring any part of the First Lien Credit Facility;

   - In 2009, Yucaipa entered into an agreement with ComVest Partners, the Requisite Lender at that time under the First Lien Credit Facility, to amend the First Lien Credit Facility to allow Yucaipa to acquire the majority of Allied Group's first lien debt and become the Requisite Lender ("Fourth Amendment");

   - Since the NY Court ruled that the Fourth Amendment is invalid, the Third Amendment of the First Lien Credit Facility ("Third Amendment") is operative. According to the Third Amendment, Yucaipa is required to make a capital contribution to Allied Group of 50% of the aggregate principal amount of debt under the First Lien Credit Facility it acquires. Accordingly, since Yucaipa acquired approximately $115 million of debt under the First Lien Credit Facility, Yucaipa was required to make a capital contribution of approximately $57.5 million to Allied Group, but did not do so.

6. The Committee Complaint also seeks $57 million in damages from certain of Allied Systems US's directors ("Allied Directors") for beaches of their fiduciary duty. The Committee Complaint alleges that the Allied Directors were nominees of Yucaipa, did not protect the interests of other Allied Group stakeholders and allowed Yucaipa to take control of Allied Group.

7. On March 21, 2013, the U.S. Court issued an Order ("March 21st Order") authorizing the Committee to prosecute the claims and causes of action as set out in the Complaints on behalf of Allied Group's estate. The U.S. Court also granted Black Diamond/Spectrum leave to intervene as plaintiffs in the Committee's Complaint. A copy of the March 21st Order is provided in Appendix "D".

8. The foregoing information is intended as a brief summary of the Complaints and the equitable subordination issue and is not intended to provide a comprehensive review or an evaluation of any such claims.

6.0 Directors' Charge

6.1 Overview

1. As a Canadian transportation carrier, Allied Canada is subject to the *Canada Labor Code* ("CLC"). Section 251.18 of the CLC imposes joint and several liability on directors of a company for wages, severance and termination pay, among other things. As a logistics service company, Axis Canada is not subject to the CLC.

2. Pursuant to the CLC, individuals who have completed twelve consecutive months of continuous employment are eligible for severance pay except where their termination is by way of dismissal for just cause. The CLC further provides that individuals who have completed three consecutive months are entitled to receive two weeks' notice prior to termination or two weeks wages, in lieu of the notice, except where termination is by way of dismissal for just cause. The CLC stipulates that each director of a company is liable for unpaid wages and other amounts, including severance and termination pay, to a maximum amount of six months' wages for each employee to the extent that such entitlement arose during the particular director's incumbency and recovery of the amount from the company is unlikely or impossible. In the current case, a deemed termination can occur if an employee remains laid off for a period of more than twelve months.

3. From May 1, 2011 to June 10, 2012, the date on which the Chapter 11 Proceedings commenced, Allied Canada laid off approximately 280 unionized employees. Most of these employees are members of the National Automobile, Aerospace, Transportation and General Works Union of Canada ("CAW") ("Laid-Off CAW Employees").

4. At the commencement of these proceedings, the potential severance obligation to the Laid-Off CAW Employees was approximately CDN$1.9 million, inclusive of applicable payroll taxes of CDN $165,000.

5. Allied Canada has made monthly severance payments ranging from CDN $47,000 to $65,000 to the Laid-Off CAW Employees as authorized in the "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" entered by the U.S. Court on July 10, 2012 ("Final Wages Order") and recognized by Order of the Court on July 16, 2012. A copy of the Final Wages Order is provided in Appendix "E".

6. As at April 1, 2013, the severance obligation owing to the Laid-Off CAW Employees (assuming these employees were not recalled) was approximately CDN $1.4 million ("CAW Severance")[8], inclusive of payroll taxes.

7. During the Chapter 11 Proceedings, the two directors of Allied Canada resigned due to, among other things, concerns about personal liability for severance or termination obligations ("Director Liabilities"). Allied Canada has been unable to locate an individual willing to serve as a director since June, 2012. The Information Officer understands that Allied Canada has pursued new directors, but none will accept the position without the protection provided for by an indemnity and a charge for Director Liabilities ("Directors' Charge").

8. Axis Canada's two directors and three officers have remained in such capacities since the Chapter 11 Proceedings commenced. Their potential liabilities are more limited than those of Allied Canada due to the limited number of Axis Canada employees (twelve) and the nature of the business (not subject to the CLC).

6.2 July 31 Motion

1. Pursuant to a Notice of Motion returnable July 31, 2012, the Foreign Representative sought a Court-ordered directors' and officers' charge, in the maximum amount of CDN $9.9 million, on the collateral of the Canadian Debtors. The charge was to have secured an indemnity by the Canadian Debtors' to its directors and officers (current and former, actual and deemed) for liabilities associated with severance and termination pay arising before and after the commencement of the Chapter 11 Proceedings and other statutory obligations, such as wages, withholdings and sales taxes, arising after the commencement of the Chapter 11 Proceedings ("July 31 Motion").

2. The July 31 Motion was adjourned to allow time for negotiation between Allied Canada and its stakeholders in response to their objections. Further background concerning the July 31 Motion can be found in the Second Report. The Second Report is attached as Appendix "F".

[8] The amount of the CAW Severance includes adjustments arising from Allied Canada's recall of certain employees, which reduced the obligation to the Laid-Off CAW Employees. It also includes adjustments resulting from incentives offered by Allied Canada to the Laid-Off CAW Employees to defer receipt of their severance payments, which increased the obligation to the Laid-Off CAW Employees.

6.3 CAW Settlement Agreement

1. On March 15, 2013, Allied Canada and CAW (on behalf of itself and its members) executed a settlement agreement ("CAW Settlement Agreement") which provides for the following:

   - Allied Canada will continue to pay the CAW Severance, up to a maximum of CDN $1.4 million. Payment may be made on an ongoing basis as an administrative expense of the bankruptcy proceeding of Allied Canada in the Chapter 11 Proceedings;

   - Allied Canada shall indemnify its directors ("Directors") with respect to any obligation or liability of a Director to pay the CAW Severance. The indemnification is to be secured by the Directors' Charge of up to CDN $1.4 million, which will be reduced by Allied Canada's subsequent payments;

   - If Allied Canada fails to pay the CAW Severance, the CAW (either directly or through the Directors) would look first to claims against existing and applicable directors' and officers' insurance policies ("Directors' Policies"). If the proceeds thereof are unavailable or insufficient to pay the remaining amount of the CAW Severance, the Directors' Charge covers the liability of the Directors under the proposed indemnity;

   - Any recovery with respect to a CAW Claim[9] asserted against any director (whether past, present, future, actual or deemed) of Allied Canada or any affiliate of Allied Canada (the "Releasees"), which cannot be recovered from Allied Canada, shall be limited to any proceeds that the CAW may recover from the Directors' Policies, and any other CAW Claim against the Releasees shall be released and discharged. CAW agrees to limit its claims against the Directors or the directors of any affiliate of Allied Canada to the proceeds from the Directors Policies; and

   - The CAW Settlement Agreement is subject to the approval of the Courts.

[9] Defined as any demand or claim, asserted or otherwise made by the CAW or any of its respective members (who are current employees of Allied Canada) against Allied Canada for payment of any amounts in respect of termination or severance whether owing pursuant to the CLC, a collective agreement, other written agreement or notice or otherwise.

2. On March 25, 2013, Allied Group filed a motion with the U.S. Court seeking the U.S. Approval Order, being an Order approving the CAW Settlement Agreement and authorizing the Foreign Representative to move the Court to establish a Directors' Charge on the property of Allied Canada.

3. On April 11, 2013, the U.S. Court entered the U.S. Approval Order. A copy of the U.S. Approval Order is provided in Appendix "G".

6.4 Teamsters

1. Approximately 200 of Allied Canada's employees are members of Teamsters local unions.

2. Allied Canada received correspondence from each relevant Teamsters local union ("Teamsters Letters") indicating that they will not pursue or make a claim against any Director should there be a default by Allied Canada pursuant to their obligation to pay any amounts for which a director has a personal liability under the collective agreement or the CLC, except to the extent that these amounts can be satisfied from the proceeds of the Directors' Policies. The Teamsters local unions advised that they agreed to this restriction as, in their view, it increases the likelihood that Allied Canada will be able to retain a director and continue as a going concern, thereby providing employment for Teamsters members. The Teamsters Letters are provided in Appendix "H".

6.5 The Charge

1. Allied Group is proposing a Directors' Charge as follows:

   a. Up to CDN $1.4 million to secure severance payments owing to the Laid-Off CAW Employees; and

   b. Up to CDN $570,000 to secure severance or termination obligations pursuant to the CLC for Allied Canada's employees who are not members of CAW or Teamsters, were employed by Allied Canada on June 10, 2012 and may subsequently be terminated ("Non-Union Employees")[10]. The Non-Union Employees are not subject to the CAW Settlement Agreement or the Teamsters Letters.

2. The Information Officer understands that Allied Group's main stakeholders, being Yucaipa (as DIP Lender), Black Diamond/Spectrum and the Committee, are not opposed to the relief being sought.

[10] Allied Canada employs approximately sixty Non-Union Employees.

6.6 Priority

1. Pursuant to the July 16 Order, the Administration Charge and the DIP Lender's Charge (the "Charges") rank in priority to the existing security interests created pursuant to the Facilities and other trusts, liens, charges and encumbrances, claims of secured creditors or otherwise (collectively, "Encumbrances") [11].

2. The Foreign Representative is seeking to have the Court issue an Order amending the Supplemental Order, as amended the July 16 Order such that the Court-ordered charges would be as follows:

   a) Administration Charge (to the maximum amount of CDN $600,000);

   b) Directors' Charge with respect to severance obligations to the Laid-Off CAW Employees (to a maximum amount of CDN $1.4 million);

   c) DIP Lender's Charge; and

   d) Directors' Charge for severance and termination obligations pursuant to the CLC to Non-Union Employees if they are terminated during the Chapter 11 Proceedings (to a maximum amount of CDN $570,000).

6.7 Information Officer's View

1. The Information Officer supported the relief that had been sought by the Foreign Representative pursuant to the July 31 Motion. The relief contained therein was broader than what is currently being sought;

2. The proposed multi-pronged solution of: a) the CAW Settlement Agreement including the Directors' Charge of $1.4 million; b) the Teamster Letters and c) the $570,000 Directors' Charge relating to Non-Unionized Employees represents a fair compromise and, as a result, Allied Canada will be able to appoint a new director;

[11] The Charges do not rank ahead of: a) Encumbrances, if any, that are valid, perfected by registration or possession, non-avoidable and senior to the Encumbrances securing the First Lien Credit Facility as of the date of the Final Financing Order (as defined in the July 16 Order); b) The Carve-Out (as defined in the Final Financing Order and generally includes certain professional fees associated with the Chapter 11 Proceedings).

3. The Information Officer supports the CAW Settlement Agreement and the Directors' Charge for many of the same reasons as outlined in the Second Report, being:

- The Information Officer has reviewed Allied Canada's calculations of the amounts underlying the Directors' Charge. The quantification of the Directors' Charge appears to be reasonable;

- The portion of the Directors' Charge that covers the CAW Severance is, in effect, secondary protection. The CAW Severance is being paid per the Final Wages Order. Further, Allied Canada has acknowledged that access to the Directors' Charge would only be sought once (or if) the Directors' Policies are exhausted or will not provide coverage;

- In order to effectively and efficiently restructure Allied Canada, director oversight is highly beneficial. Allied Canada needs Directors to consider and approve transactions that will allow it to emerge from Chapter 11 Proceedings. Allied Canada has not had a Director since June, 2012. A member of Allied Group's senior management team has agreed to serve as a Director if the proposed Order is made;

- Allied Group has considered alternatives for Allied Canada, such as the appointment of a restructuring officer or a receiver or securing additional insurance coverage, in the event the Directors' Charge is not granted and no individual is willing to serve as a director of Allied Canada. These alternatives are costly and may not be as effective as simply having a director in place – operational disruption is possible and the costs could be significant, both in dollar terms and to the outcome of the restructuring process;

- As the Information Officer has previously reported in the context of the Administration Charge and the DIP Lender's Charge, 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 portion of the Directors' Charge that relates to Non-Union Employees, CDN $570,000, is intended to address CLC severance for non-unionized employees who could, in future, be terminated as it was impractical to enter into individual settlements or obtain individual releases from each employee – this portion of the Directors' Charge is also only available if the liability is not covered by Allied Canada and proceeds under the Directors' Policies are not available or are insufficient.

4. Based on the foregoing, the Information Officer believes that the Directors' Charge and its proposed priority are appropriate in the circumstances.

7.0 Professional Fees

1. The Information Officer's fees from June 4, 2012 to March 31, 2013 total approximately CDN $270,707, inclusive of disbursements and taxes.

2. The fees of Norton Rose, the Information Officer's counsel, from June 4, 2012 to March 25, 2013 total approximately CDN $105,540, inclusive of disbursements and taxes.

3. Fee affidavits from representatives of D&P and Norton Rose are provided in Appendices "I" and "J". The Information Officer's invoices summarize its activities.

4. A summary of the invoices in Canadian dollars is as follows:

Duff & Phelps Canada Restructuring Inc.

Period	Fees ($)	Disbursements($)	HST($)	Total($)
June 4 to June 16, 2012	48,025.00	0.00	6,243.25	54,268.25
June 17 to June 30, 2012	21,575.00	5,339.08	3,498.83	30,412.91
July 1 to July 21, 2012	38,831.25	5,223.48	5,727.11	49,781.84
July 21 to August 10, 2012	20,295.00	11.55	2,639.85	22,946.40
August 11 to August 31, 2012	11,312.50	0.00	1,470.63	12,783.13
September 1 to September 30, 2012	11,712.50	0.00	1,522.63	13,235.13
October 1 to October 31, 2012	23,996.25	0.00	3,119.51	27,115.76
November 1 to November 30, 2012	8,260.00	0.00	1,073.80	9,333.80
December 1, 2012 to January 31, 2013	20,018.75	8.79	2,603.58	22,631.12
February 1, 2013 to March 31, 2013	24,955.00	0.00	3,244.15	28,199.15
Total	228,981.25	10,582.90	31,143.34	270,707.49

5. The Information Officer's average hourly rate for the referenced billing period was CDN $470. The Information Officer used a limited number of representatives on this matter.

Norton Rose Canada LLP

Period	Fees ($)	Disbursements($)	HST($)	Total($)
June 5 to June 14, 2012	41,256.00	0.00	5,363.28	46,619.28
June 15 to June 30, 2012	3,931.00	0.00	511.03	4,442.03
July 1 to July 13, 2012	12,422.00	0.00	1,614.86	14,036.86
July 14 to July 31, 2012	21,096.00	242.80	2,774.04	24,112.84
August 1 to August 15, 2012	2,761.50	8.93	360.16	3,130.59
August 16 to September 17, 2012	1,918.00	0.00	249.34	2,167.34
September 18 to October 31, 2012	3,788.00	0.00	492.44	4,280.44
November 1 to December 31, 2012	273.00	20.43	38.15	331.58
January 1, 2013 to March 25, 2013	5,213.50	466.92	738.45	6,418.87
Total	92,659.00	739.08	12,141.75	105,539.83

6. Norton Rose's average hourly rate for the referenced billing period was CDN $724.

7. The Information Officer is of the view that the hourly rates charged by Norton Rose are consistent with the rates charged by other major law firms in Toronto providing insolvency and restructuring advice. The Information Officer notes that Norton Rose has used only a limited number of lawyers on the matter.

8. The Information Officer has reviewed the accounts of Norton Rose and believes them to be reasonable.

8.0 Conclusion

1. Based on the foregoing, it is the Information Officer's view that the relief being sought by the Foreign Representative is reasonable. In addition, the Information Officer respectfully recommends that this Honorable Court make orders granting the relief detailed in Section 1.1 of the 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

Appendix “B”

IN THE UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re:	Chapter 11
ALLIED SYSTEMS HOLDINGS, INC., *et al.*,[1]	Case No. 12-11564 (CSS)
	(Jointly Administered)
Debtor.	

FINAL ORDER PURSUANT TO 11 U.S.C. §§ 105, 361, 362, 363(c), 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1), 364(e), 503(b) and 507(a), FED. R. BANKR. P. 2002, 4001 AND 9014 AND DEL. BANKR. L.R. 4001-2: (I) AUTHORIZING DEBTORS TO (A) OBTAIN POSTPETITION SECURED DIP FINANCING AND (B) USE CASH COLLATERAL; (II) GRANTING SUPERPRIORITY LIENS AND PROVIDING FOR SUPERPRIORITY ADMINISTRATIVE EXPENSE STATUS; (III) GRANTING ADEQUATE PROTECTION TO PREPETITION SECURED LENDERS; AND (IV) MODIFYING AUTOMATIC STAY

Allied Systems Holdings, Inc. ("Holdings"),[2] Allied Systems, Ltd. (L.P.) ("Systems") and their U.S. and Canadian subsidiaries (collectively, the "Debtors"), having moved on June 11, 2012 (the "Motion") for an interim order (the "Interim Order") and a final order (the "Final Order") authorizing them to, among other things, (i) incur post-petition secured indebtedness, (ii) grant superpriority security interests and superpriority claims, and (iii) grant adequate protection, pursuant to sections 105(a), 362, 363(c), 364(c), (d), and (e), 503(b) and 507(a) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (as amended, the

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[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 defined herein shall have the meaning ascribed to them in the Motion and if not defined in the Motion, in the DIP Financing Agreement (as defined below).

"Bankruptcy Code"), and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), and Rule 4001-2 of the Delaware Bankruptcy Local Rules (the "Local Rules"); a hearing on the Motion having been held on June 12, 2012 (the "Interim Hearing") and this Court having entered the Interim Order on June 12, 2012 and having entered an amended interim order (the "Amended Interim Order") on June 26, 2012; a final hearing on the Motion having been held on July 12, 2012 (the "Final Hearing"); and based upon all of the pleadings filed with this Court, the evidence presented at the Interim Hearing and the Final Hearing and the entire record herein; and the Court having heard and resolved or overruled all objections to the relief requested in the Motion; and the Court having noted all appearances at the Final Hearing; and it appearing that the relief requested in the Motion is in the best interests of the Debtors, their estates, and creditors; and after due deliberation and consideration, sufficient cause appearing therefore, **IT IS HEREBY FOUND:**[3]

A. Petition Date. On May 17, 2012 (the "Petition Date"), involuntary petitions pursuant to chapter 11 of the Bankruptcy Code were filed against Holdings and Systems by certain creditors (the "Petitioning Creditors"). Holdings and Systems consented to the entry of an order for relief on June 10, 2012 (the "Consent Date"). All of the other Debtors filed voluntary petitions for relief on the same date. The Debtors' cases under chapter 11 are collectively referred to herein as the "Chapter 11 Cases." The Debtors are operating their businesses and managing their affairs as debtors in possession pursuant to Bankruptcy Code sections 1107(a) and 1108. No trustee or examiner has been appointed in any of the Chapter 11 Cases. On June 19, 2012, the United States Trustee appointed a statutory committee of unsecured creditors (the "Committee").

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[3] Findings of fact shall be construed as conclusions of law, and conclusions of law shall be construed as findings of fact, pursuant to Bankruptcy Rule 7052.

B. Jurisdiction; Venue. This Court has core jurisdiction over the Chapter 11 Cases and the Debtors' property pursuant to 28 U.S.C. §§ §157(b)(2)(D) and 1334. Venue for the Chapter 11 Cases is proper before this Court under 28 U.S.C. §§ 1408 and 1409.

C. Notice. Proper notice under the circumstances has been given by the Debtors of the Motion, the Interim Hearing and the Final Hearing pursuant to Bankruptcy Rule 4001(b) and Local Rule 4001-2.

D. Debtors' Stipulations. In entering into the DIP Financing Agreement (as defined below) and as consideration therefor, subject to the rights of non-Debtor parties as set forth in the provisions of paragraph 12 below, the Debtors acknowledge, represent, stipulate, and agree that:

(i) Prepetition Loan Documents. Holdings and Systems are borrowers under (a) that certain Amended and Restated First Lien Secured Super-Priority Debtor In Possession and Exit Credit and Guaranty Agreement (the "Prepetition First Lien Loan Agreement"), dated as of May 15, 2007 (as amended by that certain Limited Waiver and Amendment No. 1 to Credit Agreement and Pledge and Security Agreement, dated as of May 29, 2007, that certain Amendment No. 2 to Credit Agreement, dated as of June 12, 2007, that certain Amendment No. 3 to Credit Agreement, dated as of April 17, 2008, that certain Amendment No. 4 to Credit Agreement dated as of August 21, 2009 and as otherwise amended through the Consent Date), by and among Holdings and Systems, as borrowers, their subsidiaries identified therein, as guarantors, the lenders party thereto from time to time (collectively, and together with such lenders' successors and assigns, the "Prepetition First Lien Lenders"), Goldman Sachs Credit Partners L.P., as lead arranger and syndication agent, and The CIT Group/Business Credit, Inc. ("CIT"), as administrative agent and collateral agent (in either or both of such capacities, and together with its successors in either or both of such capacities, the "Prepetition First Lien Agent") and (b) that certain Second Lien Secured Super-Priority Debtor In Possession and Exit Credit and Guaranty Agreement (the "Prepetition Second Lien Loan Agreement"), dated as of

May 15, 2007 (as amended by that certain Limited Waiver and Amendment No. 1 to Credit Agreement and Pledge and Security Agreement, dated as of May 29, 2007, that certain Amendment No. 2 to Credit Agreement, dated as of June 12, 2007, that certain Amendment No. 3 to Credit Agreement, dated as of April 17, 2008 and as otherwise amended through the Consent Date), by and among Holdings and Systems, as borrowers, their subsidiaries identified therein, as guarantors, the lenders party thereto from time to time (collectively, and together with such lenders' successors and assigns, the "Prepetition Second Lien Lenders," and together with the Prepetition First Lien Lenders, the "Prepetition Lenders"), Goldman Sachs Credit Partners L.P., as lead arranger and syndication agent, and The Bank of New York Mellon, as administrative agent and collateral agent (in such capacity and together with its successors in either or both of such capacities, the "Prepetition Second Lien Agent," together with the Prepetition First Lien Agent, the "Prepetition Agents," and the Prepetition Second Lien Agent collectively with the Prepetition Lenders and the Prepetition First Lien Agent, the "Prepetition Secured Parties"). CIT resigned as the Prepetition First Lien Agent on or about April 19, 2012. To date, no successor has been appointed and the "Requisite Lenders," as such term is defined in the Prepetition First Lien Loan Agreement (the "Prepetition First Lien Requisite Lenders") have the powers accorded to the Prepetition First Lien Agent pursuant to the terms of the Prepetition First Lien Loan Agreement. Accordingly, as used herein, the term "Prepetition First Lien Agent" shall be deemed to mean the Prepetition First Lien Requisite Lenders until a successor First Lien Agent to CIT is appointed, if ever. The term "Prepetition Loan Documents" means, collectively, the Prepetition First Lien Loan Agreement, the Prepetition Second Lien Loan Agreement, the Prepetition Intercreditor Agreement (as defined below) and all agreements, documents, notes, mortgages, security agreements, pledges, guarantees, subordination or intercreditor agreements, instruments, amendments, and any other agreements or documents executed and/or delivered pursuant thereto or in connection therewith.

(ii) Prepetition Indebtedness. For purposes of this Final Order, the term (a) "Prepetition First Lien Debt" shall mean all "Obligations" as defined in the Prepetition First Lien Loan Agreement and other amounts owed by the Borrowers or the Guarantors as of the Consent Date to the Prepetition First Lien Agent and the Prepetition First Lien Lenders under the Prepetition First Lien Loan Agreement and the other Prepetition Loan Documents related thereto, (b) "Prepetition Second Lien Debt" shall mean all "Obligations" as defined in the Prepetition Second Lien Loan Agreement and other amounts owed by the Borrowers and the Guarantors as of the Consent Date to the Prepetition Second Lien Agent and Prepetition Second Lien Lenders under the Prepetition Second Lien Loan Agreement and the other Prepetition Loan Documents related thereto, and (c) "Prepetition Secured Debt" shall mean the Prepetition First Lien Debt and the Prepetition Second Lien Debt. As of the Consent Date, (A) the aggregate principal amount of the Prepetition First Lien Debt outstanding was not less than $244,021,526, plus accrued and unpaid interest, fees, costs, and expenses; (B) the aggregate principal amount of the Prepetition Second Lien Debt outstanding was not less than $30,000,000, plus accrued and unpaid interest, fees, costs, and expenses; (C) all of the Prepetition Secured Debt is unconditionally due and owing by the Debtors to the respective Prepetition Secured Parties; and (D) all claims in respect of the Prepetition Secured Debt and all Prepetition Lender Liens (as defined below) are not subject to any avoidance, reductions, set off, offset, disallowance, recharacterization, subordination (whether equitable, contractual or otherwise and except as set forth in the Prepetition Intercreditor Agreement (as defined below)), counterclaims, cross-claims, defenses or any other challenges under the Bankruptcy Code or any other applicable law or regulation by any person or entity.

(iii) Prepetition Liens. To secure the Prepetition Secured Debt, the Debtors and certain of their affiliates granted (i) the Prepetition First Lien Agent, for its own benefit and the benefit of the Prepetition First Lien Lenders, valid, binding, continuing, enforceable, and properly perfected first priority liens and security interests (the "Prepetition

First Liens") upon and in substantially all of the real, personal and mixed property and assets of the Debtors and such affiliates (the "Prepetition Collateral"), and (ii) the Prepetition Second Lien Agent, for its own benefit and the benefit of the Prepetition Second Lien Lenders, valid, binding, continuing, enforceable, and properly perfected second priority liens and security interests (the "Prepetition Second Liens," and together with the Prepetition First Liens, the "Prepetition Lender Liens") upon and in all or substantially all of the Prepetition Collateral. As of the Consent Date, the Prepetition Lender Liens were senior and had priority over all other security interests and liens on the Debtors' assets other than any non-avoidable, valid, enforceable and perfected liens and security interests in the Debtors' assets that existed as of the Petition Date (as defined below) in favor of third parties holding liens or security interests that are superior in priority, after giving effect to any existing subordination arrangements, to the Prepetition First Liens and are not otherwise subject to subordination under contract, the Bankruptcy Code or otherwise applicable law. Pursuant to that certain Intercreditor Agreement, dated as of May 15, 2007 (as amended, restated or otherwise modified from time to time prior to the Petition Date, the "Prepetition Intercreditor Agreement"), by and among Holdings, Systems, the other grantors party thereto and the Prepetition Agents, the Prepetition Second Liens are subject and subordinate in priority to the Prepetition First Liens. As of the Consent Date, there were no perfected liens on or security interests in the Prepetition Collateral except for the Prepetition Lender Liens, the Existing Priority Liens (as defined below) and other "Permitted Liens" as such term is defined in the Prepetition First Lien Credit Agreement.

(iv) No Claims. As of the Petition Date, no claims of any Debtor exist against any of Prepetition Secured Parties arising from or relating to any of the Prepetition Loan Documents, any loans or financial accommodations made thereunder or any of the other transactions contemplated thereby.

E. Purpose and Necessity of Financing. The Debtors require the DIP Loan to fund, among other things, ongoing working capital requirements and administrative costs and for

other purposes permitted by this Final Order. The Debtors' "cash collateral," as such term is defined in Bankruptcy Code section 363(a) (the "Cash Collateral"), is insufficient to fund the Debtors' on-going business needs and administrative costs. The Debtors are unable to obtain adequate unsecured credit allowable as an administrative expense under Bankruptcy Code section 503, or other financing under Bankruptcy Code sections 364(c) or (d), on equal or more favorable terms than those set forth in the DIP Financing Agreement based on the totality of the circumstances. Moreover, a loan facility in the amount provided by DIP Financing Agreement is not available to the Debtors without granting superpriority claims and priming liens pursuant to the Bankruptcy Code, as provided in this Final Order and the DIP Financing Agreement. After considering all alternatives, the Debtors have concluded, in the exercise of their prudent business judgment, that the DIP Financing Agreement represents the best financing package available to them at this time and is in the best interests of the estates and their creditors.

F. Use of Cash Collateral. The Debtors also require the continued use of Cash Collateral to operate their businesses. Without the continued use of Cash Collateral, the Debtors will not be able to meet their cash requirements for working capital needs. The Prepetition Agents and the DIP Agent do not consent (or are not deemed to consent) to the use of Cash Collateral except on the terms and conditions, and for the purposes, specified herein. The adequate protection provided herein and other benefits and privileges contained herein are consistent with and authorized by the Bankruptcy Code and are necessary in order to obtain such consent or non-objection of such parties and to adequately protect their interests in the Prepetition Collateral.

G. Good Cause. The continued ability of the Debtors to obtain sufficient working capital and liquidity and use of Cash Collateral under this Final Order is vital to the Debtors' estates and creditors, and in particular, to the ability of the Debtors to preserve their businesses and restructure their indebtedness under the Bankruptcy Code. The continued liquidity to be provided under the DIP Financing Agreement and through the use of Cash

Collateral will enable the Debtors to continue to operate their businesses in the ordinary course and preserve their value. Good cause has, therefore, been shown for the relief sought in the Motion.

H. Good Faith. The DIP Financing Agreement has been negotiated in good faith and at arm's-length by and among the Debtors, the DIP Agent and the DIP Lenders. Any DIP Loan and/or other financial accommodations made to the Debtors by the DIP Agent and the DIP Lenders pursuant to the Interim Order and this Final Order and/or the DIP Financing Agreement shall be deemed to have been extended by the DIP Agent and the DIP Lenders in good faith, as that term is used in Bankruptcy Code section 364(e), and the DIP Agent and the DIP Lenders shall be entitled to all protections afforded thereunder. The terms of this Final Order and the DIP Financing Agreement are fair and reasonable, reflect the Debtors' exercise of prudent business judgment consistent with their fiduciary duties, and are supported by reasonably equivalent value and fair consideration. In entering into the DIP Financing Agreement and committing to continue to make the DIP Loan, the DIP Agent and the DIP Lenders are relying on the terms of this Final Order as an integrated whole, including without limitation paragraph 22 hereof.

I. Exigent Circumstances.

(i) The Debtors requested immediate entry of the Interim Order pursuant to Bankruptcy Rules 4001(b)(2) and (c)(2) in order to avoid immediate and irreparable harm to the Debtors, their estates and their businesses. The Motion, the Interim Order, the Amended Interim Order and this Final Order comply with Local Bankruptcy Rule 4001-2. Pursuant to the Interim Order and the Amended Interim Order, this Court authorized the Debtors to borrow up to $10,000,000 (the "Maximum Interim Borrowing") under the DIP Loan to fund the amounts contemplated by the budget and initial approved cash projections attached to the Interim Order as Exhibit A (as such budget may be amended with the consent of the DIP Agent, the "Approved Budget"). The Approved Budget is an integral part of this Final Order and has

been relied upon by the DIP Agent, the DIP Lenders and the Prepetition Secured Parties in deciding to consent, or not otherwise object, to the entry of this Final Order.

(ii) This Court concluded that immediate entry of the Interim Order was in the best interests of the Debtors' estates and creditors as its implementation would, among other things, allow for access to the financing necessary for the continued flow of supplies and services to the Debtors necessary to sustain the operation of the Debtors' existing business and further enhance the Debtors' prospects for a successful restructuring.

(iii) This Court further concludes that the Debtors have an immediate and critical ongoing need to obtain post-petition financing under the DIP Loan and to continue to use Cash Collateral in order to, among other things, finance the ordinary costs of their operations, maintain business relationships with vendors, suppliers and customers, make payroll, make capital expenditures, and satisfy other working capital and operational needs. The Debtors' continued access to sufficient working capital and liquidity through the incurrence of post-petition financing under the DIP Loan and the continued use of Cash Collateral under the terms of this Final Order is vital to the preservation and maintenance of the going concern value of the Debtors' estates. Consequently, without continued access to the DIP Loan and continued use of Cash Collateral, to the extent authorized pursuant to this Final Order, the Debtors and their estates would suffer immediate and irreparable harm.

Based upon the foregoing findings, acknowledgements, and conclusions, and upon the record made before this Court at the Interim Hearing and the Final Hearing, and good and sufficient cause appearing therefor;

IT IS HEREBY ORDERED:

1. Disposition. The Motion is granted on a final basis, subject to the terms set forth herein. Any objections to the Motion that have not previously been withdrawn or resolved are hereby overruled on their merits. This Final Order shall be valid and binding on all parties-in-interest, and effective immediately upon entry notwithstanding the possible application of

Bankruptcy Rules 6003(b), 6004(a), 6004(h), 7062, and 9014. All actions taken in connection with or in reliance on the Interim Order or the Amended Interim Order, as the case may be, are hereby reaffirmed in full as if taken in connection with or in reliance on this Final Order.

2. Authorization. Upon entry of this Final Order, the Debtors are authorized, on a final basis, to: (i) enter into and perform their obligations under that certain Senior Secured Super-Priority Debtor in Possession Credit and Guaranty Agreement dated as of June 11, 2012 (as amended, restated or otherwise modified from time to time in accordance with the terms hereof and thereof, the "DIP Financing Agreement") (an executed copy of the DIP Financing Agreement is attached hereto as Ex. B), by and among Holdings and Systems, as borrowers (in such capacity, the "Borrowers"), certain of the Debtors, as guarantors (the "Guarantors"), Yucaipa American Alliance Fund II, LLC ("Yucaipa") as agent (in such capacity, the "DIP Agent"), and the persons and entities from time to time party thereto as lenders (the "DIP Lenders"); (ii) obtain postpetition delayed draw term loans (the "DIP Loan")[4] under the DIP Financing Agreement in an aggregate principal amount not to exceed $20,000,000; and (iii) use Cash Collateral and the proceeds of the DIP Loan for the purposes set forth on the Approved Budget and subject to the terms and conditions set forth herein and in the DIP Financing Agreement; provided the Debtors shall first use Cash Collateral before using proceeds of the DIP Loan in accordance with the terms of the DIP Financing Agreement; and provided further that, notwithstanding anything to the contrary contained in the DIP Financing Agreement or this Final Order, any claim, demand, obligation or liability for severance or termination compensation or benefits for any employee or officer of any Debtor that arose or accrued before, on or after the Consent Date may be paid by any of the Debtors with proceeds of the DIP Loan or Cash Collateral only with the prior consent of the DIP Agent, which consent may be given or withheld in its sole discretion. The DIP Financing Agreement (including the documents, agreement and

[4] The term "DIP Loan" shall include all principal, interest, fees, expenses and other obligations (including, without limitation, all "Obligations" as such term is defined in the DIP Financing Agreement and all DIP Expenses (as defined below)) that are at any time owed by any Borrower or Guarantor to the DIP Agent or the DIP Lenders in connection with the DIP Loan, the DIP Financing Agreement or this Final Order.

instruments described in paragraph 5(a) below) shall constitute legal, valid, and binding obligations of the Debtors, enforceable against the Debtors, their successors and assigns (including, without limitation, any successor trustee or other estate representative in any Chapter 11 Case or subsequent chapter 7 or chapter 11 case (each, a "Successor Case")) in accordance with their terms. The Debtors are hereby authorized to pay (whether through Cash Collateral or the DIP Loan) interest, fees, expenses and any other amounts required or allowed to be paid in accordance with the Interim Order, the Amended Interim Order, this Final Order and/or the DIP Financing Agreement, as applicable.

3. Termination of Postpetition Credit and Cash Collateral Usage. Notwithstanding anything in this Final Order to the contrary (but without prejudice to any other right of the DIP Agent and/or the DIP Lenders under this Final Order of the DIP Financing Agreement to terminate or suspend their obligation to make the DIP Loan), the DIP Lenders' obligation to make the DIP Loan and the consent of the DIP Agent and the Prepetition Agents to the use of Cash Collateral shall automatically terminate without any further action by this Court, the DIP Agent, any of the Prepetition Secured Parties or any other person or entity, upon the earliest to occur of (the "Termination Date"): (i) the date of final indefeasible payment and satisfaction in full in cash of the DIP Loan and the termination of the loan commitments under the DIP Financing Agreement; (ii) the effective date of any plan of reorganization or liquidation in any of the Chapter 11 Cases; (iii) the consummation of the sale or other disposition of all or substantially all of the assets of the Debtors; and (iv) subject to paragraphs 18(b)iii and 18(d) of this Final Order with respect to the use of Cash Collateral, immediately upon delivery of a Termination Notice (as defined below).

4. Fees and Expenses.

(a) The Debtors shall pay the DIP Agent's and the DIP Lenders' reasonable costs, fees and expenses incurred in connection with the consideration, investigation, negotiation, documentation, consummation, administration, amendment and enforcement of the DIP Loan

and any Cash Collateral order and participation in the Chapter 11 Cases (in their capacities as DIP Agent and DIP Lenders), including without limitation, legal, accounting, appraisal, investigation, audit, inspection, insurance, title insurance, and other similar fees and costs (the "DIP Expenses"). Except as set forth in paragraph 4(b) below, the DIP Agent or the professional or firm seeking payment of a DIP Expense (an "Expense Claimant") shall submit a written invoice for any DIP Expense (in summary form, certifying that fees and charges have been incurred in connection with the DIP Financing Agreement, the DIP Loan or the use of Cash Collateral or otherwise in connection with the Interim Order, the Amended Interim Order and/or this Final Order, and setting forth hours, billing rates and timekeepers only and otherwise redacted to preserve privileges) to the Debtors, with a copy to the United States Trustee, counsel for the Debtors, counsel for the Committee and counsel for the Petitioning Creditors. If no written objection stating with specificity the basis for the objection (an "Objection") is received by the DIP Agent or such Expense Claimant within 10 days after delivery of such invoice, the Debtors shall promptly pay such DIP Expense. If an Objection is received by the DIP Agent or such Expense Claimant within such 10-day period, the Debtors shall pay that portion, if any, of the DIP Expense that was not disputed. If the DIP Agent and/or the Expense Claimant are unable consensually to resolve an Objection with the objecting party, then this Court shall determine the disputed portion of such DIP Expense. Except as otherwise set forth in the preceding sentence or as may otherwise be hereafter ordered by the Court, no DIP Expense shall be subject to Court approval or required to be maintained in accordance with the U.S. Trustee Guidelines, and no Expense Claimant shall be required to file any interim or final fee application or request for payment with the Court. To the extent the Debtors fail to pay any undisputed or resolved DIP Expense, the DIP Agent or the Expense Claimant shall be permitted to (i) apply any amounts held in escrow or retainer (whether obtained prior to or after the Consent Date) to such unpaid DIP Expense without further Court approval; and/or (ii) file a motion with this Court seeking an order compelling the Debtors to pay such DIP Expense.

(b) Notwithstanding the foregoing, DIP Expenses payable under Section 10.3 of the DIP Financing Agreement shall be governed solely by the DIP Financing Agreement and shall not be subject to any Objection or the procedures related to an Objection described in paragraph 4(a) above.

5. Authority to Execute and Deliver Necessary Documents. The Debtors are authorized, on a final basis, to enter into, execute and deliver to the DIP Agent any and all documents, agreements and instruments that are contemplated by, related to or to be delivered pursuant to or in connection with the DIP Financing Agreement or this Final Order or that are reasonably requested by the DIP Agent to evidence or effectuate any of the transactions or other matters contemplated by or set forth in the DIP Financing Agreement or this Final Order, each as may be amended hereafter from time to time (the documents, instruments and agreements referenced in this paragraph 5, collectively, shall be included in the definition of the "DIP Financing Agreement").

6. Amendments, Consents, Waivers, and Modifications. Following notice to the Committee, the Debtors may enter into non-material amendments, waivers or modifications of or consents to the DIP Financing Agreement with the prior written consent of the DIP Agent, which consent shall be granted or withheld in the DIP Agent's sole discretion; provided, however, that any material amendment, waiver, modification or consent shall require the approval of this Court; provided, further that, for avoidance of doubt, the Debtors are authorized pursuant to this Final Order to enter into such amendments as are necessary to conform the DIP Financing Agreement to this Final Order. Copies of all amendments, waivers, modifications, whether or not material, shall be provided by Debtors to counsel to the Petitioning Creditors and counsel to the Committee.

7. DIP Lenders' Superpriority Claims. The DIP Agent, for the benefit of itself and the DIP Lenders, is hereby granted, on a final basis, allowed superpriority administrative expense

claims (the "Superpriority Claims") pursuant to Bankruptcy Code section 364(c)(1) for the DIP Loan.

8. Postpetition Liens. To secure the DIP Loan and subject to the provisions of paragraph 10, the DIP Agent is hereby granted, on a final basis, for the benefit of itself and the DIP Lenders, valid, enforceable, non-avoidable and fully perfected, first priority priming liens on and security interests in (collectively, the "Postpetition Liens") all Prepetition Collateral, all other property, assets and interests in property and assets of the Debtors (or any successor trustee or other estate representative in any Chapter 11 Case or Successor Case) and all other "property of the estate" (within the meaning of the Bankruptcy Code) of the Debtors (or any successor trustee or other estate representative in any Chapter 11 Case or Successor Case), of any kind or nature whatsoever, real, personal or mixed, tangible or intangible now existing or hereafter acquired or created, including, without limitation, all accounts, inventory, goods, contracts, contract rights, investment property, instruments, documents, chattel paper, patents, trademarks, copyrights, and licenses therefor, all other intellectual property, general intangibles, payment intangibles, rights, interests, intercompany notes and obligations, tax or other refunds, insurance proceeds, letters of credit, letter-of-credit rights, supporting obligations, documents, titled vehicles, machinery and equipment, real property (including all facilities), fixtures, leases (and proceeds from the disposition thereof), all of the (x) issued and outstanding capital stock entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)), (y) issued and outstanding capital stock not entitled to vote (within the meaning of Treas. Reg. Section 1.956-2(c)(2)) of each subsidiary of each Debtor and (z) capital stock of all other Persons that are not Subsidiaries directly owned by each Debtor (subject, in the case of (x), (y) and (z), to any express limitations set forth in the DIP Financing Agreement), money, investment property, deposit accounts, all commercial tort claims and other causes of action (other than Avoidance Actions (as defined below) of the Debtors), Cash Collateral, and all cash and non-cash proceeds, rents, products, substitutions, accessions, and profits of any of the collateral described above (collectively, the

"Collateral"). Notwithstanding the foregoing or any provisions to the contrary contained in this Final Order or the DIP Financing Agreement, where 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 Final Order or the DIP Financing Agreement is intended to, and nothing in this Final 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.

9. Adequate Protection for Prepetition Secured Parties. The Debtors acknowledge and stipulate that the Prepetition Secured Parties are entitled, pursuant to Bankruptcy Code sections 361, 363(e), and 364(d)(1), to adequate protection of their interests in the Prepetition Collateral, including the Cash Collateral, in exchange for the Debtors' use of such Prepetition Collateral, to the extent of the aggregate diminution in value, if any, of, respectively, the Prepetition First Lien Lenders' interest in the Prepetition Collateral and the Prepetition Second Lien Lenders' interest in the Prepetition Collateral, including, without limitation, any such diminution resulting from or attributable to, any or all of the Carve-Out, the imposition of the

automatic stay, the use of Cash Collateral, any sale, lease or use by the Debtors, physical deterioration, or other decline in value of any other Prepetition Collateral, and the priming of the Prepetition Secured Debt by the Postpetition Liens. As adequate protection, the Prepetition Agents are hereby granted on a final basis (i) valid, enforceable, binding, non-avoidable and fully perfected postpetition security interests and liens (the "Adequate Protection Liens") on all of the Collateral, and (ii) priority superpriority administrative expense claims under section 364(c)(1) of the Bankruptcy Code (the "Adequate Protection Priority Claims").

(a) Without limiting the foregoing, the Prepetition Secured Parties shall have all of the rights accorded to them under sections 503 and 507(b) of the Bankruptcy Code in respect of the adequate protection provided herein.

(b) [Reserved].

(c) The Prepetition Secured Parties have consented, or are deemed to have consented, to the adequate protection and the priming provided for herein; provided, however, that the consent of the Prepetition Secured Parties to the priming, the use of Cash Collateral, and the sufficiency of the adequate protection provided for herein is expressly conditioned upon the entry of this Final Order and such consent shall not be deemed to extend to any other replacement financing or debtor in possession financing other than the DIP Loan; and provided, further, that in the event of the occurrence of the Termination Date, nothing herein shall alter the burden of proof set forth in the applicable provisions of the Bankruptcy Code at any hearing concerning the continued use of Prepetition Collateral (including Cash Collateral) by the Debtors.

10. Perfection and Priority of Liens and Claims; Other Rights.

(a) The Postpetition Liens and, except as otherwise set forth in this Final Order, the Adequate Protection Liens shall not at any time be made subject or subordinate to, or made *pari passu* with, any other lien, security interest or claim existing as of the Consent Date, or created under Bankruptcy Code sections 363 or 364(d). Notwithstanding the provisions in this paragraph

paragraph 8 and 9, the Postpetition Liens and Adequate Protection Liens shall remain subject to the valid, perfected, ~~enforceable~~ and non-avoidable liens that are senior to the liens held by the Prepetition Secured Parties under the Prepetition First Lien Loan Agreement (the "Existing Priority Liens") and the Carve-Out.[5] In furtherance of the foregoing, the Postpetition Liens and the Adequate Protection Liens shall at all times be senior to, among other things, (i) the rights of the Debtors in any Chapter 11 Cases and any successor trustee or other estate representative in any Chapter 11 Case or Successor Case, (ii) the liens and security interests of any party holding prepetition liens or security interests junior or subordinate to the Prepetition Lender Liens, (iii) any intercompany claim of or against any Debtor, and (iv) any prepetition lien that is determined to be avoidable pursuant to sections 544, 545, 547, 548, 551 and/or 553 of the Bankruptcy Code or otherwise; provided, however, the Adequate Protection Liens shall be junior and subordinate in all respects to the Postpetition Liens, and the Adequate Protection Liens of the Prepetition Second Lien Agent shall be junior and subordinate in all respect to the Adequate Protection Liens of the Prepetition First Lien Agent.

(b) Except as otherwise expressly set forth in this subparagraph (b), the Superpriority Claims and the Adequate Protection Priority Claims shall have priority over any and all other administrative claims against the Debtors or their estates (whether in the Chapter 11 Cases or in any Successor Case), now existing or hereafter arising, of any kind whatsoever, including, without limitation, all administrative expenses of the kinds specified in or arising or ordered under Bankruptcy Code sections 105(a), 326, 328, 330, 331, 503(b), 506(c), 507, 546(c), 726, 1113, and 1114 or otherwise, whether or not such expenses or claims may become secured

5 For avoidance of doubt, nothing in this Final Order is intended to alter the priority of any possessory security interest of or validity of any lien held by Chartis (defined below) as of the date of this Final Order in cash collateral held pursuant to that certain Payment Agreement for Insurance and Risk Management Services, between Allied Systems Holdings, Inc. and National Union Fire Insurance Company of Pittsburgh, Pa., on behalf of itself and certain affiliates ("Chartis"), dated January 1, 2006, as well as any policies, schedules, addenda, letters of credit, surety bonds and related agreements governing the Insurance Program (as defined therein) through and including January 1, 2013, as may be extended or modified from time to time.

, including any federal or State fraudulent transfer law cause of action incorporated by section 544,

by a judgment lien or other non-consensual lien, levy or attachment; provided, that (i) the Superpriority Claims and the Adequate Protection Priority Claims shall be subject and subordinate to the payment of the Carve-Out, (ii) the Superpriority Claims shall be payable from and have recourse to all prepetition and postpetition property of the Debtors and all proceeds thereof other than any proceeds or property recovered solely on account of claims or causes of action arising under chapter 5 of the Bankruptcy Code, if any (the "Avoidance Actions"), (iii) the Adequate Protection Priority Claims shall be payable from and have recourse to all prepetition and postpetition property of the Debtors and all proceeds thereof including, without limitation, any proceeds or property recovered in connection with or on account of any Avoidance Actions, (iv) except with respect to proceeds and property recovered solely on account of Avoidance Actions, the Adequate Protection Priority Claims shall be subject and subordinate to the Superpriority Claims, and (v) the Adequate Protection Priority Claims of the Prepetition Second Lien Agent and the Prepetition Second Lien Lenders shall be subject and subordinate to the Adequate Protection Priority Claims of the Prepetition First Lien Agent and the Prepetition First Lien Lenders. In furtherance and not in limitation of the foregoing, the Superpriority Claims and the Adequate Protection Claims shall at all times be senior to, among other things, (x) the rights of the Debtors in the Chapter 11 cases and any successor trustee or other estate representative in any Chapter 11 case or successor case, and (y) any intercompany claim of or against any Debtor.

(c) No liens, claims, interests or priority status (other than with respect to the Carve-Out and the Existing Priority Liens as described herein), having, as applicable, a lien or administrative priority superior to or *pari passu* with that of the Postpetition Liens, the Superpriority Claims, the Adequate Protection Liens or the Adequate Protection Priority Claims granted by this Final Order, and no liens on or with respect to the Avoidance Actions or the proceeds or property recovered on account thereof shall be granted while any portion of the DIP Loan or the Prepetition Secured Debt remains outstanding, or any loan commitment under the DIP Financing Agreement or Prepetition Loan Documents remains in effect, without the prior

written consent of the DIP Agent, the Prepetition First Lien Agent and, subject to the terms of the Prepetition Intercreditor Agreement, the Prepetition Second Lien Agent.

(d) The Postpetition Liens and the Adequate Protection Liens shall be and hereby are effective, binding and perfected immediately upon entry of this Final Order without further action by any of the Debtors, the other grantors, the DIP Agent, the DIP Lenders or the Prepetition Secured Parties. None of the Debtors, the DIP Agent, the DIP Lenders or the Prepetition Secured Parties shall be required to enter into, obtain, file or record, as applicable, any mortgage, security agreement, pledge agreement, financing agreement, financing statement, deed of trust, leasehold mortgage, notice of lien or similar instrument (including any trademark, copyright, trade name or patent assignment filing with the United States Patent and Trademark Office, Copyright Office or any similar agency with respect to intellectual property, or any filing with any other federal agency/authority), landlord waiver, mortgagee waiver, bailee waiver, warehouseman waiver, licensor consent, or other filing, consent, agreement or instrument (each, a "Non-Bankruptcy Lien Document") in any jurisdiction to the fullest extent allowed by law, such that no additional steps need be taken by the DIP Agent, the DIP Lenders or any of the Prepetition Secured Parties to evidence or perfect the Postpetition Liens or Adequate Protection Liens or establish the priority or realize the benefit thereof (except as otherwise expressly set forth in this Final Order).

(e) Each of the DIP Agent and the Prepetition Agents may, but shall not be obligated to, enter into, obtain, file or record any Non-Bankruptcy Lien Document that it deems in its sole discretion to be necessary or desirable, in which case: (i) all such documents shall be deemed to have been recorded and filed immediately upon entry of the Interim Order; provided, however, that any documents evidencing the Postpetition Liens shall be deemed to have been recorded and filed immediately prior to any documents evidencing Adequate Protection Liens, and the Adequate Protection Liens of the Prepetition First Lien Agent shall be deemed to have been recorded and filed immediately prior to the documents evidencing any Adequate Protection

Liens of the Prepetition Second Lien Agent; and (ii) no defect in any such act shall affect or impair the validity, perfection, enforceability or priority of the liens granted hereunder.

(f) In lieu of obtaining or filing any Non-Bankruptcy Lien Document, each of the DIP Agent and the Prepetition Agents may, but shall not be obligated to, file a true and complete copy of this Final Order in any place at which any such Non-Bankruptcy Lien Document would or could be filed, together with a description of Collateral or Prepetition Collateral, as applicable, and any such filing by the DIP Agent or a Prepetition Agent shall have the same effect as if such Non-Bankruptcy Lien Document had been filed or recorded immediately upon entry of the Interim Order.

(g) The Postpetition Liens, Superpriority Claims, and other rights and remedies granted under this Final Order to the DIP Agent shall continue in the Chapter 11 Cases and in any Successor Case, and such Postpetition Liens, Superpriority Claims, and other rights and remedies shall maintain their respective priorities as provided in this Final Order until the DIP Loan has been indefeasibly paid in full and completely satisfied and the DIP Lenders' commitments have been terminated in accordance with the DIP Financing Agreement.

(h) The DIP Agent, for and on behalf of the DIP Lenders, shall have the right to "credit bid" the allowed amount of the DIP Loan during any sale of any of the Debtors' assets pledged as Collateral, including without limitation in connection with any sale pursuant to section 363 of the Bankruptcy Code or included as part of a plan of reorganization subject to confirmation under section 1129(b)(2)(A)(iii) of the Bankruptcy Code.

11. Carve-Out.

(a) The Borrowers shall make deposits into the Professional Fee Reserve (as defined in the DIP Financing Agreement) on or prior to the fifth day and on the twentieth day of every month from which withdrawals shall be taken for the payment of professional fees in accordance with the DIP Financing Agreement. From and after the date of the Termination Notice (as defined below), amounts withdrawn from the Professional Fee Reserve may only be

applied to pay fees covered by the Carve-Out (as defined below). Upon the occurrence and during the continuation of an Event of Default,[6] payments on account of the Postpetition Liens and the Superpriority Claims shall be subject and subordinate only to payment of: (i) any amounts payable pursuant to 28 U.S.C. § 1930(a)(6) and to the clerk of the Bankruptcy Court (it being understood that any such amount shall not be subject to any of the caps set forth in this paragraph 11(a)); (ii) allowed and unpaid fees and expenses that are owed to the attorneys, accountants and other professionals retained in the Chapter 11 Cases by the Debtors pursuant to Bankruptcy Code sections 327, 328, 330, 331, 363, 503 or 1103 (collectively, the "Debtor Professionals") (x) incurred from the Consent Date to the date of notice (such notice, the "Termination Notice") from the DIP Agent to the Debtors and the Committee that an Event of Default has occurred (such fees and expenses, whether allowed before or after the Termination Notice, the "Debtors' Pre-Termination Allowed Fees," and including, without limitation, any monthly fees and any completion fee (the "Rothschild Completion Fee") earned by Rothschild, Inc. prior to the Termination Notice) in an amount of up to (but no more than) $1,400,000 in the aggregate excluding the Rothschild Completion Fee (the "Debtors' Pre-Termination Expense Cap"); and (y) incurred after the date of the Termination Notice, the "Debtors' Post-Termination Allowed Fees" (such period, the "Post-Termination Notice Period") in an amount of up to (but no more than) $200,000 in the aggregate (the "Debtors' Post-Termination Expense Cap," and such cap together with the Debtors' Pre-Termination Expense Cap, the "Debtor Professional Expense Cap"); (iii) subject to paragraph 12(c), allowed and unpaid fees and expenses that are owed to the attorneys, accountants and other professionals retained in the Chapter 11 Cases by the Committee pursuant to Bankruptcy Code sections 328, 330, 331, 363, 503 or 1103 (collectively, the "Committee Professionals," and together with the Debtor Professionals, the

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[6] As used herein, "Event of Default" shall mean an Event of Default as such term is defined in the DIP Financing Agreement (as modified pursuant to this Final Order) or any default by any of the Debtors of any of their obligations under this Final Order except to the extent that the DIP Agent and/or the DIP Lenders are not permitted to exercise rights or remedies hereunder on account of such default except, as applicable, upon the giving of notice by the DIP Agent and/or the expiration of a specified period of time, in which event, an Event of Default shall occur immediately upon the giving of such notice or the expiration of such period.

"Estate Professionals") (x) incurred from the Consent Date to the date of the Termination Notice (such fees and expenses, whether allowed before or after the Termination Notice, the "Committee's Pre-Termination Allowed Fees," and together with the Debtor's Pre-Termination Allowed Fees, the "Pre-Termination Allowed Fees") in an amount of up to (but no more than) $745,250 in the aggregate (the "Committee Pre-Termination Expense Cap") and (y) incurred during the Post-Termination Notice Period (the "Committee's Post-Termination Allowed Fees," and together with the Debtors' Post-Termination Allowed Fees, the "Post-Termination Allowed Fees"), in an amount of up to (but no more than) $100,000 in the aggregate the "Committee Post-Termination Expense Cap," and together with the Committee Pre-Termination Expense Cap, the "Committee Expense Cap"); and (iv) allowed and unpaid fees of the information officer designated pursuant to the Canadian Supplemental Order (as defined in the DIP Financing Agreement) that are incurred from the Consent Date to the date of delivery of the Termination Notice. The fees and expenses described in clauses (i) through (iv) of the preceding sentence are referred to herein as the "Carve-Out."

(b) Notwithstanding anything to the contrary in paragraph 11(a), the Debtor Professional Expense Cap and the Committee Professional Expense Cap shall be reduced on a dollar-for-dollar basis by the amount of any retainers held by, respectively, the Debtors' professional and the Committee's professionals as of the date of the Termination Notice. In addition, for purposes of the Carve-Out, Allowed Professional Fees (i) shall include only those fees and expenses that are owed pursuant to the terms of the applicable Estate Professional's engagement letter or other agreement of engagement and (ii) shall not include any success fee, transaction fee, or other similar fee whether or not set forth in such Estate Professional's engagement letter or other agreement other than as expressly set forth in paragraph 11(a). Following the delivery of a Termination Notice, (w) any payment made to any Estate Professional from any source on account of Allowed Professional Fees shall reduce the Carve-Out (and to the extent made on account of a Post-Termination Allowed Fee, the Debtor

Professional Fee Cap or the Committee Professional Fee Cap, as applicable) on a dollar-for-dollar basis, (x) any payment made to, respectively, any Debtor Professional or any Committee Professional from any source on account of the Debtors' Pre-Termination Allowed Fees or the Committee's Pre-Termination Allowed Fees shall reduce, as applicable, the Debtor Pre-Termination Fee Cap or the Committee Pre-Termination Expense Cap on a dollar-for-dollar basis, (y) any payment made to, respectively, any Debtor Professional or any Committee Professional from any source on account of any Post-Termination Allowed Fees shall reduce, as applicable, the Debtor Post-Termination Expense Cap or the Committee Post-Termination Expense Cap on a dollar-for-dollar basis, and (z) no Allowed Professional Fee shall be paid from the proceeds of the DIP Loan or Collateral (including Cash Collateral) to any Estate Professional holding a retainer until such time as that retainer has been reduced to zero by application of such retainer to the Allowed Professional Fees of such Estate Professional.

(c) Except for Committee Challenge Fees (as defined below), no portion of the Carve-Out may be used for any Challenge Action (as defined below).

12. Challenge Period and Investigation Rights.

(a) Proceeds of the DIP Loan, the Collateral and the Prepetition Collateral (including, without limitation, Cash Collateral) shall not be used by any person or entity, including the Debtors (or any successor trustee or other estate representative in any Chapter 11 Case or Successor Case), but excluding the Committee subject to the limitations set forth below, in connection with the investigation, pursuit or assertion of, or joinder in, any claim, cause of action, defense, counterclaim, proceeding, application, motion, objection, defense or other contested matter or discovery against any of the DIP Agent, the DIP Lenders or the Prepetition Secured Parties (or any officers, directors, employees, agents, representatives, legal advisors and attorneys, financial advisors and accountants, consultants, other professionals, members, managers, partners, shareholders, owners, subsidiaries, predecessors in interest or affiliates of each the foregoing (collectively, the "Related Parties")), the purpose of which is to seek, or the

result of which would be, to obtain any order, judgment, determination, declaration or similar relief: (x) invalidating, setting aside, avoiding, recharacterizing or subordinating, in whole or in part, any claim, indebtedness, liens and/or security interests of any of the DIP Agent, the DIP Lenders or the Prepetition Secured Parties; (y) objecting to or commencing any action that prevents or affirmatively delays the exercise by any of the DIP Agent, the DIP Lenders or the Prepetition Secured Parties of any of their respective rights and remedies under any agreement or document or the Interim Order, the Amended Interim Order or this Final Order; or (z) seeking any affirmative legal or equitable remedy against any of the DIP Agent, the DIP Lenders or the Prepetition Secured Parties.

(b) Notwithstanding anything herein to the contrary, the Committee and other non-Debtor parties-in-interest (including, without limitation, the Pension Benefit Guaranty Corporation) shall have the right to file a complaint pursuant to Bankruptcy Rule 7001, or assert (through appropriate filings with the Court) a setoff, claim, offset or defense that seeks to invalidate, subordinate, recharacterize or otherwise challenge any of the Prepetition Lender Liens, Prepetition Secured Claims or the actions taken by any Prepetition Secured Party in its capacity as such (a "Challenge Action"); provided, however, that (i) any Challenge Action by any non-Debtor parties-in-interest other than the Committee and any Challenge Action by the Committee or the Petitioning Creditors challenging the perfection of any lien must be brought on or before the later to occur of (A) seventy-five (75) days after the Consent Date and (B) sixty (60) days after the formation of the Committee, and (ii) all other Challenge Actions by the Committee or the Petitioning Creditors must be brought no later than ~~ninety~~ 150 (~~90~~) days after the formation of the Committee (collectively, the "Challenge Period"). If no Challenge Action is filed before the end of the applicable Challenge Period, the Committee, all holders of claims and interests and all other parties-in-interest shall be forever barred from bringing or taking any Challenge Action on behalf of themselves, the Debtors or these estates, and the Debtors' stipulations made in paragraph D, above and the release (as set forth below in paragraph 13) shall be binding on all parties-in-interest. If a Challenge Action is timely brought on or before the expiration of the applicable Challenge Period (such date, the

"Challenge Period Termination Date"), only those causes of action, claims, offsets, setoff and defenses expressly included in such Challenge Action shall be preserved, and any and all other Challenge Actions and any causes of action, claims, offsets, setoffs and defenses not expressly brought during the Challenge Period in such Challenge Action shall be forever barred. Nothing in this Final Order vests or confers on any entity (as such term is defined in the Bankruptcy Code), including the Committee or any other statutory committee appointed in the Chapter 11 Cases, standing or authority to pursue any cause of action belonging to the Debtors or their estates; provided, however, in the event that the Committee or the Petitioning Creditors, as applicable prior to the Challenge Period Termination Date, files a motion with the Court seeking standing to bring a Challenge Action (a "Standing Motion"), which motion sets forth with specificity the claims and causes of action that the Committee or the Petitioning Creditors, as applicable, intends to bring in such Challenge Action (the "Specified Challenges"), then the Challenge Period Termination Date only with respect to the Committee or the Petitioning Creditors, as applicable (and no other entity) and only with respect to the Specified Challenges will be tolled until five (5) days after the date on which the Court enters an order granting or denying the Standing Motion.

(c) In the event of a timely and successful Challenge Action, this Court shall fashion the appropriate remedy with respect to the applicable Prepetition Secured Party(ies). For avoidance of doubt, the foregoing shall not preclude (i) the Petitioning Creditors from continuing to prosecute that certain action entitled *BDCM Opportunity Fund II, LP, et al. v. Yucaipa American Alliance Fund I, LP, et al.*, filed January 18, 2012 and pending in the Supreme Court of the State of New York for the County of New York (the "Petitioning Creditor Action") or (ii) Yucaipa from asserting any claims, crossclaims or counterclaims against any of the Petitioning Creditors.

(d) The Committee shall be permitted to spend up to (but no more than) $80,000 in the aggregate of proceeds of the DIP Loan and Cash Collateral in investigating, taking discovery with respect to, filing and prosecuting any and all Challenge Actions (the "Committee Challenge Fees").

(e) If a trustee is appointed pursuant to Bankruptcy Code section 702 or 1104 prior to the end of the then-extant Challenge Period, the trustee shall have until the later of the end of the Challenge Period and 10 days after his or her appointment to file any Challenge Action. The appointment of a trustee shall not extend the Challenge Period for any other party.

(f) The Challenge Period may be extended by the Court by (i) motion filed prior to the Challenge Period Termination Date and upon notice and a showing of good cause, or (ii) by stipulation by the DIP Agent and the Prepetition First Lien Agent in their respective sole discretion.

13. Releases.

(a) Subject to the rights set forth in paragraph 12 above, the Debtors, on behalf of themselves and their estates (including any successor trustee or other estate representative in any Chapter 11 Case or Successor Case), forever and irrevocably (i) release, discharge, and acquit the DIP Agent, each of the DIP Lenders, in their capacity as DIP Lenders, and each of their respective former, current or future Related Parties, solely in each of their capacity as such, of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness, and obligations, of every type, including, without limitation, any so-called "lender liability" or equitable subordination claims or defenses, with respect to or relating to the negotiation and execution of the DIP Financing, the Interim Order, the Amended Interim Order, this Final Order and/or the negotiation of the terms hereof or thereof and (ii) waive any and all defenses (including, without limitation, offsets and counterclaims of any nature or kind) as to the validity, perfection, priority, enforceability and nonavoidability of the Postpetition Liens and Superpriority Claims.

(b) Subject to the rights set forth in paragraph 12 above, the Debtors, on behalf of themselves and their estates (including any successor trustee or other estate representative in any Chapter 11 Case or Successor Case), forever and irrevocably (i) release, discharge, and acquit each of Prepetition Secured Parties, in its capacity as such, and each of its

respective former, current or future Related Parties, each in its capacity as such, of and from any and all claims, demands, liabilities, responsibilities, disputes, remedies, causes of action, indebtedness, and obligations, of every type, including, without limitation, any so-called "lender liability" or equitable subordination claims or defenses, with respect to or relating, as applicable, to the Prepetition Secured Debt, the Prepetition Lender Liens, the Prepetition Loan Documents, the Debtors' attempts to restructure the Prepetition Secured Debt, any and all claims and causes of action arising under title 11 of the United States Code, and any and all claims regarding the validity, priority, perfection or avoidability of the Prepetition Lender Liens or any secured or unsecured claims arising from the Prepetition Secured Debt, and (ii) waive any and all defenses (including, without limitation, offsets and counterclaims of any nature or kind) as to the validity, perfection, priority, enforceability and nonavoidability of any of the Prepetition Secured Debt and the Prepetition Lender Liens.

14. Limitation on Additional Surcharges. No action, inaction or acquiescence by any of the DIP Agent, the DIP Lenders and the Prepetition Secured Parties, including funding the Debtors' ongoing operations under this Final Order, shall be deemed to be, or shall be considered as evidence of, any alleged consent by any of the DIP Agent, the DIP Lenders or the Prepetition Secured Parties to a charge against the Collateral or the Prepetition Collateral pursuant to Bankruptcy Code sections 105(a), 506(c) and 552(b), and no such costs, fees or expenses shall be so charged against the Collateral or Prepetition Collateral without the prior written consent of the DIP Agent (in the case of the Collateral) and the Prepetition First Lien Agent (in the case of the Prepetition Collateral), such consent to be granted or withheld in the respective party's sole and absolute discretion. The DIP Agent, the DIP Lenders and the Prepetition Secured Parties shall not be subject in any way whatsoever to the equitable doctrine of "marshaling" or any similar doctrine with respect to, as applicable, the Collateral or the Prepetition Collateral. In addition, without limiting the foregoing, the Prepetition Secured Parties shall each be entitled to all of the rights and benefits of section 552(b) of the Bankruptcy Code, and the "equities of the case"

exception under section 552(b) of the Bankruptcy Code. shall not apply to the Prepetition Secured Parties with respect to proceeds, product, offspring or profits of any of the Prepetition Collateral.

15. Application of Collateral Proceeds.

(a) To the extent required by this Final Order or the DIP Financing Agreement, after the occurrence of an Event of Default and until such time as the DIP Loan has been repaid in full in cash, the Debtors are hereby authorized to remit to the DIP Agent, for the benefit of the DIP Lenders, one-hundred percent (100%) of all collections on, and proceeds of, the Collateral, including as a result of sales in and outside the ordinary course of business, and all other cash or cash equivalents which shall at any time on or after the Consent Date come into the possession or control of the Debtors (whether from sales, licenses, condemnation and casualty events or other transfers of assets), or to which the Debtors shall become entitled at any time, and the automatic stay provisions of Bankruptcy Code section 362 are hereby modified to permit the DIP Agent and the DIP Lenders to retain and apply all collections, remittances, and proceeds of the Collateral in accordance with this Final Order and the DIP Financing Agreement to the DIP Loan, first to fees, costs and expenses owed under the DIP Financing Agreement (including the Carve-Out), then to interest, and then to principal.

(b) Pursuant to the DIP Financing Agreement, net cash proceeds from any sale, transfer or other disposition of asserts or property (other than inventory in the ordinary course of business) by the Debtors and the other credit parties shall be promptly paid to the DIP Agent and applied to the repayment of the DIP Loan.

16. Access to Collateral; Reports and Other Information.

(a) Notwithstanding anything contained herein to the contrary, and without limiting any other rights or remedies of the DIP Agent contained in this Final Order or the DIP Financing Agreement, or otherwise available at law or in equity, upon five (5) business days' written notice to the Debtors, the U.S. Trustee, counsel to the Committee, counsel to the

Petitioning Creditors, and any landlord, lienholder, licensor or other third party owner of any leased or licensed premises or intellectual property that an Event of Default has occurred and is continuing, the DIP Agent may, unless otherwise provided in any separate agreement by and between the applicable landlord or licensor and the DIP Agent (the terms of which shall be reasonably acceptable to the parties thereto), enter upon any leased or licensed premises of the Debtors for the purpose of exercising any remedy with respect to Collateral located thereon and shall be entitled to all of the Debtors' rights and privileges as lessee or licensee under the applicable license and to use any and all trademarks, trade names, copyrights, licenses, patents or any other similar assets of the Debtors, which are owned by or subject to a lien of any third party and which are used by Debtors in its businesses without interference from lienholders or licensors thereunder, subject to such lienholders or licensors rights under applicable law. Nothing herein shall require the Debtors, the DIP Agent or the DIP Lenders to assume any lease or license under Bankruptcy Code Section 365 as a condition to the rights afforded to the DIP Agent and the DIP Lenders in this paragraph.

(b) The Debtors (and/or their legal or financial advisors) shall cooperate, confer with, and deliver to the DIP Agent and DIP Lenders (and their respective legal and financial advisors), all financial reports, budgets, forecasts, and all other legal or financial documentation, pleadings, and/or filings (together, the "Documentation") that are required to be provided to the DIP Agent, the DIP Lenders, and/or the DIP Agent's legal and financial advisors pursuant to the DIP Financing Agreement or are reasonably requested by any of them. The Debtors shall further deliver to the Petitioning Creditors, CIT, and to counsel to the Committee (or their respective legal and financial advisors), subject in each case to the execution of a non-disclosure or confidentiality agreement satisfactory to the Debtors or Debtors' satisfaction with any other duty of confidentiality owed by such person or entity, all Documentation required to be provided to the DIP Agent or DIP Lenders pursuant to the DIP Financing Agreement (including without limitation Section 5.1 thereof).

17. Cash Management Systems. The Debtors are authorized and directed to maintain their cash management system in a manner consistent with the DIP Financing Agreement, this Final Order, and the order of this Court approving the maintenance of the Debtors' cash management system, provided, however, that such order is on terms and conditions acceptable to the DIP Agent and such order is not inconsistent with the terms specified herein and/or the DIP Financing Agreement.

18. Automatic Stay Modified.

(a) The automatic stay is modified as to the DIP Agent, the DIP Lenders and the Prepetition Secured Parties to allow implementation of the provisions of this Final Order without further notice or order of the Court. The automatic stay is also modified as to the Debtors, the DIP Agent and the DIP Lenders to allow any and all actions necessary or desirable to seek recognition of the Chapter 11 Cases in Canada and to take any and all actions necessary or desirable to enforce or implement any orders entered by any Canadian court in connection therewith, including, without limitation, filing any registration to preserve or perfect any existing or future security interest or in connection with the charges created under the Interim Order, the Amended Interim Order, this Final Order or registering any existing or future claim for any lien.

(b) In addition to the foregoing, but subject to the provisions of subparagraphs (c), (d) and (e) hereof, the automatic stay provisions of Bankruptcy Code section 362 hereby are, to the extent applicable, vacated, and modified on a final basis to the extent necessary to allow the DIP Agent and DIP Lenders:

i. whether or not an Event of Default has occurred, to require all cash, checks or other collections or proceeds from Collateral received by the Debtors to be deposited in accordance with the requirements of the DIP Financing Agreement, and to apply any amounts so deposited and other amounts paid to or received by any DIP Agent or the DIP Lenders in accordance with any requirements of the DIP Financing Agreement;

ii. upon the occurrence of an Event of Default and after giving five (5) business days' prior written notice (the "Waiting Period") to the Debtors and their counsel, counsel to the Committee, counsel to the Prepetition First Lien Agent, counsel to the Petitioning Creditors and the United State Trustee of the DIP Lenders' decision to exercise rights and remedies provided for in the DIP Financing Agreement, this Final Order or under other applicable bankruptcy and nonbankruptcy law (including the right to setoff funds in accounts maintained by the Debtors with any of the DIP Lenders or the DIP Agent to repay the DIP Loan), to exercise such rights and remedies without further notice to or approval of the Court or any other party in interest; provided, however, that the DIP Agent and/or DIP Lenders shall not be entitled to relief from stay to take possession of or foreclose on any Collateral on account of an Event of Default under Section 8.1(s), 8.1(t) or 8.1(z) of the DIP Financing Agreement except pursuant to a further order of this Court; and

iii. immediately upon the occurrence of an Event of Default, without providing any prior notice thereof, (A) the DIP Agent, for the benefit of the DIP Lenders, may charge interest at the default rates pursuant to the DIP Financing Agreement, (B) neither the DIP Agent nor any of the DIP Lenders shall have any further obligation to provide financing under the DIP Financing Agreement, this Final Order or otherwise, or to permit release to the Debtors of proceeds of loans that were previously funded, and may, in their sole discretion, terminate all commitments with respect to the DIP Loan, and (C) after the expiration of the Waiting Period and subject to the provision of this paragraph 18 (b) hereof, terminate the Debtors' authorization to use Cash Collateral;

(c) During the Waiting Period, the Debtors shall not use any Cash Collateral or any DIP Loan proceeds to pay any expenses except those expressly set forth in the Approved Budget.

(d) Notwithstanding anything to the contrary contained in this paragraph 18, the Debtors' authorization to use Cash Collateral shall automatically terminate fifteen (15) days

after the occurrence of an Event of Default under Section 8.1(s), 8.1(t) or 8.1(z) of the DIP Financing Agreement unless either (i) such authorization is extended by further order of this Court after notice to the DIP Agent and the Prepetition First Lien Agent and a hearing or (ii) the DIP Agent and Prepetition First Lien Agent consent in writing (which consent may be given or withheld in each of their sole discretion) to the continued use of Cash Collateral. During such fifteen (15) day period and subject to paragraph 11(a) and 12(d), the Debtors shall not use any Cash Collateral or any DIP Loan proceeds to pay any fees or expenses of any Estate Professional or any expenses not expressly set forth in the Approved Budget.

(e) This Court shall retain jurisdiction to hear and resolve any disputes and enter any orders required by the provisions of this Final Order and relating to the application, re-imposition or continuance of the automatic stay of Bankruptcy Code section 362(a), use of Cash Collateral, or other injunctive relief requested.

19. Prepetition Intercreditor Agreement. Pursuant to Bankruptcy Code section 510, the Prepetition Intercreditor Agreement shall remain in full force and effect in the Chapter 11 Cases and in any subsequent proceedings under the Bankruptcy Code, including, without limitation, a Successor Case. Notwithstanding anything to the contrary contained in this Final Order, the Prepetition Lender Liens, the Adequate Protection Liens and the Adequate Protection Priority Claims shall be subject to the terms of the Prepetition Intercreditor Agreement. Notwithstanding anything to the contrary contained herein or in the DIP Financing Agreement, all rights and obligation of the Prepetition Secured Parties and the Debtors under the Prepetition Intercreditor Agreement (including, without limitation, Section 2 of the Prepetition Intercreditor Agreement) are hereby expressly reserved.

20. Successors and Assigns. The DIP Financing Agreement and the provisions of this Final Order shall be binding upon the Debtors, the DIP Agent, the DIP Lenders and the Prepetition Secured Parties and each of their respective successors and assigns, and shall inure to the benefit of the Debtors, the DIP Agent, the DIP Lenders and the Prepetition Secured Parties,

and each of their respective successors and assigns including, without limitation, any trustee, responsible officer, estate administrator or representative, or similar person appointed in a case for any of the Debtors under any chapter of the Bankruptcy Code. Without limiting the foregoing and for the avoidance of doubt, and except as set forth in the Prepetition Intercreditor Agreement, the DIP Agent, the DIP Lenders and the Prepetition Secured Creditors shall have no obligation to permit the use of Cash Collateral or other proceeds of Collateral or extend any financing to any chapter 7 trustee or any other estate representative or representative appointed for any of the Debtors' estates.

21. Binding Nature of Agreement. The rights, remedies, powers, privileges, liens, and priorities of the DIP Agent and the DIP Lenders provided for in this Final Order and in the DIP Financing Agreement shall not be modified, altered or impaired in any manner by any subsequent order (including a confirmation order), by any plan of reorganization or liquidation in the Chapter 11 Cases, by the dismissal or conversion of the Chapter 11 Cases or in any Successor Case under the Bankruptcy Code without the consent of the DIP Agent unless the DIP Loan has first been indefeasibly paid in full in cash and completely satisfied and the commitments terminated in accordance with this Final Order and the DIP Financing Agreement. Except to the extent permitted or required herein or by the Prepetition Intercreditor Agreement, the rights, remedies, powers, privileges, liens, and priorities of the Prepetition Secured Parties granted herein shall not be modified, altered or impaired in any manner by any subsequent order (including a confirmation order), by any plan of reorganization or liquidation in the Chapter 11 Cases, by the dismissal or conversion of the Chapter 11 Cases or in any Successor Case.

22. Subsequent Reversal or Modification. This Final Order is entered pursuant to Bankruptcy Code section 364 and Bankruptcy Rules 4001(b) and (c), granting the DIP Agent, the DIP Lenders and the Prepetition Secured Parties, on a final basis, all protections afforded by Bankruptcy Code section 364(e). If any or all of the provisions of the Interim Order, the Amended Interim Order or this Final Order are hereafter reversed, modified, vacated or stayed

(whether on appeal or otherwise), that action will not affect (i) the validity of any obligation, indebtedness or liability incurred hereunder by the Debtors to the DIP Agent, the DIP Lenders and the Prepetition Secured Parties, as applicable, prior to the date of receipt by the DIP Agent, the DIP Lenders and the Prepetition Secured Parties of written notice of the effective date of such action, (ii) any fees, costs, expenses and other amounts earned by and/or paid to the DIP Agent and the DIP Lenders pursuant to the Interim Order, the Amended Interim Order, this Final Order or the DIP Financing Agreement prior to the date of receipt by the DIP Agent and the DIP Lenders of written notice of the effective date of such action, (iii) the validity and enforceability of any lien, claim or priority authorized or created under the Interim Order, the Amended Interim Order, this Final Order or pursuant to the DIP Financing Agreement, or (iv) the ability to enforce any rights or remedies contained herein. Notwithstanding any such reversal, stay, modification or vacatur, any postpetition indebtedness, obligation or liability incurred by the Debtors to any of the DIP Agent, the DIP Lenders or the Prepetition Secured Parties prior to written notice to the DIP Agent, the DIP Lenders and the Prepetition Secured Parties of the effective date of such action, shall be governed in all respects by the original provisions of this Final Order and the DIP Financing Agreement, as applicable, and the DIP Agent, the DIP Lenders and the Prepetition Secured Parties shall be entitled to all the rights, remedies, privileges, and benefits granted herein and, as to the DIP Agent and the DIP Lenders, in the DIP Financing Agreement with respect to all such indebtedness, obligations or liability.

23. Restriction on Use of Lender's Funds. Except with respect to the Committee Challenge Fees, no proceeds from the DIP Loan, Collateral, Cash Collateral (including any prepetition retainer funded with Prepetition Secured Debt), or Prepetition Collateral or the Carve-Out may be used by the Debtors, the Committee, any trustee or other estate representative appointed in any Chapter 11 Case or Successor Case or any other person or entity to: (a) seek or obtain postpetition loans or other financial accommodations pursuant to Bankruptcy Code section 364(c) or (d), or otherwise, other than from the DIP Lenders, except for the purpose of

indefeasible repayment of the DIP Loan in full and in cash; or (b) investigate any Challenge Actions (as outlined in paragraph 12 above).

24. Collateral Rights. In the event that any party who has both received notice of the Final Hearing and holds a lien or security interest in Collateral or Prepetition Collateral that is junior and/or subordinate to any of the Postpetition Liens, the Adequate Protection Liens or the Prepetition Lender Liens in such Collateral or Prepetition Collateral receives or is paid the proceeds of such Collateral or Prepetition Collateral, or receives any other payment with respect thereto from any other source, prior to indefeasible payment in full in cash and the complete satisfaction of (i) the DIP Loan under the DIP Financing Agreement and termination of the loan commitments thereunder in accordance with the DIP Financing Agreement and (ii) the Prepetition Secured Debt under the Prepetition Loan Documents, such junior or subordinate lienholder shall be deemed to have received, and shall hold, the proceeds of any such Prepetition Collateral or other Collateral in trust for the DIP Agent, DIP Lenders and the Prepetition Secured Parties (subject to the terms of the Prepetition Intercreditor Agreement), and shall immediately turnover such proceeds for application, in the following order: (a) to the DIP Agent for application to the DIP Loan under the DIP Financing Agreement until paid in full in cash; (b) to the Prepetition First Lien Agent for application to the Prepetition First Lien Debt under the Prepetition First Lien Loan Documents until paid in full in cash; and (c) to the extent such payment consists solely of Prepetition Second Lien Collateral, to the Prepetition Second Lien Agent for application to the Prepetition Second Lien Debt under the Prepetition Second Lien Loan Agreement until paid in full in cash.

25. Plan of Reorganization or Liquidation. No plan of reorganization or liquidation may be confirmed in any of these Chapter 11 Cases unless, in connection and concurrently with the effective date of such plan, the plan provides for the indefeasible payment in full, in cash, and in complete satisfaction of the DIP Loan, and the loan commitments under the DIP Financing Agreement and this Final Order are terminated on or before the effective date of such plan.

26. Sale/Conversion/Dismissal. Unless otherwise agreed by the DIP Agent, neither the Debtors nor any trustee will file a motion seeking a sale of all or substantially all of the assets of the Debtors under Bankruptcy Code section 363 (a "363 Substantial Asset Sale") unless (i) the proceeds of such sale are used to indefeasibly pay in full and completely satisfy in cash the DIP Loan and (ii) the loan commitments under the DIP Financing Agreement and this Final Order are terminated in accordance therewith on the closing date of such sale. If an order dismissing any of the Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise is at any time entered, (i) the claims and Liens (including, without limitation, the Postpetition Liens, the Superpriority Claims, the Adequate Protection Liens and the Adequate Protection Claims) granted pursuant to this Final Order to or for the benefit of the DIP Agent, the DIP Lenders and the Prepetition Secured Parties shall continue in full force and effect and shall maintain their priorities as provided in this Final Order until, as applicable, all DIP Financing Obligations, Prepetition First Lien Debt and/or Prepetition Second Lien Debt shall have been indefeasibly paid in full in cash (and that such claims and liens shall, notwithstanding such dismissal, remain binding on all parties in interest), and (ii) this Court shall retain jurisdiction, notwithstanding such dismissal, for the purposes of enforcing such claims and Liens. The provisions set forth in clauses (i) and (ii) of the preceding sentence shall be deemed (in accordance with sections 104 and 349(b) of the Bankruptcy Code) to be incorporated by this reference in any order dismissing any of the Chapter 11 Cases under section 1112 of the Bankruptcy Code or otherwise, unless such provisions are expressly set forth therein.

27. No Waiver. This Final Order shall not be construed in any way as a waiver or relinquishment of any rights that any of the DIP Agent, the DIP Lenders or the Prepetition Secured Parties may have to bring or be heard on any matter brought before this Court.

28. Setoff and Recoupment. Notwithstanding anything to the contrary contained herein (but subject to the terms of the Prepetition Intercreditor Agreement), nothing in this Final Order shall limit or impair the nature, extent, validity and/or priority of the rights against the

Debtors, if any, of any party-in-interest in the Chapter 11 Cases under Bankruptcy Code sections 546(c), 545 and 553 and/or the equitable doctrine of recoupment.

29. Priority of Terms. To the extent of any conflict between or among (a) the express terms or provisions of any of the DIP Financing Agreement, the Motion, the Interim Order, the Amended Interim Order, any other order of this Court, or any other agreements, on the one hand, and (b) the terms and provisions of this Final Order, on the other hand, unless such term or provision herein is phrased in terms of "as defined in" or "as more fully described in" the Motion or the DIP Financing Agreement, the terms and provisions of this Final Order shall govern.

30. Indefeasible payment. Subject to the investigatory period provisions of paragraph 12, for purposes of this Final Order, when payment in cash is received by the DIP Agent, that payment shall be considered indefeasibly made.

31. No Third Party Beneficiary. Except as explicitly set forth herein with respect to the Carve-Out, no rights are created hereunder for the benefit of any third party, any creditor, any party in a Successor Case or any direct, indirect or incidental beneficiary, and no third parties shall be deemed to be third party beneficiaries of this Final Order.

32. Adequate Notice. Adequate notice under the circumstances has been given to (i) the Office of the United States Trustee for the District of Delaware; (ii) counsel for the DIP Agent; (iii) counsel for BDCM Opportunity Fund II, LP, Black Diamond CLO 2005-1 Adviser L.L.C., Spectrum Investment Partners LP and The CIT Group/Business Credit, Inc., as well as the other lenders under the Prepetition First Lien Loan Agreement for whom the Debtors have current contact information; (iii) The Bank of New York Mellon, in its capacity as administrative agent and collateral agent under the Prepetition Second Lien Loan Agreement; (iv) the Debtors' twenty (20) largest unsecured creditors listed in the Debtors' consolidated list of creditors (excluding insiders); (v) Bank of America, Fidelity National Bank, J.P. Morgan Chase Bank and Bank of Nova Scotia, which are the banks with which the Debtors maintain their primary banking relationships; and (vi) all other persons requesting notices. Pursuant to Bankruptcy Rule

4001, no further notice of the request for the relief granted at the Final Hearing is required. The Debtors shall promptly mail copies of this Final Order to the noticed parties, any known party affected by the terms of this Final Order, and any other party requesting notice after the entry of this Final Order.

33. Entry of Final Order; Effect. This Final Order shall take effect immediately upon execution hereof, notwithstanding the possible application of Bankruptcy Rules 6004(g), 7062, 9014, or otherwise, and the Clerk of this Court is hereby directed to enter this Final Order on the Court's docket in the Chapter 11 Cases.

34. Retention of Jurisdiction. This Court shall retain jurisdiction over all matters pertaining to the implementation, interpretation and enforcement of this Final Order and/or the DIP Financing Agreement.

35. Binding Effect of Final Order. The terms of this Final Order shall be binding on any trustee appointed under chapter 7 or chapter 11 of the Bankruptcy Code or other fiduciary or other estate representative hereafter appointed as a legal representative of the Debtors or with respect to the property of the estates of the Debtors; provided that, except to the extent expressly set forth in this Final Order, the DIP Agent, the DIP Lenders and the Prepetition Secured Parties shall have no obligation to permit the use of Cash Collateral or other proceeds of Collateral or extend any financing to any chapter 7 trustee or similar responsible person appointed for the estates of the Debtors.

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

37. Any amendment, stay, reversal or modification of this Final Order without the consent of the DIP Agent (which may be withheld in the DIP Agent's sole discretion) shall be an Event of Default under the DIP Financing Agreement and the Final Order.

Dated: July 12, 2012

THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE