

**ONTARIO
SUPERIOR COURT OF JUSTICE
- IN BANKRUPTCY -**

IN THE MATTER OF THE BANKRUPTCY OF NMC CANADA, INC.

**MOTION RECORD
(Returnable September 11, 2013)**

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Bankruptcy

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

IN THE MATTER OF THE BANKRUPTCY OF NMC CANADA, INC.

**NOTICE OF MOTION
(Motion Returnable September 11, 2013)**

Duff & Phelps Canada Restructuring Inc. (“**D&P**”), in its capacity as trustee in bankruptcy (the “**Trustee**”) of each of SKD Company (“**SKD**”), NMC Canada, Inc. (“**NMC**”) and 2515080 Nova Scotia Company (“**2515**” and collectively with SKD and NMC, the “**Bankrupts**”), will make a motion before this Honourable Court on September 11, 2013 at 10: 00 a.m., or as soon after that time as the motion can be heard, at 330 University Avenue, Toronto, Ontario.

PROPOSED METHOD OF HEARING: the Motion is to be heard orally.

THE MOTION IS FOR:

- (a) an Order, if necessary, abridging time for service and filing of the Notice of Motion and Motion Record in respect of this motion and dispensing with further service thereof;
- (b) an Order authorizing and directing the Trustee to administer the estates of the Bankrupts on a procedurally and substantively consolidated basis in the form of order attached at Tab 3 of the Trustee’s Motion Record;

- (c) an Order approving the Trustee's second report dated September 3, 2013 (the "**Second Report**") and the conduct and activities of the Trustee described therein; and
- (d) such further and other relief as this Honourable Court deems just.

THE GROUNDS FOR THE MOTION ARE:

- (a) NMC and 2515 are the general partners of SKD, a general partnership registered under the Ontario *Partnership Act*.
- (b) On January 21, 2009, this Honourable Court issued an order (the "**Initial Order**") granting NMC and 2515 protection pursuant to the *Companies' Creditors Arrangement Act* ("**CCAA**"), which was extended to cover SKD. Pursuant to the terms of the Initial Order, RSM Richter Inc. ("**Richter**") (now D&P) was appointed as the monitor of the Companies in the CCAA proceeding.
- (c) On June 11, 2009, this Honourable Court granted an order that placed the Bankrupts into receivership and appointed Richter as receiver (the "**Receiver**"). With the approval of the Court, the Receiver assigned SKD into bankruptcy and was appointed as Trustee on January 11, 2011, and subsequently assigned each of 2515 and NMC into bankruptcy and was appointed as Trustee on May 26, 2011.
- (d) Before the commencement of the SKD bankruptcy proceedings, approximately \$3.3 million in tax refunds relating to income tax returns payable to the Partners were collected from Canada Revenue Agency ("**CRA**") (the "**Tax Refunds**").

- (e) The Tax Refunds were maintained in the receivership estate account and were subsequently transferred to the SKD bankruptcy estate account after SKD was assigned into bankruptcy.
- (f) On June 26, 2013 and July 10, 2013, the Trustee issued notices to all known creditors, including CRA, requiring them to prove their claims against the Bankrupts' estates pursuant to subsection 149(1) of the *Bankruptcy and Insolvency Act*. No claims have ever been filed against the Partners' estates. The Partners, therefore, have no separate debts to be satisfied from their estates.
- (g) On August 20, 2013, the eighth meeting of inspectors of the SKD bankrupt estate was held where the inspectors approved the consolidation of the Bankrupts' estates.
- (h) The Trustee has brought this motion to request an order of the Court authorizing and directing the procedural and substantive consolidation of the Estate. The Trustee is of the view that administrating the Bankrupts' estates on a consolidated basis is in the best interests of all creditors. Consolidation will promote cost efficiency, avoid duplication of efforts, simplify the distribution process and satisfy all creditor claims from one common pool of assets. The Trustee does not believe that any creditor will be prejudiced by this relief.
- (i) Rules 1.04, 2.03, 3.02, and 6.01 of the *Rules of Civil Procedure* (Ontario), R.R.O. 1990, Reg. 194;
- (j) Sections 19(1), 34(1), 43(16), 85 and 183(1) of the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended;
- (k) Rule 3 of the *Bankruptcy and Insolvency General Rules*, C.R.C. 1978, C. 368; and

- (l) Such further and other grounds as counsel may advise and this Honourable Court permits.

THE FOLLOWING DOCUMENTARY EVIDENCE will be used at the hearing of the Motion:

- (a) the Second Report; and
- (b) Such further and other materials as counsel may advise and this Honourable Court permits.

September 4, 2013

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**ONTARIO
SUPERIOR COURT OF JUSTICE
Bankruptcy Court**

Proceeding commenced at Toronto

**NOTICE OF MOTION
(returnable September 11, 2013)**

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Second Report of Duff & Phelps
Canada Restructuring Inc. as Trustee
in Bankruptcy of
SKD Company, a Partnership of
NMC Canada, Inc. and 2515080
Nova Scotia Company

September 3, 2013

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Estate No.. 32-158287

ONTARIO
SUPERIOR COURT OF JUSTICE
(COMMERCIAL LIST)

IN THE MATTER OF THE BANKRUPTCY OF SKD COMPANY, A PARTNERSHIP OF
NMC CANADA INC. AND 2515080 NOVA SCOTIA COMPANY,
OF THE TOWN OF MILTON, IN THE PROVINCE OF ONTARIO

SECOND REPORT OF DUFF & PHELPS CANADA RESTRUCTURING INC.
AS TRUSTEE IN BANKRUPTCY OF
SKD COMPANY, A PARTNERSHIP OF NMC CANADA, INC.
AND 2515080 NOVA SCOTIA COMPANY

September 3, 2013

1.0 Introduction

1. Pursuant to an order ("Initial Order") of the Ontario Superior Court of Justice (Commercial List) ("Court") made on January 21, 2009, NMC Canada, Inc. ("NMC"), 2515080 Nova Scotia Company ("2515") and SKD Company ("SKD") (collectively, the "Company") commenced proceedings under the *Companies' Creditors Arrangement Act* ("CCAA") and RSM Richter Inc ("Richter") was appointed as Monitor
2. On June 11, 2009, the Court issued an order amending the Initial Order, placing the Company in receivership and appointing Richter as receiver ("Receiver") of the Company's property, assets and undertaking
3. On April 29, 2010, an order of the Court was made authorizing the Receiver to place NMC, 2515 and SKD into bankruptcy. On January 11, 2011, SKD was placed into bankruptcy and Richter was appointed as trustee in bankruptcy (the "Trustee").
4. On May 26, 2011, NMC and 2515 were each placed into bankruptcy and Richter was appointed as trustee in bankruptcy of each of NMC and 2515

-
5. Pursuant to a Court order made on December 12, 2011 ("Substitution Order"), Duff & Phelps Canada Restructuring Inc ("D&P") was substituted in place of Richter as Receiver and Trustee¹ as a result of D&P's acquisition of the Toronto restructuring practice of Richter.

1.1 Purposes of this Report

1. The purpose of this report ("Report") is to recommend that this Honourable Court make an order procedurally and substantively consolidating the bankrupt estates of SKD, NMC and 2515.

1.2 Currency

1. All references to dollar amounts are to Canadian funds unless otherwise noted.

1.3 Terms of Reference

1. In preparing this Report, the Trustee has relied on the Company's books and records. The Trustee has not performed an audit or other verification of such information.

2.0 Background

1. NMC and 2515 are the general partners of SKD (jointly, the "Partners").
2. NMC and 2515 own 1% and 99% of SKD, respectively.
3. SKD was primarily a tier-one supplier of stampings and welded assemblies to the North American automotive industry.
4. Additional information concerning the Company and its insolvency proceedings is available in the various reports to Court and the motion materials filed by the Monitor, the Receiver and the Trustee in the CCAA, receivership and bankruptcy proceedings, respectively. Copies of these materials can be found on D&P's website at www.duffandphelps.ca.

¹ On December 9, 2011, the assets used by Richter in its Toronto restructuring practice were acquired by D&P. Pursuant to the Substitution Order, D&P was substituted in place of Richter in certain ongoing mandates, including acting as Receiver and Trustee in these proceedings. The licensed trustees/restructuring professionals overseeing this mandate prior to December 9, 2011, remain unchanged.

3.0 Claims Process

1. Pursuant to subsection 102(1) of the *Bankruptcy and Insolvency Act* ("BIA"), on January 14, 2011, the Trustee issued a notice of bankruptcy and first meeting of creditors (attaching a proof of claim) to all known creditors in the SKD estate ("Notice of Bankruptcy")
2. On June 1, 2011, the Trustee issued a Notice of Bankruptcy to all known potential creditors in the NMC and 2515 estates (being the creditors of SKD)
3. As a result of various issues in the receivership and bankruptcy proceedings that took significant time to resolve, the Trustee has not been in a position to make any distributions to creditors from the bankrupt estates. Matters are now advancing and the Trustee hopes to be in a position soon to make distributions.
4. Pursuant to subsection 149(1) of the BIA, on June 26, 2013, the Trustee issued notices to all known potential creditors in the SKD estate that had not yet filed a claim requiring them to prove claims within 30 days ("30 Day Notice"). A 30 Day Notice was also mailed to Canada Revenue Agency ("CRA"). The 30-day notice period expired on July 26, 2013. Several new claims were filed with the Trustee. CRA has not filed a claim to this date.
5. Similarly, in respect of the Partners' estates, on July 10, 2013, the Trustee issued 30 Day Notices to CRA, the only known potential creditor in those estates. The 30-day period expired on August 9, 2013 and CRA has not filed a claim against either of the Partners to this date.
6. Prior to the issuance of the 30 Day Notices, no claims had been filed in the Partners' estates and no claims have been filed since they were issued. Accordingly, as of the date of this Report, no claims have been filed by any party claiming to be a "separate" creditor of the Partners.

4.0 Tax Refunds and Consolidation

1. As at the date of this Report, the balance in the SKD bankruptcy estate bank account is approximately \$9.6 million. Creditor claims in the SKD estate total approximately \$50.7 million, all of which are unsecured. All secured claims have been paid in full.
2. No claims have been filed in the Partners' estates. There are minimal funds in the Partners' estate bank accounts.

-
3. The monies in the SKD account include approximately \$3.3 million of tax refunds collected by the Receiver in 2009 and 2010 in respect of income tax returns filed by the Partners for the 2008 tax year (\$3,264,025 and \$52,545 in respect of 2515 and NMC, respectively) (the "Tax Refunds").
 4. At the time the Tax Refunds were received, they were deposited by the Receiver into the receivership estate bank account.
 5. Subsequent to SKD being assigned into bankruptcy, substantially all of the funds in its receivership estate bank account, including the Tax Refunds, were transferred to its bankruptcy estate bank account.
 6. In the Trustee's first report to court dated May 26, 2011, attached as Appendix "A", the Trustee was seeking an order from this Honourable Court approving the transfer of the Tax Refunds to the Partners' estates, as the Tax Refunds are property of the Partners.
 7. Pursuant to subsections 142(1) and 142(4) of the BIA, where partners become bankrupt, their joint property is applied first to the payment of their joint debts, and the separate property of each partner is applied first to the payment of each partner's separate debts. Creditors rank first against whichever estate the particular debt was incurred. If the debt of the partnership is not fully satisfied by that estate, then the creditor can rank on the separate estates of the Partners only after all of the creditors' claims directly against the Partners' estates have been paid in full.
 8. As no claims have been filed in the Partners' estates, and the Partners, therefore have no separate debts to be satisfied from their estates, there is no need to transfer the monies to the Partners, as these funds will be shared rateably with all of the creditors of SKD in these circumstances.
 9. The Trustee is seeking to streamline the distribution process, avoid duplication of efforts, minimize costs and satisfy all creditor claims from one common pool of assets by procedurally and substantively consolidating the estates of SKD, NMC and 2515.
 10. The Trustee held SKD's eighth meeting of inspectors and the Partners' third meeting of inspectors on August 20 and 26, 2013, respectively, (jointly the "Inspector Meetings"). The purpose of the Inspector Meetings was to seek inspector approval for the procedural and substantive consolidation of the estates of SKD, NMC and 2515. At the Inspector Meetings, the inspectors approved the consolidation of the estates.
 11. No creditors would be prejudiced as a result of a procedural and substantive consolidation of the SKD and Partners' estates, as described herein.

5.0 Conclusion and Recommendation

1. Based on the foregoing, the Receiver respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1 of this Report.

* * *

All of which is respectfully submitted,

Duff & Phelps Canada Restructuring Inc

**DUFF & PHELPS CANADA RESTRUCTURING INC
IN ITS CAPACITY AS TRUSTEE IN BANKRUPTCY OF
SKD COMPANY, A PARTNERSHIP OF NMC CANADA, INC
AND 2515080 NOVA SCOTIA COMPANY
AND NOT IN ITS PERSONAL CAPACITY**



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As a leading global independent provider of financial advisory and investment banking services, Duff & Phelps delivers trusted advice to our clients principally in the areas of valuation, transactions, financial restructuring, dispute and taxation. Our world class capabilities and resources, combined with an agile and responsive delivery, distinguish our clients' experience in working with us. With offices in North America, Europe and Asia, Duff & Phelps is committed to fulfilling its mission to protect, recover and maximize value for its clients. Investment banking services in the United States are provided by Duff & Phelps Securities, LLC. Investment banking services in the United Kingdom and Germany are provided by Duff & Phelps Securities Ltd. Duff & Phelps Securities Ltd. is authorized and regulated by the Financial Services Authority. Investment banking services in France are provided by Duff & Phelps SAS. For more information, visit www.duffandphelps.com. (NYSE: DUF)

Appendix “A”

RSM Richter

**First Report of RSM Richter Inc.
as Trustee in Bankruptcy of
SKD Company, A Partnership of
NMC Canada, Inc. and
2515080 Nova Scotia Company**

RSM Richter Inc.
Toronto, May 26, 2011

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**ONTARIO
SUPERIOR COURT OF JUSTICE
-COMMERCIAL LIST-**

**IN THE MATTER OF THE BANKRUPTCY OF SKD COMPANY, A PARTNERSHIP OF
NMC CANADA, INC. AND 2515080 NOVA SCOTIA COMPANY,
OF THE TOWN OF MILTON, IN THE PROVINCE OF ONTARIO**

**FIRST REPORT OF RSM RICHTER INC.
AS TRUSTEE IN BANKRUPTCY OF
SKD COMPANY, A PARTNERSHIP OF NMC CANADA, INC.
AND 2515080 NOVA SCOTIA COMPANY**

May 26, 2011

1. INTRODUCTION

Pursuant to an order (the "Initial Order") of the Ontario Superior Court of Justice (the "Court") made on January 21, 2009, NMC Canada, Inc. ("NMC"), 2515080 Nova Scotia Company ("2515") and SKD Company ("SKD") (collectively, the "Company") commenced proceedings under the *Companies' Creditors Arrangement Act* ("CCAA") and RSM Richter Inc. ("Richter") was appointed Monitor. On June 11, 2009, the Court issued an order amending the Initial Order, placing the Company in receivership and appointing Richter as receiver (the "Receiver") of the Company's property, assets and undertaking ("Receivership Order"). Copies of the Initial Order and the Receivership Order are provided in Appendices "A" and "B", respectively.

On April 29, 2010, an order of the Court was made authorizing the Receiver to place NMC, 2515 and SKD into bankruptcy. On January 11, 2011, SKD was placed into bankruptcy and Richter was appointed trustee in bankruptcy ("Trustee"). On May 26, 2011, NMC and 2515 were each placed into bankruptcy and Richter was appointed as trustee in bankruptcy of each of NMC and 2515.

1.1 Purpose of this Report

The purpose of this report ("Report") is to recommend that this Honourable Court make an order:

- a) Administratively consolidating the bankrupt estates of SKD, NMC and 2515 on the basis provided in the draft forms of order;
- b) Approving the transfer of \$3,264,025 (representing tax refunds paid by Canada Revenue Agency ("CRA") and the Ontario Ministry of Revenue to 2515) from the SKD bankruptcy estate bank account to the bankruptcy estate bank account of 2515;
- c) Approving the transfer of \$52,545 (representing tax refunds paid by CRA to NMC) from the SKD bankruptcy estate bank account to the bankruptcy estate bank account of NMC; and
- d) Approving this Report and the activities and conduct of the Trustee as detailed herein.

1.2 Currency

All references to dollar amounts are to Canadian funds unless otherwise noted.

1.3 Terms of Reference

In preparing this Report, the Trustee has relied upon the Company's books and records, including information assembled by, and analyses performed by, Company employees. The Trustee has not performed an audit or other verification of such information. An examination of the Company's financial forecasts as outlined in the *Canadian Institute of Chartered Accountants Handbook* has not been performed. Future oriented financial information relied upon in this Report is based on the Trustee's assumptions regarding future events; actual results achieved may vary from this information and these variations may be material. The Trustee 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 Trustee in preparing this Report.

2. BACKGROUND

NMC and 2515 are the general partners of SKD. NMC and 2515 own 1% and 99% of SKD, respectively. In addition to SKD's Canadian manufacturing operations, automotive parts manufacturing was carried on by SKD L.P. in the US and SKD de Mexico, S. de R.L. de C.V. ("SKD Mexico") in Mexico (SKD L.P. and SKD Mexico are jointly referred to as "SKD US") (collectively, SKD and its related entities are referred to as the "SKD Group").

The SKD Group was primarily a tier-one supplier of stampings and welded assemblies to the North American automotive industry.

Additional information concerning the Company and these proceedings is provided in Richter's report dated January 21, 2009 (filed as proposed monitor), Richter's reports filed in the CCAA proceedings in its capacity as Monitor and in Richter's report filed in the receivership proceedings as Receiver. Copies of these reports can be found on Richter's website at www.rsmrichter.com.

3. ADMINISTRATIVE CONSOLIDATION

An order of the Court was made on April 29, 2010 authorizing the Receiver to assign SKD, NMC and 2515 into bankruptcy. On January 11, 2011 the Receiver assigned SKD into bankruptcy and Richter was appointed Trustee. The Receiver did not assign NMC and 2515 (the "Partners") into bankruptcy at that time. The first meeting of creditors for SKD was held on January 31, 2011 ("SKD First Meeting"). On May 26, 2011, the Receiver assigned NMC and 2515 into bankruptcy and Richter was appointed as trustee in bankruptcy of the Partners, subject to affirmation by the creditors at the first meeting of creditors, which is scheduled to be held on June 16, 2011.

Along with the notice of the Partners' bankruptcy, the Trustee intends to send a letter to creditors of SKD to advise such creditors that, unless they have claims directly against the

Partners which are not related to SKD, creditors who have filed claims in the bankruptcy of SKD are not required to file a separate claim against the Partners, as any unsatisfied obligations of SKD are automatically obligations of the Partners. With the possible exception of CRA, the Trustee is not aware of any direct claims against NMC or 2515.

As reported in the Trustee's Preliminary Report to Creditors for SKD ("Preliminary Report") tabled at the SKD First Meeting there was anticipated to be approximately \$9.5 million to \$10 million available for distribution to the Company's creditors, net of costs. These amounts include approximately \$3.3 million of tax refunds collected by the Receiver in 2009 and 2010, related to tax returns filed by the Partners¹ for the 2008 tax year. Copies of the cheques² received by the Receiver, which were payable to the Partners, are attached as Appendix "C".

At the time the tax refunds were received, they were deposited by the Receiver into the general receivership bank account along with the other proceeds of realization in the receivership proceedings. On the bankruptcy of SKD substantially all of the funds in the receivership estate bank account were transferred to the bankruptcy estate bank account. Since the tax refund amounts relate directly to the estates of the Partners, the Trustee believes that it is appropriate that those funds be transferred from the SKD bankruptcy estate bank account to the bankruptcy estate bank account for the respective Partner. Accordingly, subject to this Honourable Court's approval, the Trustee intends to transfer from the SKD bankruptcy estate bank account: a) \$52,545 to the NMC bankruptcy estate bank account; and b) \$3,264,025 to the 2515 bankruptcy estate bank account. The Trustee will then subsequently prepare an amended statement of affairs for SKD reflecting the transfer of funds. The statements of affairs for NMC and 2515

¹ SKD is a general partnership. General partnerships do not file tax returns; it is the partners that file tax returns for their respective share of the income or losses of the general partnership.

²The refund of \$52,545 was inadvertently sent to and deposited by National Material L.P. ("NMLP"), a company related to certain of the former directors and officers of the Company. These funds were then wired by NMLP to the Receiver. Accordingly, the Receiver does not have a copy of the cheque, but has attached a copy of a bank statement that shows the incoming wire from NMLP and an email among the Company, the Receiver and NMLP, which identifies the tax refund as belonging to NMC.

reflect the respective cash balances inclusive of these transfers – and include a note stating that these are to be transferred subject to an order of the Court.

Richter is seeking to minimize the cost of administering the bankrupt estates by eliminating the duplication of certain activities. Accordingly, the Trustee requests that this Honourable Court approve the consolidation, such that there would be:

1. One combined advertisement of the first meeting of creditors of the Partners³ (“First Meeting of Creditors”);
2. One consolidated proof of claim for the estates of the Partners which directs creditors to identify the estate in which a claim is being made⁴; and
3. A joint First Meeting of Creditors, provided that all voting is recorded and enforced separately, if necessary;

and the Trustee would be permitted to:

- Issue consolidated reports, to the extent appropriate;
- File consolidated motion materials; and
- Select a common group of inspectors for the Partners’ estates.

The administrative consolidation of SKD, 2515 and NMC should enable the Trustee to administer certain functions collectively, thereby reducing costs and enhancing recoveries. The Trustee is of the view that this will not result in prejudice to any of the creditors. Among other things, the Trustee will, if appropriate, allocate receipts and disbursements among the estates (for example, the cost of publishing the notice of the First Meeting of Creditors would be shared equally between NMC and 2515). The Trustee will also maintain a separate claims register for each estate and issue dividends on an estate-by-estate basis.

³ The first meeting of creditors for SKD was already held.

⁴ The proof of claim forms were previously mailed in respect of the SKD bankruptcy.

4. TRUSTEE'S ACTIVITIES

Since its appointment, the Trustee's activities have included, *inter alia*, the following:

- Convening the SKD First Meeting;
- Drafting and finalizing the Preliminary Report;
- Reviewing over 200 proofs of claim filed in the SKD bankruptcy and following up with claimants as necessary regarding their claims;
- Commencing the preparation of the tax returns for SKD and the Partners; and
- Responding to creditor inquiries.

The Trustee is continuing to, *inter alia*, prepare the Company's tax returns, review proofs of claim and deal with other sundry matters as they arise.

4.1 Pension Plans

PricewaterhouseCoopers Inc. ("PwC") was appointed as pension administrator by the Financial Services Commission of Ontario ("FSCO") to administer the wind-up of four⁵ of the Company's six registered pension plans. Morneau Sobeco Limited Partnership was appointed by FSCO as pension administrator to administer the wind-up of the other two⁶ pension plans, which are former SKD Technologies Inc. pension plans (predecessor plans to two of the SKD Company pension plans).

On April 12, 2011, the Trustee received an email from PwC advising that it was reviewing the implications on the Company's bankrupt estate of the Ontario Court of Appeal's decision regarding Indalex Limited. PwC advised that in the case of at least one of the pension plans, and perhaps more, there is evidence of possible breaches of fiduciary duty by the plan administrator and therefore PwC is reviewing with its legal counsel, Fraser Milner Casgrain LLP ("FMC"),

⁵ The SKD Company Pension Plan for Salaried Employees, the SKD Company Pension Plan for Hourly Employees of the Milton Division, the SKD Company Pension Plan for Hourly Employees of the Brampton Division and the SKD Company Pension Plan for Hourly Employees who are Members of CAW Local 89.

⁶ SKD Technologies Inc. Pension Plan for Salaried Employees and SKD Technologies Inc. Pension Plan for Hourly Employees who are members of the UAW Local 89.

whether the pension plans should be filing claims on the basis that the assets of the Company are subject to a constructive trust in favour of one or more of the pension plans.

On April 13, 2011, Goodmans responded to PwC's email and requested that to the extent PwC has evidence or information regarding the potential breaches referred to in its email, that it provide that information to the Trustee as soon as possible so that the Trustee can be in a position to review and assess the claims. On April 14, 2011, FMC responded and advised that it would be responding to the Trustee's requests in the near future. The Trustee and Goodmans are scheduled to meet with PwC and FMC on May 31, 2011 regarding this matter.

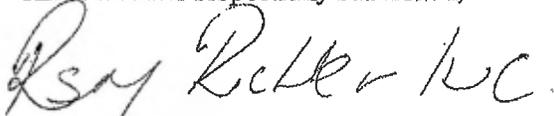
As a result of this development, the timing of distributions to creditors of the Company remains uncertain. Given the time which has elapsed since the Initial Order and the Receivership Order, many creditors have enquired as to the timing of a distribution. Accordingly, in light of the email from PwC, on May 13, 2011, the Trustee mailed a letter to creditors advising them of this issue and that it will likely delay any distributions to creditors.

5. RECOMMENDATION

Based on the foregoing, the Trustee respectfully recommends that this Honourable Court make an order granting the relief detailed in Section 1.1 of this Report.

* * *

All of which is respectfully submitted,



**RSM RICHTER INC.
IN ITS CAPACITY AS TRUSTEE IN BANKRUPTCY OF
SKD COMPANY, A PARTNERSHIP OF NMC CANADA, INC.
AND 2515080 NOVA SCOTIA COMPANY
AND NOT IN ITS PERSONAL CAPACITY**

A

Appendix "A"

COURT FILE NO. 09-CL- 7960

ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST

THE HONOURABLE MR.) WEDNESDAY, THE 21ST DAY
OF JANUARY, 2009
)
JUSTICE CAMPBELL)



IN THE MATTER OF THE *COMPANIES' CREDITORS*
ARRANGEMENT ACT, R.S.C. 1985, C. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF NMC CANADA, INC. AND
2515080 NOVA SCOTIA COMPANY

Applicants

INITIAL ORDER

THIS APPLICATION, made by NMC Canada, Inc. ("NMC") and 2515080 Nova Scotia Company ("2515080") (collectively, the "Applicants" and any one, an "Applicant"), pursuant to the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the affidavit of John Chen sworn January 21, 2009 (the "Chen Affidavit") and the Exhibits thereto and the report of RSM Richter Inc. ("Richter") as the proposed monitor in these proceedings (the "Monitor"), and on hearing the submissions of counsel for the Applicants, and counsel for Richter, Comerica Bank ("Comerica"), the Customers (as defined below), General Motors Corporation ("GM"), the National Automobile, Aerospace, Transportation and General Workers of Canada and its Local 1285 (the "CAW"), the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers Union (the "USW") and the Teamsters Local Union No. 419 (the "Teamsters" and, together with the CAW and USW, the "Unions" and, any one, a "Union"), no one else on the Service List appearing and on reading the consent of Richter to act as the Monitor,

SERVICE

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

APPLICATION

2. THIS COURT ORDERS AND DECLARES that the Applicants are debtor companies to which the CCAA applies. Although not an Applicant, this Court further orders and declares that SKD Company, as the general partnership through which the Applicants carry on business ("SKD Company", and together with the Applicants, the "CCAA Parties", and any one, a "CCAA Party"), shall enjoy the benefits of the protections provided by this Order and shall be treated as if an applicant under this Order.

PLAN OF ARRANGEMENT

3. THIS COURT ORDERS that the Applicants shall have the authority to file and may, subject to further order of this Court, file with this Court one or more plans of compromise or arrangement (hereinafter referred to as the "Plan") between, *inter alia*, the CCAA Parties or any of them and one or more classes of their secured and/or unsecured creditors, as they deem appropriate.

POSSESSION OF PROPERTY AND OPERATIONS

4. THIS COURT ORDERS that the CCAA Parties shall remain in possession and control of their current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof (the "Property"). Subject to further Order of this Court, the CCAA Parties shall continue to carry on business in a manner consistent with the preservation of their businesses (the business of the CCAA Parties, collectively, the "Business") and Property. The CCAA Parties shall be authorized and empowered to continue to retain and employ the employees, consultants, financial advisors, agents, experts, accountants, counsel, appraisers and such other persons (collectively, "Assistants") currently retained or employed by them, with liberty to retain such further Assistants as they deem reasonably

necessary or desirable in the ordinary course of business, for the carrying out of the terms of this Order or to assist the CCAA Parties with their restructuring activities as contemplated by this Order.

5. THIS COURT ORDERS that the CCAA Parties shall be entitled to continue to utilize their existing bank accounts and any other bank accounts permitted under the Forbearance Agreement (as defined below) (the "**Bank Accounts**") and that all banks in which the CCAA Parties maintain any Bank Account are authorized and directed to continue to maintain, service and administer the Bank Accounts in accordance with the documents governing the Bank Accounts.

6. THIS COURT ORDERS that the CCAA Parties are authorized and empowered to continue to manage their cash and cash equivalents and transfer funds among their respective Bank Accounts pursuant to the cash management system currently in place, as described in the Chen Affidavit, or replace it with another substantially similar central cash management system satisfactory to Comerica (the "**Cash Management System**"), and that any present or future bank providing or participating in the Cash Management System shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the CCAA Parties of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, shall be entitled to provide the Cash Management System without any liability in respect thereof to any Person (as defined below) other than the CCAA Parties and Comerica pursuant to the terms of the documentation applicable to the Bank Accounts and the Cash Management System, and shall be, in their capacity as provider of the Cash Management System, an unaffected creditor under the Plan with regard to any claims or expenses it may suffer or incur in connection with the provision of the Bank Accounts and the Cash Management System and that the CCAA Parties may use the funds standing to their credit from time to time in their bank accounts within the Cash Management System.

7. THIS COURT ORDERS that the CCAA Parties shall be entitled but not required to pay the following expenses, whether incurred prior to or after this Order:

- (a) all outstanding and future wages, salaries, employee and pension benefits, vacation pay, contributions to registered retirement pension plans, bonuses, expenses and retention plan payments pursuant to plans and programs currently in place payable on or after the date of this Order, in each case incurred in the ordinary course of business and consistent with or pursuant to existing compensation policies and arrangements; and
- (b) the fees and disbursements of any Assistants retained or employed by the CCAA Parties in respect of these proceedings, at their standard rates and charges.

8. THIS COURT ORDERS that, except as otherwise provided to the contrary herein, the CCAA Parties shall be entitled but not required to pay all reasonable expenses incurred by the CCAA Parties to carry on and preserve the Business in the ordinary course from and after the date of this Order, and in carrying out the provisions of this Order, which expenses shall include, without limitation:

- (a) all expenses and capital expenditures reasonably necessary for the preservation of and operation of the Property or the Business including, without limitation, payments on account of insurance (including directors and officers insurance), maintenance and security services; and
- (b) payment for goods or services actually supplied to the CCAA Parties following the date of this Order.

9. THIS COURT ORDERS that the CCAA Parties, as applicable, shall remit, in accordance with legal requirements, or pay:

- (a) any statutory deemed trust amounts in favour of the Crown in right of Canada or of any Province thereof or any other taxation authority which are required to be deducted from employees' wages, including, without limitation, amounts in respect of (i) employment insurance, (ii) Canada Pension Plan, (iii) Quebec Pension Plan, and (iv) income taxes;

- (b) all goods and services or other applicable sales taxes (collectively, "Sales Taxes") required to be remitted by the CCAA Parties in connection with the sale of goods and services by the CCAA Parties; and
- (c) any amount payable to the Crown in right of Canada or of any Province thereof or any political subdivision thereof or any other taxation authority in respect of municipal realty, municipal business or other taxes, assessments or levies of any nature or kind which are entitled at law to be paid in priority to claims of secured creditors and which are attributable to or in respect of the carrying on of the Business by the CCAA Parties.

10. THIS COURT ORDERS that the CCAA Parties may pay to SKD Automotive Group, Limited Partnership ("SKD AG") and to SKD, L.P., the amounts described in the Chen Affidavit in respect of the head office management, accounting, record-keeping, budgeting, financial reporting, cash management, payroll, human resources, information technology, purchasing, sales, engineering, research and development and other administrative functions provided by SKD AG and SKD L.P. to the CCAA Parties, unless objected to by the Monitor.

11. THIS COURT ORDERS that until such time as a CCAA Party repudiates a real property lease in accordance with paragraph 13(c) of this Order, such CCAA Party shall pay all amounts constituting rent or payable as rent under real property leases (including, for greater certainty, common area maintenance charges, utilities and realty taxes and any other amounts payable to the landlord under the lease) or as otherwise may be negotiated by such CCAA Party from time to time ("Rent"), for the period commencing from and including the date of this Order, twice-monthly in equal payments on the first and fifteenth day of each month, or the next business day thereafter, in advance (but not in arrears).

12. THIS COURT ORDERS that, except as specifically permitted under this Order, the CCAA Parties are hereby directed, until further Order of this Court: (a) to make no payments of principal, interest thereon or otherwise on account of amounts owing by the CCAA Parties to any of their creditors as of this date; (b) to grant no security interests, trust, liens, charges or encumbrances upon or in respect of any of their Property; and (c) to not grant credit or incur liabilities except in the ordinary course of the Business.

RESTRUCTURING

13. THIS COURT ORDERS that the CCAA Parties shall have the right to:
- (a) permanently or temporarily cease, downsize or shut down any of their business or operations and, subject to the prior consent of Comerica, to dispose of redundant or non-material assets, which are currently not used in the production of component parts for any of the Customers: (i) not exceeding \$100,000 in any one transaction; or (ii) with the consent of the Monitor, not exceeding \$500,000 in any one transaction or \$1,000,000 in the aggregate, subject to paragraph 13(c), if applicable; and for further certainty the proceeds of sale of these assets shall remain subject to the terms of any valid and existing liens and security interests affecting the Property and its proceeds;
 - (b) subject to any applicable seniority provisions of any applicable collective bargaining agreement, or as may be agreed between SKD Company and the applicable collective bargaining unit, terminate the employment of such of their employees or temporarily lay off such of their employees as they deem appropriate on such terms as may be agreed upon between the CCAA Parties and such employee or, failing such agreement, to deal with the consequences thereof in the Plan;
 - (c) in accordance with paragraphs 14 and 15, vacate, abandon or quit any leased premises and/or repudiate any real property lease and any ancillary agreements relating to any leased premises, on not less than seven (7) days' notice in writing to the relevant landlord or on such terms as may be agreed upon between an applicable CCAA Party and such landlord, or failing such agreement, to deal with the consequences thereof in the Plan;
 - (d) repudiate such of their arrangements or agreements of any nature whatsoever, whether oral or written, as the CCAA Parties deem appropriate on such terms as may be agreed upon between the applicable CCAA Party and such counter-parties, or failing such agreement, to deal with the consequences thereof in the

Plan, and to negotiate any new or replacement arrangements or agreements as the applicable CCAA Party deems appropriate (provided that the Monitor does not object to such new or replacement arrangements or agreements); provided that, notwithstanding this paragraph, SKD Company shall not repudiate any collective bargaining agreement with any Union; and

- (e) pursue avenues of refinancing and restructuring and the sale of material parts of the Business or Property, in whole or part, subject to prior approval of this Court being obtained before any material refinancing or any sale (except as permitted by paragraph 13(a), above);

all of the foregoing to permit the CCAA Parties to proceed with an orderly restructuring, sale or wind down of the Business (the "Restructuring").

14. THIS COURT ORDERS that the applicable CCAA Party shall provide each of the relevant landlords with notice of their intention to remove any fixtures from any leased premises at least seven (7) days prior to the date of the intended removal. The relevant landlord shall be entitled to have a representative present in the leased premises to observe such removal and, if the landlord disputes a CCAA Party's entitlement to remove any such fixture under the provisions of the lease, such fixture shall remain on the premises and shall be dealt with as agreed between any applicable secured creditors, such landlord and the applicable CCAA Party, or by further Order of this Court upon application by the CCAA Parties on at least two (2) days' notice to such landlord and any such secured creditors. If a CCAA Party repudiates the lease governing such leased premises in accordance with paragraph 13(c) of this Order, it shall not be required to pay Rent under such lease pending resolution of any such dispute, and the repudiation of the lease shall be without prejudice to the CCAA Party's claim to the fixtures in dispute.

15. THIS COURT ORDERS that if a lease is repudiated by a CCAA Party in accordance with paragraph 13(c) of this Order, then (a) during the notice period prior to the effective time of the repudiation, the landlord may show the affected leased premises to prospective tenants during normal business hours, on giving the applicable CCAA Party and the Monitor 24 hours' prior written notice, and (b) at the effective time of the repudiation, the relevant landlord shall be entitled to take possession of any such leased premises without waiver of or prejudice to any

claims or rights such landlord may have against the applicable CCAA Party in respect of such lease or leased premises and such landlord shall be entitled to notify the applicable CCAA Party of the basis on which it is taking possession and to gain possession of and re-lease such leased premises to any third party or parties on such terms as such landlord considers advisable, provided that nothing herein shall relieve such landlord of their obligation to mitigate any damages claimed in connection therewith.

16. THIS COURT ORDERS that, subject to the other provisions of this Order (including the payment of Rent as herein provided) and any further Order of this Court, the CCAA Parties shall be permitted to dispose of any or all of the Property located (or formerly located) at such leased premises without any interference of any kind from landlords (notwithstanding the terms of any leases) and, for greater certainty, the CCAA Parties shall have the right to realize upon the Property and other assets in such manner and at such locations, including leased premises, as it deems suitable or desirable for the purpose of maximizing the proceeds and recovery therefrom.

NO PROCEEDINGS AGAINST THE CCAA PARTIES OR THE PROPERTY

17. THIS COURT ORDERS that until and including February 19, 2009 or such later date as this Court may order (the "Stay Period"), no proceeding or enforcement process in any court or tribunal (each, a "Proceeding") shall be commenced or continued against or in respect of the CCAA Parties or the Monitor, or affecting any of the Business or the Property, except with the written consent of the CCAA Parties and the Monitor, or with leave of this Court, and any and all Proceedings currently under way against or in respect of the CCAA Parties or affecting the Business or the Property are hereby stayed and suspended pending further Order of this Court. Notwithstanding the foregoing, nothing in this Order shall stay the exercise by Comerica of any of its rights or remedies under the Credit Agreement or the Loan Documents (as defined below), provided however that Comerica shall provide notice to the CCAA Parties, the Customers and the Monitor in accordance with paragraph 38(b).

18. THIS COURT ORDERS that no proceeding, enforcement process or any other remedy available to the judgment creditors Roberto Costantino and Tony Wong (the "Judgment Creditors") pursuant to the Judgment issued in Action 06 CV 308 185 PD1 commenced at Toronto (the "Judgment") shall be commenced or continued as against the CCAA Parties or the

Property, including with respect to any amounts payable to the CCAA Parties by the Customers (as defined below) and GM, including, without limitation, that:

- (a) the effect of any notices of garnishment issued by the Judgment Creditors and served on any Person, including the Customers (as defined below) and GM, under the Judgment (the "Notices of Garnishment") is hereby stayed;
- (b) the expiry of any time periods under the Notices of Garnishment for the filing of garnishees' statements is hereby stayed and any Persons having been served with the Notices of Garnishment, including the Customers (as defined below) and GM (collectively, the "Garnishees"), are hereby relieved of any requirement to file with the Court garnishee's statements with respect to the Notices of Garnishment;
- (c) five (5) days after this order has been served on the Sheriff for the Regional Municipality of Halton (the "Sheriff") and the Judgment Creditors in accordance with sub-paragraph (d) below, the Garnishees are authorized and empowered to continue to make all payments of any amounts owing to any of the CCAA Parties directly to the CCAA Parties, rather than to the Sheriff, without regard to the Notices of Garnishment, shall incur no liability to the Judgment Creditors by doing so, shall be relieved of any obligations the Garnishees may have had under the Notices of Garnishment, and upon payment of amounts by the Garnishees to the CCAA Parties, the liabilities of the Garnishees to the Judgment Creditors, or to the CCAA Parties in respect of the amounts paid to the CCAA Parties, is extinguished; and
- (d) the CCAA Parties are hereby directed to deliver a copy of this Order to the Sheriff, as well as to counsel for the Judgment Creditors, with a cover letter advising that all proceedings, enforcement processes or any other remedy available in relation to the Judgment, including the enforcement of the Notices of Garnishment against any Person, including the Garnishees, have been stayed pursuant to this Order.

NO EXERCISE OF RIGHTS OR REMEDIES

19. THIS COURT ORDERS that during the Stay Period, all rights and remedies of any individual, firm, corporation, partnership, governmental body or agency, or any other persons or entities (all of the foregoing, collectively being "Persons" and each being a "Person") against or in respect of the CCAA Parties or the Monitor, or affecting the Business or the Property, are hereby stayed and suspended except with the written consent of the CCAA Parties and the Monitor, or leave of this Court, provided that nothing in this Order shall (i) empower the CCAA Parties to carry on any business which the CCAA Parties are not lawfully entitled to carry on, (ii) exempt the CCAA Parties from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, (iv) prevent the filing of any grievance pursuant to the *Labour Relations Act, 1995* or any collective agreements, provided that, subject to further order of the Court, no further steps of any kind shall be taken pursuant to or in connection with any such grievance by any party (for greater certainty, neither the CCAA Parties nor any other party shall be obligated to file any form of response or reply to any such grievance, or (v) prevent the registration of a claim for lien.

NO INTERFERENCE WITH RIGHTS

20. THIS COURT ORDERS that during the Stay Period, no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the CCAA Parties, except with the written consent of the CCAA Parties and the Monitor, or leave of this Court.

CONTINUATION OF SERVICES

21. THIS COURT ORDERS that during the Stay Period, all Persons having oral or written agreements with any of the CCAA Parties or statutory or regulatory mandates for the supply of goods and/or services, including without limitation all raw materials, metals, components, subcomponents, tools and tooling, dies, tests and assembly fixtures, gauges, jigs, computer software, communication and other data services, centralized and other banking services, payroll services, customs, customs brokerage (or similar) services, insurance, transportation, shipping services, utilities, gas, electricity and other services to the Business, or any of the CCAA Parties, are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services, utilities, gas and electricity as may be required by any of the CCAA Parties, and that the CCAA Parties shall be entitled to the continued use of their current premises, utilities, telephone numbers, facsimile numbers, internet

addresses and domain names, provided in each case that the normal prices or charges for all such goods, services, utilities, gas and electricity received after the date of this Order are paid by the CCAA Parties in accordance with normal payment practices of the CCAA Parties or such other practices as may be agreed upon by the supplier, utility provider or service provider and each of the CCAA Parties and the Monitor, or as may be ordered by this Court.

NON-DEROGATION OF RIGHTS

22. THIS COURT ORDERS that, notwithstanding anything else contained herein, no creditor of any of the CCAA Parties shall be under any obligation after the making of this Order to advance or re-advance any monies or otherwise extend any credit to any CCAA Party. Nothing in this Order shall derogate from the rights conferred and obligations imposed by the CCAA, provided however that, except as provided in the Accommodation Agreement, any Person that seeks to advance a claim of, or analogous to set-off or equitable set-off to justify the non-payment of any existing or accruing debt to any of the CCAA Parties shall advise the CCAA Parties and the Monitor in writing prior to so doing so as to enable the CCAA Parties to have the validity of the set-off adjudicated upon by this Honourable Court on an urgent basis if so advised.

PROCEEDINGS AGAINST DIRECTORS AND OFFICERS

23. THIS COURT ORDERS that during the Stay Period, and except as permitted by subsection 11.5(2) of the CCAA, no Proceeding may be commenced or continued against any of the former, current or future directors or officers of the Applicants with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of any of the CCAA Parties whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Applicants, if one is filed, is sanctioned by this Court or is refused by the creditors of the Applicants or this Court.

DIRECTORS' AND OFFICERS' INDEMNIFICATION AND CHARGE

24. THIS COURT ORDERS that the Applicants shall indemnify their directors and officers from all claims, costs, charges and expenses (i) relating to the failure of any CCAA Party, after

the date hereof, to make payments of the nature referred to in subparagraphs 7(a), 9(a), 9(b) and 9(c) of this Order which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants, and (ii) which they sustain or incur by reason of or in relation to their respective capacities as directors and/or officers of the Applicants from and after the date of this Order (each, and any of (i) and (ii) , a "D&O Claim"), including without limitation, by reason of the Restructuring or in relation to any Plan, except to the extent that, with respect to any officer or director, such officer or director has actively participated in the breach of any related fiduciary duties or has been grossly negligent or guilty of wilful misconduct.

25. THIS COURT ORDERS that the directors and officers of the Applicants shall be entitled to the benefit of and are hereby granted a charge (the "Directors' Charge") on the Property of the Applicants, which charge shall not exceed an aggregate amount of \$3,000,000, as security for the indemnity provided in paragraph 24 of this Order. The Directors' Charge shall have the priority set out in paragraphs 45 and 47 herein. The Applicants' directors and officers shall only be entitled to the benefit of the Directors' Charge to the extent that they do not have coverage under any directors' and officers' insurance policy, or to the extent that such coverage is insufficient to pay amounts indemnified in accordance with paragraph 24 of this Order.

26. THIS COURT ORDERS that, notwithstanding any language in any applicable insurance policy to the contrary, no insurer shall be entitled to be subrogated to or claim the benefit of the Directors' Charge.

APPOINTMENT OF MONITOR

27. THIS COURT ORDERS that Richter is hereby appointed pursuant to the CCAA as the Monitor, an officer of this Court, to monitor the Property and the conduct of the Business with the powers and obligations set out in the CCAA or set forth herein and that the Applicants and their shareholders, officers, directors, SKD Company and the Assistants shall advise the Monitor of all material steps taken by the CCAA Parties pursuant to this Order, and shall co-operate fully with the Monitor in the exercise of its powers and discharge of its obligations.

28. THIS COURT ORDERS that the Monitor, in addition to its prescribed rights and obligations under the CCAA, is hereby directed and empowered to:

- (a) report to this Court at such times and intervals as the Monitor may deem appropriate with respect to matters relating to the Property, the Business, the Restructuring, the Sales Process (as defined below) and such other matters as may be relevant to the proceedings herein;
- (b) monitor and review the CCAA Parties' receipts and disbursements;
- (c) monitor and review any transactions and obligations between the CCAA Parties and any affiliated entities or partnerships;
- (d) assist the CCAA Parties in preparing the cash flow projections, budgets and any other reporting or information they may require in relation to the Business and the Property, and to report to Comerica and the Customers (as defined below) as required in relation to the Forbearance Agreement and the Accommodation Agreement (each as defined below), which information shall be reviewed with the Monitor;
- (e) assist the CCAA Parties in their dissemination to Comerica and its counsel of financial and other information requested by Comerica and as otherwise required by the CCAA Parties, which may be used by the CCAA Parties in these proceedings;
- (f) assist the CCAA Parties, to the extent required by the CCAA Parties, in dealing with their respective creditors, customers, vendors and other interested Persons;
- (g) with the assistance of the CCAA Parties, conduct the Sales Process as provided for in this Order and report to this Court in relation to the status of the Sales Process from time to time as it considers appropriate;
- (h) advise the Applicants in their development of the Plan and any amendments to the Plan and, to the extent required by the CCAA Parties in their negotiations with creditors, customers, vendors and other interested Persons;

- (i) assist the CCAA Parties with their financing and restructuring activities to the extent required by the CCAA Parties;
- (j) carry out the responsibilities of the Monitor under the Accommodation Agreement and, to the extent requested by the CCAA Parties, to otherwise assist the CCAA Parties in the performance of their obligations under the Accommodation Agreement and the Access Agreement (each as defined below and together, the "Customer Agreements");
- (k) give any consent or approval as is contemplated by this Order and any other orders made in this proceeding;
- (l) assist the Applicants, to the extent required by the Applicants, with the holding and administering of creditors' or shareholders' meetings for voting on the Plan;
- (m) have full and complete access to the books, records and management, employees and advisors of the CCAA Parties and to the Business and the Property to the extent required to perform its duties arising under this Order;
- (n) be at liberty to engage independent legal counsel or such other persons as the Monitor deems necessary or advisable respecting the exercise of its powers and performance of its obligations under this Order;
- (o) be at liberty to serve as a "foreign representative" of any of the CCAA Parties in any proceeding outside of Canada, including if deemed advisable by the CCAA Parties and the Monitor, to file Chapter 15 proceedings as a foreign representative of the CCAA Parties;
- (p) consider, and if deemed advisable by the Monitor, prepare a report and assessment on the Plan; and
- (q) perform such other duties as are required by this Order or by this Court from time to time.

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

30. THIS COURT ORDERS that nothing herein contained shall require the Monitor to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law or guideline respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Monitor from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Monitor shall not, as a result of this Order or anything done in pursuance of the Monitor's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

31. THIS COURT ORDERS that the Monitor shall provide any creditor of the CCAA Parties with information provided by the CCAA Parties in response to reasonable requests for information made in writing by such creditor addressed to the Monitor. The Monitor shall not have any responsibility or liability with respect to the information disseminated by it pursuant to this paragraph. In the case of information that the Monitor has been advised by the CCAA Parties is confidential, the Monitor shall not provide such information to creditors unless otherwise directed by this Court or on such terms as the Monitor and the CCAA Parties may agree.

32. THIS COURT ORDERS that, in addition to the rights and protections afforded the Monitor under the CCAA or as an officer of this Court, the Monitor shall incur no liability or

obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Monitor by the CCAA or any applicable legislation.

PAYMENT OF FEES AND ADMINISTRATION CHARGE

33. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the CCAA Parties shall be paid their reasonable fees and disbursements incurred both before and after the making of this Order, in each case at their standard rates and charges, by the CCAA Parties as part of the costs of these proceedings. The CCAA Parties are hereby authorized and directed to pay the accounts of the Monitor, counsel for the Monitor and counsel for the Applicants on a weekly basis.

34. THIS COURT ORDERS that the Monitor, counsel to the Monitor and counsel to the Applicants shall undertake a final assessment of their accounts, if requested by the Applicants, or as directed by this Court pursuant to a request made by a creditor of the CCAA Parties, and for this purpose such accounts are referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

35. THIS COURT ORDERS that the Monitor, counsel to the Monitor, counsel to the CCAA Parties and the financial advisor to the CCAA Parties, Conway MacKenzie, Inc. (collectively, the "Professionals") shall be entitled to the benefit of and are hereby granted a charge (the "Administration Charge") on the Property, which charge shall not exceed an aggregate amount of \$1,000,000, as security for their unpaid professional fees and disbursements incurred at the standard rates and charges of such Professionals, both before and after the making of this Order in respect of these proceedings. The Administration Charge shall have the priority set out in paragraphs 45 and 47 hereof.

COMERICA FACILITY

36. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) SKD Company is authorized and empowered to continue to borrow under the revolving credit agreement among Comerica and SKD Company (as Canadian

borrower), SKD AG (as US Borrower) and SKD, L.P., EASSA Mexico, S de R.I. de C.V., SKD de Mexico, S de R.I. de C.V. and the Applicants (as additional loan parties) made December 14, 2004, as subsequently amended, modified and supplemented, most recently pursuant to the Forbearance Agreement (defined below), including, without limitation, in relation to the subordinated participations in the Comerica loan facility purchased or to be purchased by the Customers in relation to the Customer Operations Funding (as described in the Chen Affidavit) in accordance with the Amended and Restated Subordinated Participation Agreement (as described in the Chen Affidavit) (the "Credit Agreement");

- (b) the CCAA Parties are authorized and directed to perform all obligations to Comerica under the Credit Agreement and any security or other documents contemplated thereby, including those relating to the Customer Operations Funding (as defined below), whether arising before or after the making of this Order as and when the same become due and are to be performed, but subject to the priority set out in paragraph 45 hereof (the "Loan Documents"); and
- (c) the CCAA Parties are authorized, empowered and directed to enter into and perform their obligations under a certain forbearance agreement, substantially in the form of the agreement attached as Exhibit "H" to the Chen Affidavit (the "Forbearance Agreement") to which the CCAA Parties are party, and are directed and shall comply with the Loan Documents and the Forbearance Agreement and shall make all payments to Comerica provided for under the Forbearance Agreement and Loan Documents, including without limitation, in relation to the Customer Operations Funding (as defined below).

37. THIS COURT ORDERS that Comerica shall be entitled to the benefits of and is hereby granted a charge (the "**Comerica Charge**") as security for the existing and future obligations of the CCAA Parties to Comerica under the Credit Agreement and Loan Documents, which charge shall not exceed the aggregate amount owed to Comerica under the Credit Agreement and Loan Documents. The Comerica Charge shall have the priority set out in paragraphs 45 and 47 hereof.

38. THIS COURT ORDERS that, notwithstanding any other provision of this Order:

- (a) Comerica may take such steps from time to time as it may deem necessary or appropriate to file, register, record or perfect the Comerica Charge;
- (b) subject to the terms of the Customer Agreements, the Forbearance Agreement and the Credit Agreement, Comerica may (i) without notice to the CCAA Parties or any other Person cease making advances to SKD Company and set off and/or consolidate any amounts owing by Comerica to the CCAA Parties, other than in relation to amounts deposited to the Trust Accounts (as defined in the Forbearance Agreement) in accordance with the Forbearance Agreement, against the obligations of the CCAA Parties to Comerica under the Credit Agreement, the Loan Documents or the Comerica Charge, and (ii) upon the occurrence of a default (other than an Existing Default as defined in the Forbearance Agreement) under the Credit Agreement and the Loan Documents, and upon two (2) business days notice to the CCAA Parties, the Customers and the Monitor, exercise any and all of its rights and remedies against the CCAA Parties or the Property under or pursuant to the Forbearance Agreement, the Credit Agreement, the Loan Documents and the Comerica Charge, including without limitation, to apply to this Court for the appointment of a receiver, receiver and manager or interim receiver, or for a bankruptcy order against the CCAA Parties or for the appointment of a trustee in bankruptcy of the CCAA Parties, but subject to the priorities as set out in paragraphs 45 and 47 of this Order; and
- (c) the foregoing rights and remedies of Comerica shall be enforceable against any trustee in bankruptcy, interim receiver, receiver or receiver and manager of the CCAA Parties or the Property.

39. THIS COURT ORDERS AND DECLARES that Comerica shall be treated as unaffected in any plan of arrangement or compromise filed by the Applicants under the CCAA, or any proposal filed by any of the CCAA Parties under the *Bankruptcy and Insolvency Act* of Canada (the "BIA"), with respect to any advances made under the Credit Agreement or the Loan Documents.

CUSTOMER ACCOMMODATION AND ACCESS AGREEMENTS

40. THIS COURT ORDERS that notwithstanding any other provision of this Order, the CCAA Parties be and they are hereby authorized, empowered and directed to enter into and perform their obligations under a certain accommodation agreement, substantially in the form of the agreement attached as Exhibit "J" to the Chen Affidavit (the "**Accommodation Agreement**") among SKD Company, Ford Motor Company, Chrysler Canada Inc., Chrysler LLC, on behalf of itself and Chrysler Motors LLC, Honda of America Mfg., Inc., for itself and on behalf of Honda Canada Mfg., a division of Honda Canada, Inc., Honda Manufacturing of Indiana, LLC and Honda Manufacturing of Alabama, LLC (collectively, the "**Customers**") and Comerica.

41. THIS COURT ORDERS that the Accommodation Agreement and the exhibits thereto, including, without limitation (i) an access agreement, substantially in the form of the agreement among SKD Company and the Customers attached as Exhibit B to the Accommodation Agreement (the "**Access Agreement**"), (ii) the Customer Operations Funding (as defined in and to be provided under the Accommodation Agreement), and (iii) the transactions contemplated by the Accommodation Agreement (the "**Accommodation Agreement Transactions**"), be and they are hereby approved.

42. THIS COURT ORDERS that in completing the Accommodation Agreement Transactions, the CCAA Parties, and the Monitor, subject to the terms and conditions of the Accommodation Agreement, are hereby authorized to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Accommodation Agreement Transactions as the CCAA Parties, in their discretion, may deem to be reasonably necessary or advisable to complete the Accommodation Agreement Transactions and to take such steps as are necessary or incidental for the completion thereof.

43. THIS COURT ORDERS that the CCAA Parties be and they are hereby authorized, empowered and directed to enter into and perform their obligations under the Access Agreement and enter into and complete the transactions contemplated by the Access Agreement (the "**Access Agreement Transactions**") and to grant the security interests provided for under the Access Agreement (the "**Customers' Security**") in accordance with the Access Agreement and

with such amendments, deletions and additions as the parties thereto may agree to, and to perform the obligations contained in the Access Agreement.

44. THIS COURT ORDERS that in completing the Access Agreement Transactions, the CCAA Parties, subject to the terms and conditions of the Access Agreement, are hereby authorized and directed to execute and deliver such additional, related and ancillary documents and assurances governing or giving effect to the Access Agreement Transactions as each of the CCAA Parties, in their discretion, may deem to be reasonably necessary or advisable to complete the Access Agreement Transactions and to take such steps as are necessary or incidental for the completion thereof.

VALIDITY AND PRIORITY OF CHARGES CREATED BY THIS ORDER

45. THIS COURT ORDERS that the priorities of the Administration Charge, the Directors' Charge, and the Comerica Charge shall be as follows:

- (i) First – the Administration Charge;
- (ii) Second – the Directors' Charge to the maximum amount of \$700,000 in relation to any vacation pay obligations;
- (iii) Third – the Comerica Charge, but excluding that portion of the Comerica Indebtedness (as defined in the Accommodation Agreement) relating to the Customer Operations Funding (as defined in the Accommodation Agreement);
- (iv) Fourth - the Directors' Charge for any amount greater than \$700,000 up to the maximum amount of \$2,300,000; and
- (v) Fifth - the Comerica Charge in relation to that portion of the Comerica Indebtedness (as defined in the Accommodation Agreement) relating to the Customer Operations Funding (as defined in the Accommodation Agreement);

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

47. THIS COURT ORDERS that each of the Charges (all as constituted and defined herein) shall constitute a charge on the Property and such Charges shall rank in priority to all other security interests, trusts, liens, charges and encumbrances, statutory or otherwise (collectively, "Encumbrances") in favour of any Person.

48. THIS COURT ORDERS that except as otherwise expressly provided for herein, or as may be approved by this Court, the CCAA Parties shall not grant any Encumbrances over any Property that rank in priority to, or *pari passu* with, any of the Charges, or which impair a Customer's "Right of Access" under the Access Agreement, unless the CCAA Parties also obtain the prior written consent of the Monitor, the beneficiaries of the Charges, and the Customers, or a further Order of this Court made on notice to the beneficiaries of the Charges and the Customers.

49. THIS COURT ORDERS that the exercise of the rights and remedies of the beneficiaries of the Charges shall be subject to the applicable terms of the Access Agreement, including a Customer's Right of Access if exercised in accordance with the Access Agreement; provided however that the Customers' Security shall be fully released and discharged and be of no further force and effect upon the later of (i) the expiration of the Term of the Access Agreement, and (ii) in relation to any Operating Assets and Real Estate in respect of which a Right of Access has been exercised by a Customer in accordance with the Access Agreement prior to expiration of the Term of the Access Agreement, at the end of the Occupancy Period arising from the exercise of such Right of Access (with capitalized terms in this paragraph being as defined under the Access Agreement).

50. THIS COURT ORDERS that the Charges, the Forbearance Agreement, the Customer Agreements and the Customers' Security, and any payments made by the CCAA Parties pursuant

to the Charges or the Credit Agreement or pursuant to paragraph 25 of this Order (collectively, the "Payments"), shall not be rendered invalid or unenforceable, and the rights and remedies of any Persons receiving the Payments and the chargees entitled to the benefit of the Charges (the "Chargees") shall not otherwise be limited or impaired in any way by (a) the pendency of these proceedings and the declarations of insolvency made herein; (b) any application(s) for bankruptcy order(s) issued pursuant to the BIA, or any bankruptcy order made pursuant to such applications; (c) the filing of any assignments for the general benefit of creditors made pursuant to the BIA; (d) the provisions of any federal or provincial statutes; or (e) any negative covenants, prohibitions or other similar provisions with respect to borrowings, incurring debt or the creation of Encumbrances, contained in any existing loan documents, lease, sublease, offer to lease or other agreement (collectively, an "Agreement") which binds any of the CCAA Parties, and notwithstanding any provision to the contrary in any Agreement:

- (a) Neither the creation of the Charges, nor the execution, delivery, perfection registration or performance of the Forbearance Agreement, the Customer Agreements or the Customers' Security, shall create or be deemed to constitute a breach by an applicable CCAA Party of any Agreement to which it is a party;
- (b) none of the Chargees, or the holders of the Customers' Security shall have any liability to any Person whatsoever as a result of any breach of any Agreement caused by or resulting from the creation of the Charges or the execution, delivery or performance by the CCAA Parties of the Forbearance Agreement, the Customer Agreements or the Customers' Security; and
- (c) any payments made by any of the CCAA Parties pursuant to this Order or the Forbearance Agreement and the granting the Charges, the Forbearance Agreement, the Customer Agreements and the Customers' Security do not and will not constitute fraudulent preferences, fraudulent conveyances, oppressive conduct, settlements or other challengeable, voidable or reviewable transactions under any applicable law.

MARKETING AND SALES PROCESS

51. THIS COURT ORDERS that the Monitor, with the assistance of CCAA Parties, will forthwith conduct a marketing and sales process (the "Sales Process") with the assistance of such other professionals as it considers desirable to assist it in undertaking the Sales Process, to explore a sale of the business of SKD Company and/or the Property, as follows:

- (a) immediately following the date of this Order, the Monitor, with the assistance of the CCAA Parties, will canvass the market for interested parties and send to potentially interested parties a letter detailing this acquisition opportunity;
- (b) if considered desirable, will arrange for the placement of an advertisement in one or more newspapers providing notice of this acquisition opportunity as soon as reasonably practicable;
- (c) on or before January 22, 2009, will prepare a summarized confidential information memorandum ("CIM") to be provided to interested purchasers who execute a confidentiality agreement in a form acceptable to the CCAA Parties and the Monitor (the "Prospective Purchasers");
- (d) on or before January 22, 2009, will arrange for a data room, either electronic, physical or both (the "Data Room");
- (e) on or before January 30, 2009, the CCAA Parties and the Monitor will prepare and make available to Prospective Purchasers, and in the electronic Data Room, a standardized form of asset purchase agreement that the Monitor will request all Prospective Purchasers to use to structure and submit their offers;
- (f) Prospective Purchasers will be required to conduct due diligence and to submit a purchase agreement to the Monitor by 4:00 p.m. (eastern time) on February 18, 2009;
- (g) the CCAA Parties, with the assistance of the Monitor, may thereafter select and settle a form of purchase agreement with one or more Prospective Purchasers;

- (h) on or about February 25, 2009, the Applicants will move to this Court for approval of any sales transaction that they wish to complete (each, a "Transaction") and for any related relief, including an order vesting title ("the Sales Approval Order"); and
- (i) the closing of any Transaction in respect of which a Sales Approval Order is made shall be completed within two (2) business days following the making of such Order.

The Monitor shall have the ability, with the approval of the CCAA Parties, Comerica and the Customers, to modify the Sales Process, including the foregoing timetable, and to apply to this Court for any advice and directions that it may require in relation to the Sales Process.

SERVICE AND NOTICE

52. THIS COURT ORDERS that the Monitor on behalf of the Applicants shall, within ten (10) business days of the date of entry of this Order, send a letter to the known creditors of the CCAA Parties, other than employees and creditors to which the CCAA Parties owe less than \$1,000, at their addresses as they appear on the CCAA Parties' records, advising of this Order, specifying that a copy of the Order and other materials are available on the Monitor's website and disclosing such website, and that the Monitor, on behalf of the Applicants, shall promptly send a copy of this Order (a) to all parties filing a Notice of Appearance in respect of this Application, and (b) to any other interested Person requesting a copy of this Order; and the Monitor is relieved of its obligation under Section 11(5) of the CCAA to provide similar notice, other than to supervise this process.

53. THIS COURT ORDERS that the Applicants and the Monitor be at liberty to serve this Order, any other materials, motions and orders in these proceedings, and any notices or other correspondence, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery, facsimile or electronic transmission to the CCAA Parties' creditors or other interested parties at their respective addresses as last shown on the records of the CCAA Parties, as applicable, and that (i) any such service by courier, personal delivery, facsimile or electronic transmission shall be deemed to be received (i) if delivered by or forwarded by facsimile or

electronic submission before 4 p.m. on a business day (being a day that the principal Canadian banks are open for business in Toronto), on that same day, (ii) if delivered or forwarded by facsimile or electronic submission following 4 p.m. on any day, on the next business day following the date of delivery or forwarding thereof, or (iii) if sent by ordinary mail, on the third business day after mailing, and (ii) any such service shall be deemed to be good and sufficient service.

54. THIS COURT ORDERS that the Applicants, the Monitor, and any party who has filed a Notice of Appearance may serve any court materials in these proceedings by e-mailing a PDF or other electronic copy of such materials upon counsel and any other Persons appearing on the Service List to the email addresses of counsel and such Persons as recorded on the Service List from time to time, in accordance with the E-filing protocol of the Commercial List to the extent practicable, and the Monitor may post a copy of any or all such materials on the Monitor's website.

GENERAL

55. DECLARES that, pursuant to sub-paragraph 7(3)(c) of the *Personal Information Protection and Electronic Documents Act*, S.C. 2000, c.5, any of the CCAA Parties are permitted, in the course of these proceedings, to disclose personal information of identifiable individuals in their possession or control to stakeholders or prospective investors, financiers, buyers or strategic partners and to their advisers (individually, a "Third Party"), but only to the extent desirable or required to negotiate and complete the Restructuring or the preparation and implementation of the Plan or a transaction for that purpose, provided that the Persons to whom such personal information is disclosed enter into confidentiality agreements with a CCAA Party binding them to maintain and protect the privacy of such information and to limit the use of such information to the extent necessary to complete the transaction or Restructuring then under negotiation. Upon the completion of the use of personal information for the limited purpose set out herein, the personal information shall be returned to the applicable CCAA Party, or destroyed. In the event that a Third Party acquires personal information as part of the Restructuring, or the preparation and implementation of the Plan or a transaction in furtherance

thereof, such Third Party may continue to use the personal information in a manner which is in all respects identical to the prior use thereof by the applicable CCAA Party.

56. THIS COURT ORDERS that the Applicants or the Monitor may from time to time apply to this Court for advice and directions in the discharge of their powers and duties hereunder.

57. THIS COURT ORDERS that nothing in this Order shall prevent the Monitor from acting as an interim receiver, a receiver, a receiver and manager, or a trustee in bankruptcy of any of the Applicants, SKD Company, the Business or the Property.

58. THIS COURT HEREBY REQUESTS the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States, to give effect to this Order and to assist the CCAA Parties, the Monitor and their respective agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to make such orders and to provide such assistance to the Applicants and to the Monitor, as an officer of this Court, as may be necessary or desirable to give effect to this Order, to grant representative status to the Monitor as a representative of the CCAA Parties in any foreign proceeding, or to assist the Applicants and the Monitor and their respective agents in carrying out the terms of this Order.

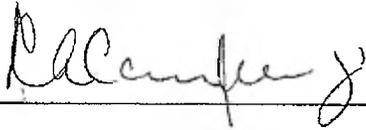
59. THIS COURT ORDERS that each of the CCAA Parties and the Monitor be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

60. THIS COURT ORDERS that any interested party (including the CCAA Parties and the Monitor) may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to any other party or parties likely to be affected by the order sought or upon such other notice, if any, as this Court may order.

61. THIS COURT ORDERS that notwithstanding paragraph 60, no order shall be made varying, rescinding or otherwise affecting the provisions of this Order with respect to the Charges unless notice of a motion for such order is served on the Applicants, the Monitor,

Comerica, the Chargees and the Customers, returnable no later than 7 days following the making of this Order.

62. THIS COURT ORDERS that this Order and all of its provisions are effective as of 12:01 a.m. Eastern Standard Time on the date of this Order.



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

JAN 21 2009

PER / PAR: TV

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NMC CANADA, INC.
AND 2515080 NOVA SCOTIA COMPANY

Applicants

Court File No. 09-CL-7960

ONTARIO

**SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

Proceeding commenced at TORONTO

INITIAL ORDER

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B

Appendix “B”

**ONTARIO
SUPERIOR COURT OF JUSTICE
COMMERCIAL LIST**

THE HONOURABLE MR.) THURSDAY, THE 11TH
)
JUSTICE COLIN CAMPBELL) DAY OF JUNE, 2009

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

AND IN THE MATTER OF A PLAN OF COMPROMISE OR
ARRANGEMENT OF NMC CANADA, INC. AND
2515080 NOVA SCOTIA COMPANY



Applicants

ORDER

THIS MOTION, made by Chrysler LLC, Chrysler Motors LLC and Chrysler Canada Inc. (collectively, "Chrysler") for an Order pursuant to section 101 of the *Courts of Justice Act*, R.S.O 1990 c. C.43, as amended (the "CJA") appointing RSM Richter Inc. as receiver (the "Receiver") without security, of all of the assets, undertakings and properties of SKD Company, including its general partners, 2515080 Nova Scotia Company and NMC Canada Inc. (collectively, the "Debtor") was heard this day at 330 University Avenue, Toronto, Ontario.

ON READING the tenth report (the "Tenth Report") of RSM Richter Inc., as monitor of the Debtor (the "Monitor") appointed pursuant to the Order of this Court made in this proceeding on January 21, 2009, as amended (the "Initial Order"), and on hearing submissions from counsel for Chrysler, as well as counsel for SKD Company, the Receiver, Comerica Bank ("Comerica"), Orlando Corporation, Honda of America Mfg., Inc., for itself and on behalf of Honda Canada Mfg., a division of Honda Canada, Inc., Honda Manufacturing of Indiana, LLC and Honda Manufacturing of Alabama, LLC and Ford Motor Company, no else on the service list appearing, and on reading the consent of RSM Richter Inc. to act as Receiver.

SERVICE

1. THIS COURT ORDERS that the time for service of the Notice of Motion and the Motion Record is hereby abridged so that this motion is properly returnable today and hereby dispenses with further service thereof.

APPOINTMENT

2. THIS COURT ORDERS that, pursuant to section 101 of the CIA, RSM Richter Inc. is hereby appointed Receiver, without security, of all of the Debtor's current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate including all proceeds thereof (the "Property").

RECEIVER'S POWERS

3. THIS COURT ORDERS that the Receiver is hereby empowered and authorized, but not obligated, to act at once in respect of the Property and, without in any way limiting the generality of the foregoing, the Receiver is hereby expressly empowered and authorized to do any of the following where the Receiver considers it necessary or desirable:

- (a) to take possession and control of the Property (which shall, for greater certainty, include the proceeds of sale of assets of the Debtor held by the Monitor as at the date hereof), and any and all proceeds, receipts and disbursements arising out of or from the Property;
- (b) to receive, preserve, protect and maintain control of the Property, or any part or parts thereof, including, but not limited to, the changing of locks and security codes, the relocating of Property to safeguard it, the engaging of independent security personnel, the taking of physical inventories and the placement of such insurance coverage as may be necessary or desirable;
- (c) to engage consultants, appraisers, agents, experts, auditors, accountants, managers, counsel and such other persons from time to time and on whatever

basis, including on a temporary basis, to assist with the exercise of the powers and duties conferred by this Order;

- (d) to receive and collect all monies and accounts now owed or hereafter owing to the Debtor and to exercise all remedies of the Debtor in collecting such monies, including, without limitation, to enforce any security held by the Debtor;
- (e) to settle, extend or compromise any indebtedness owing to the Debtor;
- (f) to execute, assign, issue and endorse documents of whatever nature in respect of any of the Property, whether in the Receiver's name or in the name and on behalf of the Debtor, for any purpose pursuant to this Order;
- (g) to undertake environmental assessments of the Property;
- (h) to initiate, prosecute and continue the prosecution of any and all proceedings and to defend all proceedings now pending or hereafter instituted with respect to the Debtor, the Property or the Receiver, and to settle or compromise any such proceedings. The authority hereby conveyed shall extend to such appeals or applications for judicial review in respect of any order or judgment pronounced in any such proceeding;
- (i) to market any or all of the Property, including advertising and soliciting offers in respect of the Property or any part or parts thereof and negotiating such terms and conditions of sale as the Receiver in its discretion may deem appropriate;
- (j) to sell, convey, transfer, lease or assign the Property or any part or parts thereof out of the ordinary course of business,
 - (i) without the approval of this Court in respect of any transaction not exceeding \$100,000, provided that the aggregate consideration for all such transactions does not exceed \$250,000; and

- (ii) with the approval of this Court in respect of any transaction in which the purchase price or the aggregate purchase price exceeds the applicable amount set out in the preceding clause,

and in each such case notice under subsection 63(4) of the Ontario *Personal Property Security Act*, or section 31 of the Ontario *Mortgages Act*, as the case may be, shall not be required, and in each case the Ontario *Bulk Sales Act* shall not apply.

- (k) to apply for any vesting order or other orders necessary to convey the Property or any part or parts thereof to a purchaser or purchasers thereof, free and clear of any liens or encumbrances affecting such Property;
- (l) to report to, meet with and discuss with such affected Persons (as defined below) as the Receiver deems appropriate on all matters relating to the Property and the receivership, and to share information, subject to such terms as to confidentiality as the Receiver deems advisable;
- (m) to register a copy of this Order and any other Orders in respect of the Property against title to any of the Property;
- (n) to apply for any permits, licences, approvals or permissions as may be required by any governmental authority and any renewals thereof for and on behalf of and, if thought desirable by the Receiver, in the name of the Debtor;
- (o) to enter into agreements with any trustee in bankruptcy appointed in respect of the Debtor, including, without limiting the generality of the foregoing, the ability to enter into occupation agreements for any property owned or leased by the Debtor;
- (p) to exercise any shareholder, partnership, joint venture or other rights which the Debtor may have;
- (q) to make an assignment into bankruptcy on behalf of SKD Company, NMC Canada Inc. and 2515080 Nova Scotia Company (collectively, the "CCAA Parties");

- (r) to take actions on behalf of the Debtor in furtherance of the winding-up and administration of registered defined benefit pension plans administered by the Debtor;
- (s) to propose a process for the identification of any claims against officers and directors of the Debtor that may give rise to a claim for indemnity pursuant to paragraph 24 of the Initial Order (the "D&O Claims Process") and to administer the D&O Process as ordered by this Court on motion made on notice to all affected persons;
- (t) to arrange with counsel to the Debtor, or such other counsel as is consented to by the Receiver or ordered by this Court, for its retainer to act as counsel for the directors and officers of the Debtor in relation to the Claims Process, and to pay the reasonable fees, disbursements and expenses of such counsel, as approved by the Receiver or ordered by this Court;
- (u) to pay, on behalf of the CCAA Parties, the reasonable fees and disbursements of the Monitor, counsel for the Monitor and counsel for the CCAA Parties in relation to accounts rendered pursuant to paragraph 33 of the Initial Order; and
- (v) to take any steps reasonably incidental to the exercise of these powers,

and in each case where the Receiver takes any such actions or steps, it shall be exclusively authorized and empowered to do so, to the exclusion of all other Persons (as defined below), including the Debtor, and without interference from any other Person. For greater certainty, the Receiver shall not, without specific authorization from this Court (i) undertake any of the operations of the Debtor, or (ii) employ any former employee of the Debtor to assist in the Receiver's mandate, save and except for term and task engagements pursuant to written agreements entered into with the Receiver.

DUTY TO PROVIDE ACCESS AND CO-OPERATION TO THE RECEIVER

4. THIS COURT ORDERS that (i) the Debtor, (ii) all of its current and former directors, officers, employees, agents, accountants, legal counsel and shareholders, and all other persons

acting on its instructions or behalf, and (iii) all other individuals, firms, corporations, governmental bodies or agencies, or other entities having notice of this Order (all of the foregoing, collectively, being "Persons" and each being a "Person") shall forthwith advise the Receiver of the existence of any Property in such Person's possession or control, shall grant immediate and continued access to the Property to the Receiver, and shall deliver all such Property to the Receiver upon the Receiver's request.

5. THIS COURT ORDERS that all Persons shall forthwith advise the Receiver of the existence of any books, documents, securities, contracts, orders, corporate and accounting records, and any other papers, records and information of any kind related to the business or affairs of the Debtor, and any computer programs, computer tapes, computer disks, or other data storage media containing any such information (the foregoing, collectively, the "Records") in that Person's possession or control, and shall provide to the Receiver or permit the Receiver to make, retain and take away copies thereof and grant to the Receiver unfettered access to and use of accounting, computer, software and physical facilities relating thereto, provided however that nothing in this paragraph 5 or in paragraph 6 of this Order shall require the delivery of Records, or the granting of access to Records, which may not be disclosed or provided to the Receiver due to the privilege attaching to solicitor-client communication or due to statutory provisions prohibiting such disclosure.

6. THIS COURT ORDERS that if any Records are stored or otherwise contained on a computer or other electronic system of information storage, whether by independent service provider or otherwise, all Persons in possession or control of such Records shall forthwith give unfettered access to the Receiver for the purpose of allowing the Receiver to recover and fully copy all of the information contained therein whether by way of printing the information onto paper or making copies of computer disks or such other manner of retrieving and copying the information as the Receiver in its discretion deems expedient, and shall not alter, erase or destroy any Records without the prior written consent of the Receiver. Further, for the purposes of this paragraph, all Persons shall provide the Receiver with all such assistance in gaining immediate access to the information in the Records as the Receiver may in its discretion require including providing the Receiver with instructions on the use of any computer or other system and

providing the Receiver with any and all access codes, account names and account numbers that may be required to gain access to the information.

NO PROCEEDINGS AGAINST THE RECEIVER

7. THIS COURT ORDERS that no proceeding or enforcement process in any court or tribunal (each, a "Proceeding"), shall be commenced or continued against the Receiver except with the written consent of the Receiver or with leave of this Court.

NO PROCEEDINGS AGAINST THE DEBTOR OR THE PROPERTY

8. THIS COURT ORDERS that no Proceeding against or in respect of the Debtor or the Property shall be commenced or continued except with the written consent of the Receiver or with leave of this Court and any and all Proceedings currently under way against or in respect of the Debtor or the Property are hereby stayed and suspended pending further Order of this Court.

NO EXERCISE OF RIGHTS OR REMEDIES

9. THIS COURT ORDERS that all rights and remedies against the Debtor, the Receiver, or affecting the Property, are hereby stayed and suspended except with the written consent of the Receiver or leave of this Court, provided however that nothing in this paragraph shall (i) empower the Receiver or the Debtor to carry on any business which the Debtor is not lawfully entitled to carry on, (ii) exempt the Receiver or the Debtor from compliance with statutory or regulatory provisions relating to health, safety or the environment, (iii) prevent the filing of any registration to preserve or perfect a security interest, or (iv) prevent the registration of a claim for lien.

NO INTERFERENCE WITH THE RECEIVER

10. THIS COURT ORDERS that no Person shall discontinue, fail to honour, alter, interfere with, repudiate, terminate or cease to perform any right, renewal right, contract, agreement, licence or permit in favour of or held by the Debtor, without written consent of the Receiver or leave of this Court.

CONTINUATION OF SERVICES

11. THIS COURT ORDERS that all Persons having oral or written agreements with the Debtor or statutory or regulatory mandates for the supply of goods and/or services, including without limitation, all computer software, communication and other data services, centralized banking services, insurance, transportation services, utility or other services to the Debtor are hereby restrained until further Order of this Court from discontinuing, altering, interfering with or terminating the supply of such goods or services as may be required by the Receiver, and that the Receiver shall be entitled to the continued use of the Debtor's current telephone numbers, facsimile numbers, internet addresses and domain names, provided in each case that the normal prices or charges for all such goods or services received after the date of this Order are paid by the Receiver in accordance with normal payment practices of the Debtor or such other practices as may be agreed upon by the supplier or service provider and the Receiver, or as may be ordered by this Court.

RECEIVER TO HOLD FUNDS

12. THIS COURT ORDERS that all funds, monies, cheques, instruments, and other forms of payments received or collected by the Receiver from and after the making of this Order from any source whatsoever, including without limitation the sale of all or any of the Property and the collection of any accounts receivable in whole or in part, whether in existence on the date of this Order or hereafter coming into existence, shall be deposited into one or more new accounts to be opened by the Receiver (the "Post Receivership Accounts") and the monies standing to the credit of such Post Receivership Accounts from time to time, net of any disbursements provided for herein, shall be held by the Receiver to be paid in accordance with the terms of this Order or any further Order of this Court.

13. THIS COURT ORDERS that all funds currently held by the Monitor in respect of its mandate as monitor, save and except for any amounts held by the Monitor in its capacity as escrow agent pursuant to the Employee Escrow Agreements (as defined in paragraph 22 of this Order), shall be transferred to the Post Receivership Accounts, provided that all such funds, and all other Property of the Debtor transferred to the Receiver, shall remain subject to the CCAA Charges, as such charges are defined in the Initial Order.

EMPLOYEES

14. THIS COURT ORDERS that the Receiver shall not employ any employees of the Debtor, save and except for term and task engagements pursuant to written agreements entered into with the Receiver. The Receiver shall not be liable for any employee-related liabilities, including wages, severance pay, termination pay, vacation pay, and pension or benefit amounts, other than such amounts as the Receiver may specifically agree in writing to pay, or such amounts as may be determined in a Proceeding before a court or tribunal of competent jurisdiction.

15. THIS COURT ORDERS that, the Receiver shall not disclose personal information of identifiable individuals to any party without the knowledge or consent of the individuals in question.

LIMITATION ON ENVIRONMENTAL LIABILITIES

16. THIS COURT ORDERS that nothing herein contained shall require the Receiver to occupy or to take control, care, charge, possession or management (separately and/or collectively, "Possession") of any of the Property that might be environmentally contaminated, might be a pollutant or a contaminant, or might cause or contribute to a spill, discharge, release or deposit of a substance contrary to any federal, provincial or other law respecting the protection, conservation, enhancement, remediation or rehabilitation of the environment or relating to the disposal of waste or other contamination including, without limitation, the *Canadian Environmental Protection Act*, the *Ontario Environmental Protection Act*, the *Ontario Water Resources Act*, or the *Ontario Occupational Health and Safety Act* and regulations thereunder (the "Environmental Legislation"), provided however that nothing herein shall exempt the Receiver from any duty to report or make disclosure imposed by applicable Environmental Legislation. The Receiver shall not, as a result of this Order or anything done in pursuance of the Receiver's duties and powers under this Order, be deemed to be in Possession of any of the Property within the meaning of any Environmental Legislation, unless it is actually in possession.

LIMITATION ON THE RECEIVER'S LIABILITY

17. THIS COURT ORDERS that the Receiver shall incur no liability or obligation as a result of its appointment or the carrying out of the provisions of this Order, save and except for any gross negligence or wilful misconduct on its part. Nothing in this Order shall derogate from the protections afforded the Receiver by section 14.06 of the BIA or by any other applicable legislation.

RECEIVER'S ACCOUNTS

18. THIS COURT ORDERS that any expenditure or liability which shall properly be made or incurred by the Receiver, including the fees of the Receiver and the fees and disbursements of its legal counsel, incurred at the standard rates and charges of the Receiver and its counsel, shall be allowed to it in passing its accounts and, subject to this Order, shall form a first charge on the Property in priority to all security interests, trusts, liens, charges and encumbrances, statutory or otherwise, in favour of any Person (the "Receiver's Charge").

19. THIS COURT ORDERS the Receiver and its legal counsel shall pass its accounts from time to time, and for this purpose the accounts of the Receiver and its legal counsel are hereby referred to a judge of the Commercial List of the Ontario Superior Court of Justice.

20. THIS COURT ORDERS that prior to the passing of its accounts, the Receiver shall be at liberty from time to time to apply reasonable amounts, out of the monies in its hands, against its fees and disbursements, including legal fees and disbursements, incurred at the normal rates and charges of the Receiver or its counsel, and such amounts shall constitute advances against its remuneration and disbursements when and as approved by this Court.

CCAA ORDER

21. THIS COURT ORDERS AND DECLARES that, except as otherwise amended hereby, the Initial Order, as amended, and all other Orders of this Court granted in these proceedings remain in full force and effect, and that the Administration Charge and the Directors' Charge created under the Initial Order shall rank prior to the Receiver's Charge created by this Order.

22. THIS COURT ORDERS AND DECLARES that the Initial Order be and the same is hereby amended to delete, effective as of the date hereof, paragraphs 3, 4, 5, 7, 10, 13, 14, 15, 16, 21, 28(d), 28(g), 28(h), 28(i), 28(l), 28(p), 36(a), 43, 44, 49, 51 and 55 , and to delete, effective as of the date hereof, the second sentence of paragraph 33; provided that nothing in this Order or the amendment of the Initial Order as provided for herein, shall (a) preclude the Monitor from the performance of its duties and responsibilities as the escrow agent under the Employee Retention Plan Escrow Agreement, as defined in the Order of this Court made on March 31, 2009, and the Escrow Agreements, as defined in the Order of this Court made on April 3, 2009, as amended by Order made on April 30, 2009 (the Escrow Agreements and the Employee Retention Plan Escrow Agreement, collectively referenced hereinafter as the "Employee Escrow Agreements"); or (b) preclude the Monitor from the disbursement of any funds provided for under the Employee Escrow Agreements.

23. THIS COURT ORDERS AND DECLARES that the Initial Order be and the same is hereby amended, effective as of the date hereof, as follows:

- (i) paragraph 6 of the Initial Order is amended to delete the existing paragraph in its entirety and insert in its place "THIS COURT ORDERS AND DECLARES that Comerica and any bank providing or participating in the Cash Management System (as defined in the Initial Order dated January 21, 2009) shall not be under any obligation whatsoever to inquire into the propriety, validity or legality of any transfer, payment, collection or other action taken under the Cash Management System, or as to the use or application by the CCAA Parties of funds transferred, paid, collected or otherwise dealt with in the Cash Management System, and that Comerica and any such bank shall at all times have provided the Cash Management System without any liability in respect thereof to any Person (as defined below) other than the CCAA Parties and Comerica.";
- (ii) the fourth line of paragraph 8 of the Initial Order is amended to insert "and prior to June 11, 2009" after "date of this Order";
- (iii) the first line of paragraph 23 of the Initial Order is amended by deleting the words "during the Stay Period" from the first line, and replacing them with "unless otherwise ordered by this Court";
- (iv) the seventh line of paragraph 24 (ii) of the Initial Order is amended by inserting, "and prior to June 11, 2009" after "from and after the date of this Order"; and
- (v) the second line of paragraph 36(b) is amended to insert "(as defined in the Initial Order dated January 21, 2009)" after "Credit Agreement".

GENERAL

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

25. THIS COURT ORDERS that nothing in this Order shall prevent the Receiver from acting as a trustee in bankruptcy of the Debtor.

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

27. THIS COURT ORDERS that the Receiver be at liberty and is hereby authorized and empowered to apply to any court, tribunal, regulatory or administrative body, wherever located, for the recognition of this Order and for assistance in carrying out the terms of this Order.

28. THIS COURT ORDERS that any interested party may apply to this Court to vary or amend this Order on not less than seven (7) days' notice to the Receiver and to any other party likely to be affected by the order sought or upon such other notice, if any, as this Court may order.



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

JUN 11 2000

PER / PAR: 

Court File No.: 09-CL-7960

IN THE MATTER OF THE COMPANIES' CREDITORS ARRANGEMENT ACT R.S.C. 1985, c.C-36, AS AMENDED
AND IN THE MATTER OF A PLAN OF COMPROMISE OR ARRANGEMENT OF NMC CANADA, INC. and
515080 NOVA SCOTIA COMPANY.

ONTARIO
SUPERIOR COURT OF JUSTICE
PROCEEDINGS COMMENCED AT
TORONTO

ORDER

BORDEN LADNER GERVAIS LLP
Barristers and Solicitors
Scotia Plaza, 40 King Street West
Toronto, Ontario M5H 3Y4

CRAIG J. HILL
(LSUC Reg. No. 31888K)
Direct Dial (416) 367-6156
Direct Fax (416) 361-7301

Lawyers for Chrysler LLC, Chrysler Motors
LLC and Chrysler Canada Inc.

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C

Appendix "C"



GENERAL ODOE / ADDF GÉNÉRALES

1339340CU

*****THREE
HUNDRED FIFTY-SIX THOUSAND NINE
HUNDRED THIRTY-SEVEN 00/100 DOLLARS

DATE 2010-04-19
Y/A MM DJ

****356,937.00

RSM RICHTER INC
IN RESPECT OF 2515080 NOVA
SCOTIA COMPANY
111-200 KING ST W
PO BOX 48 ATTN: FAZEL HADIBHAI
TORONTO

ON
M5H 3T4

042032
ADT0000768
35 001517

MINISTER OF FINANCE

CIBC Commerce Court, Toronto ON M5L 1G9

041356022370000

⑈1339340⑈ ⑆00002⑈010⑈ 88⑈00619⑈



GENERAL ODOE / ADDF GÉNÉRALES

1339342CU

*****EIGHTEEN THOUSAND SIX
HUNDRED THIRTY-FIVE 16/100 DOLLARS

DATE 2010-04-19
Y/A MM DJ

*****18,635.16

RSM RICHTER INC
IN RESPECT OF 2515080 NOVA
SCOTIA COMPANY
111-200 KING ST W
PO BOX 48 ATTN: FAZEL HADIBHAI
TORONTO

ON
M5H 3T4

042032
ADT0000770
35 001517

MINISTER OF FINANCE

CIBC Commerce Court, Toronto ON M5L 1G9

041356291070000

⑈1339342⑈ ⑆00002⑈010⑈ 88⑈00619⑈



GENERAL ODOE / ADDF GÉNÉRALES

1339341CU

*****SIX
HUNDRED SIXTY-FOUR THOUSAND NINE
HUNDRED THIRTY-NINE 00/100 DOLLARS

DATE 2010-04-19
Y/A MM DJ

****664,939.00

RSM RICHTER INC
IN RESPECT OF 2515080 NOVA
SCOTIA COMPANY
111-200 KING ST W
PO BOX 48 ATTN: FAZEL HADIBHAI
TORONTO

ON
M5H 3T4

042032
ADT0000769
35 001517

MINISTER OF FINANCE

CIBC Commerce Court, Toronto ON M5L 1G9

041356191890000

MINISTRY OF REVENUE
MINISTÈRE DU REVENU

APR/AVR 19, 2010
8600619

CORPORATIONS TAX BRANCH
ACCOUNT NO. 4798693 CHEQUE AMOUNT : 356,937.00

REFUND CHEQUE DETAILS:

PERIOD END DATE	REFUND AMOUNT	PERIOD END DATE	REFUND AMOUNT
2005-12-31	356,937.00		

REMITTANCE ADVICE
BORDEREAU DE PAIEMENT



MINISTRY OF REVENUE
MINISTÈRE DU REVENU

APR/AVR 19, 2010
8600619

CORPORATIONS TAX BRANCH
ACCOUNT NO. 4798693 CHEQUE AMOUNT : 18,635.16

REFUND CHEQUE DETAILS:

PERIOD END DATE	REFUND AMOUNT	PERIOD END DATE	REFUND AMOUNT
2008-12-31	18,635.16		

REMITTANCE ADVICE
BORDEREAU DE PAIEMENT



MINISTRY OF REVENUE
MINISTÈRE DU REVENU

APR/AVR 19, 2010
8600619

CORPORATIONS TAX BRANCH
ACCOUNT NO. 4798693 CHEQUE AMOUNT : 664,939.00

REFUND CHEQUE DETAILS:

PERIOD END DATE	REFUND AMOUNT	PERIOD END DATE	REFUND AMOUNT
2006-12-31	664,939.00		

REMITTANCE ADVICE
BORDEREAU DE PAIEMENT





Account Information Account Management Payments Payment Utilities Administration Link To
Consolidated Balances Account Statements Balance History Transaction Search

Thursday, November 26, 2009

Account Statements

Need Help?

Go To: [Set Default](#)

[View](#) [Report](#) [Export](#)

Report Id: * [REDACTED] CAD RSM RICHTER IN [REDACTED] create modify

Report Date: * Date Range [REDACTED] 11/16/2009 to 11/26/2009

Description: Full Description Sort by: Date & Time

Export Information

Export Format: Excel Include Headings:

Date Format: MM/dd/yyyy select

*Mandatory field

Nov 16, 2009 - Nov 26, 2009

Account Name	Account Number	Currency	Account Type	Balance	
RSM RICHTER IN	[REDACTED]	CAD	DDA	\$9,813,119.49	
Date/Time(EST)	Description	Transit	Debit	Credit	Balance
11/16/2009 06:00	Balance Forward		-	-	\$9,805,421.43
11/16/2009 23:02	CHEQUE~ 178	87866	\$2,863.09	-	
11/16/2009 23:02	CHEQUE~ 0	87866	\$4,602.47	-	
11/16/2009 23:02	CHEQUE~ 179	87866	\$1,449.48	-	
11/16/2009 23:02	CHEQUE~ 181	87866	\$5,048.81	-	\$9,791,457.58
11/17/2009 23:01	CHEQUE~ 182	87866	\$6,935.40	-	\$9,784,522.18
11/18/2009 06:00	Balance Forward		-	-	\$9,784,522.18
11/19/2009 23:01	CHEQUE~ 184	87866	\$7,518.96	-	\$9,777,003.22
11/20/2009 23:01	CHEQUE~ 185	87866	\$5,407.51	-	
11/20/2009 23:01	CHEQUE~ 186	87866	\$8,172.49	-	
11/20/2009 23:04	CHEQUE~ 185	87866	\$303.07	-	\$9,763,120.15
11/23/2009 23:04	CHEQUE~ 188	87866	\$1,380.71	-	\$9,761,739.44
11/24/2009 14:43	INCOMING WIRE TRANSFER~ NAT'L MATERIAL 1965 PRATT BOULEVARD ELK GROVE VILLAGE IL 60007 USA~ORDERING INSTITUTION; NATIONAL MATERIAL L.P. ADMIN. DIV. CONTROLLED DISB.ACT 1965 PRATT BLVD ELK GROVE VIL IL 60007-5934~PAYMENT DETAILS: /RFB/000002007047992 ~CA0911240043710 ~~~WIRE PAYMENT	52712	-	\$52,845.01	<i>incoming wire</i>
11/24/2009 23:02	CHEQUE~ 190	87866	\$732.21	-	
11/24/2009 23:02	CHEQUE~ 189	87866	\$432.75	-	\$9,813,119.49
11/25/2009 06:00	Balance Forward		-	-	\$9,813,119.49
11/26/2009 06:00	Balance Forward		-	-	\$9,813,119.49
	Total		\$44,846.95	\$52,545.01	

Privacy | Legal | Security

*From: National Material
For: SFO Co.*

Thean, Simon

From: Hadibhai, Faisal
Sent: Friday, November 20, 2009 3:48 PM
To: sscheel@nmlp.com
Cc: Naraine, Dave; Thean, Simon; Bezner, Lana
Subject: RE: NMC Tax Refund
Attachments: BNS-banking info for Incoming wire- SKD-Receiver.doc

Hi Sandy,

Please wire the C\$52,545, see wire instructions attached. Please let me know if you have any questions or concerns.

Thank you,

Faisal Hadibhai

RSM Richter Inc.
200 King St. W., Suite 1100, P.O. Box 48
Toronto, ON M5H 3T4
Tel: 416.932.6267
fhadibhai@rsmrichter.com www.rsmrichter.com

From: Naraine, Dave
Sent: Thursday, November 19, 2009 9:56 AM
To: fhadibhai@rsmrichter.com
Cc: sscheel@nmlp.com
Subject: NMC Tax Refund

Hi Faisal,

Sandy Scheel confirmed that the \$52k tax refund was received and deposited in one of their accounts. Sandy would like to wire the funds back to RSM in trust. Please provide her with wire instructions.

Sandy, Faisal is the Receiver.

Regards,
Dave

This message contains information which may be confidential and privileged. Unless you are the intended addressee (or authorized to receive for the intended addressee), you may not use, copy or disclose to anyone the message or any information contained in the message. If you have received the message in error, please advise the sender by reply at postmaster@skdautomotive.com and delete the message.

11/26/2009

3

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

THE HONOURABLE) WEDNESDAY, the 11th DAY
JUSTICE) OF SEPTEMBER, 2013

IN THE MATTER OF THE BANKRUPTCY OF NMC CANADA, INC.

O R D E R

THIS MOTION made by Duff & Phelps Canada Restructuring Inc. (“**D&P**”), in its capacity as the trustee in bankruptcy (in such capacity, the “**Trustee**”) of each of SKD Company (“**SKD**”), NMC Canada, Inc. (“**NMC**”) and 2515080 Nova Scotia Company (“**2515**”) (collectively, the “**Estates**”) for an Order authorizing and directing the procedural and substantive consolidation of the Estates, was heard this day at 330 University Avenue, Toronto, Ontario;

ON READING the Trustee’s Motion Record in respect of this motion, including the notice of motion and the Second Report of the Trustee dated September 3, 2013 (the “**Second Report**”), and the Appendices thereto;

AND UPON hearing the submissions of counsel for the Trustee, no one else appearing for any other person on the service list, although duly served as appears from the affidavit of service of Mirella Ricci sworn September 4, 2013, filed;

NOTICE AND SERVICE

1. **THIS COURT ORDERS** that the time for service of the Motion Record in respect of this motion and the Second Report is hereby abridged and validated so that the motion is properly returnable today, and that further service thereof is hereby dispensed with.

APPROVAL OF TRUSTEE'S REPORT

2. **THIS COURT ORDERS** that the Second Report is hereby approved and the conduct and activities of the Trustee described therein are hereby approved.

CONSOLIDATION OF ESTATES

3. **THIS COURT ORDERS** that the Estates shall be procedurally and substantively consolidated and the Trustee shall be authorized and directed to administer the Estates on a consolidated basis for all purposes in carrying out its administrative duties and other responsibilities as trustee under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, c. B-3, as amended, including, without limitation, as follows:

- (a) calling and conducting any meetings of creditors or inspectors of the Estates pursuant to one combined advertisement and one meeting;
- (b) issuing consolidated reports in respect of the Estates;
- (c) preparing, filing, advertising, and distributing any and all filing and/or notices relating to the administration of the Estates on a consolidated basis;
- (d) establishing a single bank account for the Estates;

- (e) establishing a single consolidated pool of assets containing all assets of the Estates; and
- (f) administering all claims and making all distributions in respect of allowed claims from the consolidated pool.

4. **THIS COURT ORDERS** that the single Court File Number of 32-158287 and the title of proceeding of “In the Matter of the Bankruptcy of SKD a Partnership of NMC Canada, Inc. and 2515080 Nova Scotia Company” shall be assigned to the proceedings of the bankrupt Estates.

5. **THIS COURT ORDERS** that a copy of this Order shall be filed by the Trustee in the Court File for both of Estate numbers 32-1501841 and 32-1501836 but that any other document required to be filed in this proceeding shall hereafter only be required to be filed in Court File Number 32-158287.

6. **THIS COURT ORDERS** that the substantive consolidation of the Estates shall not: (i) affect the separate legal status and corporate structures of NMC or 2515; (ii) cause NMC or 2515 to be liable for any claim for which it otherwise is not liable; or (iii) affect the Trustee’s right to seek to disallow any claim, including on the basis that such claim is a duplicative claim.

GENERAL

7. **THIS COURT HEREBY REQUESTS** the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in the United States to give effect to this Order and to assist the Trustee and its agents in carrying out the terms of this Order. All courts, tribunals, regulatory and administrative bodies are hereby respectfully requested to

make such orders and to provide such assistance to the Trustee, as an officer of this Court, as may be necessary or desirable to give effect to this Order or to assist the Trustee and its agents in carrying out the terms of this Order.

**ONTARIO
SUPERIOR COURT OF JUSTICE
Bankruptcy Court**

Proceeding commenced at Toronto

ORDER
(Motion returnable September 11, 2013)

Goodmans LLP
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Bay Adelaide Centre
333 Bay Street, Suite 3400
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Lawyers for Duff & Phelps Canada Restructuring
Inc., in its capacity as Trustee in Bankruptcy

IN THE MATTER OF THE BANKRUPTCY OF NMC CANADA, INC.

**ONTARIO
SUPERIOR COURT OF JUSTICE
-In Bankruptcy**

Proceeding commenced at Toronto

**MOTION RECORD
(Returnable September 11, 2013)**

GOODMANS LLP

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