



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

THE HONOURABLE

MR. JUSTICE FARLEY

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TUESDAY THE 2nd DAY OF

AUGUST, 2005

IN THE MATTER OF SECTION 18.6 OF THE
COMPANIES' CREDITORS ARRANGEMENT ACT,
R.S.C. 1985, c. C-36

AND IN THE MATTER OF
ALLIED HOLDINGS, INC. AND THOSE SUBSIDIARIES
LISTED ON SCHEDULE "A" HERETO

Applicants

ORDER

THIS APPLICATION made by the Applicants for an order:

- (a) dispensing with service of the Notice of Application and Application Record herein on any interested party;
- (b) recognizing the proceedings commenced by the Applicants on August 1, 2005 before the United States Bankruptcy Court Northern District of Georgia, Newnan Division (the "**U.S. Court**") for protection under Chapter 11 of the United States Bankruptcy Code (the "**U.S. Proceedings**") as a "foreign proceeding" for the purposes of section 18.6 of the *Companies' Creditors Arrangement Act*, R.S.C., 1985, chapter C-36, as amended (the "**CCAA**");
- (c) staying all proceedings and remedies taken or that might be taken in Canada in respect of the Applicants or any of their property; and

- (d) granting certain other ancillary relief;

was heard this day at 393 University Avenue, Toronto, Ontario.

ON READING (i) the Notice of Application, and (ii) the Affidavit of Thomas H. King sworn August 2, 2005 and the exhibit thereto (the "**King Affidavit**"), all filed; on hearing the submissions of counsel for the Applicants; upon being advised that no person who might be interested in these proceedings other than General Electric Capital Corporation (the "**Lender**") which was served with the Notice of Application and Application Record herein; and on being satisfied that circumstances exist that make this Order appropriate;

Service

1. **THIS COURT ORDERS** that the time for service of the Notice of Application and the Application Record in support of this Application be and it is hereby abridged such that this Application is properly returnable today and further that service thereof upon any person other than the persons served with the Application Record herein be and it is hereby dispensed with.

Recognition of the U.S. Proceedings

2. **THIS COURT DECLARES** that the U.S. Proceedings be and it is hereby recognized as a "foreign proceeding" for the purposes of section 18.6 of the CCAA.
3. **THIS COURT DECLARES** that the Applicants are companies that are entitled to relief under section 18.6 of the CCAA.

Stay of Proceedings

4. **THIS COURT ORDERS** that the orders made in the U.S. Proceeding, including those orders described in the King Affidavit and listed in Schedule "B" to this Order are hereby recognized in their entirety and shall have effect throughout

Canada as if they were orders of this Court made in proceedings under the CCAA.

5. **THIS COURT ORDERS** that, until and including October 3, 2005, or such later date as the Court may order (the “**Stay Period**”, and the period from the date hereof to the Stay Date being referred to as the “**Stay Period**”), no suit, application, proceeding, enforcement process, right or remedy (judicial or extra-judicial, statutory or non-statutory) shall be commenced, proceeded with or continued in Canada (collectively, the “**Proceedings**”) by any person, firm, corporation, government, administrative or regulatory body or other entity or organization (including, without limitation, any former, existing or future shareholders, creditors, customers, suppliers, employees, pensioners, unions, regulators, contracting parties, lessors, licensors, co-venturers or partners of any of the Applicants) (collectively, “**Persons**” and individually a “**Person**”) against or in respect of any of the Applicants or any of the present or future property, assets, rights, undertaking, estate and effects of any nature of any of the Applicants wheresoever located, and whether held directly or indirectly, as principal or nominee, beneficially or otherwise (collectively, the “**Property**”), and all Proceedings already commenced against or in respect of the Applicants or any of the Property are hereby stayed and suspended and the continuation thereof is restrained unless the prior written consent of the applicable Applicant is obtained or leave of this Court is granted.
6. **THIS COURT ORDERS** that, during the Stay Period, the right of any Person;
 - (a) to commence or continue realization steps or proceedings in Canada in respect of any security interest, encumbrance, lien, charge, mortgage or other security held in relation to, or any trust attaching to, any of the Property (including, without limitation, the right of any Person to take any step in asserting or perfecting any right or interest therein or to exercise any right of registration of securities, distress, seizure, repossession, revendication, stoppage in transit, foreclosure or sale); and

- (b) to assert, enforce or exercise in Canada any right, option or remedy available to it arising by law, under any agreement or otherwise (including, without limitation, any right under section 224(1.2) of the *Income Tax Act* (Canada) or substantially similar provision under provincial law (subject to any applicable provisions of the CCAA); any right of dilution, buy-out, divestiture, forced sale, demand, acceleration, termination, suspension, modification, cancellation, set-off or consolidation of accounts; any right of first refusal; any right to give notice of assignment of a claim; or any right to revoke any qualification or registration), against or in respect of any of the Applicants or any of the Property or arising out of, relating to or triggered by the occurrence of any default or non-performance by or the insolvency of any of the Applicants, the making of filing of these proceedings, the U.S. Proceedings, or any allegation, admission or evidence in these proceedings, or in the U.S. Proceedings.

is hereby stayed and restrained unless (a) the prior written consent of both the Applicant and the Lender is obtained or (b) leave of this Court is granted.

7. **THIS COURT ORDERS** that, without limiting the generality of paragraph 4, cash or cash equivalents placed on deposit by an Applicant with any Person during the Stay Period, whether in an operating account or otherwise and whether for its own account or for the account of any other entity, shall not be applied by such Person in reduction or repayment of amounts owing to such Person as of the date of this Order or which may become due on or before the expiry of the Stay Period or in satisfaction of any interest or charges accruing in respect thereof, provided that nothing in this paragraph 6 shall prevent any financial institution from (i) reimbursing itself for the amount of any cheques drawn by an Applicant and properly honoured by the financial institution, or (ii) holding the amount of any cheques or other instruments deposited into an Applicant's account until those cheques or other instruments have been honoured by the financial institution on which they have been drawn.

8. **THIS COURT ORDERS** that, during the Stay Period, all Persons having agreements or other arrangements with any of the Applicants or in connection with any of the Property, whether written or oral (including, without limitation, contracts for the supply of goods or services to or by any of the Applicants, insurance policies, outsourcing agreements, commercial leases, equipment leases and licenses):

- (a) are hereby restrained from accelerating, terminating, cancelling, suspending, withdrawing, failing to renew or extend on reasonable terms, modifying or otherwise interfering with such agreements or other arrangements or the rights of such Applicant or any other Person thereunder or exercising any other remedy provided for such agreements or arrangements, including without limitation any licenses, permits, approvals or consents in respect of such Applicant or in connection with such Property, and without limitation to the foregoing, the operation of any provision of any such agreement or other arrangement that purports to accelerate, terminate, cancel, suspend or modify such agreement or arrangement as a result of the occurrence of any default or non-performance by or the insolvency of any of the Applicants, the making or filing of these proceedings or the U.S. Proceedings or any allegation, admission or evidence in these proceedings, or the U.S. Proceedings is hereby stayed and restrained;
- (b) are hereby restrained from modifying, discontinuing or otherwise interfering with the supply of any goods, service, or other benefit by or to such Person thereunder (including, without limitation, any modification of, discontinuance of or interference with any telephone numbers, any directors' and officers' insurance, any form of telecommunications service or any oil, gas, electricity or other utility supply); and
- (c) shall continue to perform and observe the terms and conditions contained in such agreements or other arrangements (including, without limitation,

the payment of all sums to be paid in respect of services performed or to be performed by an Applicant),

so long as such Applicant pays the normal prices or charges for such goods and services received after the date of this Order as such prices or charges become due in accordance with present payment practices or as may be hereafter negotiated (other than deposits, stand-by fees or similar items which such Applicant shall not be required to pay), unless (a) the prior written consent of the applicable Applicant and the Lender is obtained or (b) the leave of this Court is granted.

- 8A. **THIS COURT ORDERS** that, notwithstanding any provision of this Order and the effect of the U.S. Proceedings and any orders made therein, the stay of proceedings shall not prevent the initiation or continuation of any grievance filed by or on behalf of any union member; provided, however, any enforcement of any monetary award made in any grievance shall be subject to the stays of proceedings confirmed and recognized by this Order.
9. **THIS COURT ORDERS** that, during the Stay Period, no landlord of any of the Applicants shall:
- (a) exercise any right to terminate or accelerate rent due under a lease with such Applicant;
 - (b) interfere with the quiet possession of real property by such Applicant;
 - (c) exercise any right of distraint, or take possession of any premises leased to such Applicant;
 - (d) interfere with the removal of inventory, chattels and equipment from premises leased by such Applicant; or
 - (e) hinder in any way the orderly liquidation of any Property from premises leased by such Applicant,

all subject to paragraph 9 hereof for the period commencing with the date of this Order and while such Applicant enjoys actual occupation of leased premises, at the presently payable rental rate calculated on a *per diem* basis, or otherwise as may be negotiated by such Applicant from time to time.

10. **THIS COURT ORDERS** that the provisions of the Emergency Interim Order authorizing the debtors to obtain post-petition financing pursuant to section 364 of the Bankruptcy Code of the United States made in the U.S. Proceedings (the “**DIP Order**”) shall apply and shall be enforced throughout Canada as if the DIP Order was an order of this Court. For greater certainty, upon execution and delivery of the DIP Facility Documents (as defined in the DIP Order):
- (a) the DIP Facility Documents shall constitute legal, valid, and binding obligations of the Applicants as parties thereto, enforceable against each Applicant in accordance with their terms and the DIP Order;
 - (b) the DIP Facility Liens (as defined in the DIP Order) granted in and pursuant to the DIP Order to the DIP Facility Collateral Agent (as defined in the DIP Order), on behalf of itself and the DIP Facilities Lenders (as defined in the DIP Order) on and in respect of all of the assets, undertaking and property of the Applicants as security for all of the Applicants’ Obligations and Postpetition Indebtedness (as defined in the DIP Order) arising under the DIP Facility and the DIP Facility Documents are hereby recognized and confirmed and shall be fully enforceable throughout Canada as if they were granted by an order of this Court made in proceedings under the *Companies’ Creditors Arrangement Act* and shall be payable from and with recourse to, in addition to the Collateral (as defined in the DIP Order), any unencumbered prepetition or postpetition property of the Applicants whether now existing or hereafter arising;
 - (c) the DIP Facility Liens shall be effective throughout Canada upon the date of this Order and without the necessity of the execution by the Applicants

or the filing or recordation of mortgages, security agreements, lock box agreements, financing statements, or otherwise;

(d) the DIP Facility Liens recognized and confirmed herein shall rank in priority to the Prepetition Liens (as defined in the DIP Order) and upon entry of the Final Order (as defined in the DIP Order), the Prepetition Liens shall be deemed extinguished.

11. **THIS COURT ORDERS** that to the extent any rights or obligations, or time or limitation periods (including, without limitation, the time to file grievances), relating to an Applicant or any of the Property may expire or terminate with the passage of time (other than the term of any lease of real property), the term of such rights or obligations or time or limitation periods shall hereby be deemed to be extended by a period equal to the Stay Period and, without limitation to the foregoing, in the event that an Applicant becomes bankrupt or a receiver within the meaning of section 243(2) of the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") is appointed in respect of an Applicant, the period between the date of this Order and the day on which the Stay Period in respect of such Applicant ends shall not be calculated in determining the 30-day periods referred to in sections 81.1 and 81.2 of the BIA.
12. **THIS COURT ORDERS** that no Person may commence or continue any action, suit or other proceeding against any former, present or future director or officer of an Applicant or any other person by applicable legislation that is deemed to be or is treated similar to a director of an Applicant or that presently or in the future manages the business and affairs of an Applicant (each, a "**Director**", and collectively the "**Directors**") in respect of any claim against such Director that arose before the commencement of these proceedings and that relates to obligations of such Applicant where such Director is or is alleged to be, under any law, liable in his or her capacity as such for the payment of such obligations until further order of this Court, if one is filed, is sanctioned by the Court or is refused by the creditors or the Court.

13. **THIS COURT ORDERS** that no Person shall commence or continue any proceeding against any of the directors, officers, employees, legal counsel or financial advisers of the Applicants, without first obtaining leave of this Court, upon seven (7) days written notice to the Applicants' counsel of record and to all those referred to in this paragraph whom it is proposed be named in such proceedings.

Information Officer

14. **THIS COURT ORDERS** that the Applicants shall appoint Rea Godbold of Grant Thornton Limited, or such other senior officer of Grant Thornton Limited or of the Applicants as the Applicants deem appropriate from time to time, as an information officer for the purposes of these proceedings and this Order (the "**Information Officer**"), subject to the following duties and terms:

- (a) the Information Officer shall deliver to the Court a report signed by the Information Officer, at least once every three months or at such other times as the Court may order or the Applicants and the Information Officer consider appropriate, summarizing the status of the U.S. Proceedings and such other information as the Information Officer believes to be material in connection therewith or as ordered by the Court (the "**Information Reports**"); and
- (b) the Applicants and the Information Officer shall incur no liability or obligations as a result of the appointment of the Information Officer or the fulfillment by the Information Officer of his or her duties in connection with this Order, and no action or other proceeding shall be commenced against the Applicants or the Information Officer as a result of or relating in any way to the appointment of the Information Officer or the fulfillment by the Information Officer of his or her duties, except with prior leave of this Court and upon further order securing the costs of the Information Officer and the Applicants, on a solicitor and his own client basis, in connection with any such action or proceeding; and

- (c) the Information Officer shall provide to the Lender or its counsel or agents (collectively, the “**Lender Parties**”) such information regarding the Applicants as the Lender Parties may request from time to time acting reasonably.

General Terms

- 15. **THIS COURT ORDERS** that the Applicants shall, within 15 business days of the date of entry of this Order, publish a notice of this Order in substantially the form attached as Schedule “C” hereto on two separate days in the *Globe & Mail* (National Edition) and the *National Post*.
- 16. **THIS COURT ORDERS** that the Applicants be at liberty to:
 - (a) serve this Order, any other order in this proceedings, and all notices and other communications in connection therewith, by forwarding true copies thereof by prepaid ordinary mail, courier, personal delivery or electronic transmissions to persons at their addresses as last shown on the records of the relevant Applicant and that any such service or notice by courier, personal delivery or electronic transmission shall be deemed to be received on the next business day following the date thereof, or if sent by prepaid ordinary mail, 3 business days after mailing; and
 - (b) take such additional proceedings under the CCAA, or such other proceedings under the *Bankruptcy and Insolvency Act*, R.S.C. 1985, chapter B-3, as amended or the *Winding-up and Restructuring Act*, R.S.C. 1985, chapter W-11, as amended, as may be permitted by such statutes and as the Applicants at any time deem appropriate.
- 17. **THIS COURT ORDERS** that notwithstanding anything else contained herein, the Applicants may, by written consent of their counsel of record herein, agree to waive any of the protections provided to the Applicants herein.

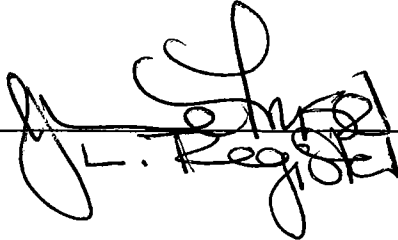
18. **THIS COURT ORDERS** that notwithstanding any other provision of this Order, any interested person may apply to this Court to vary or rescind this Order or seek other relief upon seven (7) days notice to the Applicants and to any other party likely to be affected by the order sought, except in the case of the Lender which may apply to this Court upon three (3) business days notice, or upon such other notice, if any, as this Court may order.
19. **THIS COURT ORDERS** that the Applicants may, from time to time, apply to this Court for directions in the discharge of their powers and duties hereunder or in respect of the proper execution of this Order.
20. **THIS COURT ORDERS** that this Order and the proceedings in this Application leading to the making of this Order, including the contents of any affidavit filed in this Application, shall not, in and of themselves, constitute or be relied upon in evidence or otherwise as constituting a default or failure to comply by the Applicants or any firm, person or corporation owned by or related to any of the Applicants with any statute, regulation, licence, permit, contract, permission, covenant, agreement, undertaking or other instrument or requirement.
21. **THIS COURT SEEKS AND REQUESTS** the aid and recognition of any court or any judicial, regulatory or administrative body in any province of Canada and the Federal Court of Canada and any judicial, regulatory or administrative tribunal or other court constituted pursuant to the Parliament of Canada or the legislature of any province and any court or any judicial, regulatory or administrative body of the United States and the states or other subdivisions of the United States and states and other subdivisions of any other nation or state to act in aid of and to be complementary to this Court in carrying out the terms of this Order.

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

AUG 5 - 2005

PER/PAR:

NB


J. L. Register

SCHEDULE "A"

Allied Automotive Group, Inc.

Allied Systems, Ltd. (L.P.)

Allied Systems (Canada) Company

QAT, Inc.

RMX LLC

Transport Support LLC

F. J. Boutell Driveaway LLC

Allied Freight Broker LLC

GACS Incorporated

Commercial Carriers, Inc.

Axis Group, Inc.

Kar-Tainer International LLC

Axis Netherlands, LLC

Axis Areta, LLC

Logistic Technology, LLC

Logistic Systems, LLC

CT Services Inc.

Cordin Transport LLC

Terminal Services LLC

Axis Canada Company

Ace Operations, LLC

AH Industries, Inc.

SCHEDULE "B"

1. Emergency Interim Order, among other things, authorizing the Applicants to Obtain Postpetition Financing dated August 1, 2005
2. Order authorizing the Applicants to, among other things, Maintain Existing Bank Accounts and Cash Management System dated August 1, 2005
3. Stipulation and Order authorizing Limited Use of Cash Collateral dated August 1, 2005

SCHEDULE "C"

NOTICE

**ALLIED HOLDINGS, INC.
ALLIED SYSTEMS (CANADA) COMPANY
AXIS CANADA COMPANY
AH INDUSTRIES, INC.
AND THOSE OTHER SUBSIDIARIES LISTED BELOW**

Applicants

This notice is being published pursuant to an Order of the Superior Court of Justice of Ontario made August 2, 2005 (the "**Canadian Order**"). The Applicants have filed for protection in the United States under Chapter 11 of the United States Bankruptcy Code (the "**U.S. Proceedings**") and have sought and obtained the Canadian Order under section 18.6 of the CCAA, granting a stay of proceedings against the Applicants and their property (the "**Canadian Proceedings**"). Further relief may be sought in the future by the Applicants pursuant to the CCAA or otherwise, as considered necessary or appropriate by the Applicants, to facilitate their restructuring pursuant to the U.S. Proceedings and otherwise.

Any person who wishes to be a party to the Canadian Proceedings or wants to receive a copy of the Canadian Order or any further information should visit www.gowlings.com/restructuring/Allied and/or contact Canadian counsel for the Applicants as follows:

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Counsel for Allied Holdings Inc.; Allied Systems (Canada) Company; Axis Canada Company; AH Industries Inc.; Allied Automotive Group, Inc.; Allied Systems, Ltd. (L.P.); QAT, Inc.; RMX LLC; Transport Support LLC; F. J. Boutell Driveaway LLC; Allied Freight Broker LLC; GACS Incorporated; Commercial Carriers, Inc.; Axis Group, Inc.; Kar-Tainer International LLC; Axis Netherlands, LLC; Axis Areta, LLC; Logistic Technology, LLC; Logistic Systems, LLC; CT Services Inc.; Cordin Transport LLC; Terminal Services LLC; Ace Operations, LLC

DATED this ■ day of ■, 2005 at Toronto, Canada.

Court File No. 05-CL-6007

IN THE MATTER OF SECTION 18.6 OF THE COMPANIES' CREDITORS ARRANGEMENT ACT, R.S.C. 1985, c. C-36
AND IN THE MATTER OF ALLIED HOLDINGS, INC. AND THOSE SUBSIDIARIES LISTED ON SCHEDULE "A" HERETO

**ONTARIO
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

ORDER

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