

Court File No. 05-CL-6007

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

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

**AFFIDAVIT OF CHRISTINA EPP**  
(sworn September 29, 2005)

I, **Christina Epp**, of the City of Toronto, in the Province of Ontario, **MAKE OATH AND SAY:**

1. I am an assistant to one of the professionals, Heath Whiteley, at the law firm of Gowling Lafleur Henderson LLP ("**Gowlings**"), counsel to the applicants in the within proceeding. As such I have knowledge of the matters hereinafter deposed to.

**Purpose of the Affidavit**

2. I swear this affidavit in support of a motion by the applicants for an order under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "**CCAA**"), substantially in the form attached as Schedule "B" to the Notice of Motion, seeking, among other things, an extension of the stay of proceedings.
3. I am advised by Heath Whiteley and verily believe that:

- (a) on July 31, 2005, the Debtors filed voluntary petitions for relief pursuant to Chapter 11 of the *United States Bankruptcy Code* (the "**U.S. Proceedings**").
- (b) On August 1, 2005, the applicants sought and obtained various first day orders (collectively, the "**First Day Orders**") from the *United States Bankruptcy Court* Northern District of Georgia, Newnan Division (the "**U.S. Court**") which provided additional protection to the applicants and addressed other administrative matters.
- (c) On August 2, 2005, the applicants sought and obtained an order (the "**Initial CCAA Recognition Order**") from this Honourable Court, among other things, recognizing: (a) the U.S. Proceedings as "foreign proceedings" as defined by section 18.6 of the *Companies' Creditors Arrangement Act*, R.S.C., 1985, chapter C-26, as amended (the "**CCAA**"); and (b) three of the First Day Orders. Attached and marked as **Exhibit "A"** hereto is a true copy of the Initial CCAA Recognition Order.
- (d) On August 24, 2005, the Debtors sought and obtained a "Final Order" from the U.S. Court which, among other things, authorizing the Applicants to obtain post petition financing (the "**Financing Order**").
- (e) On August 31, 2005, the applicants sought and obtained an order from this Honourable Court, among other things, recognizing the Financing Order. Attached and marked as **Exhibit "B"** hereto is a true copy of the Order dated August 31, 2005.

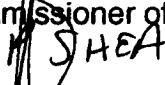
#### **Extension of Stay of Proceedings**

- 4. By motion request form faxed Friday, September 23, 2005, counsel for the Debtors requested a hearing date on Friday, September 30<sup>th</sup> or Monday, October 3<sup>rd</sup> to obtain an order extending the stay of proceedings. Attached and marked as **Exhibit "C"** hereto is a true copy of the motion request form.

5. I am informed by Mr. Whiteley and believe that he left a voicemail message for the Commercial List court office in the afternoon on Monday, September 26<sup>th</sup> inquiring about the status of motion request.
6. At the request of Mr. Whiteley, I left a voicemail message for the Commercial List court office in the afternoon on Tuesday, September 27<sup>th</sup> inquiring about the status of the motion request.
7. I then directed Chris Nichols, a law clerk at Gowlings to attend at the Commercial List court office counter in the morning of Wednesday, September 28<sup>th</sup> and inquire about the status of the motion request.
8. By letter dated September 28, 2005, Mr. Whiteley wrote to the Commercial List court office inquiring about the status of the request form. Attached and marked as **Exhibit "D"** hereto is a true copy of this correspondence.
9. I am further informed by Mr. Nichols and believe that at the request of Mr. Whiteley he re-attended at the Commercial List court office counter in the morning of Thursday, September 29<sup>th</sup> and was told that the motion was scheduled for Friday, September 30, 2005. Mr. Nichols relayed this information to Mr. Whiteley.
10. As a result, there is insufficient time to serve the motion materials. The Debtors wish to ensure that all parties in Canada receive proper notice.
11. I swear this affidavit in support of a motion by the Debtors in the within proceeding for an order extending the stay of proceedings for a slot period so that stakeholders can be provided with notice of the motion and for no other or improper purpose.

SWORN BEFORE ME at the City of Toronto in the Province of Ontario, this 29<sup>th</sup> day of September, 2005 )  
 )  
 )  
 )  
 )

  
 \_\_\_\_\_  
**CHRISTINA EPP**

Commissioner of Oaths  


**SCHEDULE "A"**

Ace Operations, LLC  
AH Industries Inc.  
Allied Holdings, Inc.  
Allied Automotive Group, Inc.  
Allied Systems (Canada) Company  
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  
Axis Canada Company  
Logistic Technology, LLC  
Logistic Systems, LLC  
CT Services, Inc.  
Cordin Transport LLC  
Terminal Services LLC

*This is Exhibit " A " referred to in the*  
*Affidavit of \_\_\_\_\_ CHRISTINA EPP \_\_\_\_\_*  
*sworn before me, this 29<sup>th</sup> day*  
*of September, 2005.*

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*A Commissioner for Taking Oaths, etc.*



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

THE HONOURABLE

MR. JUSTICE FARLEY

)  
)  
)

TUESDAY THE 2<sup>nd</sup> 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, Newman 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.

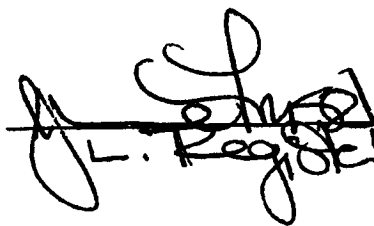
18. **THIS COURT ORDERS** that notwithstanding any other provision of this Order, any interested person may apply to this Court to vary or rescind this Order or seek other relief upon seven (7) days notice to the Applicants and to any other party likely to be affected by the order sought, except in the 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 A TORONTO  
ON / BOOK NO:  
LE / DANS LE REGISTRE NO.:

AUG 5 - 2005

PER/PAR:

NB

  
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](http://www.gowlings.com/restructuring/Allied) and/or contact Canadian counsel for the Applicants as follows:

**GOWLING LAFLEUR HENDERSON LLP**

Barristers &amp; Solicitors

Suite 4900, Commerce Court West

Toronto, Ontario M5L 1J3

John M. Whyte: (416) 862-5702; [john.whyte@gowlings.com](mailto:john.whyte@gowlings.com)Heath P.L. Whiteley: (416) 862-4400; [heath.whiteley@gowlings.com](mailto:heath.whiteley@gowlings.com)E. Patrick Shea: (416) 369-7399; [patrick.shea@gowlings.com](mailto:patrick.shea@gowlings.com)

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.

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

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

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**ORDER**

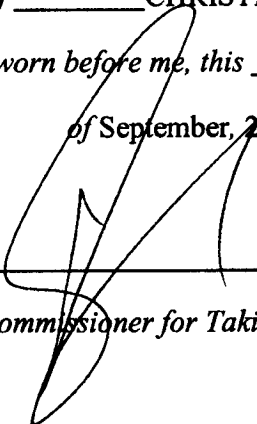
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**GOWLING LAFLEUR HENDERSON LLP**  
Barristers & Solicitors  
4900 - Commerce Court West  
Toronto, ON M5L 1J3

**Heath P.L. Whiteley**  
LSUC No. 38528P  
Tel: (416) 862-4400  
Fax: (416) 862-7661 (fax)

Solicitors for the Applicants

This is Exhibit "B" referred to in the  
Affidavit of CHRISTINA EPP  
sworn before me, this 29<sup>th</sup> day  
of September, 2005.



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A Commissioner for Taking Oaths, etc.

Court File No. 05-CL-6007

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

|                     |   |                                       |
|---------------------|---|---------------------------------------|
| THE HONOURABLE      | ) | WEDNESDAY THE 31 <sup>ST</sup> DAY OF |
|                     | ) |                                       |
| MADAM JUSTICE GREER | ) | 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 MOTION** made by the Applicants for an order:

- (a) dispensing with service of the Notice of Motion and Motion Record herein on any interested party; and
- (b) recognizing certain of the "First Day Orders" made by the United States Bankruptcy Court Northern District of Georgia, Newnan Division (the "**U.S. Court**") on August 1, 2005;
- (c) recognizing the order made by the U.S. Court on August 24, 2005, among other things, authorizing the Applicants to obtain post petition financing (the "**Financing Order**");
- (d) recognizing the DIP Lender Charge (as that term is hereinafter defined) over and in respect of the Collateral (as that term is defined in the Financing Order); and

- (e) granting certain other ancillary relief;

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

**ON READING** (i) the Notice of Motion, and (ii) the Affidavit of E. Patrick Shea sworn August 30, 2005 and the exhibits thereto (the "**Shea Affidavit**"), filed; on hearing the submissions of counsel for the Applicants and counsel for General Electric Capital Corporation ("**GE Capital**"); 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 Motion and the Motion Record in support of this motion be and it is hereby abridged such that this Motion is properly returnable today and further that service thereof upon any person other than the persons served with the Motion Record herein be and it is hereby dispensed with.

### **Recognition of the Financing Order and Other First Day Orders**

2. **THIS COURT ORDERS** that the Financing Order and those orders described in the Shea Affidavit and listed in Schedule "B" to this Order be and they 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.
3. **THIS COURT FURTHER ORDERS** that the Financing Order and those orders described in the Shea Affidavit and listed in Schedule "B" to this Order are binding upon all persons with any interest in the within proceedings.

### **DIP Lender Charge**

4. **THIS COURT ORDERS** that the liens, security interests, mortgages and charges granted to GE Capital, Morgan Stanley Senior Funding, Inc. and Marathon Structured Finance Fund, L.P. (collectively, the "**DIP Lenders**") by the U.S. Court as security for the payment and performance of all obligations of the Applicants

under the debtor-in-possession credit facility (the "**DIP Facility**") established by the Financing Order are hereby recognized, constituted and confirmed as fixed, specific, floating and continuing liens, security interests, mortgages and charges (collectively, the "**DIP Lender Charge**") in, on and against all of the Collateral (as that term is defined in the Financing Order).

5. **THIS COURT ORDERS** that each of the Applicants are hereby authorized and empowered to incur the obligations under and in accordance with the terms of the DIP Facility.
6. **THIS COURT ORDERS** that the DIP Lenders shall not be required to file, register, record or perfect the DIP Lender Charge in any Canadian jurisdiction.
7. **THIS COURT ORDERS** that the DIP Lender Charge shall have priority in Canada over all present and future fixed or floating liens, charges, mortgages, hypothecs, security interests, pledges or other encumbrances attaching to the Collateral, subject and subordinate only to: (i) the "**Indemnification Fund**"; (ii) the "**LC Fund**"; (iii) all collateral encumbered by Senior Claims not primed by entry of the Financing Order; and (iv) the "**Carve-Out**" (as each of those terms is defined in the Financing Order); contemplated under the Financing Order and subject to encumbrances arising by operation of law without any grant of a security interest by such Applicant and that are given priority over prior fixed charges by Canadian statute law in the event of a bankruptcy of such Applicant.
8. **THIS COURT ORDERS** that the obligations of the Applicants pursuant to the DIP Facility and all documents delivered pursuant thereto constitute legal, valid and binding obligations of the Applicants enforceable against them in accordance with the terms thereof, and the payments made and security granted by the Applicants pursuant to such documents do not constitute fraudulent preferences or other challengeable or reviewable transactions under any applicable law in Canada.

9. **THIS COURT ORDERS** that the DIP Lender Charge shall be deemed to be valid and effective notwithstanding any negative covenants, prohibitions or other similar provisions with respect to incurring debt or the creation of liens or securities contained in any existing agreement between the Applicants and any lender and that notwithstanding any provision to the contrary in such agreements,
- (a) the executions, delivery, perfection or registration of the DIP Lender Charge shall not create or be deemed to constitute a breach by the Applicants of any agreement to which any of the Applicants is a party, and
  - (b) the DIP Lender shall have no liability to any person whatsoever as a result of any breach of any agreement caused by or resulting from the Applicants entering into the DIP Facility or other document delivered pursuant thereto.



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

AUG 3 1 2005

PER/PAR:



**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 Driveway 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. Order authorizing the Applicants to, among other things, Continue Financing Arrangements for Insurance Premiums
2. Order authorizing Payment of Pre-Petition Wages, Payroll Taxes, Certain Employee Benefits and Related Expenses
3. Order Directing Joint Administration of Cases
4. Order, among other things, Deeming Utilities Adequately Assured of Payment
5. Order authorizing the Applicants to Honor Certain Pre-Petition Cargo Claims
6. Order authorizing Continued Maintenance and Payment of Obligations with respect to the Applicants' Insurance Programs
7. Order granting Administrative Expense Status to Applicants' Undisputed Obligations Arising from Post-Petition Delivery of Goods and Services
8. Order authorizing Payment of Pre-Petition Claims of Certain Critical Vendors and Service Providers
9. Order, among other things, authorizing Payment of Pre-Petition Customs Duties

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**

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

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**O R D E R**

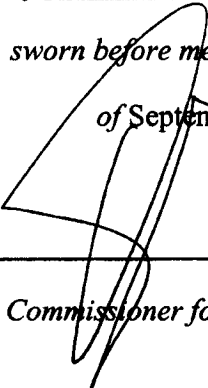
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**GOWLING LAFLEUR HENDERSON LLP**  
Barristers & Solicitors  
1600 – First Canadian Place  
Toronto, ON M5X 1G5

**Heath P.L. Whiteley**  
LSUC No. 38528P  
Tel: (416) 862-4400  
Fax: (416) 863-3403

Solicitors for the Applicants

*This is Exhibit " C " referred to in the*  
*Affidavit of \_\_\_\_\_ CHRISTINA EPP \_\_\_\_\_*  
*sworn before me, this 29<sup>th</sup> day*  
*of September, 2005.*



---

*A Commissioner for Taking Oaths, etc.*

Commercial List Court File No.  
(To be filled in by office)  
General Court File Nos. 05-CL-6007  
(To be filled in by counsel)  
Weekly Court File No.  
(To be filled in by counsel)

**ONTARIO COURT (GENERAL DIVISION) - COMMERCIAL LIST  
REQUEST FORM - CONTINUING MATTER**

A. Short Title of Proceedings:

**IN THE MATTER OF ALLIED HOLDINGS et al**

B. The estimated time for the hearing of this matter is 40 minutes.

C. The nature of this hearing is:

**This is a motion to, among other things, extend the stay of proceedings from October 3, 2005.**

D. State the date(s) and time(s) for hearing the matter that has (have) been arranged with other counsel:

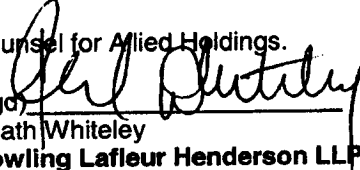
- (a) **September 30, 2005**
- (b) **October 3, 2005**
- (c)

E. Specify when this matter was last dealt with on the Commercial List and by what judge or other judicial official. Advise of any known judicial conflict.

**On August 31, 2005 before Madam Justice Greer.**

F. The following materials will be necessary for the matter to be considered. (It is the responsibility of the counsel to confirm that the proper materials are available for the Court).

**Motion Record of Allied Holdings, to be filed.**

Counsel for Allied Holdings.  
  
 (sgc)  
 Heath Whiteley  
**Gowling Lafleur Henderson LLP**  
 Barristers & Solicitors  
 Suite 4900, Commerce Court West  
 Toronto, Ontario  
 Tel: **(416) 862-4400**  
 Fax: **(416) 862-7661**

---

Request Form  
to be submitted to:

Commercial List Office

(c/o Bankruptcy Court Office)  
10th Floor, 393 University Avenue  
Toronto, Ontario  
Telephone: (416) 327-5044  
Fax: (416) 327-6228

TOR\_LAW\6108885\1

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Gowling Lafleur Henderson LLP Barristers & Solicitors Patent & Trade Mark Agents



Suite 4900  
Commerce Court West  
Toronto, Ontario  
Canada M5L 1J3  
Telephone (416) 862-7525  
Facsimile (416) 862-7661  
www.gowlings.com

Heath Whiteley  
Direct (416) 862-4400  
Assistant (416) 862-3594  
heath.whiteley@gowlings.com

# Facsimile

Please deliver immediately

Date September 23, 2005

Re Allied

is T927136.16

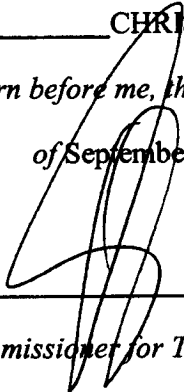
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| Name                   | Firm                        | Facsimile      | Telephone      |
|------------------------|-----------------------------|----------------|----------------|
| Commercial List Office | c/o Bankruptcy Court Office | (416) 327-6228 | (416) 327-5044 |

Message

This is Exhibit "   A   " referred to in the  
Affidavit of           CHRISTINA EPP            
sworn before me, this   29<sup>th</sup>   day  
of September, 2005.  
  
\_\_\_\_\_  
A Commissioner for Taking Oaths, etc.



Suite 1600  
1 First Canadian Place  
100 King Street West  
Toronto, Ontario  
Canada M5X 1G5  
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Facsimile (416) 862-7661  
www.gowlings.com

**Heath P.L. Whiteley**

September 28, 2005

Direct (416) 862-4400  
Direct Fax (416) 863-3403  
Assistant LetterheadAsst

**VIA FACSIMILE**

Commercial List  
393 University Avenue, 10th Floor  
Toronto, Ontario  
M5G 1E6  
Attention: Joe/Natasha

Dear Sir/Madams:

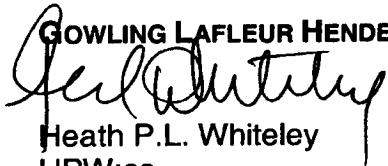
**Re: In the Matter of Allied Holdings et al**  
**Court File No. 05-CL-6007**

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Further to our Motion Request Form (which was sent to your office by facsimile on Friday, September 23, 2005) and further to our voicemails of Monday and Tuesday of this week, can you please advise if we are scheduled for a motion on Friday, September 30, 2005 or Monday, October 3, 2005 as requested. The stay of proceedings is set to expire on October 3, 2005.

I attach a copy of the Motion Request Form for your reference.

Sincerely,

**GOWLING LAFLEUR HENDERSON LLP**  
  
Heath P.L. Whiteley  
HPW:ce

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\*\*\* TX REPORT \*\*\*  
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Gowling Lafleur Henderson LLP Barristers & Solicitors Patent & Trade Mark Agents



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Commerce Court West  
Toronto, Ontario  
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**Heath Whiteley**  
Direct (416) 862-4400  
Assistant (416)862-3594  
heath.whiteley@gowlings.com

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Date September 28, 2005

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Re Allied le T927136.16

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Message

Commercial List Court File No.  
(To be filled in by office)  
General Court File Nos. 05-CL-6007  
(To be filled in by counsel)  
Weekly Court File No.  
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**ONTARIO COURT (GENERAL DIVISION) - COMMERCIAL LIST  
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- (a) **September 30, 2005**
- (b) **October 3, 2005**
- (c)

E. Specify when this matter was last dealt with on the Commercial List and by what judge or other judicial official. Advise of any known judicial conflict.

**On August 31, 2005 before Madam Justice Greer.**

F. The following materials will be necessary for the matter to be considered. (It is the responsibility of the counsel to confirm that the proper materials are available for the Court).

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Counsel for Allied Holdings.  
  
 (sgd) Heath Whiteley  
**Gowling Lafleur Henderson LLP**  
 Barristers & Solicitors  
 Suite 4900, Commerce Court West  
 Toronto, Ontario  
 Tel: (416) 862-4400  
 Fax: (416) 862-7661

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\*\*\* TX REPORT \*\*\*  
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Date September 23, 2005

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Message

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**ONTARIO  
SUPERIOR COURT OF JUSTICE**

Proceeding commenced at Toronto

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**AFFIDAVIT OF CHRISTINA EPP**

---

**GOWLING LAFLEUR HENDERSON LLP**  
Barristers & Solicitors  
Suite 1600, 1 First Canadian Place  
100 King Street West  
Toronto, ON M5X 1G5

**Heath P.L. Whiteley**  
LSUC No. 38528P  
Tel: (416) 862-4400  
Fax: (416) 863-3403

Solicitors for the Applicants