

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF GEORGIA
NEWNAN DIVISION

ENTERED ON DOCKET
NOV 16 2005

In re:

ALLIED HOLDINGS, INC., *et al.*

Debtors.

Chapter 11

Case Nos. 05-12515 through 05-12537
Jointly Administered

Judge Drake

FINAL ORDER GRANTING DEBTORS' SUPPLEMENTAL MOTION TO: (I) ENTER INTO A PREMIUM FINANCING ARRANGEMENT WITH FLATIRON CAPITAL CORPORATION AND AICCO, INC.; AND (II) EXECUTE OTHER POST-PETITION INSURANCE PREMIUM FINANCING AGREEMENTS

This matter came on for hearing on November 15, 2005, on the supplemental motion of Allied Holdings, Inc.¹ and its affiliates, as debtors and debtors-in-possession (collectively, the "Debtors" or "Allied"), for a supplemental order authorizing the Debtors to: (i) enter into a premium financing arrangement with Flatiron Capital Corporation ("Flatiron") and AICCO, Inc. ("AICCO"); and (ii) execute other post-petition insurance premium financing agreements (the "Supplemental Motion"). On October 12, 2005, this Court granted in part and continued in part the Supplemental Motion (the "First Order") (Doc. No. 414). In the First Order, the Court authorized the Debtor to enter into certain premium financing agreements with Flatiron and AICCO.

The Court has considered the remainder of the relief requested in the Supplemental Motion and the matters reflected in the record of the hearing held on the Supplemental Motion. It appears that the Court has jurisdiction over this proceeding; that this is a core proceeding; that

¹ In addition to Allied Holdings, Inc., the following entities are debtors in these related cases: 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, and AH Industries Inc.

notice of this Supplemental Motion has been provided to those entities on the Master Service List (as such term is defined in the Order Establishing Notice Procedures entered on August 2, 2005 in these jointly administered cases), Flatiron and AICCO by U.S. Mail; that no further notice is necessary; that the relief sought in the Supplemental Motion is in the best interests of the Debtors, their estates, and their creditors; and good and sufficient cause exists for such relief.

Accordingly, it is hereby ORDERED as follows:

1. The Supplemental Motion is GRANTED IN ITS ENTIRETY. All capitalized terms not otherwise defined have the meanings ascribed to them in the Supplemental Motion and the First Order.

2. Subject to Paragraph 5 of this order (the "Order"), the Debtors are authorized, without further order of the Court, to (i) enter into and execute post-petition insurance premium financing agreements ("PFAs") with premium financing companies (the "Lenders"); and (ii) grant (a) a lien and security interest in any and all unearned or returned premiums that may become payable under such PFAs (the "Premium Collateral"), and (b) a lien and security interest to secure any loss payment under such PFAs but only to the extent such loss payments would reduce the unearned premiums (the "Loss Collateral"), subject to the interest of any mortgagees or other payees (interests in the Premium Collateral and Loss Collateral are, collectively, the "Interests"). The Lenders' Interests in the Premium Collateral and Loss Collateral shall be senior to the rights of the Debtors' estates and to the rights of any holder of a lien or security interest in the Debtors' assets. Furthermore, the Interests shall be considered duly perfected without further action by the Lenders. Upon the determination by the Bankruptcy Court that the Premium Collateral and/or Loss Collateral is insufficient to pay all amounts due and owing to a Lender under the applicable PFA, such Lender shall be granted a superior priority administrative

claim under Section 364(c)(1) of the Bankruptcy Code equal to the amount of such deficiency but subject to the Carve-Out, as defined in the Final Order on Debtor-in-Possession Financing (the "Financing Order") (Doc. No. 210).

3. In the event of the Debtors' default under a PFA, the applicable Lender, without moving for relief from the automatic stay under Section 362 of the Bankruptcy Code and without further order of this Court, may cancel the policies identified in the PFA and apply to the Debtors' account the unearned or returned premiums and, subject to the rights of loss payees, any loss payments that would reduce the unearned premiums; provided, however, that, prior to the exercise of any rights and remedies provided for in such PFA (including, without limitation, the right to cancel the policies identified in the PFA), the Lender shall be required to give ten (10) days written notice to the Debtors, their bankruptcy counsel, the Committee's counsel, and counsel for the post-petition secured lenders under the Financing Order. The Debtors and/or the Committee shall have the initial burden of proof at any hearing requested by the Debtors and/or the Committee for a re-imposition or continuance of the automatic stay; provided, further, that nothing contained herein shall constitute a waiver of the Debtors' and/or Committee's right to challenge the occurrence or existence of a default or shall prohibit the Debtors and/or the Committee from contesting, disputing or challenging the occurrence or existence of a default.

4. Subject to Paragraph 5 of this Order, any Lender that provides premium financing under the authority of this Order shall be entitled to the benefits of Section 364(e) of the Bankruptcy Code.

5. Five (5) days prior to entering into any PFA under the authority of this Order, the Debtors shall be required to provide to counsel for the Committee and counsel for the post-petition secured lenders under the Financing Order written notice of the terms and conditions of

the proposed PFA. If the Committee and/or the post-petition secured lenders under the Financing Order object to the proposed PFA in writing within five (5) days of receipt of the written notice and file such objection with this Court, this Court shall set the matter for hearing on the next available hearing date or such other date as may be agreed upon.

6. Every ninety (90) days (commencing ninety days from entry of this Order), the Debtors shall file a statement with the Court disclosing the terms and conditions of the PFAs entered into during the ninety (90) days since the last filed statement.

7. This Court shall retain jurisdiction with respect to all matters arising from or related to the implementation of this Order (including, without limitation, jurisdiction to hear and resolve any disputes and enter any order required by the provisions of Paragraph 3 of this Order and relating to the application, re-imposition or continuance of the automatic stay provided in Paragraph 3 of this Order).

8. Counsel for the Debtors is directed to cause a copy of this Order to be served upon all parties on the Master Service List (as such term is defined in the Order Establishing Notice Procedures entered on August 2, 2005 in these jointly administered cases), Flatiron and AICCO by U.S. Mail within three (3) days of entry of this Order and to file a certificate of service with the Clerk of the Court.

SO ORDERED this 16 day of November 2005.



W. Homer Drake
UNITED STATES BANKRUPTCY JUDGE

[SIGNATURES ON NEXT PAGE]

Prepared and presented by:

Harris Winsberg

Ezra H. Cohen (GA State Bar No. 173800)

Jeffrey W. Kelley (GA State Bar No. 412296)

Harris B. Winsberg (GA State Bar No. 770892)

TROUTMAN SANDERS LLP

Bank of America Plaza

600 Peachtree Street, N.E. - Suite 5200

Atlanta, Georgia 30308-2216

Telephone No.: (404) 885-3000

Facsimile No.: (404) 885-3900

CASE NO.: 05-12515

COUNSEL IS SERVING:

Karen Bristol

Karen Bristol

Courtroom Deputy Clerk to Judge Drake

November 16, 2005