UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN

In re:	:	**11 U.S.C. § 304**
IFC (Fasteners) Inc., et al.,	:	**Case No. 03-65608 (Jointly Administered)**
Debtors in Foreign Proceeding.	:	**Honorable Steven W. Rhodes**

ORDER GRANTING PERMANENT INJUNCTION AND RELATED RELIEF PURSUANT TO SECTION 304 OF THE BANKRUPTCY CODE

Upon the Petitions Pursuant to 11 U.S.C. § 304 to Commence a Case Ancillary to a Foreign Proceeding (the "304 Petitions") and the Motion Pursuant to Section 304 of the Bankruptcy Code and Rule 7065 of the Bankruptcy Rules for a Temporary Restraining Order and a Preliminary and Permanent Injunction (the "Motion") of Ernst & Young Inc. (the "Petitioner"), the foreign representative of Ivaco Inc. ("Ivaco"), IFC (Fasteners) Inc. ("IFC"), and Ivaco Rolling Mills Limited Partnership ("IRM"),[1] for entry of an order enjoining, among other things, the commencement or continuation of any action or proceeding, or the taking of any act against the property of the Companies held in the United States or property involved in the Companies' filing under the *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, in the Ontario Superior Court of Justice in Toronto, Canada (the "Foreign Proceeding");

1 The petitioners in these section 304 proceedings are Ivaco, IFC, and IRM. The applicants under the Foreign Proceeding are Ivaco, Ivaco Rolling Mills Inc., Ifastgroupe Inc., IFC, Ifastgroupe Realty Inc., Docap (1985) Corporation, Florida Sub One Holdings, Inc., and 3632610 Canada Inc. Although IRM and Ifastgroupe and Company, Limited Partnership are not applicants under the Foreign Proceeding, they are included in, and will receive all of the protections of, the CCAA Order (defined below). As used herein, the "Companies" shall mean Ivaco, IFC, IRM, and all of the aforementioned companies.

And upon the Declaration of Brent Beekenkamp of Ernst & Young Inc. in support of the Motion;

And upon the Declaration of Peter F.C. Howard of Stikeman Elliott LLP in support of the Petition and Motion;

And upon the testimony of Brian M. Denega of Ernst & Young Inc. in support of the Petition and the Motion;

And notice of the Motion having been given to all necessary parties;

And a hearing of the Motion having been held on October 27, 2003, to consider the entry of a permanent injunction;

And having considered the Order dated September 16, 2003, entered by the Ontario Superior Court of Justice in the Foreign Proceeding (the "CCAA Order");

And the Court having entered a temporary restraining order dated September 17, 2003, granting the relief requested by the Motion on a temporary basis;

And the Court having entered a preliminary injunction by order dated September 29, 2003, granting the relief requested by the Motion on a preliminary basis;

And the Court having made findings of fact and conclusions of law as more fully set forth on the record at the hearing and incorporated herein by reference;

And the Court having jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334;

And good and sufficient cause appearing therefore, the Court finds as follows:

1. The Companies are subject to a foreign proceeding in Canada as defined in section 101(23) of the Bankruptcy Code.

2. Petitioner is the foreign representative of the Companies in connection with the Foreign Proceeding.

3. Without the requested injunctive relief, the Companies' estates will be irreparably harmed.

4. Injunctive relief should be granted to allow the Companies to achieve a successful reorganization, ensure the orderly administration of the estates in the Foreign Proceeding, and to prevent certain creditors from obtaining a preference to the detriment of other creditors.

5. Any hardship caused to individual creditors by the requested relief is substantially outweighed by the benefits to all creditors of the Companies.

6. Granting the injunctive relief requested will best assure the economical and expeditious administration of the Companies' estates in the Foreign Proceeding, consistent with the factors set forth in section 304 of the Bankruptcy Code.

7. The Companies have determined that it is critical to obtain post-petition financing to fund their ongoing operations, implement and complete their restructuring efforts and preserve the going concern values of their businesses for the benefit of their estates and creditors. The Companies have been unable to obtain alternative sources of cash or credit, either in the form of unsecured or secured credit on terms and conditions more favorable to their estates than those set forth in the DIP Term Sheets and the Definitive Documents (each as defined in the CCAA Order).

8. General Electric Finance Inc. ("GE Canada") and any additional lender from time to time party to such financings are willing to provide separate credit facilities to IRM and to Ifastgroupe and Company, Limited Partnership ("Ifastgroupe"). Ifastgroupe and IRM will, in turn, provide financing to Ivaco during the Foreign Proceeding (the "DIP Financing").[2] Pursuant to the CCAA Order, the Canadian Court approved the terms of the DIP Financing, including the

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2 GE Canada and any additional lenders party to the DIP Financing, including Ifastgroupe and IRM (in their capacity as Lenders) are collectively referred to as the "Lenders." GE Canada, as agent for the Lenders lending to IRM and Ifastgroupe, is referred to herein as the "Agent."

Companies' execution and delivery of the DIP Term Sheets and the Definitive Documents, and the consummation of the transactions contemplated thereby. In the CCAA Order, the Canadian Court further requested that the appropriate court(s) in the United States confirm, recognize and effectuate the terms and provisions of the CCAA Order.

9. The Agent and Lenders have acted in good faith in agreeing to extend the DIP Financing to the Companies in accordance with the CCAA Order. Any credit extended and loans made to the Companies by any or all of the Agent and Lenders pursuant to the CCAA Order, this Order, the DIP Term Sheets and/or the Definitive Documents shall be deemed to have been extended in good faith, as that term is used in Section 364(e) of the Bankruptcy Code.

IT IS THEREFORE:

ORDERED, that the CCAA Order entered on September 16, 2003, by the Ontario Superior Court of Justice shall be and hereby is confirmed, recognized and effective and shall have the same force and effect as if such CCAA Order were entered by this Court, and all other orders of the Ontario Superior Court of Justice in Canada with respect to the Companies' interests and affairs shall be granted comity and enforced. Without limiting the foregoing, all of the liens, security interests and charges granted to the Agent (for itself and the Lenders) and to the Lenders on all of the Companies' respective real and personal property (the "DIP Collateral") pursuant to the provisions of the CCAA Order, the DIP Term Sheets and the Definitive Documents are hereby confirmed and recognized, and shall have the priority specified in the CCAA Order.

ORDERED, that all persons and entities (other than the Companies and the Petitioner, and to the extent permitted by the CCAA Order and the Definitive Documents, the Agent and Lenders), are hereby enjoined and restrained:

i. from commencing or continuing any Proceeding[3] in connection with any claim against the Companies;

ii. from taking any action against any property of the Companies or property involved in the Foreign Proceeding, including the commencement or continuation of any Proceeding or act (a) to foreclose upon, seize or otherwise obtain possession of or exercise control over such property, (b) to create, perfect or enforce any lien, setoff, judgment, attachment, garnishment, restraint, assessment or order, or collect, assess or recover any claim against such property or (c) to interfere with the Companies' exercise of control over their property;

iii. from enforcing any judgment, assessment, order or award obtained against the Companies in any Proceeding;

iv. from commencing or continuing any Proceeding against the Companies' officers or directors or the Companies, and from seeking discovery of any nature against such parties, where such action, Proceeding, or discovery would interfere in any way with the Foreign Proceeding;

v. other than with the consent of Petitioner, from transferring, relinquishing or disposing of any property of the Companies or property involved in the Foreign Proceeding, or the proceeds of such property, except to Petitioner or to such persons or entities as Petitioner directs.

ORDERED, that all persons and entities are directed to turnover to Petitioner, or to such persons or entities as the Petitioner directs, for administration in the Foreign Proceeding, such property of the Companies in the United States as is subsequently identified by the Petitioner as property of the Companies' estates, or the proceeds of such property.

ORDERED, that the Petitioner is hereby established as the exclusive representative of the Companies in the United States for the purposes of performing its duties and exercising its powers with respect to the Companies' interests and affairs in the United States.

ORDERED, that every creditor that has a claim of any nature or source against the Companies and that is a party to any action or Proceeding in which any of the Companies is or was named as a party, or as a result of which a liability of the Companies may be established, is

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3 For purposes hereof, "Proceeding" shall include any arbitration or any judicial, quasi-judicial, administrative or regulatory action or process.

required to place the Companies' United States counsel Pepper Hamilton LLP, 100 Renaissance Center, 36th Floor, Detroit, MI 48243 (Attn: Lisa Gretchko, Esq.) and Fried, Frank, Harris, Shriver & Jacobson, One New York Plaza, New York, NY 10004 (Attn: Janice Mac Avoy, Esq. and Gary Kaplan, Esq.) on the service list for any such action or Proceeding and to take such other steps as may be necessary to ensure that such counsel receives copies of any and all correspondence or other documents circulated to parties named in the service list, including, without limitation, documents served by the parties to such action or Proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or legal Proceeding.

ORDERED, that all security interests on or liens in the DIP Collateral granted to the Agent and the Lenders, for the benefit of the Agent and the Lenders, by this Order, the CCAA Order, the DIP Term Sheets and/or the Definitive Documents shall be, and they hereby are, deemed duly perfected and recorded under all applicable federal or state or other laws as of the date hereof, and no notice, filing, mortgage recordation, possession, further order, landlord or warehousemen lien waivers or other act, shall be required to effect such perfection; provided, however, that notwithstanding the injunctive provisions of this Order, (i) the Agent and the Lenders may, at their sole option, file or record or cause any of the Companies to execute, file or record, such UCC financing statements, notices of liens and security interests, mortgages and other similar documents or obtain landlord ~~or~~ warehousemen lien waivers or other third party consents as the Agent or the Lenders may require, and (ii) the Agent or the Lenders may require any of the Companies to deliver to the Agent or the Lenders any chattel paper, instruments or securities evidencing or constituting any DIP Collateral, and the Companies are directed to cooperate and comply therewith. If the Agent on behalf of itself and Lenders or the Lenders shall elect for any reason to cause to be obtained any such landlord or warehousemen lien waivers or other third party consents or cause to be filed or recorded any such notices, financing statements, mortgages or other documents with respect to such security interests and liens, or if the Agent or the Lenders shall elect to take possession of any DIP Collateral, all such landlord or warehousemen lien waivers or other third party consents, financing statements or similar documents or taking possession shall be deemed to have been filed or recorded or taken in this ancillary proceeding as of the commencement of these proceedings but with the priorities as set forth herein. The Agent and the Lenders may (in their discretion) but shall not be required to file a certified copy of this Order in any filing or recording office in any county or other jurisdiction in which any of the Companies has real or personal property and such filing or recording shall be accepted and shall constitute further evidence of perfection of the interests of the Agent and the Lenders, for the benefit of the Agent and the Lenders, in the DIP Collateral.

ORDERED, that the Agent and the Lenders shall be entitled to exercise, enjoy and enforce any and all rights, benefits, privileges, powers and remedies (including, without limitation, all default-related rights and remedies) available under any or all of the CCAA Order, this Order, the DIP Term Sheets, the Definitive Documents without further notice, or motion or application to, or hearing before, or order from the Court, and nothing in this Order (including, without limitation, the injunctive provisions contained herein), the Bankruptcy Code (including without limitation Section 105 of the Bankruptcy Code) or applicable law shall be utilized to prohibit, restrict or otherwise interfere with, and none of the Companies shall seek to prohibit, restrict or otherwise interfere with the Agent's or any Lender's exercise, enjoyment and enforcement of any of such rights, benefits, privileges, powers and remedies regardless of any change in circumstances (whether or not foreseeable).

ORDERED, that if these proceedings are dismissed or converted into a bankruptcy case under chapter 7 or 11 of the Bankruptcy Code or if any bankruptcy case under chapter 7 or 11 of the Bankruptcy Code of which any Company is the subject (any such subsequent or superceding bankruptcy case, a "Subsequent Case") is commenced, and notwithstanding any such dismissal, conversion or commencement, all of the terms and conditions of this Order, including, without limitation, the liens, security interests, priorities, benefits, protections, rights and remedies granted to Agent and Lenders under this Order, the CCAA Order, the DIP Term Sheets and the Definitive Documents shall be and remain in full force and effect as if these proceedings had not been dismissed or converted or any Subsequent Case had not been commenced.

ORDERED, that having been found to be making loans and other financial accommodations to the Companies in good faith, the Agent and the Lenders shall be entitled to the full protection of Section 364(e) of the Bankruptcy Code with respect to all of the indebtedness, liabilities and obligations of each of the Companies to any or all of the Agent and Lenders under the CCAA Order, the DIP Term Sheets and the Definitive Documents (collectively, the "DIP Indebtedness") and the security interests, liens and priorities created or authorized by this Order in the event that this Order or any authorization contained herein is stayed, vacated, reversed or modified on appeal. Each of the terms and conditions set forth in this Order constitutes a part of the authorization under Section 364, and is therefore, subject to the protections contained in Section 364(e) of the Bankruptcy Code. Any stay, modification, reversal or vacatur of this Order shall not affect the validity of any DIP Indebtedness outstanding immediately prior to the effective time of such stay, modification or vacatur, or the validity or enforceability of any security interest, lien, priority, right, privilege, protection or benefit authorized hereby with respect to any such DIP Indebtedness.

ORDERED, that notwithstanding anything to the contrary contained herein, nothing herein or in any other relief obtained by the Companies in this proceeding shall (i) limit the rights of the Pension Benefit Guaranty Corporation (the "PBGC") to institute administrative or judicial proceedings to terminate the Companies' pension plans in accordance with Title IV of the Employee Retirement Income Security Act of 1974 as amended 29 U.S.C. § 1301 *et seq.* ("ERISA"); (ii) require turnover of, or limit the PBGC's rights with respect to, the sums held in the Cash Collateral Account as defined in that certain Amended and Restated Consent Agreement dated as of December 17, 1999, and that certain Cash Collateral Agreement dated August 23, 1999, as amended on December 17, 1999, among Ivaco, Atlantic Steel Industries, Inc., Florida Sub One, Inc., Ivacan Industries Inc., and the PBGC; or (iii) grant or seek to grant, any liens to the DIP Lenders in such Cash Collateral Account; provided, however, that in no event shall the PBGC seek to enforce or perfect any lien on any assets of any of the Companies other than the Cash Collateral Account.

ORDERED, that nothing contained herein shall affect the rights and claims of the United States, which has asserted that its sovereign immunity has not been waived in this Section 304 ancillary case. The temporary restraining order entered in this matter is dissolved as to the United States as if it had never been entered.

ORDERED, that notwithstanding anything to the contrary contained herein, the entry of this permanent injunction is without prejudice to the rights of Olin Corporation to bring a subsequent motion to lift the stay imposed by this permanent injunction with respect to the lawsuit currently pending in the United States District Court for the Middle District of Georgia, Albany Division, captioned *United States of America v. American Cyanamid, et al.*, Case No. 1:02-CV109-1.

ORDERED, that if this Order is inconsistent with the Stipulation and Order by and between IFC and Creditor Global Materials Services LLC Withdrawing Emergency Motion to Vacate Temporary Restraining Order and Objection to Injunctive Relief (the "Stipulation"), filed with this Court on September 29, 2003, then the Stipulation shall govern.

ORDERED, that the time for a party in interest to timely controvert the 304 Petitions has expired.

ORDERED, the security provision of Rule 65(c) of the Federal Rules of Civil Procedure made applicable to this case by Bankruptcy Rule 7065 is hereby waived.

ORDERED, that this Order Granting Permanent Injunction shall be served by U.S. mail, overnight courier, or hand delivery on or before Nov. 5, 2003 upon all of the Companies' creditors situated in the United States of which they are aware. Service pursuant to this paragraph shall be good and sufficient service and adequate notice.

Dated: Detroit, Michigan
October 27, 2003

UNITED STATES BANKRUPTCY JUDGE

A TRUE COPY
CLERK, U.S. BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
BY:
Deputy Clerk
DATE: OCT 27 2003

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