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Proposed Counsel for Debtors and
Debtors-in-Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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	:
In re:	: Chapter 11
	:
CIT GROUP INC. and	: Case No. 09-16565 (ALG)
CIT GROUP FUNDING COMPANY	:
OF DELAWARE LLC,	:
	:
Debtors.	: (Jointly Administered)
	:
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NOTICE OF FILING OF SECURITIES TRADING AGREEMENT

PLEASE TAKE NOTICE that on November 22, 2009, the debtors and debtors-in-possession in the above-captioned cases (collectively, the "Debtors")¹ filed a form of Securities Trading Agreement, attached hereto as Exhibit A, pursuant to paragraph 5 of the Interim Order Under 11 U.S.C. §§ 105, 362 and 541 and Fed. R. Bankr. P. 3001 and 3002 Establishing Notice and Hearing Procedures for Trading in Equity Securities and Claims Against the Debtors' Estates.

¹ CIT Group Inc. is located at 505 Fifth Avenue, New York, NY 10017. Its tax identification number is 65-xxx1192. In addition to CIT Group Inc., CIT Group Funding Company of Delaware LLC, Case No. 09-16566, is a debtor in these related cases. CIT Group Funding Company of Delaware LLC is located at 1 CIT Drive, Livingston, NJ 07039. Its tax identification number is 98-xxx9146.



PLEASE TAKE FURTHER NOTICE that copies of the motion and related exhibits can be obtained by using the Bankruptcy Court's electronic case filing system at www.nysb.uscourts.gov using a PACER password (to obtain a PACER password, go to the PACER website, <http://pacer.psc.uscourts.gov>) or on the website maintained by the Debtors' noticing agent at <http://www.kccllc.net/citgroup>.

Dated: New York, New York
November 22, 2009

SKADDEN, ARPS, SLATE, MEAGHER
& FLOM LLP

By: /s/ Gregg M. Galardi
Gregg M. Galardi
J. Gregory St. Clair
Four Times Square
New York, New York 10036
(212) 735-3000

Proposed Counsel for Debtors and
Debtors-in-Possession

EXHIBIT A

SECURITIES TRADING AGREEMENT

AGREEMENT, dated as of November 19, 2009, between [] (the “*Electing Claimholder*”) on the one hand, and CIT GROUP, INC. (“*CIT*”) and CIT GROUP FUNDING COMPANY OF DELAWARE LLC, as debtors and debtors in possession (the “*Debtors*”), on the other hand.

Pursuant to paragraph 5 of the Interim Order Under 11 U.S.C. §§ 105, 362 and 541 and Fed R. Bankr. P. 3001 and 3002 Establishing Notice and Hearing Procedures For Trading In Equity Securities and Claims Against the Debtors’ Estates (the “Interim NOL Order”),¹ entered by the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”) on November 3, 2009, as such order may be amended, modified, or superseded, including without limitation a final order relating to the Interim NOL Order, in consideration of the mutual covenants and agreements herein contained, the parties hereby stipulate and agree as follows:

(i) To the extent the Electing Claimholder acts as a “riskless principal” between customers by purchasing and selling the same aggregate amounts of Claims on the same trade date for effect on the same settlement date, or as a Qualified Marketmaker (as defined below) solely to the extent acting with respect to Marketmaker Contracts (as defined below) held in its capacity as a Qualified Marketmaker, the Electing Claimholder may elect not to comply with the advance notice requirements set forth in paragraph 4(b) of the Interim NOL Order by serving on the Debtors and the Debtors’ counsel a notice identifying the Electing Claimholder as a riskless principal or Qualified Marketmaker and (i) stating whether the Electing Claimholder is a Substantial Claimholder on such date based on the Multi-Class Claimholder Worksheet; and (ii) if it is a Substantial Claimholder, identifying the principal amount of Claims (by Class) that the Electing Claimholder Beneficially Owns on such date as well as the principal amount of Claims (by Class) that the Electing Claimholder Beneficially Owned on the Petition Date. The Electing Claimholder shall remain subject to the initial notice requirements of paragraph 4(a) of the Interim NOL Order.

(ii) The Electing Claimholder shall provide the Debtors and the Debtors’ counsel no later than December 4, 2009 (or, if later, the date that is 4 days before the date the Debtors’ plan of reorganization is expected to be confirmed, as determined by Debtors) with a notice (i) stating whether the Electing Claimholder is a Substantial Claimholder on such date based on the Multi-Class Claimholder Worksheet; and (ii) if it is, identifying the principal amount of Claims (by Class) that the Electing Claimholder Beneficially Owns on such date as well as the principal amount of Claims (by Class) that the Electing Claimholder Beneficially Owned on the Petition Date. Any proposed transfer or acquisition of Claims after such date shall be subject to the advance notice requirements set forth in paragraph 4(b) of the Interim NOL Order.

¹ Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Interim NOL Order.

(iii) If requested by the Debtors no later than December 6, 2009 (or, if later, the date that is 2 days before the date the Debtors' plan of reorganization is expected to be confirmed, as determined by Debtors) based on the Debtors' reasonable belief that such action may be necessary to preserve the plan of reorganization's qualification under Section 382(l)(5) of the Code, the Electing Claimholder, if it is a Substantial Claimholder, shall no later than the later of December 8, 2009 or the date the plan of reorganization is confirmed (the "Confirmation Date"), sell or otherwise dispose of that portion of its Beneficial Ownership of Claims in excess of the greater of (X) an aggregate amount of Claims that would be entitled to receive 4.75% of the Debtors' shares issued pursuant to the plan of reorganization and (Y) an aggregate amount of Claims that would be entitled to receive the percentage of the Debtors' shares issued pursuant to the plan of reorganization that the Electing Claimholder would have received in respect of the Claims that the Electing Claimholder Beneficially Owned on the Petition Date (such excess amount of Claims, the "Excess Claims"). The Electing Claimholder shall sell or otherwise dispose of its Beneficial Ownership of Excess Claims to unrelated Persons, provided however, that the Electing Claimholder shall not have a reasonable basis to believe that such transferee Persons are, or would become as a result of the transfer, Substantial Claimholders. In effecting any sale or other transfer of Claims, the Electing Claimholder shall, to the extent that it is reasonably feasible to do so within the normal constraints of the market in which such sales take place, notify the acquirer of such Claims of the existence of the Interim NOL Order (it being understood that, in all cases in which there is direct communication between a salesperson and a customer, including, without limitation, communication via telephone, e-mail, and instant messaging, the existence of the Interim NOL Order shall be included in such salesperson's summary of the transaction).

(iv) If the Electing Claimholder provided notice pursuant to paragraph (ii) herein that it is a Substantial Claimholder, it shall, no later than the Confirmation Date and as a condition of receiving equity pursuant to the plan of reorganization, provide the Debtors and the Debtors' counsel a notice certifying that the Electing Claimholder has complied fully with the terms and conditions set forth in paragraph (iii) herein and that the Electing Claimholder does not and will not hold Excess Claims as of such date and at all times through and including the effective date of the plan of reorganization.

(v) If the Electing Claimholder fails to comply with the requirements of paragraph (iii) or (iv) herein, it shall not receive shares of the reorganized Debtors in exchange for such Excess Claims upon confirmation of the plan of reorganization, but instead such shares of the reorganized Debtors that would have been exchanged for such Excess Claims shall be placed in escrow until the earlier of (X) the date that is 120 days after the effective date of the plan of reorganization, *provided however*, such 120 days shall be extended until the expiration of any stay pending appeal that may be issued in connection with any ruling issued in connection with (v)(Y) herein (the "Expiration Period"); and (Y) the date that the Debtors have demonstrated to the Bankruptcy Court that there is a material risk that the receipt of all or part of such equity by the Electing Claimholder, when taken into account with the receipt of equity by all other Substantial Claimholders, would adversely affect the plan of reorganization's qualification under Section 382(l)(5) of the Code, and that the use of Section 382(l)(5) is expected to be more beneficial to the Debtors than the use of Section 382(l)(6). The escrow shall be established in the name of parties to be determined by the Debtors, which may include, (i) other claimholders, to the extent that each such person or entity would not receive shares of the reorganized Debtors pursuant to

the plan of reorganization in excess of 4.75% of the Debtors' shares issued pursuant to the plan, or (ii) organizations described under Section 501(c)(3) of the Code (the "Escrow Beneficiaries"). During the term of the escrow, the Escrow Beneficiaries shall be entitled to all rights of stockholders of CIT, including, without limitation, the right to vote such equity and to receive dividends or distributions, whether liquidating or otherwise, in respect thereof. Unless the Bankruptcy Court resolves the issue in favor of the Electing Claimholder (or the Expiration Period expires), the equity shall be distributed from the escrow to the Escrow Beneficiaries. To the extent the Bankruptcy Court resolves the issue in favor of the Electing Claimholder (or the Expiration Period expires), the equity shall be distributed from the escrow to the Electing Claimholder, with any remaining equity distributed from the escrow to the Escrow Beneficiaries. During the duration of the escrow, the Debtors and the Electing Claimholder agree to treat the Escrow Beneficiaries as the Beneficial Owners of the equity subject to the escrow for U.S. federal income tax purposes and no party shall take any position on any U.S. federal, state or local income or franchise tax return, or take any position for financial accounting or other purposes or otherwise, that is inconsistent with such U.S. federal income tax treatment.

(vi) Any purported acquisition of, or other increase in the beneficial ownership of, equity that is precluded by paragraph (v) will be an acquisition of "Escrowed Equity." If the Electing Claimholder acquires Escrowed Equity, it shall, immediately upon becoming aware of such fact, return the Escrowed Equity to the Debtors for deposit into escrow or, if all of the equity properly issued to the Electing Claimholder and all or any portion of such Escrowed Equity shall have been sold or otherwise disposed of prior to the time such acquirer becomes aware of such fact, such acquirer shall return to the Debtors (A) any Escrowed Equity still held by the Electing Claimholder and (B) the proceeds attributable to the sale of Escrowed Equity, each of which shall be deposited into escrow.

(vii) To permit reliance by the Debtors on Treasury Regulations section 1.382-9(d)(3), if the Electing Claimholder has participated in formulating the plan of reorganization (which shall include, without limitation, making any suggestions or proposals to the Debtors or their advisors with regard to the Plan), it shall not, and shall not be asked to, disclose (or otherwise make evident unless compelled to do so by an order of a court of competent jurisdiction or some other applicable legal requirement) to the Debtors that the Claims of the Electing Claimholder do not constitute "qualified indebtedness" within the meaning of Treasury Regulation section 1.382-9(d)(2). For this purpose, the Debtors acknowledge and agree that the following activities do not constitute "participation in formulating a plan of reorganization" for purposes of Treasury Regulation section 1.392-9(d)(3): filing an objection to a proposed disclosure statement or to confirmation of a proposed plan of reorganization, voting to accept or reject a proposed plan of reorganization, reviewing or commenting on a proposed business plan, general membership on an official committee or an *ad hoc* committee, or taking any action required by an order of the Court.

(viii) For these purposes, (A) a "Qualified Marketmaker" means an entity that, immediately prior to the Petition Date, (x) held itself out to the public as standing ready in the ordinary course of its business to purchase from customers and sell to customers Marketmaker Contracts (or to enter with customers into long and short positions in derivative contracts that constituted Marketmaker Contracts), in its capacity as a dealer or market maker in such Marketmaker Contracts, and (y) in fact regularly made a two-way market in such Marketmaker Contracts prior

to the Petition Date; and (B) a “Marketmaker Contract” includes, without limitation, (x) secured, unsecured and undersecured claims against the Debtors, including, without limitation, debt securities, bank debt, trade claims, lease claims and deficiency claims, and (y) options, forward contracts, swaps or other derivative contracts that require the delivery of such claims, or that require the payment of money determined by reference to the value or yield of such claims.

(ix) The Debtors and Electing Claimholder agree that this agreement shall be governed by, and construed in accordance with the laws of the State of New York, regardless of the laws that might otherwise govern under applicable principles of conflict of laws of the State of New York. The Debtors and Electing Claimholder hereby irrevocably and unconditionally submit to the jurisdiction of any federal or state court located within the borough of Manhattan of the City, County and State of New York over any dispute arising out of or related to this agreement. The Debtors and Electing Claimholder hereby irrevocably waive, to the fullest extent permitted by applicable law, jury trial and any objection which they may now or hereafter have to the laying of venue of any such dispute brought in such court or any defense of inconvenient forum for the maintenance of such dispute.

(x) The Debtors agree to (i) file a form of this agreement with the Bankruptcy Court no later than November 23, 2009, and (ii) not seek, or acquiesce to, any provision in any final order relating to the Interim NOL Order that would limit the Debtors’ rights to make this agreement as provided hereunder or the rights of the Electing Claimholder as provided hereunder.

(xi) All notices, reports, requests, demands and other communications (together, "Communications") shall be sent via email in written form and shall not be effective until delivered via email. The recipient party shall have the unlimited right to request duplicate delivery of such Communications in written form via overnight express mail. To comply with this paragraph (xi), Communications must be delivered to all of the addressees set forth below:

To the Debtors and counsel to the Debtors:

Mitchell Solomon
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
Email Address: Mitchell.Solomon@skadden.com

Brian Krause
Skadden, Arps, Slate, Meagher & Flom LLP
Four Times Square
New York, NY 10036
Email Address: Brian.Krause@skadden.com

Michael Magee
CIT
One CIT Drive
Livingston, NJ 07039
Email Address: Michael.Magee@cit.com

To the Electing Claimholder:

[]

(xii) This agreement may be executed in any number of counterparts, each of which shall be an original, and all of which, when taken together, shall constitute one agreement. Delivery of an executed signature page of this agreement by email transmission shall be effective as delivery of a manually executed counterpart hereof.

This agreement is effective immediately as of the date set forth above and shall remain in full force and effect unless modified in writing by the parties hereto.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

IN WITNESS WHEREOF, the parties have duly executed this agreement as of the date first set forth above.

CIT GROUP INC.

By: _____
Name:
Title:

CIT GROUP FUNDING COMPANY OF DELAWARE LLC.

By: _____
Name:
Title:

[]

By: _____
Name:
Title: