THIS DISCLOSURE STATEMENT IS BEING SUBMITTED FOR APPROVAL BUT HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT. THIS IS NOT A SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCE OR REJECTION MAY NOT BE SOLICITED UNTIL A DISCLOSURE STATEMENT HAS BEEN APPROVED BY THE BANKRUPTCY COURT. THE INFORMATION IN THE DISCLOSURE STATEMENT IS SUBJECT TO CHANGE. THIS DISCLOSURE STATEMENT IS NOT AN OFFER TO SELL ANY SECURITIES AND IS NOT SOLICITING AN OFFER TO BUY ANY SECURITIES.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	)	Chapter 11
COOPER-STANDARD HOLDINGS INC., et *al.*,[1]	)	Case No. 09-12743 (PJW)
	)	(Jointly Administered)
Debtors.	)	

DISCLOSURE STATEMENT FOR DEBTORS' FIRST AMENDED JOINT CHAPTER 11 PLAN OF REORGANIZATION

RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Attn.: Mark D. Collins, Esq.
Michael J. Merchant, Esq.
Chun I. Jang, Esq.
Drew G. Sloan, Esq.
Tel: (302) 651-7700
Fax: (302) 651-7701

FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP
One New York Plaza
New York, New York 10004-1980
Attn.: Gary L. Kaplan, Esq.
Richard J. Slivinski, Esq.
Peter B. Siroka, Esq.
Tel: (212) 859-8000
Fax: (212) 859-4000

Dated: March 19, 2010

[1] The Debtors are the following entities: Cooper-Standard Holdings Inc., Cooper-Standard Automotive Inc., Cooper-Standard Automotive FHS Inc., Cooper-Standard Automotive Fluid Systems Mexico Holding LLC, Cooper-Standard Automotive OH, LLC, Stan Tech, Inc., Westborn Service Center, Inc., North American Rubber, Incorporated, Sterling Investments Company, Cooper-Standard Automotive NC L.L.C., CS Automotive LLC, CSA Services Inc., and NISCO Holding Company. The corporate address of the Debtors is: 39550 Orchard Hill Place Drive, Novi, Michigan 48375.

0912743100322000000000002

TABLE OF CONTENTS

Cooper-Standard Holdings Inc. and its subsidiaries, Cooper-Standard Automotive Inc., Cooper-Standard Automotive FHS Inc., Cooper-Standard Automotive Fluid Systems Mexico Holding LLC, Cooper-Standard Automotive OH, LLC, StanTech, Inc., Westborn Service Center, Inc., North American Rubber, Incorporated, Sterling Investments Company, Cooper-Standard Automotive NC LLC, CS Automotive LLC, CSA Services Inc., and NISCO Holding Company, the above-captioned Debtors and Debtors In Possession, hereby propose and file this disclosure statement for the Debtors' First Amended Joint Chapter 11 Plan, dated March 19, 2010, which is comprised of thirteen (13) sub-plans, one for each Debtor:

THE PLAN IS THE RESULT OF EXTENSIVE NEGOTIATIONS AMONG THE DEBTORS, THE CREDITORS' COMMITTEE AND THE BACKSTOP PARTIES. THE DEBTORS BELIEVE THAT THE PLAN PROVIDES THE BEST POSSIBLE RESULT FOR ALL HOLDERS OF CLAIMS AND INTERESTS IN THE CHAPTER 11 CASES AND THAT ACCEPTANCE OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTORS' CREDITORS. THE DEBTORS AND THE CREDITORS' COMMITTEE STRONGLY URGE ALL HOLDERS OF SENIOR SUBORDINATED NOTEHOLDER CLAIMS TO VOTE TO ACCEPT THE PLAN.

THIS DISCLOSURE STATEMENT IS DESIGNED TO SOLICIT YOUR ACCEPTANCE OF THE ATTACHED PLAN AND CONTAINS INFORMATION RELEVANT TO YOUR DECISION. PLEASE READ THIS DISCLOSURE STATEMENT, THE PLAN, AND THE OTHER MATERIALS COMPLETELY AND CAREFULLY. THE PLAN IS ATTACHED AS APPENDIX C TO THIS DISCLOSURE STATEMENT. PLAN SUMMARIES AND STATEMENTS MADE IN THIS DISCLOSURE STATEMENT ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO THE PLAN, OTHER APPENDICES ANNEXED HERETO, AND OTHER DOCUMENTS REFERENCED AS FILED WITH THE BANKRUPTCY COURT BEFORE OR CONCURRENTLY WITH THE FILING OF THIS DISCLOSURE STATEMENT. THE TERMS OF THE PLAN WILL GOVERN IN CASE OF ANY INCONSISTENCY BETWEEN THE PLAN AND THIS DISCLOSURE STATEMENT. FURTHERMORE, THE FINANCIAL INFORMATION CONTAINED HEREIN HAS NOT BEEN AUDITED. SUBSEQUENT TO THE DATE HEREOF, THERE CAN BE NO ASSURANCE THAT: (A) THE INFORMATION AND REPRESENTATIONS CONTAINED HEREIN WILL CONTINUE TO BE MATERIALLY ACCURATE, OR (B) THE DISCLOSURE STATEMENT CONTAINS ALL MATERIAL INFORMATION.

THE CLASS OF CLAIMS IMPAIRED (AS DEFINED IN THE BANKRUPTCY CODE) UNDER EACH SUB-PLAN AND ENTITLED TO VOTE ON THE PLAN IS CLASS 6 (SENIOR SUBORDINATED NOTE CLAIMS). CLASS 1 (PRIORITY CLAIMS), CLASS 2 (MISCELLANEOUS SECURED CLAIMS), CLASS 3 (INTERCOMPANY CLAIMS), CLASS 4 (PREPETITION CREDIT FACILITY CLAIMS), CLASS 5 (SENIOR NOTE CLAIMS), CLASS 7 (SUBSIDIARY DEBTOR GENERAL UNSECURED CLAIMS) AND CLASS 8 (SUBSIDIARY DEBTOR EQUITY INTERESTS) ARE UNIMPAIRED, AND HOLDERS OF CLAIMS OR INTERESTS IN SUCH CLASSES ARE CONCLUSIVELY PRESUMED TO HAVE ACCEPTED THE PLAN PURSUANT TO SECTION 1126(f) OF THE BANKRUPTCY CODE. CLASS 9 (HOLDINGS GENERAL UNSECURED CLAIMS) AND CLASS 10 (OLD HOLDINGS

EQUITY INTERESTS) ARE IMPAIRED AND THE HOLDERS OF HOLDINGS GENERAL UNSECURED CLAIMS AND OLD HOLDINGS EQUITY INTERESTS IN SUCH CLASSES WILL NOT RECEIVE OR RETAIN ANY PROPERTY UNDER THE PLAN ON ACCOUNT OF THEIR CLAIMS OR OLD HOLDINGS EQUITY INTERESTS, AS THE CASE MAY BE, AND, THEREFORE, ARE DEEMED TO HAVE REJECTED THE PLAN PURSUANT TO SECTION 1126(g) OF THE BANKRUPTCY CODE.

HOLDERS OF SENIOR SUBORDINATED NOTE CLAIMS (CLASS 6) ARE ENCOURAGED TO READ AND CAREFULLY CONSIDER THE MATTERS DESCRIBED IN THIS DISCLOSURE STATEMENT, INCLUDING THOSE UNDER "CERTAIN RISK FACTORS," PRIOR TO SUBMITTING BALLOTS VOTING ON THE PLAN. IN MAKING A DECISION TO ACCEPT OR REJECT THE PLAN, EACH HOLDER OF SENIOR SUBORDINATED NOTE CLAIMS (CLASS 6) MUST RELY ON ITS OWN EXAMINATION OF THE DEBTORS AS DESCRIBED IN THIS DISCLOSURE STATEMENT AND THE TERMS OF THE PLAN, INCLUDING THE MERITS AND RISKS INVOLVED. IN ADDITION, CONFIRMATION AND CONSUMMATION OF THE PLAN ARE SUBJECT TO CONDITIONS PRECEDENT THAT COULD LEAD TO DELAYS IN CONSUMMATION OF THE PLAN. THERE CAN BE NO ASSURANCE THAT EACH OF THESE CONDITIONS WILL BE SATISFIED OR WAIVED (AS PROVIDED IN THE PLAN) OR THAT THE PLAN WILL BE CONSUMMATED. EVEN AFTER THE EFFECTIVE DATE, DISTRIBUTIONS UNDER THE PLAN MAY BE SUBJECT TO SUBSTANTIAL DELAYS FOR HOLDERS OF CLAIMS THAT ARE DISPUTED.

CLASS 6 (SENIOR SUBORDINATED NOTE CLAIMS) WILL HAVE ACCEPTED THE PLAN IF THE HOLDERS OF CLAIMS IN SUCH CLASS (OTHER THAN ANY HOLDER DESIGNATED UNDER SUBSECTION 1126(e) OF THE BANKRUPTCY CODE) WHO CAST VOTES TO ACCEPT THE PLAN HOLD AT LEAST TWO-THIRDS IN DOLLAR AMOUNT AND MORE THAN ONE-HALF IN NUMBER OF THE ALLOWED CLAIMS THAT ARE HELD BY HOLDERS OF CLAIMS ACTUALLY VOTING IN SUCH CLASS. THE BACKSTOP PARTIES (WHICH HOLD A SUBSTANTIAL MAJORITY IN DOLLAR AMOUNT OF SUCH CLAIMS) SUPPORT THE PLAN AND HAVE AGREED TO VOTE IN FAVOR OF THE PLAN.

THE DEBTORS WILL REQUEST THAT THE BANKRUPTCY COURT CONFIRM THE PLAN UNDER BANKRUPTCY CODE SECTION 1129(b). SECTION 1129(b) PERMITS CONFIRMATION OF THE PLAN DESPITE REJECTION BY ONE OR MORE CLASSES IF THE BANKRUPTCY COURT FINDS THAT THE PLAN "DOES NOT DISCRIMINATE UNFAIRLY" AND IS "FAIR AND EQUITABLE" AS TO THE CLASS OR CLASSES THAT DO NOT ACCEPT THE PLAN. BECAUSE CLASS 9 (HOLDINGS GENERAL UNSECURED CLAIMS) AND CLASS 10 (OLD HOLDINGS EQUITY INTERESTS) ARE DEEMED TO HAVE REJECTED THE PLAN, THE DEBTORS WILL REQUEST THAT THE BANKRUPTCY COURT FIND THAT THE PLAN IS FAIR AND EQUITABLE AND DOES NOT DISCRIMINATE UNFAIRLY AS TO CLASS 9 (HOLDINGS GENERAL UNSECURED CLAIMS) AND CLASS 10 (OLD

HOLDINGS EQUITY INTERESTS). FOR A MORE DETAILED DESCRIPTION OF THE REQUIREMENTS FOR ACCEPTANCE OF THE PLAN AND OF THE CRITERIA FOR CONFIRMATION, SEE ARTICLE XVII HEREIN, ENTITLED "ACCEPTANCE AND CONFIRMATION OF THE PLAN."

NO PARTY IS AUTHORIZED BY THE DEBTORS TO GIVE ANY INFORMATION OR MAKE ANY REPRESENTATIONS WITH RESPECT TO THE PLAN OTHER THAN THAT WHICH IS CONTAINED IN THIS DISCLOSURE STATEMENT. NO REPRESENTATIONS OR INFORMATION CONCERNING THE DEBTORS, THEIR FUTURE BUSINESS OPERATIONS, OR THE VALUE OF THEIR PROPERTIES HAS BEEN AUTHORIZED BY THE DEBTORS.

THIS DISCLOSURE STATEMENT HAS BEEN PREPARED IN ACCORDANCE WITH SECTION 1125 OF THE BANKRUPTCY CODE AND NOT IN ACCORDANCE WITH FEDERAL OR STATE SECURITIES LAWS OR OTHER APPLICABLE NONBANKRUPTCY LAWS. ENTITIES HOLDING OR TRADING IN OR OTHERWISE PURCHASING, SELLING OR TRANSFERRING CLAIMS AGAINST, INTERESTS IN OR SECURITIES OF, THE DEBTORS SHOULD EVALUATE THIS DISCLOSURE STATEMENT ONLY IN LIGHT OF THE PURPOSE FOR WHICH IT WAS PREPARED. THIS DISCLOSURE STATEMENT AND THE PLAN DESCRIBED HEREIN HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION AND NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS PASSED UPON OR WILL PASS UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED HEREIN OR THEREIN.

IF THE REQUISITE ACCEPTANCES OF THE PLAN ARE RECEIVED, THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, AND THE EFFECTIVE DATE OCCURS, ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS (INCLUDING THOSE WHO DO NOT OR ARE NOT ENTITLED TO SUBMIT BALLOTS TO ACCEPT OR TO REJECT THE PLAN) WILL BE BOUND BY THE PLAN AND THE TRANSACTIONS CONTEMPLATED THEREBY.

EACH HOLDER OF A CLAIM AGAINST OR AN EQUITY INTEREST IN THE DEBTORS SHOULD CONSULT WITH SUCH PARTY'S LEGAL, BUSINESS, FINANCIAL AND TAX ADVISORS AS TO ANY MATTERS CONCERNING THE SOLICITATION OF VOTES TO ACCEPT OR REJECT THE PLAN, THE PLAN, AND THE TRANSACTIONS CONTEMPLATED THEREBY.

THE STATEMENTS CONTAINED IN THIS DISCLOSURE STATEMENT ARE MADE AS OF THE DATE HEREOF AND NEITHER THE DELIVERY OF THIS DISCLOSURE STATEMENT NOR ANY DISTRIBUTION OF PROPERTY PURSUANT TO THE PLAN WILL UNDER ANY CIRCUMSTANCES CREATE ANY IMPLICATION THAT THE INFORMATION CONTAINED HEREIN IS CORRECT AS OF ANY TIME SUBSEQUENT TO THE DATE HEREOF OR THAT THERE HAS

BEEN NO CHANGE IN THE INFORMATION SET FORTH HEREIN OR IN THE AFFAIRS OF THE DEBTORS SINCE THE DATE HEREOF.

THIS SOLICITATION AND DISCLOSURE STATEMENT CONTAINS PROJECTED FINANCIAL INFORMATION REGARDING THE COMPANY AND CERTAIN OTHER FORWARD-LOOKING STATEMENTS, ALL OF WHICH ARE BASED ON VARIOUS ESTIMATES AND ASSUMPTIONS. SUCH INFORMATION AND STATEMENTS ARE SUBJECT TO INHERENT UNCERTAINTIES AND TO A WIDE VARIETY OF SIGNIFICANT BUSINESS, ECONOMIC, AND COMPETITIVE RISKS, INCLUDING THOSE SUMMARIZED HEREIN.

ACTUAL EVENTS, CIRCUMSTANCES, EFFECTS, AND RESULTS MAY VARY SIGNIFICANTLY FROM THOSE INCLUDED IN OR CONTEMPLATED BY THE PROJECTED FINANCIAL INFORMATION AND OTHER FORWARD-LOOKING STATEMENTS CONTAINED HEREIN WHICH, THEREFORE, ARE NOT NECESSARILY INDICATIVE OF THE FUTURE FINANCIAL CONDITION OR RESULTS OF OPERATIONS OF THE DEBTORS AND SHOULD NOT BE REGARDED AS REPRESENTATIONS BY THE DEBTORS, THEIR ADVISORS, OR ANY OTHER PERSONS THAT THE PROJECTED FINANCIAL CONDITION OR RESULTS CAN OR WILL BE ACHIEVED.

THIS DISCLOSURE STATEMENT MAY NOT BE RELIED UPON FOR ANY PURPOSE OTHER THAN TO DETERMINE WHETHER TO VOTE IN FAVOR OF, OR AGAINST, THE PLAN. NOTHING CONTAINED HEREIN SHALL CONSTITUTE AN ADMISSION OF ANY FACT OR LIABILITY BY ANY PARTY. NO STATEMENT OF FACT SHALL BE ADMISSIBLE IN ANY PROCEEDING, INCLUDING ANY PROCEEDING WITH RESPECT TO ANY LEGAL EFFECT OF THE CHAPTER 11 CASES.

ARTICLE I.
INTRODUCTION AND SUMMARY

This Disclosure Statement is being furnished by the Debtors, pursuant to section 1125 of the Bankruptcy Code, in connection with the solicitation of votes to accept or reject the Plan (as it may be altered, amended, modified or supplemented) from Holders of Senior Subordinated Note Claims (Class 6). All capitalized terms used in this Disclosure Statement have the meanings ascribed to such terms in Article II herein, entitled "Definitions", except as otherwise indicated. The following introduction and summary is qualified in its entirety by, and should be read in conjunction with, the more detailed information and financial statements appearing elsewhere in this Disclosure Statement.

1.01 The Solicitation

On the Filing Date, each of the Debtors filed separate petitions under chapter 11 of the Bankruptcy Code. The Debtors' Canadian subsidiary, CSA Canada, commenced a proceeding under Canada's CCAA on August 4, 2009, in the Ontario Superior Court of Justice

(Commercial List) in Toronto, Ontario, Canada. The Debtors' remaining direct and indirect subsidiaries did not seek chapter 11 protection under the Bankruptcy Code, and each of these non-filing entities is continuing normal business operations. On the date hereof, the Debtors filed their Plan and this related Disclosure Statement with the Bankruptcy Court pursuant to section 1125 of the Bankruptcy Code and in connection with the solicitation of votes to accept or reject the Plan (the "Solicitation").

[On _____ __, 2010, the Bankruptcy Court determined that this Disclosure Statement contains "adequate information" in accordance with section 1125 of the Bankruptcy Code.] Pursuant to section 1125(a)(1) of the Bankruptcy Code, "adequate information" is defined as "information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the debtor and the condition of the debtor's books and records . . . that would enable such a hypothetical investor of the relevant class to make an informed judgment about the plan . . ." 11 U.S.C. § 1125(a)(1).

The Bankruptcy Court has scheduled a hearing to consider confirmation of the Plan for [_____ __], 2010 at [_:__ _].m. (prevailing Eastern Time) before the Honorable Peter J. Walsh, United States Bankruptcy Judge, United States Bankruptcy Court for the District of Delaware. The hearing may be adjourned from time to time without further notice other than by announcement in the Bankruptcy Court on the scheduled date of such hearing. Any objections to confirmation of the Plan must be in writing and must be filed with the Clerk of the Bankruptcy Court and served on the parties listed below to ensure RECEIPT by them on or before [4:00] p.m. (prevailing Eastern Time), [_____ __], 2010.

Counsel to the Debtors:

RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Attn: Mark D. Collins, Esq.
Michael J. Merchant, Esq.
Chun I. Jang, Esq.
Tel.: (302) 651-7700
Fax: (302) 651-7701

FRIED, FRANK, HARRIS, SHRIVER & JACOBSON LLP
One New York Plaza
New York, New York 10004-1980
Attn: Gary L. Kaplan, Esq.
Richard J. Slivinski, Esq.
Peter B. Siroka, Esq.
Tel.: (212) 859-8000
Fax: (212) 859-4000

The United States Trustee:

Office of the United States Trustee
J. Caleb Boggs Federal Building
844 King Street, Suite 2207
Wilmington, Delaware 19801
Attn: Joseph McMahon, Esq.
Fax: (302) 573-6497

Counsel to the Creditors' Committee:

YOUNG, CONWAY, STARGATT & TAYLOR, LLP
The Brandywine Building
1000 West Street, P.O. Box 391
Wilmington, Delaware 19899-1347
Attn.: M. Blake Cleary, Esq.
Erin Edwards, Esq.
Jaime N. Luton, Esq.
Tel.: (302) 571-6600
Fax: (302) 571-1253

KRAMER LEVIN NAFTALIS & FRANKEL LLP
1177 Avenue of the Americas
New York, New York 10036
Attn.: Robert T. Schmidt, Esq.
Kenneth H. Eckstein, Esq.
Stephen D. Zide, Esq.
Tel.: (212) 715-9100
Fax: (212) 715-8000

Counsel to the Backstop Parties:

Bayard, P.A.
222 Delaware Avenue, Suite 900
Wilmington, Delaware 19899
Attn.: Charlene D. Davis, Esq.
Tel.: (302) 655-5000
Fax: (302) 658-6395

Davis Polk & Wardwell LLP
450 Lexington Avenue
New York, New York 10017
Attn.: Timothy Graulich, Esq.
Brian M. Resnick, Esq.
Tel.: (212) 450-4000
Fax: (212) 701-5800

Pachulski Stang Ziehl & Jones LLP
919 North Market Street, 17th Floor
Wilmington, Delaware 19899
Attn.: Curtis A. Hehn, Esq.
Tel.: (302) 652-4100
Fax: (302) 652-4400

Akin, Gump, Strauss, Hauer & Feld LLP
One Bryant Park
New York, New York 10036
Attn.: Daniel Golden, Esq.
Arik Preis, Esq.
Tel. : (212) 872-1000
Fax : (212) 872-1002

1.02 **Recommendations**

THE DEBTORS AND THE CREDITORS' COMMITTEE RECOMMEND THAT EACH ENTITY ENTITLED TO VOTE ON THE PLAN VOTE TO ACCEPT THE PLAN. IN ADDITION, THE BACKSTOP PARTIES SUPPORT THE PLAN AND HAVE

AGREED, SUBJECT TO APPROVAL OF THIS DISCLOSURE STATEMENT, TO VOTE IN FAVOR OF THE PLAN. The Debtors and the Creditors' Committee believe that:

(a) The Plan provides the best available result for the Holders of Claims;

(b) With respect to each Impaired Class of Claims, the distributions under the Plan, if any, are not less than the amounts that would be received if the Debtors were liquidated under chapter 7 of the Bankruptcy Code; and

(c) Acceptance of the Plan is in the best interests of Holders of Claims.

1.03 **Summary of Key Provisions of the Plan**

Prior to commencing these Chapter 11 Cases and since the filing of the Debtors' petition for relief under the Bankruptcy Code, the Debtors have sought a consensual restructuring of their balance sheets so as to be able to emerge from chapter 11 with an appropriate capital structure that would enable the Debtors to remain competitive. Although the value of the Debtors significantly exceeds the amount of the Prepetition Credit Facility Claims under the Prepetition Credit Facility, the Debtors could not reinstate or refinance that debt because the Debtors would be significantly over leveraged. Accordingly, the Debtors' initial efforts focused on negotiating a stand-alone chapter 11 plan with the Creditors' Committee and the Prepetition Credit Facility Lenders that would provide the Prepetition Credit Facility Lenders with a recovery consisting of debt and equity in a reorganized Holdings, with the remaining equity being distributed to the Senior Noteholders and the Senior Subordinated Noteholders (collectively, the "Noteholders"). However, as negotiations continued, it became apparent that the Prepetition Credit Facility Lenders, the Creditors' Committee and certain of Senior Noteholders and Senior Subordinated Noteholders held vastly different views of the value of the reorganized Debtors and that the Prepetition Credit Facility Lenders would not accept equity at a value that would be acceptable to the Noteholders or the Creditors' Committee. The Debtors also recognized the potential obstacles they would face if they had to try to force the Prepetition Credit Facility Lenders to accept equity in satisfaction of their Prepetition Credit Facility Claims. In order to resolve these divergent viewpoints and avoid contested and lengthy chapter 11 cases, the Debtors engaged with the Creditors' Committee and certain of the Debtors' Noteholders to develop a chapter 11 plan that would pay the claims of the Prepetition Credit Facility Lenders in full, in Cash, while providing the best possible distribution to the Debtors' other creditors and achieving the Debtors' stated goals. As a result, on February 1, 2010, the Debtors filed their Joint Chapter 11 Plan of Reorganization (the "Original Plan") providing for the unimpairment of the Prepetition Credit Facility Claims using (i) the proceeds from a $245 million equity rights offering offered to the Debtors' Noteholders and backstopped by certain of the Debtors' Noteholders (the "First Backstop Parties") pursuant to that certain Commitment Agreement, dated as of February 1, 2010 (the "Original Commitment Agreement"), and (ii) the Debtors' exit financing. In addition, under the Original Plan, the Senior Noteholders and Senior Subordinated Noteholders were to receive equity in the Reorganized Debtors as well as rights to purchase additional New Common Stock.

Shortly after filing the Original Plan, certain of the Debtors' Noteholders (the "Second Backstop Parties") approached the Debtors with an alternative proposal to backstop a

rights offering that contained certain advantages when compared to the recovery provided for in the Original Plan. Accordingly, the Debtors adjourned the hearing on the approval of the Original Commitment Agreement to engage in negotiations with the Second Backstop Parties regarding the alternative proposal and reengage with the First Backstop Parties to improve the terms of the Original Commitment Agreement.

While the Debtors made significant progress negotiating a commitment agreement with the Second Backstop Parties, the Debtors had significant concerns about going forward with such alternative proposal for various reasons including, without limitation, uncertainty about receiving sufficient votes to confirm any plan of reorganization based on such alternative.

After extensive, arms-length negotiations between the Debtors, the Creditors' Committee, the First Backstop Parties and the Second Backstop Parties, all parties agreed upon the terms of a revised restructuring proposal incorporated in the new Equity Commitment Agreement. The Equity Commitment Agreement and the Plan provide for a $355 million backstopped equity rights offering that would pay the Prepetition Facility Claims and the Senior Note Claims in full, in cash, and improve the recovery to the Senior Subordinated Noteholders. Thus, the Debtors have now filed the Plan, which has the support of Holders holding more than half of the outstanding principal amount of Senior Note Claims and Holders holding a substantial majority of the outstanding principal amount of the Senior Subordinated Note Claims.

Pursuant to the terms of the Plan:

. Each Allowed Administrative Expense will be paid in full, in cash;

. Each Allowed Priority Tax Claim will receive Cash payments in an amount equal to the amount of such Allowed Priority Tax Claim on the Effective Date or such other treatment agreed to by the Holder of such Allowed Priority Tax Claim and the Debtors or the Reorganized Debtors, as the case may be;

. Holders of Allowed Prepetition Credit Facility Claims will be paid in full, in Cash, on the Effective Date;

. Holders of Allowed Senior Note Claims will be paid in full, in Cash, on the Effective Date; provided, however, that the Supporting Senior Noteholders have each agreed to forgo their right to receive payment in full, in Cash, and in lieu thereof, have agreed to accept, in full satisfaction of the Allowed Supporting Senior Note Claims, its Pro Rata share of 4,563,095 shares of the New Common Stock;

. Allowed Priority Claims, Allowed Miscellaneous Secured Claims, Intercompany Claims, Subsidiary Debtor General Unsecured Claims and Subsidiary Debtor Equity Interests will be Unimpaired;

. Holders of Allowed Senior Subordinated Note Claims will receive a distribution of, in the aggregate, (i) 1,742,222 shares, or approximately

8%, of the New Common Stock (assuming conversion of the New Preferred Stock and subject to dilution from shares issued pursuant to the Management Incentive Plan and shares issuable upon exercise of the New Capital Warrants) and (ii) warrants to acquire an additional 725,926, or approximately 3% of the New Common Stock pursuant to the New Capital Warrant Agreement. In addition, pursuant to the Rights Offering, Eligible Noteholders will be entitled to receive their pro rata share of Senior Subordinated Noteholder Rights to purchase, in the aggregate, 8,623,491 shares, or approximately 39.6%, of the New Common Stock to be issued on the Effective Date (assuming conversion of the New Preferred Stock and subject to dilution from shares issued pursuant to the Management Incentive Plan and shares issuable upon exercise of the New Capital Warrants), at the New Common Stock Subscription Price. Non-Eligible Noteholders will receive a distribution of a number of shares of New Common Stock determined after the deadline for receipt of all Investor Certificates in a manner previously agreed upon by the Debtors and the Backstop Parties with a value equal to the value of the Senior Subordinated Noteholder Rights such Holder would have received if it was an Accredited Investor, a QIB or a Non-U.S. Person and which number of shares will be filed as a Plan Supplement;

. Holders of Holdings General Unsecured Claims and Old Holdings Equity Interests are Impaired and Holders of such Claims or Interests will not receive or retain any property under the Plan and are deemed to reject the Plan; and

. In consideration for providing the commitment to backstop the Rights Offering, the Debtors have agreed to sell and the Backstop Parties have agreed to purchase (i) 2,558,182 shares, or approximately 11.75%, of the New Common Stock at the Holdback Subscription Price and (ii) 1,000,000 shares of the New Preferred Stock at the New Preferred Stock Subscription Price. In addition, the Debtors have agreed to issue warrants to the Backstop Parties to purchase 1,693,827 shares, or approximately 7%, of the New Common Stock to be issued on the Effective Date (assuming conversion of the New Preferred Stock and subject to dilution from shares issued pursuant to the Management Incentive Plan).

In order for the Plan to be confirmed by the Bankruptcy Court pursuant to section 1129(b) of the Bankruptcy Code, at least one class of Impaired Claims must accept the Plan, determined without including votes to accept the Plan cast by "insiders," as that term is defined in section 101(31) of the Bankruptcy Code. A class of claims has accepted a plan if such plan has been accepted by creditors that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors that have accepted or rejected such plan. The Backstop Parties (which hold a substantial majority in dollar amount of Senior Subordinated Note Claims) support the Plan and have agreed to vote in favor of the Plan.

Even if the requisite classes accept the Plan, the Plan will be confirmed by the Bankruptcy Court only if all other requirements to confirmation are satisfied. See section 13.01 "Certain Risk Factors—Certain Bankruptcy Law Considerations—Risk of Non-Confirmation or Modification of the Plan."

1.04 **Separate Sub-Plan for Each Debtor**

Under the Plan, there is a separate Sub-Plan for each Debtor. Generally, Holders of a General Unsecured Claim or Equity Interest against a Debtor only have a right to be paid from the assets of the specific Debtor against which they hold a Claim or in which they have an interest from such assets that remain following the payment of that Debtor's secured creditors. The only asset of Holdings is its Equity Interest in CSA. Because CSA's value is insufficient to pay its creditors in full, the Equity Interest in CSA is worthless. Therefore, no asset exists at Holdings to distribute to Holders of Holdings General Unsecured Claims and Holders of Old Holdings Equity Interests. Therefore, these Entities will receive no distribution under the Plan.

1.05 **Summary of the Rights Offering and Holdback**

Based on discussions with their key constituents, the Debtors determined that their ability to consummate a consensual restructuring and emerge from chapter 11 as quickly as possible would require a significant new money investment. The Debtors further determined, with the input of their key constituents, that a new money investment would be accomplished most effectively through a rights offering backstopped by one or more parties to ensure that the Debtors would receive the full amount of their new money investment. Pursuant to the Original Plan, the Debtors had negotiated for a new money investment that would allow the Debtors to pay the Holders of the Prepetition Credit Facility Claims in full. As discussed herein, after the filing of the Original Plan, the Debtors were approached by a group of Second Backstop Parties regarding an alternate transaction, and the Debtors ultimately negotiated an alternative new money investment by a combined backstop party group that will allow the Debtors to unimpair the Holders of Prepetition Credit Facility Claims, Subsidiary Debtor General Unsecured Claims and Senior Note Claims (with the Supporting Senior Noteholders agreeing to forgo cash payment on their Supporting Senior Note Claims, and instead receiving a distribution of New Common Stock on account of their Supporting Senior Note Claims), while providing a portion of the equity in Reorganized Holdings to Holders of Allowed Senior Subordinated Note Claims. In that regard, the Debtors intend to conduct the Rights Offering to raise $355 million in new capital, which, when combined with the New Secured Debt Facility, will be used to pay the Holders of Prepetition Credit Facility Claims, Subsidiary Debtor General Unsecured Claims and Senior Note Claims in full, in Cash, on the Effective Date.

Participation in the Rights Offering will be available to any Holder of Allowed Senior Subordinated Note Claims that, in accordance with the Rights Offering Procedures, timely returned an Investor Certificate certifying that such Holder is an Accredited Investor, a QIB or a Non-U.S. Person (or a qualified transferee of such Holder in accordance with the Rights Offering Procedures). Each Holder of an Allowed Senior Subordinated Note Claim that (i) timely returned the Investor Certificate in accordance with the instructions on the Investor Certificate certifying that it is not an Accredited Investor, a QIB or a Non-U.S. Person and (ii) continues to hold such Allowed Senior Subordinated Note Claim on the Effective Date, will

receive a distribution of a number of shares of New Common Stock determined after the deadline for receipt of all Investor Certificates in a manner previously agreed upon by the Debtors and the Backstop Parties with a value equal to the value of the Senior Subordinated Noteholder Rights such Holder would have received if it was an Accredited Investor, a QIB or a Non-U.S. Person and which number of shares will be filed as a Plan Supplement Investor Certificates were distributed to the Holders of Allowed Senior Subordinated Note Claims on February 12, 2010. If a Holder of an Allowed Senior Subordinated Note Claim was determined to be an Eligible Noteholder, such Holder has been sent additional materials with instructions on how to participate in the Rights Offering.

In connection with the Rights Offering, the Debtors will distribute to Eligible Noteholders rights to purchase shares of New Common Stock in return for Cash. Eligible Noteholders will acquire their share of rights to subscribe for up to, in the aggregate, 8,623,491 shares, or approximately 39.6%, of the New Common Stock to be issued on the Effective Date (assuming conversion of the New Preferred Stock and subject to dilution from shares issued pursuant to the Management Incentive Plan and shares issuable upon exercise of the New Capital Warrants).

Each Senior Subordinated Noteholder Right represents the right to purchase, and can only be exercised to purchase, New Common Stock. The subscription price for each share of New Common Stock purchased pursuant to the Rights Offering is $21.54. In addition, each Eligible Noteholder that has exercised the full amount of its Senior Subordinated Noteholder Rights will have the right to subscribe for additional shares of New Common Stock not subscribed for in the Rights Offering. The price per share to purchase such additional shares is $21.54.

The Rights Offering will commence on the Subscription Commencement Date and terminate on the Subscription Deadline. The procedures for properly exercising the Rights are set forth in the Rights Offering Procedures. The Senior Subordinated Noteholder Rights offered pursuant to the Rights Offering will only be transferable together with their underlying Claims in accordance with the Rights Offering Procedures. Once an Eligible Noteholder or its transferee has properly exercised its rights pursuant to the Rights Offering Procedures, such exercise will not be permitted to be revoked until the date that is 270 days following the deadline to exercise such rights, if the Effective Date has not occurred on or before such date.

In the event the shares offered pursuant to the Rights Offering are not fully subscribed for during the Subscription Period, the Backstop Parties have agreed to purchase the unsubscribed shares (including any shares not purchased due to rounding) pursuant to the Equity Commitment Agreement. The Backstop Parties have agreed to purchase such shares at a price per share of $21.54. The Equity Commitment Agreement and the Rights Offering Procedures (and related documentation) have been filed concurrently with this Disclosure Statement. The commitment of the Backstop Parties to purchase the unsubscribed shares offered pursuant to the Rights Offering, as provided in the Equity Commitment Agreement, will help to ensure that the Debtors receive the full amount of the $355 million in Cash in connection with the Rights Offering. In consideration for providing the commitment to backstop the Rights Offering, the Backstop Parties will receive a commitment premium equal to $12,425,000, which represents 3.5% of the Rights Offering Amount. In addition, the Backstop Parties have agreed to purchase,

and the Debtors have agreed to sell, (i) 2,558,182 shares, or approximately 11.75%, of the New Common Stock to be issued on the Effective Date (assuming conversion of the New Preferred Stock and subject to dilution from shares issued pursuant to the Management Incentive Plan and shares issuable upon exercise of the New Capital Warrants) at the Holdback Subscription Price and (ii) 1,000,000 shares of the New Preferred Stock at the New Preferred Stock Subscription Price. In addition, the Debtors have agreed to issue warrants to the Backstop Parties to purchase 1,693,827 shares, or approximately 7%, of the New Common Stock to be issued on the Effective Date (assuming conversion of the New Preferred Stock and subject to dilution from shares issued pursuant to the Management Incentive Plan), at a strike price of $27.33.

The Rights Offering is further described in the Rights Offering Procedures, which are attached to the Plan as Exhibit B.

1.06 **Summary of Classifications and Treatment of Claims and Equity Interests**

Pursuant to sections 1122 and 1123(a) of the Bankruptcy Code, set forth below is a designation of classes of Claims and Equity Interests. Administrative Expenses and Priority Tax Claims of the kinds specified in sections 507(a)(2) and 507(a)(8) of the Bankruptcy Code (set forth in Articles II and III of the Plan) have not been classified and are excluded from the following classes in accordance with section 1123(a)(l) of the Bankruptcy Code.

Class	Type of Claim or Interest	Treatment	Estimated Recovery
Not Applicable	Administrative Expenses	On the later of (a) the Effective Date (or as soon thereafter as is practicable), (b) the date on which the Bankruptcy Court enters an order allowing such Administrative Expense, or (c) such other date to which the Reorganized Debtors and the Holder of the Allowed Administrative Expense agree, the Debtors or the Reorganized Debtors, as the case may be, will pay each Allowed Administrative Expense in full, in Cash; provided, however, that Allowed Administrative Expenses representing obligations incurred in the ordinary course of business or assumed by the Debtors or the Reorganized Debtors, as the case may be, will be paid in full or performed by the Debtors or Reorganized Debtors, as the case may be, in the ordinary course of business,	100%

		consistent with past practice.	
Not Applicable	Priority Tax Claims (approximately $3,000,000 estimated)	At the sole option of the Debtors, each Holder of an Allowed Priority Tax Claim will be entitled to receive from the Reorganized Debtors on account of such Claim: (i) on the Effective Date, or as soon thereafter as is practicable, Cash payments in an amount equal to such Allowed Priority Tax Claim or (ii) such other treatment agreed to by each Holder of such Allowed Priority Tax Claim and the Debtors or Reorganized Debtors, as the case may be.	100%
Class 1	Priority Claims (approximately $250,000 estimated)	Unimpaired. On the latest of (a) the Effective Date (or as soon as practicable thereafter), (b) the date on which such Priority Claim becomes an Allowed Priority Claim, or (c) such other date on which the Debtors and the Holder of such Allowed Priority Claim may agree, each Holder of an Allowed Priority Claim will be entitled to receive Cash in an amount sufficient to render such Allowed Priority Claim Unimpaired under section 1124 of the Bankruptcy Code; provided, however, that Allowed Priority Claims representing obligations incurred in the ordinary course will be paid in full or performed by the Debtors or Reorganized Debtors, consistent with past practice.	100%
Class 2	Miscellaneous Secured Claims (approximately $0 estimated)	Unimpaired. On the Effective Date, at the sole option of the Debtors, (i) the legal, equitable and contractual rights to which the Miscellaneous Secured Claim entitles the Holder of such Claim will remain unaltered, and the Holder of such Claim will retain any Liens and/or security interests securing such Claim, or (ii) the	100%

		Debtors will provide other treatment that will render such Miscellaneous Secured Claim Unimpaired under section 1124 of the Bankruptcy Code.	
Class 3	Intercompany Claims (approximately $1,087,000,000 estimated)	Unimpaired. On the Effective Date, at the option of the Debtors or the Reorganized Debtors, either (a) the legal, equitable and contractual rights to which the Intercompany Claim entitles the Holder of such Claim will remain unaltered, in full or in part, and treated in the ordinary course of business, (b) such Intercompany Claim will be cancelled and discharged, in full or in part, in which case such discharged and satisfied portion will be eliminated and the Holders thereof will not be entitled to, and will not receive or retain, any property or interest in property on account of such portion under the Plan, or (c) such Intercompany Claim will be settled and discharged in exchange for property of the Debtors; provided, however, that any Intercompany Claims against any Debtor held by a non-Debtor Subsidiary will remain unaltered.	100%
Class 4	Prepetition Credit Facility Claims ($658,416,000 (which includes principal plus accrued pre- and post-petition interest calculated at the applicable non-default rate or rates (including interest on interest) through May 1, 2010) plus any accrued post-petition interest from May 2, 2010 through the Effective Date at the applicable non-default rate or rates (including interest on interest))	Unimpaired. On the Effective Date, each Holder of an Allowed Prepetition Credit Facility Claim will receive payment in full, in Cash.	100%

Class 5	Senior Note Claims ($219,250,000)(which includes principal plus accrued pre- and post-petition interest calculated at the applicable non-default rate or rates (including interest on interest) through May 1, 2010), plus any accrued post-petition interest from May 2, 2010 through the Effective Date at the applicable non-default rate or rates (including interest on interest) and any other amounts the Bankruptcy Court may order as necessary to render Class 5 Unimpaired)	Unimpaired. On the Effective Date, each Holder of an Allowed Senior Note Claim will receive payment in full, in Cash; provided, however, that pursuant to Section 1123(a)(4) of the Bankruptcy Code each Supporting Senior Noteholder has agreed to forgo its right to receive payment in full, in Cash, and in lieu thereof, has agreed to accept, in full satisfaction of its Allowed Supporting Senior Note Claim, and in consideration for its Allowed Supporting Senior Note Claim and its commitment under the Equity Commitment Agreement, less favorable treatment consisting of its Pro Rata share of 4,563,095 shares of the New Common Stock.	100%
Class 6	Senior Subordinated Note Claims ($330,000,000)	Impaired. On the Effective Date, (i) each Holder of an Allowed Senior Subordinated Note Claim will be entitled to receive its Pro Rata share of, in the aggregate, 1,742,222 shares, or approximately 8%, of the New Common Stock to be issued on the Effective Date (assuming conversion of the New Preferred Stock and subject to dilution from shares issued pursuant to the Management Incentive Plan and shares issuable upon exercise of the New Capital Warrants), and warrants to acquire an additional 725,926, or approximately 3%, of the New Common Stock to be issued on the Effective Date (assuming conversion of the New Preferred Stock and subject to dilution from shares issued pursuant to the Management Incentive Plan), (ii) each Eligible Noteholder will be entitled to receive its share of rights to subscribe for up to, in the aggregate, 8,623,491	25.8% (assuming full participation of Holders of Allowed Senior Subordinated Note Claims in the Rights Offering); 15.4% (assuming no participation from Holders of Allowed Senior Subordinated Claims in the Rights Offering).

		shares, or approximately 39.6%, of the New Common Stock to be issued on the Effective Date (assuming conversion of the New Preferred Stock and subject to dilution from shares issued pursuant to the Management Incentive Plan and shares issuable upon exercise of the New Capital Warrants), with the right to purchase additional shares not subscribed for, and (iii) each Non-Eligible Noteholder shall receive its pro rata share of the Non-Eligible Noteholder Shares.	
Class 7	Subsidiary Debtor General Unsecured Claims (approximately $22,200,000 estimated)	Unimpaired: On the latest of (a) the Effective Date (or as soon as practicable thereafter), (b) the date on which such Subsidiary Debtor General Unsecured Claim becomes an Allowed Subsidiary Debtor General Unsecured Claim, or (c) such other date on which the Debtors and the Holder of such Allowed Subsidiary Debtor General Unsecured Claim may agree, each Holder of an Allowed Subsidiary Debtor General Unsecured Claim will be entitled to receive Cash in an amount sufficient to render such Allowed Subsidiary Debtor General Unsecured Claim Unimpaired under section 1124 of the Bankruptcy Code	100%
Class 8	Subsidiary Debtor Equity Interests	Unimpaired. On the Effective Date, the legal, equitable and contractual rights to which the Subsidiary Debtor Equity Interest entitles the Holder of such Interest will remain unaltered.	100%
Class 9	Holdings General Unsecured Claims (approximately $69,113,000 estimated)	Impaired. On the Effective Date, all Holdings General Unsecured Claims will be extinguished and no distributions will be made to Holders of Holdings General Unsecured Claims.	0%

Class 10	Old Holdings Equity Interests	Impaired. On the Effective Date, all Old Holdings Equity Interests will be cancelled and extinguished and no distributions will be made to Holders of Old Holdings Equity Interests.	0%

For a more detailed description of the treatment of the foregoing classes of Claims and Equity Interests, see section 5.03 "Summary of the Plan—Classification and Treatment of Claims and Equity Interests Under the Plan."

IF THE REQUISITE ACCEPTANCES ARE RECEIVED, THE PLAN IS CONFIRMED BY THE BANKRUPTCY COURT, AND THE PLAN IS CONSUMMATED, ALL HOLDERS OF CLAIMS AND EQUITY INTERESTS (INCLUDING THOSE WHO DO NOT OR ARE NOT ENTITLED TO SUBMIT BALLOTS TO ACCEPT OR REJECT THE PLAN) WILL BE BOUND BY THE TERMS OF THE PLAN AND THE TREATMENT AFFORDED SUCH HOLDERS THEREUNDER.

1.07 **Conditions of Confirmation and Consummation of Plan**

Consummation of the Plan is subject to satisfaction of the following conditions (which, other than those relating to the effectiveness of the Equity Commitment Agreement, the commencement of the Rights Offering and satisfaction of the closing conditions contained in the New Working Capital Facility Documents and the New Secured Debt Facility Documents, may be waived by the Debtors or the Reorganized Debtors, as the case may be, with the consent of the Required Backstop Parties, which will not be unreasonably withheld, and after consultation with the Creditors' Committee):

(a) Disclosure Statement. The Disclosure Statement Approval Order shall have been entered by the Bankruptcy Court in form and substance reasonably acceptable to the Required Backstop Parties and the Creditors' Committee;

(b) Plan Documents and Agreements. All documents and agreements contemplated by, related to or necessary to the Plan are satisfactory to the applicable Debtor and shall be in form and substance reasonably satisfactory to the Required Backstop Parties as and to the extent required by the Equity Commitment Agreement and such other party as provided under the Plan;

(c) The Rights Offering and Equity Commitment Approval Order. The Rights Offering and Equity Commitment Approval Order shall have become a Final Order in form and substance reasonably satisfactory to the Required Backstop Parties;

(d) The Equity Commitment Agreement. The Equity Commitment Agreement shall continue to be in full force and effect and the conditions and the obligations of the parties thereto shall have been satisfied or waived in accordance therewith;

(e) New Working Capital Credit Facility Documents and New Secured Debt Facility Documents. The Debtors must have received a firm written commitment for the New

Working Capital Credit Facility and the New Secured Debt Facility in form and substance reasonably satisfactory to the Required Backstop Parties;

(f) Confirmation Order. The Confirmation Order shall have become a Final Order in form and substance reasonably satisfactory to the Required Backstop Parties and the Creditors' Committee; provided, however, that any provision in the Confirmation Order that is inconsistent with the Plan or the Equity Commitment Agreement or any exhibits to either of the foregoing and is in any way materially adverse to the Backstop Parties, the Senior Noteholders, the Senior Subordinated Noteholders, the New Preferred Stock and/or the New Common Stock, shall be subject to the consent of the Required Backstop Parties and shall be in form and substance reasonably satisfactory to the Creditors' Committee;

(g) Rights Offering.

(i) The Rights Offering shall have been conducted and consummated in accordance with the Plan, the Equity Commitment Agreement and the Rights Offering Procedures;

(ii) The Rights Offering Amount shall have been received by the Debtors;

(iii) The Backstop Parties shall have received the Backstop Warrants, the Holdback Shares and the Rights Offering Shares, if any, in accordance with the terms and conditions of the Equity Commitment Agreement, the Plan and the Rights Offering Procedures;

(iv) Eligible Noteholders shall have received their respective Rights Offering Shares in accordance with the terms and conditions of the Plan and the Rights Offering Procedures; and

(v) All fees and expenses due and owing by the Debtors pursuant to the Equity Commitment Agreement and the Rights Offering and Equity Commitment Approval Order shall have been paid, in full, in Cash, without the need for the Backstop Parties to file retention or fee applications with the Bankruptcy Court;

(h) Authorizations, Consents and Approvals. All authorizations, consents and regulatory approvals in connection with the consummation of the Plan shall have been obtained and not revoked;

(i) New Credit Facility Documents. If applicable, all conditions to the New Working Capital Facility Documents and the New Secured Debt Facility Documents (both of which must comply with the requirements of the Equity Commitment Agreement), other than the occurrence of the Effective Date of the Plan, must have been satisfied or waived (such waiver requiring, respectively, the consent of the requisite lenders thereto) pursuant to the terms thereof;

(j) Subsidiary Debtor General Unsecured Claims. Subsidiary Debtor General Unsecured Claims (excluding the Senior Note Claims and the Senior Subordinated Note Claims) shall not exceed $33 million;

(k) CCAA Plan of Arrangement. The CCAA Plan shall have become effective in accordance with its terms, the Sanction Order and the CCAA, and the Sanction Order shall have become a Final Order;

(l) Cooper Tire L/C: The Cooper Tire L/C, if required to be issued pursuant to the terms of the Cooper Tire Settlement Agreement, shall have been issued in accordance with the terms of Cooper Tire Settlement Agreement; and

(m) Issuance of New Capital Stock and New Capital Warrants. The Debtors shall have issued the New Capital Stock and the New Capital Warrants pursuant to the provisions of the Plan.

ARTICLE II.
DEFINITIONS

For purposes of this Disclosure Statement, except as expressly provided or unless the context otherwise requires, all capitalized terms not otherwise defined have the meanings ascribed to them in this Article II. Whenever from the context it appears appropriate, each term stated in either the singular or the plural shall include the singular and the plural, and pronouns stated in the masculine, feminine, or neutral gender shall include the masculine, the feminine, and the neuter. The word "including" is not a limiting term and shall be interpreted to mean "including, but not limited to". Any term used in this Disclosure Statement that is not defined herein, but is defined in the Bankruptcy Code or the Bankruptcy Rules, shall have the meaning ascribed to that term in the Bankruptcy Code or the Bankruptcy Rules whether or not capitalized and whether or not such definition is specified. For purposes of this Disclosure Statement, any reference to a contract, instrument, release, indenture, order, or other agreement or document being in a particular form or on particular terms and conditions means that such document shall be substantially in such form or substantially on such terms and conditions and shall be in form and substance satisfactory to the Debtors.

Accredited Investor: As defined in Rule 501(a) of Regulation D of the Securities Act.

Administrative Expense: Collectively, any cost or expense of administration of the Chapter 11 Cases allowed under section 503(b) of the Bankruptcy Code.

Affiliates: As defined in section 101(2) of the Bankruptcy Code, except that the term Affiliate shall be applicable to any Entity (and not just a Debtor).

Allowed: With respect to Claims, (a) any Claim against a Debtor, proof of which is timely filed or by order of the Bankruptcy Court or pursuant to the Plan is not or will not be required to be filed, (b) any Claim that has been or is hereafter listed in the Schedules as neither disputed, contingent nor unliquidated, and for which no timely Proof of Claim has been filed, or (c) any Claim allowed pursuant to the Plan or the Confirmation Order; provided, however, that with respect to any Claim described in clauses (a) or (b) above, such Claim will be allowed only if (i) no objection to the allowance thereof has been interposed within the applicable period of time fixed by the Plan, the Bankruptcy Code, the Bankruptcy Rules or the Bankruptcy Court or (ii) such an objection is so interposed and the Claim shall have been allowed by a Final Order

(but only if such allowance was not solely for the purpose of voting to accept or reject the Plan). Except as otherwise specified in the Plan or a Final Order, the amount of an Allowed Claim shall not include interest on such Claim after the Filing Date.

Backstop Commitment Fees and Expenses Approval Order: The order approving the payment of reasonable and documented fees and expenses incurred by counsel for the Backstop Parties in connection with the negotiation, documentation, and implementation of the Rights Offering and any and all supporting documents and related transactions, entered by the Bankruptcy Court on January 5, 2010 [Docket No. 671].

Backstop Parties: Collectively, those parties set forth in the Equity Commitment Agreement, that are providing the equity commitment thereunder, which as of the date hereof are American High-Income Trust; American Funds Insurance Series, Asset Allocation Fund; American Funds Insurance Series, High-Income Bond Fund; Barclays Bank PLC; Future Fund Board of Guardians; Lerner Enterprises, LLC; Lord Abbett & Co. LLC as investment advisor on behalf of multiple clients; Oak Hill Credit Opportunities Financing, Ltd.; OHA Strategic Credit Master Fund, L.P.; OHA Strategic Credit Master Fund II, L.P.; OHSF II Financing Ltd.; Silver Point Capital, L.P.; TCW Shared Opportunity Fund IV, L.P.; TCW Shared Opportunity Fund IVB, L.P.; TCW Shared Opportunity Fund V, L.P. and TD High Yield Income Fund.

Backstop Shelf Registration Statement: A registration statement on Form S-1 for the delayed or continuous sale of securities pursuant to Rule 415 under the Securities Act covering resales by the Backstop Parties and any of their affiliates and such other holders that are party to the Registration Rights Agreement of (i) all shares of New Common Stock issued in the Rights Offering, (ii) all shares of New Capital Stock and all New Capital Warrants issued pursuant to the Equity Commitment Agreement and (iii) all shares of New Common Stock issued upon conversion of the New Preferred Stock and upon exercise of the New Capital Warrants.

Backstop Warrants: In the aggregate, 70% of the New Capital Warrants, which are to be issued to the Backstop Parties.

Ballot: The ballots distributed together with the Disclosure Statement to Holders of an Impaired Claim or Old Holdings Equity Interest entitled to vote for the purpose of accepting or rejecting the Plan.

Bankruptcy Code: Title 11 of the United States Code, as amended from time to time, as applicable during the Chapter 11 Cases.

Bankruptcy Court: The United States Bankruptcy Court for the District of Delaware, or any other court having jurisdiction over the Chapter 11 Cases.

Bankruptcy Fees: Any fees or charges assessed against the Debtors' estates under section 1930 of title 28 of the United States Code.

Bankruptcy Rules: The Federal Rules of Bankruptcy Procedure, as amended from time to time, promulgated under section 2075 of title 28 of the United States Code.

Bar Date: The date designated by the Court as the last day for filing a Proof of Claim against the Debtors.

Business Day: Any day other than a Saturday, Sunday or "legal holiday" as defined in Bankruptcy Rule 9006(a).

Canadian Court: The Ontario Superior Court of Justice (Commercial List), or any other Canadian court having jurisdiction over the CCAA Proceeding or such other insolvency related proceeding of CSA Canada.

Cash: Legal tender of the United States of America.

Causes of Action: Any and all actions, causes of action, suits, accounts, controversies, agreements, promises, rights to legal remedies, rights to equitable remedies, rights to payment and claims, whether known or unknown, reduced to judgment, not reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, secured, unsecured and whether asserted or assertable directly or derivatively, in law, equity or otherwise.

CCAA: Companies' Creditors Arrangement Act (Canada), R.S.C., 1985, c.C-36, as amended.

CCAA Plan: The plan of compromise or arrangement of CSA Canada prepared and filed on March 12, 2010 in the CCAA Proceeding, together with all exhibits thereto, as the same may be amended from time to time in accordance with the terms therewith in form and substance reasonably satisfactory to the Required Backstop Parties and in consultation with the Creditors' Committee.

CCAA Proceeding: The proceeding under Canada's CCAA commenced by CSA Canada on August 4, 2009, in the Ontario Superior Court of Justice (Commercial List) in Toronto, Ontario, Canada.

Certificate of Designations: The Certificate of Designations of the New Preferred Stock, attached to the Plan as Exhibit D and attached to the Equity Commitment Agreement as Exhibit J as the same may be modified with the consent of the Required Backstop Parties and in consultation with the Creditors' Committee; provided, however, that any material modification thereof shall be in form and substance reasonably satisfactory to the Creditors' Committee and filed as a Plan Supplement.

Chapter 11 Cases: The respective cases under chapter 11 of the Bankruptcy Code concerning the Debtors commenced on the Filing Date.

Claim: Any right to (a) payment from the Debtors, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured or (b) an equitable remedy for breach of performance of the Debtors if such breach gives rise to a right to payment from the Debtors, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured or unsecured.

Committees: Collectively (i) the Creditors' Committee, and (ii) any other committee(s) appointed pursuant to section 1102(a) of the Bankruptcy Code in the Chapter 11 Cases.

Confirmation Date: The date on which the Confirmation Order is entered on the docket maintained by the clerk of the Bankruptcy Court with respect to the Chapter 11 Cases.

Confirmation Hearing: The hearing held by the Bankruptcy Court pursuant to section 1128(a) of the Bankruptcy Code regarding the confirmation of the Plan pursuant to section 1129 of the Bankruptcy Code, as such hearing may be adjourned or continued from time to time.

Confirmation Order: The order of the Bankruptcy Court confirming the Plan pursuant to section 1129 of the Bankruptcy Code, in form and substance reasonably satisfactory to the Required Backstop Parties and the Creditors Committee.

Consenting Backstop Parties: Two-thirds in amount of the Backstop Parties based on Commitment Percentage, whose consent may be granted or withheld in accordance with section 16 of the Equity Commitment Agreement.

Cooper Tire L/C: The letter of credit to be issued to Cooper Tire pursuant to the terms of the Cooper Tire Settlement Agreement.

Cooper Tire Settlement Agreement: That certain Agreement Concerning Terms and Conditions of a Compromise and Settlement, dated March 17, 2010, by and between Holdings, CSA and CSA Canada, as defendants, Cooper Tire & Rubber Company and Cooper Tyre Rubber & Company UK Limited, as plaintiffs, and the Creditors' Committee, as an interested party, in the adversary proceeding: Cooper Tire & Rubber Company v. Cooper-Standard Holdings, Inc. et. al., Adv. Proc. No. 09-52014 (PJW).

Creditor: Any Entity that is the Holder of a Claim against any of the Debtors that arose on or before the Filing Date or a Claim against any of the Debtors' estates of the kind specified in section 502(g), 502(h) or 502(i) of the Bankruptcy Code.

Creditors' Committee: The official committee of unsecured creditors, appointed in these Chapter 11 Cases pursuant to section 1102(a) of the Bankruptcy Code on August 14, 2009, as the same may be constituted from time to time.

CSA: Cooper-Standard Automotive Inc.

CSA Canada: Cooper-Standard Automotive Canada Limited.

Debtors: Collectively, Holdings, CSA, Cooper-Standard Automotive FHS Inc., Cooper-Standard Automotive Fluid Systems Mexico Holding LLC, Cooper-Standard Automotive OH, LLC, StanTech, Inc., Westborn Service Center, Inc., North American Rubber, Incorporated, Sterling Investments Company, Cooper-Standard Automotive NC L.L.C., CS Automotive LLC, CSA Services Inc., and NISCO Holding Company.

DIP Facility: The Debtors' superpriority senior secured postpetition credit facility, consisting of a $175,000,000 superpriority single draw term loan facility and a $25,000,000 standby uncommitted single draw term loan facility, provided by the DIP Lenders to Holdings and the other borrowers party thereto during these Chapter 11 Cases, pursuant to the DIP Financing Agreement and the DIP Financing Order.

DIP Financing Agent: (a) Deutsche Bank Trust Company Americas, in its capacity as the administrative agent, collateral agent and documentation agent under the DIP Financing Agreement; and (b) Deutsche Bank Securities Inc., in its capacity as the syndication agent, sole lead arranger and sole book runner under the DIP Financing Agreement.

DIP Financing Agreement: The debtor in possession credit agreement, dated as of December 18, 2009, as amended, modified or otherwise supplemented from time to time, by and among Holdings and the other borrowers party thereto, as the borrowers, the DIP Lenders, the other financial institutions party thereto, and the DIP Financing Agent.

DIP Financing Fees and Expenses: Without duplication, all reasonable fees, costs, charges, and expenses required to be paid by the Debtors under the terms of the DIP Financing Agreement, the DIP Original Financing Agreement, and/or any separate engagement letter executed in connection therewith, including but not limited to, the fees and disbursements of professionals, including without limitation (a) Milbank, Tweed, Hadley & McCloy LLP, as counsel to the DIP Financing Agent, (b) each local counsel to the DIP Financing Agent, (c) Capstone Advisory Group LLC, as advisor to the DIP Financing Agent, and (d) Houlihan Lokey Howard & Zukin Capital, Inc., as advisor to the DIP Financing Agent.

DIP Financing Order: The Final Order (I) Authorizing U.S. Debtors (A) to Obtain Replacement Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, and 364, (B) to Use Cash Collateral Pursuant to 11 U.S.C § 363, and (II) Granting Certain Protections to Prepetition Secured Parties Pursuant to 11 U.S.C. §§ 361, 362, 363, and 364 [Docket No. 649], entered on December 29, 2009, and as amended, modified or supplemented by the Bankruptcy Court from time to time.

DIP Lender Claims: A Claim against a Debtor arising pursuant to the DIP Financing Agreement, including all "DIP Obligations" as such term is defined in the DIP Financing Order.

DIP Lenders: The lenders under the DIP Financing Agreement and the DIP Original Financing Agreement, as appropriate.

DIP Original Financing Agent: (a) Deutsche Bank Trust Company Americas, in its capacity as the administrative agent, collateral agent and documentation agent under the DIP Original Financing Agreement; (b) Deutsche Bank Securities Inc., in its capacity as the joint lead arranger and book runner under the DIP Original Financing Agreement; (c) Banc of America Securities LLC as co-syndication agent and co-arranger under the DIP Original Financing Agreement; (d) General Electric Capital Corporation as co-syndication agent and joint lead arranger and book runner under the DIP Original Financing Agreement; and (e) UBS Securities LLC as co-syndication agent and co-arranger under the DIP Original Financing Agreement.

DIP Original Financing Agreement: The debtor in possession credit agreement, dated as of August 5, 2009, as amended, modified or otherwise supplemented from time to time, by and among Holdings and the other borrowers party thereto, as the borrowers, the lenders and other financial institutions party thereto, and the DIP Original Financing Agent, which was refinanced in full with the DIP Financing Agreement.

DIP Original Financing Order: The Corrected Final Order (I) Authorizing U.S. Debtors (A) to Obtain Replacement Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, and 364, (B) to Use Cash Collateral Pursuant to 11 U.S.C § 363, and (II) Granting Certain Protections to Prepetition Secured Parties Pursuant to 11 U.S.C. §§ 361, 362, 363, and 364 [Docket No. 179], entered on September 2, 2009, and as amended, modified or supplemented by the Bankruptcy Court from time to time.

Disclosure Statement: The disclosure statement relating to the Plan, including the exhibits and schedules thereto, as the same may be amended, modified, or supplemented from time to time (in accordance with the Equity Commitment Agreement), as approved by the Bankruptcy Court pursuant to the Disclosure Statement Approval Order.

Disclosure Statement Approval Order: The order approving the Disclosure Statement Motion, entered by the Bankruptcy Court on [_____ __, 2010] [Docket No. ___], in form and substance reasonably satisfactory to the Required Backstop Parties and the Creditors' Committee.

Disclosure Statement Motion: The motion filed by the Debtors on February 1, 2010, pursuant to section 1125 of the Bankruptcy Code and Bankruptcy Rules 3017 and 3018 seeking approval of the adequacy of this Disclosure Statement and the solicitation procedures and scheduling the Confirmation Hearing [Docket No. 753], including any amendments and supplements thereto.

Disputed: With respect to Claims or Equity Interests, any Claim or Equity Interest that is not Allowed.

Distribution Record Date: The date established in the Confirmation Order for determining the identity of Holders of Claims entitled to distributions under the Plan, which shall be no earlier than the date of entry of the Confirmation Order.

Effective Date: The first Business Day immediately following the date upon which all conditions to the Effective Date set forth in sections 13.01 and 13.02 of the Plan have been satisfied or waived by the applicable Debtor or Reorganized Debtor, as the case may be, and the Required Backstop Parties and in consultation with the Creditors' Committee (all in accordance with section 13.03 of the Plan); provided, however, that if a stay of the Confirmation Order is in effect on such date, the Effective Date will be the first Business Day after such stay is no longer in effect.

Eligible Noteholder: A Holder of an Allowed Senior Subordinated Note Claim that either is (i) a Holder of such Claim as of the Rights Offering Record Date or is a transferee of such Claim evidenced by one or more Certification Period Transfer Notices (as defined in the Rights Offering Procedures) that begin with the transfer by the Holder holding such Claim as of

the Rights Offering Record Date and timely certifies in the Investor Certificate that such Holder is a QIB, an Accredited Investor or a Non-U.S. Person, or (ii) any subsequent transferee thereafter evidenced by one or more Post-Certification Period Transfer Notices (as defined in the Rights Offering Procedures) prior to the Subscription Deadline (as defined in the Rights Offering Procedures); provided, however, that a transferor Holder that has delivered a Post-Certification Period Transfer Notice to the Subscription Agent evidencing the transfer of all such Holder's Allowed Senior Subordinated Note Claims shall no longer be deemed to be an Eligible Noteholder.

Entity: Any individual, corporation, limited or general partnership, limited liability company, joint venture, association, joint stock company, estate, entity, trust, trustee, United States Trustee, unincorporated organization, government, Governmental Unit, agency or political subdivision thereof.

Equity Commitment Agreement: The Commitment Agreement, dated March 19, 2010, approved by the Bankruptcy Court by an order (which will become a Final Order) dated [ ], 2010 [Docket No.], by and between Holdings and the Backstop Parties.

Equity Interests: Old Holdings Equity Interests and Subsidiary Debtor Equity Interests.

ERISA: As amended, the Employee Retirement Income Security Act of 1974.

Estates: The bankruptcy estates of the Debtors in the Chapter 11 Cases created pursuant to section 541 of the Bankruptcy Code upon the commencement of the Debtors' Chapter 11 Cases.

Fee Auditor: Warren H. Smith & Associates, P.C.

Fee Auditor Order: That certain Order Appointing Fee Auditor And Establishing Related Procedures Concerning The Payment Of Compensation And Reimbursement Of Expenses Of Professionals And Members Of Official Committees And Consideration Of Fee Applications, entered on October 16, 2009 [Docket No. 346].

Filing Date: August 3, 2009, the date on which the Debtors filed with the Bankruptcy Court their petitions commencing the Chapter 11 Cases.

Final Order: An order, ruling or judgment of the Bankruptcy Court, Canadian Court or any other court of competent jurisdiction, as applicable, which has not been reversed, vacated or stayed and as to which the time to appeal, petition for certiorari, or move for reargument or rehearing has expired and as to which no appeal, petition for certiorari, or other proceedings for reargument or rehearing will then be pending, or as to which any right to appeal, petition for certiorari, reargue, or rehear will have been waived in writing in form and substance satisfactory to the Debtors or, on and after the Effective Date, the Reorganized Debtors or, in the event that an appeal, writ of certiorari, or reargument or rehearing thereof has been sought, such order of the Bankruptcy Court, Canadian Court or other court of competent jurisdiction (as applicable) will have been determined by the highest court to which such order was appealed, or certiorari, reargument or rehearing will have been denied and the time to take any further appeal,

petition for certiorari or move for reargument or rehearing will have expired; provided, however, that the possibility that a motion under Rule 59 or Rule 60 of the Federal Rules of Civil Procedure, or any analogous rule under the Bankruptcy Rules or applicable state or provincial court rules of civil procedure, may be filed with respect to such order will not cause such order not to be a Final Order.

General Bar Date: December 4, 2009 at 5:00 p.m. (prevailing Pacific Time).

General Unsecured Claim: Any Claim against Holdings or the Subsidiary Debtors other than an Administrative Expense, Miscellaneous Secured Claim, DIP Lender Claim, DIP Financing Fees and Expenses, Prepetition Credit Facility Administrative Claim, Prepetition Credit Facility Claim, Prepetition Credit Facility Fees and Expenses, Senior Note Claim, Senior Subordinated Note Claim, Intercompany Claim, Priority Claim, or Priority Tax Claim.

Governmental Unit: As defined in section 101(27) of the Bankruptcy Code.

Governmental Unit Bar Date: February 1, 2010 at 5:00 p.m. (prevailing Pacific Time).

Holdback Common Shares: 2,558,182 shares of New Common Stock.

Holdback Preferred Shares: 1,000,000 shares of New Preferred Stock.

Holdback Shares: Collectively, the Holdback Common Shares and the Holdback Preferred Shares.

Holdback Subscription Price: $27.07 per share of the Holdback Common Shares offered to be purchased by the Backstop Parties pursuant to the Rights Offering.

Holder: Any Entity that holds a Claim or Equity Interest.

Holdings: Cooper-Standard Holdings Inc.

Holdings General Unsecured Claims: All General Unsecured Claims against Holdings, including, to the extent the Cooper Tire Settlement Agreement is not approved by the Bankruptcy Court, any and all claims of Cooper Tire & Rubber Company and its Affiliates arising under, relating to or in connection with that certain Stock Purchase Agreement, dated as of September 16, 2004, as amended by the First Amendment to the Stock Purchase Agreement, dated as of December 3, 2004, including with respect to any tax refunds received by the Debtors and/or CSA Canada.

Impaired: Any Claim or Equity Interest that is "impaired" within the meaning of section 1124 of the Bankruptcy Code.

Instrument: Any share of stock, security, promissory note or other "Instrument" within the meaning of that term as defined in section 9-102(47) of the Uniform Commercial Code.

Intercompany Claim: Any Claim between and among the Debtors and any Claims of any non-Debtor Subsidiary against a Debtor.

Investor Certificate: The certification form distributed in accordance with the Rights Offering Procedures to each Holder of an Allowed Senior Subordinated Note Claim on which each such Holder must certify (i) whether such Holder is an Accredited Investor, a QIB, a Non-U.S. Person or none of the foregoing and (ii) the aggregate principal amount of Senior Subordinated Notes beneficially owned by such Holder.

KCC: Kurtzman Carson Consultants LLC.

Lien: As defined in section 101(37) of the Bankruptcy Code; except that a Lien that has been avoided in accordance with a provision of the Bankruptcy Code, including sections 544, 545, 546, 547, 548 or 549, shall not constitute a Lien.

Management Incentive Plan: The equity incentive compensation plan to be adopted by Reorganized Holdings, in form and substance reasonably satisfactory to the Required Backstop Parties and the Creditors' Committee, pursuant to which 10% of the New Capital Stock will be reserved for issuance to the Debtors' management, which shall be filed with the Bankruptcy Court as part of the Plan Supplement. A term sheet setting forth, among other things, the terms and conditions of the Management Incentive Plan is attached to the Plan as Exhibit B.

Miscellaneous Secured Claim: Any Claim, other than a Prepetition Credit Facility Claim, that is a "secured" claim within the meaning of, and to the extent allowable as a secured claim under, section 506 of the Bankruptcy Code.

New Capital Stock: Collectively, the New Common Stock and the New Preferred Stock.

New Capital Warrants: The Backstop Warrants and the Senior Subordinated Noteholders Warrant Distribution to be issued to purchase, in the aggregate, 2,419,753 shares of the New Common Stock pursuant to the terms set forth in the New Capital Warrant Agreement. A term sheet setting forth the terms of the New Capital Warrants is attached to the Equity Commitment Agreement as Exhibit D.

New Capital Warrant Agreement: The warrant agreement governing the New Capital Warrants to be issued by Reorganized Holdings, in form and substance reasonably satisfactory to the Required Backstop Parties and in consultation with the Creditors' Committee, and containing the terms set forth in the Warrant Term Sheet attached as Exhibit D to the Equity Commitment Agreement, which shall be filed with the Bankruptcy Court as part of the Plan Supplement.

New Common Stock: The shares of new common stock, par value $0.001 per share, of Reorganized Holdings to be issued by Reorganized Holdings on and after the Effective Date, which shall initially consist of collectively (a) the Senior Subordinated Noteholder Stock Distribution, (b) the Rights Offering Shares, (c) the Holdback Shares, (d) the Non-Eligible Noteholder Shares, (e) the shares issued and issuable in connection with the Management

Incentive Plan, (f) the shares issuable upon conversion of the New Preferred Stock, (g) the shares issuable upon exercise of the New Capital Warrants, and (h) the shares issued to the Supporting Senior Noteholders.

New Common Stock Subscription Price: $21.54 per share of New Common Stock, other than for the Holdback Common Shares, offered pursuant to the Rights Offering.

New Preferred Stock: The shares of 7% Cumulative Participating Convertible Preferred Stock, $100 stated value per share, of Reorganized Holdings and having the terms set forth in the Certificate of Designations, which shall initially consist of collectively (a) 1,000,000 shares and (b) the shares issued and issuable in connection with the Management Incentive Plan.

New Preferred Stock Subscription Price: $100 per share of New Preferred Stock.

New Secured Debt Financing Agreement: The new secured debt agreement in the committed principal amount of up to $450 million to be executed on or prior to (but effective as of) the Effective Date, which will be filed with the Bankruptcy Court as part of the Plan Supplement.

New Secured Debt Facility: The New Secured Debtor Financing Agreement, together with the New Secured Debt Facility Documents, executed in connection with or pursuant to the terms of the New Secured Debt Financing Agreement, and the subject financing thereunder, to be made available on the Effective Date, and which shall be in form and substance reasonably satisfactory to the Required Backstop Parties and in consultation with the Creditors' Committee.

New Secured Debt Facility Documents: The loan documents and ancillary agreements and instruments to be executed in connection with or pursuant to the terms of New Secured Debt Financing Agreement.

New Working Capital Credit Agreement: The new senior secured working capital credit agreement in the committed principal amount of up to $150 million, to be executed on or prior to (but effective as of) the Effective Date, which will be filed with the Bankruptcy Court as part of the Plan Supplement.

New Working Capital Facility: The New Working Capital Credit Agreement, together with the New Working Capital Facility Documents, executed in connection with or pursuant to the terms of the New Working Capital Credit Agreement, and the subject financing thereunder, to be made available on the Effective Date, and which shall be in form and substance reasonably satisfactory to the Required Backstop Parties and in consultation with the Creditors' Committee.

New Working Capital Facility Documents: The loan documents and ancillary agreements and instruments to be executed in connection with or pursuant to the terms of the New Working Capital Credit Agreement.

Non-Backstop Shelf Registration Statement: A registration statement on Form S-1 for the delayed or continuous sale of securities pursuant to Rule 415 under the Securities Act

covering resales by all Eligible Noteholders (other than the Backstop Parties and any of their affiliates and such holders that are party to the Registration Rights Agreement) of all shares of New Common Stock issued to them in the Rights Offering.

Non-Eligible Noteholder: A Holder of an Allowed Senior Subordinated Note Claim that (i) is a Holder of such Claim(s) as of the Rights Offering Record Date, (ii) certifies in the Investor Certificate that such Holder is neither a QIB, an Accredited Investor nor a Non-U.S. Person, (iii) continues to hold such Claim(s) until the Effective Date and (iv) delivers the Senior Subordinated Notes underlying such Claim(s) into an election account at the Depository Trust Company in accordance with instructions provided to such Holder.

Non-Eligible Noteholder Shares: The New Common Stock to be distributed to Non-Eligible Noteholders or, if applicable, any transferee of such Non-Eligible Noteholder in accordance with the Rights Offering Procedures, with the number of shares determined after the deadline for receipt of all Investor Certificates in a manner previously agreed upon by the Debtors and the Required Backstop Parties and which number of shares shall be filed with the Plan Supplement.

Non-U.S. Person: An Entity that is not a "U.S. person," as that term is defined under Regulation S, promulgated under the Securities Act.

Old Holdings Common Stock: Holdings' common stock, par value $0.01 per share, issued and outstanding as of the Petition Date.

Old Holdings Equity Interests: The equity interests in Holdings including (a) those represented by shares of Old Holdings Common Stock and any options, warrants, calls, subscriptions or other similar rights or other agreements, commitments or outstanding securities obligating any Debtor to issue, transfer or sell any shares of Old Holdings Common Stock, and (b) Claims of the type described in, and subject to subordination under section 510(b) of the Bankruptcy Code with respect to Old Holdings Common Stock.

PBGC: Pension Benefit Guaranty Corporation, a United States Government corporation.

Pension Plans: Collectively, the Cooper-Standard Automotive Inc. Collectively Bargained Retirement Plan - Gaylord UAW Local 388, the Cooper-Standard Automotive Inc. Hourly Employees' Retirement Plan - Auburn, the Cooper-Standard Automotive Inc. Hourly Employees' Retirement Plan - Bowling Green-Seal, the Cooper-Standard Automotive FHS - NEWLEX Hourly Pension Plan, the Cooper-Standard Automotive Inc. Hourly Employees' Retirement Plan - Bowling Green-Hose and the Cooper-Standard Automotive Inc. Salaried Retirement Plan.

Plan: The Debtors' First Amended Joint Chapter 11 Plans, together with all exhibits, appendices and schedules thereto (including the Plan Supplement), as the same may be amended or modified from time to time in accordance with the terms thereof, the Bankruptcy Code and the Bankruptcy Rules.

Plan Supplement: The supplemental appendix to the Plan that will contain forms of the documents relevant to the implementation of the Plan, including, without limitation, the Management Incentive Plan, the commitment letters (or definitive credit agreements executed into escrow) for each of the New Working Capital Credit Agreement and New Secured Debt Financing Agreement, and the list of the initial members of the Board of Directors of Reorganized Holdings, which shall be filed with the Bankruptcy Court no later than five (5) Business Days prior to the Confirmation Hearing; provided, however, that the Reorganized Debtors' Certificate of Incorporation, the Reorganized Holdings By-Laws, the New Capital Warrant Agreement, the number of Non-Eligible Noteholder Shares, the Registration Rights Agreement and the Certificate of Designations shall be filed with the Bankruptcy Court no later than five (5) Business Days prior to the Voting Deadline; provided, further, however, that any such documents that were filed with the Bankruptcy Court as exhibits to the Equity Commitment Agreement will be filed as Plan Supplements only if they have been modified from the version previously filed.

Prepetition Administrative Agent: Deutsche Bank Trust Company Americas, as administrative agent and collateral agent under the Prepetition Credit Facility.

Prepetition Credit Facility: That certain credit agreement, dated as of December 23, 2004, as amended, restated, supplemented or otherwise modified from time to time, among Holdings, CSA, CSA Canada, Cooper-Standard Automotive International Holdings B.V., as borrowers, the Prepetition Credit Facility Lenders, the other financial institutions party thereto, including the Prepetition Credit Facility Parties, and the Prepetition Administrative Agent.

Prepetition Credit Facility Claim: Any Claim against a Debtor arising under the Prepetition Credit Facility, including without limitation, any swap arising under or relating to the Prepetition Credit Facility, held by the Prepetition Credit Facility Parties, and all other Claims against a Debtor arising under the Prepetition Credit Facility, other than the Prepetition Credit Facility Fees and Expenses.

Prepetition Credit Facility Fees and Expenses: All reasonable fees, costs, charges, and expenses required to be paid by the Debtors under the terms of the Prepetition Credit Facility and/or any separate engagement letter with the Debtors, including but not limited to, the fees and disbursements of professionals, including without limitation (a) Milbank, Tweed, Hadley & McCloy LLP, as counsel to the Prepetition Administrative Agent, (b) each local counsel to the Prepetition Administrative Agent,(c) Capstone Advisory Group LLC, as advisor to the Prepetition Administrative Agent, and (d) Houlihan Lokey Howard & Zukin Capital, Inc., as advisor to the Prepetition Administrative Agent.

Prepetition Credit Facility Lenders: Collectively, the Lenders under, and as defined in, the Prepetition Credit Facility.

Prepetition Credit Facility Parties: Collectively, (a) the Prepetition Credit Facility Lenders and (b) the Guaranteed Creditors, Secured Creditors, Syndication Agent, Co-Documentation Agents, and Joint Lead Arrangers and Book Runners in each case, under, and as defined in, the Prepetition Credit Facility.

Prepetition Indentures: The Senior Note Indenture and the Senior Subordinated Note Indenture.

Priority Claim: Any Claim that is entitled to priority in payment under section 507(a) of the Bankruptcy Code, other than a Priority Tax Claim, DIP Lender Claim, DIP Financing Fees and Expenses, Administrative Expenses or Prepetition Credit Facility Fees and Expenses.

Priority Tax Claim: Any Claim that is entitled to priority in payment under section 507(a)(8) of the Bankruptcy Code.

Pro Rata: A proportionate share, so that the ratio of the amount of property distributed on account of an Allowed Claim in a class is the same as the ratio such Claim bears to the total amount of all Claims (including Disputed Claims) in such class.

Professional: (a) Any professional employed in the Chapter 11 Cases pursuant to section 327, 328 or 1103 of the Bankruptcy Code and (b) any other Entity seeking compensation or reimbursement of expenses in connection with the Chapter 11 Cases pursuant to section 503(b)(4) of the Bankruptcy Code; provided, however, professionals employed by the DIP Lenders, DIP Financing Agent, DIP Original Financing Agent or Backstop Parties (including Akin Gump Strauss Hauer & Feld LLP and Davis Polk & Wardwell LLP) shall not be "Professionals" for the purposes of the Plan.

Proof of Claim: As defined in Bankruptcy Rule 3001.

QIB: A Qualified Institutional Buyer, as that term is defined under Rule 144A, promulgated under the Securities Act.

Registration Rights Agreement: The agreement to be entered into on the Effective Date between Reorganized Holdings, the Backstop Parties and certain Eligible Noteholders specified by the Backstop Parties, in the form attached to the Equity Commitment Agreement as Exhibit E, as the same may be modified as provided therein and in consultation with the Creditors' Committee; provided, however, that any material modification thereof shall be in form and substance reasonably satisfactory to the Creditors' Committee and filed as a Plan Supplement.

Reorganized Debtors: Collectively, the Debtors from and after the Effective Date.

Reorganized Debtors' Certificates of Incorporation: (i) The second amended and restated certificate of incorporation of Holdings attached to the Plan as Exhibit D and attached to the Equity Commitment Agreement as Exhibit G, as the same may be modified with the consent of the Required Backstop Parties and in consultation with the Creditors' Committee; provided, however, that any material modification thereof shall be in form and substance reasonably satisfactory to the Creditors' Committee and filed as a Plan Supplement, and (ii) the certificates of incorporation and/or articles of organization for the other Reorganized Debtors to be filed with the Bankruptcy Court as part of the Plan Supplement, in form and substance reasonably satisfactory to the Required Backstop Parties and the Creditors' Committee.

Reorganized Holdings: Holdings from and after the Effective Date.

Reorganized Holdings By-Laws: The by-laws for Reorganized Holdings attached to the Plan as Exhibit E and attached to the Equity Commitment Agreement as Exhibit H, as the same may be modified with the consent of the Required Backstop Parties and in consultation with the Creditors' Committee; provided, however, that any material modification thereof shall be in form and substance reasonably satisfactory to the Creditors' Committee and filed as a Plan Supplement.

Required Backstop Parties: Those Backstop Parties representing two-thirds of the total amount of the Backstop Parties' Commitment Percentage (as defined in the Equity Commitment Agreement).

Rights Offering: The rights offering whereby Eligible Noteholders will be offered the opportunity to subscribe for the Rights Offering Shares in accordance with the Rights Offering Procedures.

Rights Offering Amount: $355 million.

Rights Offering and Equity Commitment Approval Order: The order approving the Rights Offering and the Equity Commitment Agreement, entered by the Bankruptcy Court on March [ ], 2010 [Docket No.].

Rights Offering Procedures: The procedures governing the administration and execution of the Rights Offering, which are attached to the Plan as Exhibit B.

Rights Offering Record Date: February 9, 2010.

Rights Offering Shares: 8,623,491 shares of New Common Stock representing approximately 39.6% of the New Common Stock, subject to dilution from shares issued pursuant to the Management Incentive Plan and shares issuable upon exercise of the New Capital Warrants.

Sanction Order: The Order of the Canadian Court under the CCAA, in form and substance reasonably satisfactory to the Required Backstop Parties and in consultation with the Creditors' Committee, approving the CCAA Plan in the CCAA Proceeding.

Schedules: The schedules of assets and liabilities filed in the Chapter 11 Cases by the Debtors on October 2, 2009, as such schedules may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

Secured Claim: A Claim that (x) is secured by a Lien on property in which a Debtor has an interest or that is subject to setoff under section 553 of the Bankruptcy Code, to the extent of the value of the Claim holder's interest in the Debtor's interest in such property or to the extent of the amount subject to setoff, as applicable, as determined pursuant to section 506(a) of the Bankruptcy Code or (y) is Allowed by a Final Order or pursuant to the Plan as a Secured Claim.

SEC: The Securities and Exchange Commission.

Securities Act: The Securities Act of 1933, as amended.

Securities Exchange Act: The Securities Exchange Act of 1934, as amended.

Senior Notes: The 7% Senior Notes due 2012 issued pursuant to the Senior Notes Indenture.

Senior Note Claims: Any and all Claims against a Debtor arising under or in connection with the Senior Notes or the Senior Note Indenture.

Senior Note Indenture: That certain indenture, dated December 23, 2004, as amended, modified, or supplemented from time to time, by and between CSA, the certain subsidiary and parent guarantors, and Wilmington Trust Company, pursuant to which, among other things, the Senior Notes were issued.

Senior Note Indenture Trustee: Wilmington Trust Company as indenture trustee under the Senior Note Indenture, together with its duly appointed successors and assigns, if any.

Senior Noteholders: The holders of Senior Notes.

Senior Subordinated Notes: The 8 3/8% Senior Subordinated Notes due 2014 issued pursuant to the Senior Subordinated Note Indenture.

Senior Subordinated Note Claims: Any and all Claims against a Debtor arising under or in connection with the Senior Subordinated Notes and the Senior Subordinated Note Indenture.

Senior Subordinated Note Indenture: That certain indenture, dated December 23, 2004, as amended, modified, or supplemented from time to time, by and between CSA, the certain subsidiary and parent guarantors, and the original indenture trustee, Wilmington Trust Company, pursuant to which, among other things, the Senior Subordinated Notes were issued.

Senior Subordinated Note Indenture Trustee: U.S. Bank National Association, as successor indenture trustee to Wilmington Trust Company under the Senior Subordinated Note Indenture, together with its duly appointed successors and assigns, if any.

Senior Subordinated Noteholder Rights: The rights issued to Eligible Noteholders to purchase the Rights Offering Shares.

Senior Subordinated Noteholder Oversubscription Right: The pro rata right of each Eligible Noteholder to subscribe for Rights Offering Shares, to the extent available, in addition to those to be received pursuant to the exercise of the Senior Subordinated Noteholder Rights, provided that such Eligible Noteholder has (i) exercised in full its Senior Subordinated Noteholder Rights, (ii) paid in full for the shares issued in connection with the Senior Subordinated Noteholder Rights (other than with respect to the shares in respect of the Senior Subordinated Noteholder Oversubscription Right) and (iii) specified in the Subscription Form (as

defined in the Rights Offering Procedures) the number of units representing shares of New Common Stock that it wishes to purchase pursuant to its Senior Subordinated Noteholder Oversubscription Right.

Senior Subordinated Noteholders: The holders of Senior Subordinated Notes.

Senior Subordinated Noteholders Stock Distribution: In the aggregate, 1,742,222 shares of the New Common Stock to be issued to Holders of Allowed Senior Subordinated Note Claims in accordance with the Plan.

Senior Subordinated Noteholders Warrant Distribution: In the aggregate, 30% of the New Capital Warrants, to be issued to Holders of Allowed Senior Subordinated Note Claims in accordance with the Plan.

Shelf Registration Statements: Together, the Backstop Shelf Registration Statement and the Non-Backstop Shelf Registration Statement.

Statements: The statements of financial affairs filed in the Chapter 11 Cases by the Debtors on October 2, 2009, as such statements may be amended or supplemented from time to time in accordance with Bankruptcy Rule 1009 or orders of the Bankruptcy Court.

Sub-Plans: The individual chapter 11 plans for each of the Debtors, as the same may be amended from time to time in accordance with the terms of the Plan.

Subscription Agent: KCC

Subscription Commencement Date: The date on which the solicitation of votes to approve the Plan is commenced.

Subscription Deadline: The date that is the later of (i) 5:00 p.m. (New York time) on the date that is twenty (20) Business Days following the Subscription Commencement Date and (ii) the Voting Deadline.

Subscription Form: The forms delivered to Eligible Noteholders pursuant to which such Eligible Noteholders may exercise their Rights.

Subscription Period: The time period during which Eligible Noteholders may subscribe to purchase the Rights Offering Shares offered to Eligible Noteholders, which period shall commence on the Subscription Commencement Date and expire on the Subscription Deadline.

Subsidiaries: All direct and indirect subsidiaries and joint ventures of the Debtors.

Subsidiary Debtors: Cooper-Standard Automotive Inc., Cooper-Standard Automotive FHS Inc., Cooper-Standard Automotive Fluid Systems Mexico Holding LLC, Cooper-Standard Automotive OH, LLC, StanTech, Inc., Westborn Service Center, Inc., North

American Rubber, Incorporated, Sterling Investments Company, Cooper-Standard Automotive NC L.L.C., CS Automotive LLC, CSA Services Inc. and NISCO Holding Company.

Subsidiary Debtor Equity Interests: The equity interests in each of the Subsidiary Debtors, including those equity interests represented by shares of common stock of the Subsidiary Debtors and any options, warrants, calls, subscriptions or other similar rights or other agreements, commitments or outstanding securities obligating any Subsidiary Debtor to issue, transfer or sell any shares of common stock of the Subsidiary Debtors.

Subsidiary Debtor General Unsecured Claims: All General Unsecured Claims against the Subsidiary Debtors.

Supporting Senior Note Claims: Senior Note Claims in respect of Senior Notes in an aggregate principal amount of $104,700,000 that the Supporting Senior Noteholders have agreed to exchange for an aggregate of 4,563,095 shares of New Common Stock pursuant to Section 2(h) of the Equity Commitment Agreement and held by the Supporting Senior Noteholders as of the date of the Equity Commitment Agreement (whether or not held by such Holders on the Effective Date).

Supporting Senior Noteholders: Barclays Bank PLC or its affiliates, Capital Research and Management Company or its affiliates, Oak Hill Advisors, L.P. or its affiliates and Silver Point Capital, L.P. or its affiliates and any transferee of any of the foregoing in accordance with Section 6(a)(iii) of the Equity Commitment Agreement.

Tax: All taxes, charges, fees, duties, levies, imposts, rates or other assessments imposed by any federal, state, local or foreign Governmental Unit, including income, gross receipts, excise, property, sales, stamp, use, license, capital stock, transfer, franchise, payroll, withholding, social security, value added and other taxes, and any interest, penalties, fines, losses, damages, costs or additions attributable thereto.

Tax Code: Internal Revenue Code of 1986, as amended.

Unimpaired: Any Claim or Interest that is not Impaired within the meaning of section 1124 of the Bankruptcy Code.

United States Trustee: The Office of the United States Trustee for the District of Delaware.

Voting Agent: KCC.

Voting Deadline: The date set by the Bankruptcy Court pursuant to the Disclosure Statement Approval Order by which Ballots for acceptance or rejection of the Plan must be received by the Voting Agent.

ARTICLE III.
BACKGROUND

3.01 **Debtors' Business**

(a) Description of the Debtors' Businesses

Holdings is a Delaware corporation with its primary place of business in Novi, Michigan. Holdings is the ultimate parent company of each of the Debtors. The Debtors and each of their non-Debtor subsidiaries (collectively, the "Company") are leading global manufacturers of fluid handling, vehicle sealing systems, and anti-vibration systems ("AVS") components, systems, subsystems, and modules, primarily for use in passenger vehicles and light trucks for global original equipment manufacturers ("OEMs") and replacement markets. The Company conducts substantially all of its activities through direct and indirect subsidiaries of Holdings, which design and manufacture the Company's products in each major region of the world. The Company operates in sixty-six manufacturing locations and nine design, engineering, and administrative locations around the world, including the United States, Mexico, Canada, Australia, China, Czech Republic, Japan, Germany, Korea, Spain, the United Kingdom, Poland, France, India, Netherlands, Italy, Belgium, and Brazil. For the nine months ended September 30, 2009, the Company generated approximately 46% of net sales in North America, 42% in Europe, 6% in South America, and 6% in Asia/Pacific. Approximately 15% and 9% of the Company's revenues for this period were generated from German and Canadian operations, respectively.

The Company's main customers are OEMs. For the nine months ended September 30, 2009, approximately 35%, 15%, 8%, 7% and 5% of the Company's sales were to Ford Motor Company, General Motors Company ("GM"), Fiat, Volkswagen, and Chrysler Group LLC ("Chrysler"), respectively. The Debtors' other customers include OEMs such as Audi, BMW, Honda, Mercedes Benz, Porsche, PSA Peugeot Citroën, Renault/Nissan, and Toyota, and other Tier I and Tier II automotive suppliers. For the nine months ended September 30, 2009, approximately 82% of the Company's sales consisted of original equipment sold directly to the OEMs for installation on new vehicles. The remaining 18% of the Company's sales were primarily to Tier I and Tier II suppliers. In 2008, the Company's products were found in twenty-two of the twenty-five top-selling models in North America and in nineteen of the twenty top-selling models in Europe.

As of September 30, 2009, the Company employed approximately 18,000 employees worldwide. The Debtors employ approximately 3,300 active employees of which approximately 900 are salaried employees and approximately 2,400 are hourly employees. As of September 30, 2009, unions represented approximately 41% of the Company's employees, with approximately 13% of the Debtors' employees represented by unions. The Company has not experienced any major work stoppages in the past ten years.

The Company operates in two divisions, North America and International (covering Europe, South America and Asia). Through the North American and International divisions, the Company supplies a diverse range of products on a global basis to a broad group of customers. The Company's principal product lines are described more fully below.

(i) Vehicle Sealing Systems

The Company is a leading global supplier of vehicle sealing products to the automotive industry with approximately 28% of global market share. The Company is known throughout the industry to be a leader in providing innovative design and manufacturing solutions for complex automotive designs. The Company's sealing products include: (i) door seals that fit the door structure and body cabin of the vehicle to seal rain, dust, and noise from the occupants of vehicles; (ii) body seals that provide further noise and aesthetic coverage of weld flanges on the vehicle body; (iii) hood seals that protect engine components against water and dust penetration while also reducing engine and road noise in the vehicle's interior during high-speed travel; (iv) belt line seals that protect against water, dust and noise for driver and passenger door moveable glass; (v) lower door seals that protect in the "rocker" area against water and dust penetration and reduce loud road noise entering the cabin and maintain quietness during high-speed driving; (vi) a glass run channel assembly that enables the movable door glass and door to form one surface, improving glass movement and sealing the vehicle's interior from the exterior environment; (vii) trunk lid and lift gate seals located on the body flanges in the truck or lift gate compartment that offer protection against water and dust penetration; (viii) a roof seal that combines compressibility with superior design for use on soft top weather sealing applications; (ix) sunroof seals that are required to create a narrow sealing space and minimize resistance for the sunroof; and (x) obstacle detection sensors (SafeSeal®) that will reverse windows and doors upon sensing the capacitance of an animate object.

(ii) Anti-Vibration Systems

The Company is one of the leading suppliers of vehicle anti-vibration (AVS) products in North America. The Company is known in North America for utilizing its advanced development and testing of AVS products and subsystems to provide innovative solutions. The Company's AVS products include components manufactured with various types of rubber: natural rubber, butyl or EPDM in combination with stamped steel, aluminum or cast iron sub-components. Additionally, the Company supplies brackets that are manufactured from stamped steel, aluminum, or cast iron as individual final products. The typical production process for a rubber and metal product involves mixing of rubber compounds, metal preparation (cleaning and primer application), injection molding of the rubber and metals, final assembly, and testing as required based on specific products. A significant aspect of this product line is the research and development capability necessary for product applications. Full vehicle dynamic analysis is often necessary, and is accomplished through the Company's highly specialized laboratory equipment, including vehicle dynamometers, four-post vehicle dynamics simulators, and advanced anechoic and semi-anechoic noise analysis chambers.

The Company's AVS products include: (i) body/cradle mounts that enable isolation of the interior cabin from the vehicle body, reducing noise, vibration, and harshness; (ii) engine mounts that secure and isolate vehicle powertrain noise, vibration, and harshness from the uni-body or frame; (iii) transmission mounts that enable mounting of transmission to vehicle body and reducing vibration and harshness from the powertrain; (iv) torque link that controls the fore and aft movement of transverse mounted engines within their compartment while isolating engine noise and vibration from the body; (v) strut mounts that isolate vibration from the suspension and dampen vibration from the suspension into the interior cabin; (vi) spring seats/

bumpers that work in conjunction with AVS systems to prevent offensive noise generation; (vii) suspension bushing that allows flexibility in suspension components and eliminates noise, vibration and harshness from entering into the interior cabin; (viii) mass damper that is developed to counteract a specific resonance at a specific frequency to eliminate vibration; and (ix) hydromounts/hydrobushings comprising of an engine mount or suspension bushing filled with fluid (hydro mounts provide spring rate and damping performance that varies according to frequency and displacement, while conventional (non-hydro) mounts provide fixed response).

(iii) The Fluid Handling Products

The Company is one of the leading global integrators of fluid systems and subsystems and components that control, sense, and deliver fluids and vapors in motor vehicles. The Company believes that it is the second largest global provider of fluid handling system products manufactured in its industry. The Company offers an extensive product portfolio and is positioned to serve its diverse customer base around the world. The Company's fluid handling products are principally found in four major vehicle systems: thermal management; fuel and brake; emissions management; and power management. The thermal management products direct, control and transport oil, coolant, water, and other fluids throughout the vehicle. The fuel and brake products direct, control, and transport fuel, brake fluid, and vapors throughout the vehicle. The emissions management products direct, control, and transmit emission vapors and fluids throughout the vehicle. Lastly, the power management products direct, control, and transmit power management fluids throughout the vehicle. The Company provides thermal management solutions that enhance hybrid powertrain cooling systems and offer bio-fuel compatible materials for alternative fuel vehicles. The Company's products support improved fuel economy initiatives with lightweight, high performance plastic and aluminum materials that reduce weight and offer an improved value equation. The Company specializes in complete fuel system integration encompassing products from the fuel rail to the fuel tank lines. The Company's low permeation fuel lines meet and exceed LEV II (low emission vehicle) and PZEV (partial zero emission vehicle) emission standards. The Company supports reduced emissions through the control of flow and temperature of exhaust gas. For the nine months ended September 30, 2009, the Company generated approximately 35% of total revenue before corporate eliminations from the fluid handling products.

(b) Seasonality

Historically, sales to automotive customers are lowest during the months prior to model changeovers and during assembly plant shutdowns. However, economic conditions and consumer demand may change the traditional seasonality of the industry as lower production may prevail without the impact of seasonality. In previous years, changeover periods have typically resulted in lower sales volumes during July, August, and December. During these periods of lower sales volumes, profit performance is lower, but working capital improves due to continuing collection of accounts receivable.

(c) Backlog of Orders

The Company's OEM sales are generally based upon purchase orders issued by the OEMs and as such the Company does not have a backlog of orders at any point in time.

Once selected to supply products for a particular platform, the Company typically supplies those products for the platform life, which is normally six to eight years, although there is no guarantee that this will occur. In addition, when the Company is the incumbent supplier to a given platform, the Company believes it has an advantage in winning the redesign or replacement platform.

(d) Competition

The Company believes that the principal competitive factors in its industry are price, quality, service, performance, design and engineering capabilities, innovation, and timely delivery. The Company believes that its capabilities in these core competencies are integral to its position as a market leader in each of its product lines. In body and chassis products, the Company competes with Toyoda Gosei, Trelleborg, Tokai, Vibracoustic, Paulstra, Hutchinson, Henniges, Meteor, SaarGummi, and Standard Profil, among others. In fluid handling products, the Company competes with TI Automotive, Martinrea, Hutchinson, Conti-Tech, and Pierburg Gustav Wahler, along with numerous smaller companies in this competitive market.

(e) Patents and Trademarks

The Company holds over 500 patents and patent applications worldwide, covering all major technologies relating to its business. These patents are grouped into two major categories: products, which deal with specific product invention claims for products which can be produced; and processes, which deal with specific manufacturing processes that are used for producing products. Most patents held by the Company (90%+) are in the former (products) category. Additionally, the Company develops significant technologies that it treats as trade secrets and chooses not to disclose to the public through the patent process, but they nonetheless provide significant competitive advantage and contribute to the company's global leadership position its various markets. The company has further technology sharing and licensing agreements with various third parties, including Nishikawa Rubber Company, one of its joint venture partners in vehicle sealing products. The Company has mutual agreements with Nishikawa Rubber Company for sales, marketing, and engineering services on certain body sealing products the Company sells and has maintained a relationship for more than 35 years. Under those agreements, each party pays for services provided by the other and royalties on certain products for which the other party provides design or development services. The Company also owns or has licensed several trademarks that are registered in many countries, enabling it to protect and market its products worldwide. Key trademarks include StanPro® (aftermarket trim seals), SafeSeal™ (obstacle detection sensors), and Stratlink™ (proprietary TPV polymer). During 2006, the Company purchased the right to use its current name from Cooper Tire.

(f) Research and Development

The Company operates nine design, engineering, and administration facilities throughout the world and employs 496 research and development personnel, some of whom reside at customer facilities. The Company utilizes Design for Six Sigma and other methodologies that emphasize manufacturability and quality. The Company has been pursuing innovations that assist in resource conservation with particular attention to developing materials

that are lighter weight and made of materials that can be recycled, and the Company's development teams work closely with its customers to design and deliver thermal management solutions for cooling electric motors and batteries for new hybrids. As mentioned above, the company also devotes considerable research and development resources into noise, vibration, and harshness (NVH), resulting in high value, state-of-the-art solutions for its customers. These activities are applied not only in their AVS product lines, but also in vehicle sealing (noise transmission isolation and abatement via vehicle windows and doors); fuel delivery systems (isolation of fuel injectors on fuel rails); and thermal management (noise and vibration free coolant pumps and valves). The Company spent $74.8 million, $77.2 million, and $81.9 million in 2006, 2007, and 2008, respectively, and $46.6 million as of September 30, 2009, on research and development.

(g) Joint Ventures and Strategic Alliances

The Company has used joint ventures to supplement its entry into new geographic markets such as China, Korea and India and to acquire new customers. The Company also has a joint venture in North America, which has proven valuable in establishing new relationships with North American Japanese manufacturers. The Company guarantees certain obligations of certain of its joint ventures.

(h) Corporate History

CSA Acquisition Corp. was formed and capitalized in 2004 as a Delaware corporation owned by affiliates of each of The Cypress Group L.L.C., a New York-based private equity firm, and GS Capital Partners 2000, L.P., a subsidiary of the Goldman Sachs Group (collectively, with their affiliates the "Sponsors") via the sale of 3,180,000 shares of common stock to the Sponsors (with each Sponsor obtaining 49.1% of the outstanding shares of common stock). CSA Acquisition Corp. then entered into a stock purchase agreement with Cooper Tire & Rubber Company ("Cooper Tire") on September 16, 2004. The parties entered into an amendment of the stock purchase agreement on December 3, 2004, which provided for the acquisition by CSA Acquisition Corp. of all of the outstanding shares of capital stock of certain subsidiaries of Cooper Tire comprising Cooper Tire's automotive division for a purchase price of $1.165 billion in cash (the "2004 Acquisition"). In connection with the 2004 Acquisition, CSA Acquisition Corp. changed its name to Cooper-Standard Automotive Holdings Inc. (previously defined as "Holdings"). Also in connection with the 2004 Acquisition, on December 23, 2004, Holdings, CSA, and CSA Canada entered into a credit agreement that consisted of revolving credit facilities in a total principal amount of up to $125.0 million, a term loan facility of $51.3 million, a term loan facility of $115.0 million and a term loan facility of $185.0 million. The term loans were used to fund the 2004 Acquisition.

On February 6, 2006, the Company acquired fluid handling businesses in North America, Europe and China from ITT Industries, Inc. for approximately $202 million. ITT Industries, Inc., based in Auburn Hills, Michigan, was a leading manufacturer of steel and plastic tubing for fuel and brake lines and quick-connects, and operated fifteen facilities in seven countries. The acquisition of the fluid handling businesses was funded pursuant to an amendment to the credit agreement, which established an additional term loan facility, with a notional amount of $215 million. The additional term loan facility was structured in two

tranches, with $190 million borrowed in US dollars and €20.725 million borrowed in Euros, to take into consideration the value of the European assets acquired in the transaction.

On August 31, 2007, the Company completed the acquisition of nine Metzeler Automotive Profile Systems sealing systems operations in Germany, Italy, Poland, Belarus, Belgium (collectively, "MAPS"), and a joint venture interest in China from Automotive Sealing Systems S.A. The MAPS businesses were acquired for approximately $144 million.[1] The acquisition of the MAPS businesses was funded in part by borrowings under the credit agreement. The Company borrowed €44.0 million and combined this borrowing with Euro amounts outstanding under the ITT Industries, Inc. term loan facility to create a new term loan facility. In addition, the Company borrowed $10.0 million under the revolving credit facility and €15.0 million under the dual-currency sub limit of the revolving credit facility, borrowed directly by Cooper-Standard Automotive International Holdings BV, an indirectly owned Dutch subsidiary of Holdings. The Company also received an aggregate of $30.0 million in equity contributions from its Sponsors, affiliates of GS Capital Partners 2000, L.P., which contributed a total of $15.0 million, and affiliates of The Cypress Group L.L.C., which also contributed a total of $15.0 million. The remainder of the funding necessary for the acquisition came from available cash on hand.

3.02 **Prepetition Financing**

As of the Filing Date, the Company had approximately $1.170 billion of outstanding indebtedness on a consolidated basis, of which $84.3 million consisted of draws on a senior secured revolving credit facility; $522.8 million consisted of five senior secured term loan facilities; $513.4 million consisted of the Senior Notes and Senior Subordinated Notes; and $49.9 consisted of debt on account of other credit facilities, capital leases for affiliates, swaps, and other miscellaneous obligations.

(a) The Prepetition Credit Facility

As described above, on December 23, 2004, in connection with the 2004 Acquisition, Holdings, CSA and CSA Canada entered into the Prepetition Credit Facility with various lending institutions, Deutsche Bank Trust Company Americas, as administrative agent, Lehman Commercial Paper Inc., as syndication agent, and Goldman Sachs Credit Partners, L.P., UBS Securities LLC and The Bank of Nova Scotia, as co-documentation agents. The Prepetition Credit Facility consists of (i) a $125 million revolving credit facility (the "Revolving Credit Facility") with available letters of credit of $45.0 million[2] and (ii) term loan facilities consisting of a Term Loan A facility of the Canadian dollar equivalent of $51.3 million with a maturity of 2010 and a Term Loan B facility of $115.0 million with a maturity of December 2011, both of which were funded through CSA Canada, and a Term Loan C facility of $185.0 million with a maturity of December 2011. The term loans were used to fund the 2004 Acquisition. In

---

1 Pursuant to subscription agreements entered into as of August 27, 2007, the Company issued a total of 250,000 additional shares of common stock to its Sponsors, which were invested by the Sponsors in connection with the financing of the Company's acquisition of MAPS.

2 The Revolving Credit Facility consists of a multi-currency facility revolver to CSA Canada, a dollar facility revolver to CSA, and a dual-borrower, dual currency facility revolver that can be drawn by either CSA or CSA International Holdings BV, a subsidiary of Holdings incorporated under the laws of the Netherlands.

addition, as part of the Prepetition Credit Facility, the Company entered into a Term Loan D of $215 million with a maturity of 2011 (structured into a U.S. tranche of $190 million and a European tranche of €20.7 million) and later a Term Loan E (collectively with Term Loans A, B, C, and D, the "Term Loan Facilities") of €64.7 million (which incorporates the European tranche of Term Loan D) with a maturity of 2011, which were used to fund the acquisition of fluid handling businesses in North America, Europe and China from ITT Industries, Inc. and the MAPS businesses.[3] The Prepetition Credit Facility is unconditionally guaranteed on a senior secured basis by Holdings and substantially all of its domestic subsidiaries, and its Canadian subsidiaries in the case of Term Loans A and B and Canadian dollar borrowings under the Revolving Credit Facility.

As of the Filing Date, the total amount outstanding under the Prepetition Credit Facility including swap obligations was $627 million.

(b) Senior Notes and Senior Subordinated Notes

In connection with the 2004 Acquisition, CSA also issued $200.0 million 7% Senior Notes due 2012 (the "Senior Notes") and $350.0 million 8 3/8% Senior Subordinated Notes due 2014 (the "Senior Subordinated Notes"). The Senior Notes and Senior Subordinated Notes are guaranteed by Holdings and all U.S. Subsidiaries. As of the Filing Date, the principal outstanding amount of the Senior Notes, including accrued and unpaid interest, was $208.9 million. In addition, as of the Filing Date, the principal outstanding amount of the Senior Subordinated Notes, including accrued and unpaid interest, was $330 million. The indebtedness evidenced by the Senior Notes is unsecured senior indebtedness of CSA. The indebtedness evidenced by the Senior Subordinated Notes is unsecured senior subordinated indebtedness of CSA.

(c) Old Holdings Common Stock

Holdings has 3,482,612 shares of authorized outstanding common stock. Holdings' principal shareholders are affiliates of the Sponsors. Each of the Sponsors, including their respective affiliates, currently owns approximately 49.3% of the equity of Holdings. The remaining shares are owned by current and former officers and directors.

(d) Off Balance Sheet Factoring Arrangements

As part of its working capital management, certain of the Debtors' foreign non-debtor subsidiaries sell certain receivables through third party financial institutions without recourse. At September 30, 2009, the Company had $33.4 million of receivables outstanding under receivables transfer agreements entered into by various foreign locations.

3.03 **Events Preceding Commencement of the Chapter 11 Cases**

(a) Operational Restructuring Efforts

[3] Term Loans C, D and E were funded through CSA.

Since the 2004 Acquisition, the Company has implemented an aggressive restructuring strategy to reduce costs and eliminate non-strategic or duplicative facilities across the Company. Many manufacturing facilities across the United States, Canada, Europe, Asia, and Australia were closed, consolidated, or sold. The Company also reduced its European and U.S. workforce and froze contributions to certain of its global and U.S. pension plans. In October 2008, the Company commenced the initial phase of a global reorganization in North America and Europe, announcing in March 2009 the implementation of a comprehensive plan involving the discontinuation of its global product line operating divisions, formerly called the Body & Chassis Systems division and the Fluid Systems division, and the establishment of a new operating structure organized on the basis of geographic regions. As a result, the Company now operates in two divisions, North America and International. This new operating structure allows the Company to maintain its full portfolio of global products and provide unified customer contact points, while better managing its operating costs and resources. The Company has also implemented temporary layoffs, wage reductions, and modifications to employee benefit programs. Furthermore, salaried headcount has been reduced by over 1,300 workers in the past 12 months.

(b) The Global Financial Crisis

The unprecedented global economic crisis had a devastating effect on the automotive industry and ultimately the Company's business. Cars and light trucks are a major purchase for consumers and the purchase of these items is highly dependent upon the health of the overall economy. Similarly, the purchase of new commercial vehicles is highly dependent upon macro-economic factors such as gross domestic product growth, disposable income, and interest rates. Due to the global financial crisis, which resulted in the massive deterioration of consumer net worth and a shortage of financing for consumers and businesses, potential purchasers were holding onto their vehicles longer and foregoing the purchase of new vehicles. Consequently, there was a severe global downturn in both the light vehicle and heavy vehicle market.

U.S. automotive sales declined significantly in 2008 and through the first two fiscal quarters of 2009. In 2004, North American vehicle production was at 15.8 million units. In 2007, there were 16.2 million vehicles produced, in 2008, there were 12.6 million vehicles produced and through the first two fiscal quarters of 2009, only 8 million vehicles. The OEMs, including GM, Ford and Chrysler, suffered greatly as a result. Notwithstanding the receipt of billions of dollars of financial aid from the federal government, GM and Chrysler each filed for chapter 11 protection during the second quarter of 2009. The impact of the crisis on the OEMs rippled through the automotive industry with no clear end in sight. In Europe, the market was fragmented with significant overcapacity and estimated production volumes were declining. Since the majority of the Company's customers are OEMs and their suppliers, the Debtors likewise experienced a significant fall off in sales, resulting in a decline in operating income and EBITDA.

Furthermore, the cost of raw materials that the Company uses in manufacturing many of its products increased significantly from 2006 to 2008, with some of these increases continuing in 2009. The principal raw materials the Company purchases include fabricated metal-based components, synthetic rubber, carbon black and natural rubber. The Company also

purchases raw steel and steel related components. The increase in the price of these items materially increased the Company's operating costs and adversely affected its profit margins because it is generally difficult to pass these increased costs on to the Company's customers. While these increases fell off in the second half of 2008, continued volatility in the global market has presented risk in forecasting costs.

(c) The Company's High Degree of Leverage

As a result of the severe downturn in the automotive industry and the accompanying decrease in production volumes, the Company was over-leveraged, with outstanding indebtedness of approximately $1.170 billion as of the Filing Date. The Company dedicated a substantial portion of its cash flows from operations to the payment of principal and interest on the Company's indebtedness. The Company engaged in discussion regarding possible alternatives to the bankruptcy filing, including refinancing a portion of its indebtedness with its key creditors. However, it was unable to complete those negotiations prior to seeking bankruptcy protection.

(d) Prepetition Restructuring Efforts

Prior to the filing of the Chapter 11 Cases, the Company undertook a concentrated effort to reduce its leverage to maintain its position as a leading global supplier as the automotive industry undergoes a massive overhaul worldwide. To assist with this effort, the Company hired Lazard Freres & Co. LLC ("Lazard") to advise it on restructuring its debt. The Company first commenced negotiations with its Sponsors in an effort to obtain liquidity and avoid the need for chapter 11 protection. With the realization that a restructuring of the Company's indebtedness was necessary, the Company and its advisors commenced discussions with the Prepetition Credit Facility Lenders, while continuing to pursue alternatives with the Sponsors. In connection with those efforts, the Company also reached out to and commenced discussions with certain Senior Noteholders and the Senior Subordinated Noteholders. While these restructuring efforts were ongoing, the Company was also in discussions with its Prepetition Credit Facility Lenders and other possible financing sources regarding potential postpetition debtor in possession financing.

(e) Prepetition Defaults and Forbearance Agreements

On June 15, 2009, the Company announced that it would utilize a 30-day grace period in connection with interest payments scheduled for June 15, 2009 on its Senior Notes and Senior Subordinated Notes to allow the Company to continue discussions with its stakeholders to increase liquidity and improve its capital structure. The 30-day grace period expired on July 15, 2009. On July 14, 2009, the Debtors negotiated a limited waiver agreement (the "Waiver") with the Prepetition Credit Facility Lenders and secured forbearance agreements (the "Forbearance Agreements") with the majority of its Senior Noteholders and majority of its Senior Subordinated Noteholders. Pursuant to the Waiver, the Prepetition Credit Facility Lenders agreed to waive certain events of default, including the Debtors' non-payment of the June 15, 2009 interest payments within the applicable 30-day grace period.

Pursuant to its terms, the Waiver would have expired on July 28, 2009 absent notice from the Prepetition Credit Facility Lenders that the Waiver would continue through

August 14, 2009. On July 27, 2009, the Prepetition Credit Facility Lenders amended and restated the Waiver, extending the waiver period until August 14, 2009. Under the Forbearance Agreements, the Senior Noteholders and Senior Subordinated Noteholders agreed that they would not exercise their rights and remedies under the Senior Note Indenture and Senior Subordinated Note Indenture in connection with the nonpayment of the June 15, 2009 interest payments until the earlier of (i) August 14, 2009 or (ii) the expiration of the Waiver.

During this period the Debtors engaged in negotiations with the Prepetition Credit Facility Lenders to arrange for postpetition debtor in possession financing. In connection therewith, the Debtors agreed to enter into a superpriority senior secured postpetition credit facility (the "DIP Facility"). The proposed lenders under the DIP Facility agreed to provide financing up to an aggregate principal amount of $200,000,000, consisting of a $175,000,000 superpriority delayed draw term loan facility and a $25,000,000 standby uncommitted single draw term loan facility.

In addition, during this period, the Debtors engaged in negotiations with the Prepetition Credit Facility Lenders regarding a consensual restructuring of the Company's indebtedness. However, while the Debtors made progress in its negotiations with the Prepetition Credit Facility Lenders, the Debtors were not able to reach agreement on the terms of a plan of reorganization.

(f) Tax Refund Received by CSA Canada

As discussed above, until the 2004 Acquisition, the Debtors and CSA Canada were owned by Cooper Tire. Under the terms of the purchase agreement, to the extent that Holdings (or any of its affiliates or subsidiaries) were to receive any tax refunds for periods of time prior to the 2004 Acquisition, Cooper Tire would have a claim against Holdings for the amounts refunded, plus interest received (net of taxes), subject to certain offsets. In that regard, on July 27, 2009, CSA Canada received an income tax refund in the approximate amount of CAD $80 million from the Canada Revenue Agency, which is the federal portion of a refund owing as a result of certain transfer pricing issues for the years 2000-2007, and expects to receive an additional CAD $47 million from the Canada Revenue Agency, which is the provincial portion of a refund owing to the same transfer pricing issues (collectively, the "Canadian Tax Refund"). On July 31, 2009, Cooper Tire demanded payment of at least $38 million from Holdings for the period prior to 2004 and threatened litigation. In addition to amounts already received, CSA Canada expects to receive additional income tax refunds for amounts paid to the Ontario provincial government (the "Anticipated Canadian Tax Refund"). Following the filing of the Chapter 11 Cases, Cooper Tire initiated the litigation described below in section 4.06 of the Disclosure Statement, which has been settled pursuant to the Cooper Tire Settlement Agreement.

3.04 **Pending Ordinary Course Litigation**

As a consequence of the Debtors' commencement of the Chapter 11 Cases, all pending claims and litigation against the Debtors in the United States were automatically stayed pursuant to Section 362 of the Bankruptcy Code.

The Debtors are involved in various legal proceedings arising in the ordinary course of business. The Debtors periodically assess their liabilities and contingencies in connection with these proceedings based upon the information available to the Debtors. Based upon their review of these proceedings, the Debtors believe that their ultimate liability in connection with these pending or threatened ordinary course legal proceedings will not have a material effect on their results of operations, cash flows or financial position.

The Debtors anticipate that, to the extent any pending litigation is not resolved prior to the Effective Date or removed by the Debtors to federal court in accordance with their powers under the Bankruptcy Code, such litigation will continue after the Effective Date in the forum(s) in which it was initiated. Any adverse judgment against or liability of the Debtors arising out of these ordinary course legal proceedings would constitute a Claim that will be treated in accordance with the provisions of the Plan and the Bankruptcy Code.

ARTICLE IV.
DESCRIPTION OF CHAPTER 11 CASES

Although the Debtors continued to negotiate with their constituents over the restructuring of the Debtors' balance sheets, at the time of the Filing Date, given the near term expiration of the Waiver and Forbearance Agreements, the risk of potential litigation over nonpayment of amounts that may be owed to Cooper Tire, and the benefits to the Debtors of being able to access the post-petition debtor in possession financing, the Debtors determined that it was in the best interests of the Company and its stakeholders to file these Chapter 11 Cases so as to complete negotiations of, and implement, a balance sheet restructuring.

On the Filing Date, the Debtors commenced the Chapter 11 Cases, which were consolidated for procedural purposes only under Case No. 09-12743 (PJW) and are currently pending before the Honorable Peter J. Walsh. Since the Filing Date, the Debtors have continued to operate as debtors in possession subject to the supervision of the Bankruptcy Court. Transactions out of the ordinary course of business have required Bankruptcy Court approval. In addition, the Bankruptcy Court has supervised the Debtors' employment of attorneys and other professionals.

An immediate effect of the filing of the bankruptcy petitions was the imposition of the automatic stay under the Bankruptcy Code which, with limited exceptions, enjoined the commencement or continuation of all collection efforts by creditors, the enforcement of liens against the Debtors, and litigation against the Debtors. This injunction remains in effect, unless modified or lifted by order of the Bankruptcy Court, until a plan of reorganization is confirmed and becomes effective.

4.01 **First Day Motions**

(a) Traditional First Day Motions

On the Filing Date, the Debtors submitted a number of motions and applications requesting so-called "first day orders." On August 5, 2009, the Bankruptcy Court entered the following first day orders, among others:

- an order directing joint administration of the Debtors' chapter 11 cases;

- an interim order authorizing the Debtors to maintain their pre-petition bank accounts, business forms and stationery, and to continue using their centralized cash management system;[4]

- an order authorizing the debtors to continue to honor obligations on account of the debtors' warranties, clearinghouse functions, and participation in purchasing programs;

- an interim order authorizing the Debtors to pay prepetition employee wages, salaries, and other compensation, to contribute to employees benefit programs and continuing them in the ordinary course, to make deductions from employee paychecks for certain employee benefit plans and payroll taxes;[5]

- an interim order prohibiting utilities from altering, refusing, or discontinuing service to or discriminating against the Debtors, determining that the utilities were adequately assured of payment, and establishing procedures for determining requests for additional adequate assurance;[6]

- an interim order confirming the grant of administrative expense status to obligations arising from prepetition delivery of goods received within 20 days of the filing date, authorizing the debtors to pay such obligations in their discretion in the ordinary course of business, and authorizing the debtors to pay additional prepetition obligations to certain essential suppliers;[7]

- an order authorizing the Debtors to pay certain pre-petition tax liabilities;

---

4 A second interim order authorizing the Debtors to maintain their pre-petition bank accounts, business forms and stationery, and to continue using their centralized cash management system was entered by the Bankruptcy Court on September 1, 2009. A final hearing on the relief sought regarding this motion was scheduled for October 5, 2009. On October 2, 2009, the hearing was continued to October 27, 2009 at 9:30 a.m., and on such date, the Bankruptcy Court entered a final order authorizing the Debtors to maintain their pre-petition bank accounts, business forms and stationery, and to continue using their centralized cash management system.

5 A final order authorizing the Debtors to pay prepetition employee wages, salaries, and other compensation, to contribute to employees benefit programs and continuing them in the ordinary course, and to make deductions from employee paychecks for certain employee benefit plans and payroll taxes was entered by the Bankruptcy Court on September 1, 2009.

6 A final order prohibiting utilities from altering, refusing, or discontinuing service to or discriminating against the Debtors, determining that the utilities were adequately assured of payment, and establishing procedures for determining requests for additional adequate assurance was entered by the Bankruptcy Court on September 1, 2009.

7 A final order confirming the grant of administrative expense status to obligations arising from prepetition delivery of goods received within 20 days of the filing date, authorizing the Debtors to pay such obligations in their discretion in the ordinary course of business, and authorizing the Debtors to pay additional prepetition obligations to certain essential suppliers was entered by the Bankruptcy Court on September 1, 2009.

. an order authorizing (but not directing) the Debtors to pay the prepetition claims of shippers, warehousemen, customs brokers, and tooling vendors; and

. an interim order authorizing the Debtors to obtain postpetition financing and to use cash collateral.[8]

4.02 **Retention of Professionals**

In the period leading up to the Filing Date, the Debtors sought the services of seasoned and capable bankruptcy professionals to assist the Debtors in their efforts to deleverage their balance sheet and determine the best course of action with respect to their pending debt payments on the Prepetition Credit Facility, the Senior Notes and the Senior Subordinated Notes. The Debtors determined that retaining Fried, Frank, Harris, Shriver & Jacobson LLP ("Fried Frank") as their bankruptcy counsel, Lazard as their investment banker and financial advisor, and Alvarez & Marsal North America, LLC ("A&M") as their restructuring advisor was in their best interests and gave them the best opportunity to lead the Company through a restructuring in or out of chapter 11.

In that regard, on August 13, 2009, the Debtors filed applications to retain and employ Fried Frank, Lazard and A&M, nunc pro tunc to the Filing Date, as their advisors in connection with the Chapter 11 Cases. On September 1, 2009, the Bankruptcy Court entered an order approving Fried Frank as the Debtors' legal counsel in the Chapter 11 Cases. Fried Frank's services in the Chapter 11 Cases include, among other things: (i) providing the Debtors with legal advice with respect to their powers and duties as chapter 11 debtors and debtors in possession; (ii) advising and consulting on the conduct of the Chapter 11 Cases; (iii) taking necessary action to protect and preserve the Debtors' Estates; (iv) preparing, presenting and responding to, on behalf of the Debtors, as debtors in possession, necessary applications, motions, answers, orders, reports and other legal papers in connection with the administration of the Chapter 11 Cases; (v) advising the Debtors in connection with post-petition debtor in possession financing and cash collateral arrangements and documents relating thereto; (vi) negotiating, preparing and reviewing the Debtors' plan of reorganization and related documentation; (vii) assisting and representing the Debtors in matters relating to litigation initiated in the Chapter 11 Cases; and (viii) advising the Debtors in connection with exit financing in connection with their emergence from chapter 11 and documents relating thereto.

On September 1, 2009, the Bankruptcy Court entered an order approving A&M as the Debtors' restructuring advisors. A&M's services in the Chapter 11 Cases include: (i) assisting in the preparation and development of short-term cash flow forecasts and liquidity plans; (ii) assisting the Debtors' management team and counsel regarding the coordination of resources relating to ongoing restructuring efforts; (iii) assisting in the preparation of financial information for distribution to creditors and others; (iv) assisting the Debtors with information and analysis required pursuant to the Debtors' post-petition debtor in possession financing; (v) providing analysis of creditor claims and developing databases, as necessary to track such

[8] A final order authorizing the Debtors to obtain postpetition financing and to use cash collateral was entered by the Bankruptcy Court on September 1, 2009.

claims; and (vi) assisting the Debtors' management with preparing and developing the Debtors' statements of financial affairs, schedules of assets and liabilities and financial statements pursuant to Bankruptcy Rule 2015.3.

On September 11, 2009, the Bankruptcy Court approved the Debtors' application to retain and employ Lazard as an investment banker and financial advisor. Lazard was retained with respect to, among other things: (i) evaluating the Debtors' potential debt capacity, (ii) assisting in the determination of the capital structure for the Debtors, (iii) assisting in the determination of a range of values for the Debtors on a going concern basis, (iv) advising the Debtors on tactics and strategies for negotiating with the Debtors' stakeholders, (v) advising and assisting the Debtors in evaluating potential financing transactions, and (vi) assisting the Debtors in preparing documentation, and providing testimony, as necessary, with respect to matter on which Lazard has been engaged to advise the Debtors.

In addition, on August 13, 2009, the Debtors filed an application to retain and employ Richards, Layton & Finger, P.A., nunc pro tunc to the Filing Date, as co-counsel and Delaware counsel. On September 1, 2009, the Bankruptcy Court entered an order approving the Debtors' application.

4.03 **Appointment of Creditors' Committee**

On August 14, 2009, the United States Trustee appointed the Creditors' Committee, which consists of six members.[9] The entities that are members of, and the counsel and advisors retained by, the Creditors' Committee are set forth below.

(a) Members of the Committee

Wilmington Trust Company, as Indenture Trustee
Rodney Square North
1100 N. Market Street
Wilmington, DE 19890
Chair

U.S. Bank National Association, as Indenture Trustee
60 Livingston Avenue
St. Paul, MN 55107-2292

TD High Yield Income Fund
161 Bay Street, 33rd Floor
Toronto, ON M5J 2T2

United Steelworkers
Five Gateway Center, Room 807
Pittsburgh, PA 15222

[9] When the Creditors' Committee was created on August 14, 2009, it consisted of seven members. However, since that date, Pioneer High Yield Fund and EMS Chemie (North America), Inc. have resigned from their positions on the Creditors' Committee.

Pension Benefit Guaranty Corporation
1200 K Street, N.W.
Washington, DC 20005-4026

(b) Professionals Retained by the Creditors' Committee

Kramer, Levin, Naftalis & Frankel LLP
1177 Avenue of the Americas
New York, NY 10036
Attention: Kenneth H. Eckstein, Esq., Robert T. Schmidt, Esq., and Stephen D. Zide, Esq.
As Co-Counsel to the Official Committee of Unsecured Creditors

and

Young, Conway, Stargatt & Taylor, LLP
The Brandywine Building
1000 West Street, P.O. Box 391
Wilmington, DE 19899
Attention: M. Blake Cleary, Esq.
As Co-Counsel to the Official Committee of Unsecured Creditors

Bennett Jones LLP
3400 One First Canadian Place
P.O. Box 130
Toronto, Ontario M5X 1A4
As Special Canadian Counsel to the Official Committee of Unsecured Creditors

FTI Consulting Inc.
3 Times Square, 9th Floor
New York, NY 10036
As Financial Advisors to the Official Committee of Unsecured Creditors

4.04 **The DIP Financing Facility**

In order to continue to operate during the Chapter 11 Cases, on the Filing Date, the Debtors sought the Bankruptcy Court's approval to obtain debtor in possession financing offered by the Prepetition Credit Facility Lenders. In that regard, on August 5, 2009, the Bankruptcy Court approved on an interim basis the Debtors' original post-petition debtor in possession financing agreement with the Prepetition Credit Facility Lenders (the "Original DIP Financing Agreement"), which provided the Debtors with the necessary capital to fund their post-petition activities. The DIP Original Financing Agreement provided for an initial DIP Facility in an aggregate principal amount of $175,000,000 and an uncommitted incremental DIP Facility in an aggregate principal amount of $25,000,000. The Initial DIP Facility consisted of a Tranche A Term Loan drawn by CSA, a Tranche B Term Loan drawn by CSA Canada, and a Tranche C Term Loan drawn by Metzeler Automotive Profile Systems GmbH (the "Additional Foreign Borrower"). On September 1, 2009, the Bankruptcy Court approved the Original DIP

Financing Agreement on a final basis and on September 2, 2009, the Bankruptcy Court entered a final order.

Interest under the Original DIP Financing Agreement was incurred at the LIBOR Rate plus 9.50% or the Prime Rate plus 8.50%, to be paid on a quarterly basis. The LIBOR Rate floor was 3.00% and the Prime Rate floor was 4.00%. In addition, in accordance with the Original DIP Financing Agreement, the Debtors paid an upfront fee equal to 3.00% of all commitments under the Original DIP Financing Agreement as of the entry of the interim order approving the Original DIP Financing Agreement to the DIP Financing Agent.

4.05 **The Refinanced DIP Financing Facility**

Subsequent to the entry of the final order approving the Original DIP Financing Agreement, the Debtors determined that they would be able to obtain post-petition financing from the DIP Lenders on more favorable economic terms and without having to pay an additional commitment fee, while preserving the other terms of the Original DIP Financing Agreement. In that regard, on December 9, 2009, the Debtors sought approval of the DIP Financing Agreement, which, similar to the Original DIP Financing Agreement, provided for an initial DIP Facility in an aggregate principal amount of $175,000,000 (the "Initial DIP Facility") and an uncommitted incremental DIP Facility in an aggregate principal amount of $25,000,000 (the "Incremental DIP Facility"). The Initial DIP Facility consists of a Tranche A Term Loan drawn by CSA, a Tranche B Term Loan drawn by CSA Canada, and a Tranche C Term Loan drawn by the Additional Foreign Borrower (collectively, with the loans under the Incremental DIP Facility, the "Refinanced DIP Loans"). On December 29, 2009, the Bankruptcy Court entered the DIP Financing Order approving the DIP Financing Agreement on a final basis. The proceeds of the DIP Facility were used to pay in full the obligations under the Original DIP Financing Agreement, and, after giving effect to such payment in full, have been, and will continue to be, used for working capital requirements and general corporate purposes of each of the borrowers under the DIP Financing Agreement and their respective subsidiaries.

The maturity date of the DIP Financing Agreement is August 4, 2010 with the possibility of one 90-day extension, subject to the prior written consent of the Required Lenders under the DIP Financing Agreement. In the event that the maturity date of the DIP Financing Agreement is so extended, the Debtors would be required to pay an extension fee equal to 1% of the aggregate principal amount of outstanding DIP Loans to the DIP Financing Agent.

The loans under the DIP Financing Agreement bear interest at the LIBOR Rate plus 6% or the Prime Rate plus 5%, to be paid on a quarterly basis. The LIBOR Rate floor is 2% and the Prime Rate floor is 3%. Upon the occurrence and during the continuation of an event of default, interest will accrue at a rate equal to 2% above the rate previously applicable to such obligations, payable on demand. In addition, the Debtors paid an exit fee equal to 1% for the loans under the Original DIP Financing Agreement in connection with entering into the DIP Financing Agreement and paying in full the obligations under the Original DIP Financing Agreement. The Debtors, however, will not be required to pay an exit fee in connection with paying in full their obligations under the DIP Financing Agreement.

The Debtors are required to pay all expenses of the DIP Lenders and the DIP Financing Agent (including fees, expenses, and charges of counsel to the DIP Lenders and the DIP Financing Agent).

4.06 **The Cooper Tire Adversary Proceeding**

Holdings, CSA and CSA Canada (the "Defendants") have been named as defendants in the adversary proceeding initiated by Cooper Tire & Rubber Company and Cooper Tyre Rubber & Company UK Limited (together, "Cooper Tire"): Cooper Tire & Rubber Company v. Cooper-Standard Holdings, Inc. et. al., Adv. Proc. No. 09-52014 (PJW) (the "Cooper Tire Adversary Proceeding") pending in the U.S. Bankruptcy Court for the District of Delaware. On August 5, 2009, Cooper Tire filed a motion to lift the automatic stay seeking to commence proceedings in the CCAA Proceeding of CSA Canada. The Bankruptcy Court denied Cooper Tire's motion to lift the automatic stay on August 18, 2009. On August 19, 2009, Cooper Tire filed the Cooper Tire Adversary Proceeding seeking a declaratory judgment that the Canadian Tax Refund is property of Cooper Tire or, in the alternative, either the imposition of (i) a resulting trust in Cooper Tire's favor over the Canadian Tax Refund or (ii) a constructive trust in Cooper Tire's favor over the Canadian Tax Refund. Cooper Tire's complaint alleges that approximately US $60 million of the Canadian Tax Refund is attributable to tax periods prior to December 23, 2004, and, therefore, is Cooper Tire's property pursuant to a Stock Purchase Agreement, dated as of September 16, 2004, among Cooper Tire, Cooper Tyre & Rubber Company UK and Holdings (the "Stock Purchase Agreement"). In addition, Cooper Tire's complaint alleges that an unspecified portion of the Anticipated Canadian Tax Refund is attributable to the tax periods prior to December 23, 2004 and that some portion of the Anticipated Canadian Tax Refund is also its property.

Cooper Tire filed an amended complaint in the Cooper Tire Adversary Proceeding on October 5, 2009, which added CSA Canada as a defendant in the proceedings. On January 6, 2010, following the completion of discovery, the parties in the Cooper Tire Adversary Proceeding each filed a motion for summary judgment. In a letter to counsel dated January 26, 2010, the Bankruptcy Court notified the parties that it had determined to set the matter for trial.[10]

Thereafter, on March 17, 2010, The Defendants, Cooper Tire and the Creditors' Committee entered into the Cooper Tire Settlement Agreement. A motion seeking approval of the Settlement Agreement will be filed with the Bankruptcy Court in the near term. Pursuant to the terms of the Settlement Agreement, the Defendants, among other things, agreed to (i) pay Cooper Tire $17,639,080.98 in cash and (ii) obtain a release of Cooper Tire's obligations in connection with the Surgoinsville Lease Guarantee (as defined in the Settlement Agreement) or, alternatively, provide a letter of credit in favor of Cooper Tire, in the initial amount of $7 million

[10] With respect to the Cooper Tire litigation in the CCAA Proceedings, on September 29, 2009, the Canadian Court issued an order lifting the stay in the CCAA Proceedings so that Cooper Tire could commence proceedings against CSA Canada in the Bankruptcy Court. In addition, the Canadian Court ordered that CSA Canada segregate any forthcoming tax refunds until the Bankruptcy Court made a determination on the merits of Cooper Tire's claims with respect to the tax refunds. On October 16, 2009, CSA Canada filed a motion for leave to appeal the decision of the Canadian Court to segregate the forthcoming tax refunds, and leave to appeal was granted on January 22, 2010.

(but declining by $1 million per year for seven years) to reimburse Cooper Tire for any amounts that it is required to pay its landlord on account of the Surgoinsville Lease Guarantee. In addition, Cooper Tire has agreed to dismiss its complaint in the Bankruptcy Court with prejudice and claim no further entitlement to the tax refunds. The parties have also granted general mutual releases to each other with respect to claims and liabilities under the Stock Purchase Agreement and other claims and liabilities, subject to the following exceptions: (i) CSA will continue to honor its existing contractual obligation to indemnify Cooper Tire against workers compensation liabilities relating to CSA employees who were employed when Cooper Tire was CSA's parent company and (ii) Cooper Tire will continue to indemnify CSA with respect to certain environmental matters covered by the Stock Purchase Agreement.

4.07 **Schedules of Assets and Liabilities & Statements of Financial Affairs**

Pursuant to section 521 of the Bankruptcy Code and Bankruptcy Rule 1007, unless otherwise ordered by the Bankruptcy Court, the Debtors must each file certain schedules of claims, assets, liabilities, executory contracts and unexpired leases and other information (the "Schedules") and a Statement of Financial Affairs (the "Statements") within fifteen (15) days of the Filing Date. This information is designed to provide creditors and other interested parties with material information to enable each creditor to evaluate its proposed treatment under any plan. Local Rule 1007-1(b) extends the Debtors' deadline to file their schedules and statements beyond the fifteen days previously provided by Bankruptcy Rule 1007 by an additional fifteen (15) days, for a total of thirty days. On September 30, 2009, the Debtors requested, and were granted, an extension of time to file their Schedules and Statements, through and including October 2, 2009. The Debtors filed the Schedules and Statements with the Bankruptcy Court on October 2, 2009.

4.08 **Bankruptcy Rule 2015.3(a) Reports of Financial Information**

Pursuant to Bankruptcy Rule 2015.3(a), the Debtors must periodically file certain financial reports regarding the value, operations, and profitability of each entity that is not a publicly-traded corporation or a debtor in a case under the Bankruptcy Code, and in which the Debtors' estates hold a substantial or controlling interest. Pursuant to Bankruptcy Rule 2015.3(b), the first such report must be filed within five (5) days before the first date set for the meeting of creditors under section 341 of the Bankruptcy Code.

On September 4, 2009, the Debtors filed a motion (the "Rule 2015.3 Motion") for an order granting the Debtors additional time, through and including October 5, 2009, to file all of their respective initial reports of financial information required by Bankruptcy Rule 2015.3 or to seek a modification of the reporting requirements of Bankruptcy Rule 2015.3(a) for cause. An order approving the Rule 2015.3 Motion was entered by the Bankruptcy Court on September 30, 2009. On October 5, 2009, the Debtors filed their initial reports of financial information required by Bankruptcy Rule 2015.3, except reports for those entities subject to the Rule 2015.3 Joint Venture Motion (as discussed below).

On October 2, 2009, the Debtors filed a further motion (the "Rule 2015.3 Joint Venture Motion") for an order (i) authorizing the Debtors to file under seal certain reports of financial information required by Bankruptcy Rule 2015.3(a) relating to certain joint ventures

(the "Sealed Joint Ventures") in which the Debtors own at least a 50% interest and (ii) granting the Debtors additional time, through October 30, 2009, to file the reports of financial information required by Bankruptcy Rule 2015.3(a) relating to such joint ventures. The Bankruptcy Court entered an order approving the Rule 2015.3 Joint Venture Motion on November 23, 2009 and the Debtors subsequently filed Bankruptcy Rule 2015.3 reports for the Sealed Joint Ventures under seal.

4.09 **Bar Dates**

On October 9, 2009, the Debtors filed a motion seeking an order establishing bar dates by which creditors must file Proofs of Claim in the Debtors' Chapter 11 Cases, and approving the forms and manner of notice thereof. The Debtors requested that the Bankruptcy Court set December 4, 2009 at 5:00 p.m. (PST) (the "General Bar Date"), as the bar date for all Creditors holding Claims against the Debtors, and February 1, 2010 at 5:00 p.m. (PST) (the "Governmental Unit Bar Date"), as the bar date for all governmental entities to file Proofs of Claim in the Debtors' cases or be forever barred from asserting such Claims against the Debtors. The Debtors' motion also sought to establish the bar date by which Creditors must file claims arising out of the rejection of executory contracts or unexpired leases as the later of (a) the General Bar Date or (b) thirty (30) days after the entry of an order authorizing the rejection of such executory contract or unexpired lease. On October 27, 2009, the Bankruptcy Court entered an order setting the foregoing bar dates.

4.10 **Exclusivity**

Pursuant to section 1121 of the Bankruptcy Code, a chapter 11 debtor has the exclusive right to (i) file a plan or plans of reorganization until 120 days after the petition date and (ii) solicit acceptances of such plan or plans until 180 days after the petition date. Under section 1121(d) of the Bankruptcy Code, the bankruptcy court may extend the exclusive periods within which to file a plan or plans and solicit acceptances of such plan or plans up to a maximum of 18 months and 20 months, respectively, after the petition date. The Debtors' exclusive periods to file a plan or plans and solicit acceptances of such plan or plans were set to expire on December 1, 2009 and February 1, 2010, respectively. On November 23, 2009, the Bankruptcy Court entered an order approving the Debtors' motion seeking to extend the exclusive periods within which the Debtors may file a plan or plans and solicit acceptances of such plan or plans through March 31, 2010 and June 1, 2010, respectively. On March 18, 2010, the Bankruptcy Court entered an order approving the Debtors' motion seeking to extend the exclusive periods to file a plan or plans and solicit acceptances of such plan or plans through June 29, 2010 and August 30, 2010, respectively.

4.11 **Unexpired Non-Residential Real Property Leases**

Section 365(d)(4) of the Bankruptcy Code provides that if a debtor fails to assume its unexpired non-residential real property leases under which it is a lessee within 120 days after the petition date, such leases are deemed to be rejected. Section 365(d)(4) states that a bankruptcy court may extend the time period within which to assume such leases by an additional 90 days. The time period within which the Debtors were required to assume or reject their unexpired nonresidential real property leases under which they are a lessee was set to expire

on December 1, 2009. On November 23, 2009, the Bankruptcy Court entered an order approving the Debtors' motion seeking to extend this time period to March 1, 2010. Thereafter, on February 12, 2010, the Debtors filed omnibus motions to reject one non-residential real property lease under which they are a lessee and to assume nine non-residential real property leases. The Debtors also obtained Bankruptcy Court approval of stipulations by and between the Debtors and their landlords for the remaining four leases to extend the rejection deadline. On March 1, 2010, the Bankruptcy Court entered orders approving the Debtors' omnibus assumption and rejection motions.

4.12 **Removal of Claims and Actions**

Bankruptcy Rule 9027(a) provides that if a claim or cause of action in a civil action is pending when a case under the Bankruptcy Code is commenced, a notice of removal may be filed on, among other things, ninety (90) days after the petition date. The time period within which the Debtors were required to file their notices of removal was set to expire on November 2, 2009. On November 23, 2009, the Bankruptcy Court entered an order approving the Debtors' motion seeking to extend the time period within which the Debtors may file notices of removal with respect to claims and actions pending as of the Filing Date to March 2, 2010. On March 18, 2010, the Bankruptcy Court entered an order approving the Debtors' motion seeking to extend the time period within which to file notices of removal through June 1, 2010.

4.13 **Development of the Business Plan**

Since the Filing Date, the capital markets in the United States have continued to thaw and the global automotive industry has shown signs of improvement. Both GM and Chrysler have emerged from chapter 11 through the sale of their assets to new entities and have since undertaken initiatives to improve the quality of their brands, increase sales, and wind-down their unprofitable businesses. The federal government, in addition to the financial aid it had already provided to the OEMs in early 2009, implemented the "Cash-for-Clunkers" program that provided significant rebates to consumers on new automobile purchases for trading in their previously-owned vehicles that qualified as "gas guzzlers." The Cash-for-Clunkers program dramatically improved automotive sales in the fiscal third quarter of 2009. Although the Cash-for-Clunkers program has since expired, the Debtors' business operations in the second half of 2009 have remained strong with the Company earning an operating profit of $24.9 million for the three months ending September 30, 2009 as opposed to an operating loss of $10.1 million for the same period in 2008.

Given the recent improvements in the U.S. economy and the global automotive industry, the Debtors' management has put together a business plan that sets forth management's projections with regard to the Debtors' future performance. The Debtors' management believes that the business plan presents the best alternative to maximize value for the Debtors' go-forward business and provides all constituents with the most realistic look at the future of the Debtors' businesses. After careful consideration, the Debtors' Board of Directors approved the business plan on December 1, 2009. Further, since December 1, 2009, the Debtors' management has continued to review their go-forward business performance. Based on this ongoing review and after careful consideration, in late February 2010, the Debtors' management updated their

business plan with respect to management's projections with regard to the Debtors' future performance for the 2010 fiscal year.

4.14 **Negotiations Relating to Development of the Plan**

Prior to commencing these Chapter 11 Cases and since the filing of the Debtors' petitions for relief under the Bankruptcy Code, the Debtors' have sought a consensual restructuring of their balance sheets so as to be able to emerge from chapter 11 with an appropriate capital structure that would enable the Debtors to remain competitive.

Although the value of the Debtors significantly exceeds the amount of the Prepetition Credit Facility Claims under the Prepetition Credit Facility, the Debtors could not reinstate or refinance that debt because the Debtors would be significantly over leveraged. Accordingly, the Debtors' initial efforts focused on negotiating a stand-alone chapter 11 plan with the Creditors' Committee and the Prepetition Credit Facility Lenders that would provide the Prepetition Credit Facility Lenders with a recovery consisting of debt and equity in Reorganized Holdings, with the remaining equity being distributed to the Noteholders. However, as negotiations continued, it became apparent that the Prepetition Credit Facility Lenders, the Creditors' Committee and certain of Senior Noteholders and Senior Subordinated Noteholders held vastly different views of the value of the Reorganized Debtors and that the Prepetition Credit Facility Lenders would not accept equity at a value that would be acceptable to the Noteholders or the Creditors' Committee. The Debtors also recognized the potential obstacles they would face if they could not force the Prepetition Credit Facility Lenders to accept equity in satisfaction of their Prepetition Credit Facility Claims.

(a) The Original Backstop Commitment

During the course of negotiations, automotive industry forecasts and the capital markets improved. As a result, the Debtors began to explore alternative transactions for restructuring that would pay the Prepetition Credit Facility Claims in Cash. The Debtors then began discussions with the Creditors' Committee and certain Noteholders regarding a potential "new money" plan that would include a backstopped equity rights offering which, when combined with exit financing, would allow the Debtors to pay the Prepetition Credit Facility Lenders in full in Cash while distributing equity in Reorganized Holdings to the Senior Noteholders, the Senior Subordinated Noteholders and those parties that agreed to backstop the rights offering. Thereafter, the First Backstop Parties came forward with a proposal to backstop an equity rights offering in the amount of $245 million. The proceeds of the rights offering would be used in conjunction with exit financing to pay the Prepetition Credit Facility Lenders in full. In addition, the proposal provided that Noteholders would receive a direct distribution of new equity in Reorganized Holdings, and the Senior Subordinated Noteholders would receive warrants to purchase a portion of the new equity.

After extensive negotiations with the Creditors' Committee and the Original Backstop Parties, on February 1, 2010 the Debtors and the First Backstop Parties executed the Original Commitment Agreement and by separate motion the Debtors sought approval of the procedures for conducting the rights offering and authority to enter into the Original Equity Commitment Agreement (the "Original Rights Offering Approval Motion"). The Creditors'

Committee signed a Plan Support Agreement in which the Creditors' Committee agreed to support the Original Commitment Agreement and the Original Plan. The Debtors also filed the Original Plan, the corresponding disclosure statement with respect to the Original Plan, and a motion seeking approval of the Original Disclosure Statement and the solicitation of votes in connection with the Original Plan.

(b) The Current Backstop Commitment

Shortly after filing the Original Plan, certain of the Debtors' Noteholders (the "Second Backstop Parties") approached the Debtors with an alternative proposal to backstop a rights offering that would provide an improved recovery to the Noteholders than those provided for in the Original Plan. Accordingly, the Debtors adjourned the hearing on the approval of the Original Commitment Agreement to engage in negotiations with the Second Backstop Parties regarding the alternative proposal and reengage with the First Backstop Parties to improve the terms of the Original Commitment Agreement.

When final documentation was substantially complete with the Second Backstop Parties, discussions with the First Backstop Parties resumed in earnest. Consistent with their fiduciary duties to creditors, the Debtors and their professionals concluded that the best possible outcome for the estate would be to broker a joint proposal from the two backstop groups, who collectively hold over half of the principal amount of the Senior Notes and a substantial majority of the principal amount of the Senior Subordinated Notes. Such a joint proposal would yield higher recoveries for creditors, minimize or eliminate potential confirmation issues and place these chapter 11 cases on a clear and expeditious path to exit

After extensive, arms-length negotiations between the Debtors, the Creditors' Committee, the First Backstop Parties and the Second Backstop Parties, all parties agreed upon the terms of a revised restructuring proposal incorporated in the new Equity Commitment Agreement. The Equity Commitment Agreement and the Plan provide for a $355 million backstopped equity rights offering that would pay the Prepetition Facility Claims and the Senior Note Claims in full, in cash (with the Supporting Senior Noteholders agreeing to forgo cash payment on their Supporting Senior Note Claims, and instead receiving a distribution of New Common Stock on account of their Supporting Senior Note Claims), and improve the recovery to the Senior Subordinated Noteholders. Thus, the Debtors have now filed the Plan, which has the support of Holders holding more than half of the outstanding principal amount of Senior Note Claims and Holders holding a substantial majority of the outstanding principal amount of the Senior Subordinated Note Claims.

On March 19, 2010 the Debtors and the Backstop Parties executed the Equity Commitment Agreement and the Debtors filed a supplement (the "Supplement") to the Original Rights Offering Approval Motion, as amended by the Supplement (the "Rights Offering and Equity Commitment Approval Motion") seeking approval of the procedures for conducting the Rights Offering and authority to enter into the Equity Commitment Agreement. With the execution of the Equity Commitment Agreement, the Debtors have now reached a consensual agreement with their key stakeholders and the Creditors' Committee. Accordingly, contemporaneously with the filing of this Disclosure Statement, the Debtors are filing the Plan and seeking approval of the Rights Offering and Equity Commitment Approval Motion, which

has the support of the Creditors' Committee and the Backstop Parties. The Debtors believe that the Plan not only comports with the requirements of the Bankruptcy Code, but is fair and reasonable to all constituents.

ARTICLE V.
SUMMARY OF THE PLAN

THE FOLLOWING IS A SUMMARY OF CERTAIN SIGNIFICANT PROVISIONS OF THE PLAN. THIS SUMMARY IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO THE MORE DETAILED INFORMATION SET FORTH IN THE PLAN, WHICH IS ATTACHED TO THIS DISCLOSURE STATEMENT AS APPENDIX C. TO THE EXTENT THAT THE TERMS OF THIS DISCLOSURE STATEMENT VARY WITH THE TERMS OF THE PLAN, THE TERMS OF THE PLAN WILL BE CONTROLLING.

The Debtors believe that under the Plan, Holders of Claims will obtain a recovery with a value no less than what would otherwise be recovered by such Holders if the assets of the Debtors were liquidated under chapter 7 of the Bankruptcy Code. See section 17.07 "Acceptance and Confirmation of the Plan—Best Interests Test."

5.01 General

Chapter 11 of the Bankruptcy Code is the principal business reorganization chapter of the Bankruptcy Code. Under chapter 11 of the Bankruptcy Code, a debtor is authorized to reorganize its business for the benefit of itself and its creditors and stockholders. Upon the filing of a petition for relief under chapter 11 of the Bankruptcy Code, section 362 of the Bankruptcy Code generally provides for an automatic stay of all attempts to collect claims or enforce liens that arose prior to the commencement of the debtor's case under chapter 11 of the Bankruptcy Code or that otherwise interfere with the debtor's property or business.

Formulation of a plan is the principal objective of a case under chapter 11 of the Bankruptcy Code. In general, a plan under chapter 11 of the Bankruptcy Code (i) divides claims and equity interests into separate classes, (ii) specifies the property that each class is to receive under the plan and (iii) contains other provisions necessary to effectuate the plan. Chapter 11 of the Bankruptcy Code does not require each Holder of a claim or interest to vote in favor of the plan of reorganization in order for the Bankruptcy Court to confirm the plan. However, a plan must be accepted by the Holders of at least one impaired class of claims without considering the votes of "insiders" within the meaning of the Bankruptcy Code. Generally, a claim or interest is "impaired" if its legal, equitable or contractual rights are altered. A Holder of an impaired claim or interest that will receive a distribution under the plan is entitled to vote to accept or reject the plan.

Distributions made under the Plan will be made on the Effective Date, as soon thereafter as is practicable, or at such other time or times specified in the Plan.

5.02 Voting on the Plan

(a) Holders of Claims Entitled to Vote

As more fully described below, the Plan is divided into thirteen (13) Sub-Plans, one for each Debtor, and designates ten (10) separate classes of Claims and Equity Interests. See section 5.03 "Summary of the Plan—Classification and Treatment of Claims and Equity Interests Under the Plan." Holders of Senior Subordinated Note Claims (Class 6) are Impaired under the Plan and will be entitled to vote to accept or reject the Plan. Holders of Holdings General Unsecured Claims (Class 9) and Old Holdings Equity Interests (Class 10) will not receive any distribution under the Plan and are therefore deemed to reject the Plan and votes of Classes 9 and 10 will therefore not be solicited. The Holders of Priority Claims (Class 1), Miscellaneous Secured Claims (Class 2), Intercompany Claims (Class 3), Senior Note Claims (Class 5), Subsidiary Debtor General Unsecured Claims (Class 7) and Subsidiary Debtor Equity Interests (Class 8) are Unimpaired and are conclusively presumed to accept the Plan.

(b) Votes Required for Class Acceptance

The Bankruptcy Court will determine whether sufficient acceptances have been received to confirm the Plan. In order for the Plan to be confirmed under section 1129(b) of the Bankruptcy Code, among other requirements, at least one class of Impaired Claims must have accepted the Plan which acceptance will be determined without including any acceptances of the Plan by any "insider," as defined in the Bankruptcy Code. The class of Senior Subordinated Note Claims (Class 6) will have accepted the Plan if the Plan has been accepted by Holders of Senior Subordinated Note Claims (Class 6) that hold at least two-thirds in amount and more than one-half in number of the Allowed Senior Subordinated Note Claims (Class 6) of Holders of Senior Subordinated Note Claims (Class 6) that vote to accept or reject the Plan. Because Holders of Holdings General Unsecured Claims (Class 9) and the Holders of Old Holdings Equity Interests (Class 10) will not receive any distribution under the Plan and, therefore, will be conclusively presumed to reject the Plan as a matter of law, the Debtors intend to request that the Bankruptcy Court confirm the Plan pursuant to section 1129(b) of the Bankruptcy Code. Although the Holders of Old Holdings Equity Interests will not receive a distribution or retain any property under the Plan and are deemed to reject the Plan, such Holders have advised the Debtors that they support the Plan. In addition, the Backstop Parties (which hold a substantial majority in dollar amount of Senior Subordinated Note Claims (Class 6)) support the Plan and have agreed to vote in favor of the Plan.

5.03 Classification and Treatment of Claims and Equity Interests Under the Plan

The Bankruptcy Code requires that a plan of reorganization classify the claims of a debtor's creditors and the interests of its equity holders. The Bankruptcy Code also provides that, except for certain claims classified for administrative convenience, a plan of reorganization may place a claim or interest of a creditor or equity holder in a particular class only if such claim or interest is substantially similar to the other claims or interests of such class. The Debtors believe that all Claims and Equity Interests have been appropriately classified in the Plan.

Except to the extent that modification of classification in the Plan adversely affects the treatment of a Holder of a Claim or Equity Interest and requires resolicitation, acceptance of the Plan by any Holder of a Claim or Interest pursuant to the solicitation will be deemed to be a consent to the Plan's treatment of such Holder regardless of the class as to which such Holder is ultimately deemed to be a member.

The Bankruptcy Code also requires that a plan provide the same treatment for each claim or interest of a particular class unless the holder of a particular claim or interest agrees to a less favorable treatment of its claim or interest. The Debtors believe that they have complied with this standard of equal treatment. To the extent that the Bankruptcy Court finds that the Plan does not satisfy such standard, the Bankruptcy Court could deny confirmation if the Holders of Claims or Equity Interests affected do not consent to the treatment afforded them under the Plan.

Only classes that are Impaired under the Plan, but that are not deemed to have rejected the Plan as a matter of law, are entitled to vote to accept or reject the Plan. Generally, a class of claims or interests is considered to be "Unimpaired" under a chapter 11 plan if such plan does not alter the legal, equitable and contractual rights of the holders of such claims or equity interests. Under the Bankruptcy Code, holders of claims and interests in an Unimpaired class are conclusively presumed to have accepted a plan and are not entitled to vote to accept or reject a plan.

As indicated below, two classes of secured Claims (Class 2 – Miscellaneous Secured Claims and Class 4 – Prepetition Credit Facility Claims), four classes of unsecured Claims (Class 1 – Priority Claims, Class 3 – Intercompany Claims, Class 5 – Senior Note Claims, and Class 7 – Subsidiary Debtor General Unsecured Claims), and one class of Equity Interests (Class 8 – Subsidiary Debtor Equity Interests) are Unimpaired under the Plan and are conclusively presumed to have accepted the Plan. One class of unsecured Claims (Class 6 – Senior Subordinated Note Claims) is Impaired and is entitled to vote on the Plan. The remaining classes, one class of unsecured Claims (Class 9 – Holdings General Unsecured Claims) and one class of Equity Interests (Class 10 – Old Holdings Equity Interests) will receive no distribution under the Plan and the Claims and Old Holdings Equity Interests in such classes will be extinguished. As a result, such classes are deemed to have rejected the Plan.

Class	**Claim**	**Status**	**Voting Rights**
1	Priority Claims	Unimpaired	deemed to accept the Plan; not entitled to vote
2	Miscellaneous Secured Claims	Unimpaired	deemed to accept the Plan; not entitled to vote
3	Intercompany Claims	Unimpaired	deemed to accept the Plan; not entitled to vote
4	Prepetition Credit Facility Claims	Unimpaired	deemed to accept the Plan; not entitled to vote
5	Senior Note Claims	Unimpaired	deemed to accept the Plan; not entitled to vote
6	Senior Subordinated Note Claims	Impaired	entitled to vote
7	Subsidiary Debtor General Unsecured Claims	Unimpaired	deemed to accept the Plan; not entitled to vote
8	Subsidiary Debtor Equity Interests	Unimpaired	deemed to accept the Plan; not entitled to vote
9	Holdings General Unsecured	Impaired	deemed to reject the Plan; not

	Claims		entitled to vote
10	Old Holdings Equity Interests	Impaired	deemed to reject the Plan; not entitled to vote

As noted above, the Plan constitutes a separate Sub-Plan for each of the thirteen Debtors. Except for the Claims and Administrative Expenses addressed in Articles II and III of the Plan, all Claims and Interests against a particular Debtor are placed in classes for each of the Debtors (as designated by subclasses A through M for each of the thirteen Debtors). The Subsidiary Debtors are not Holders of any Intercompany Claims against Holdings, and therefore Holdings does not have Class 3. CS Automotive LLC did not issue or guarantee the Senior Notes or Senior Subordinated Notes, and therefore does not have Classes 5 and 6. Class 8 consists of the Subsidiary Debtor Interests held by the Debtors. Class 10 consists of Old Holdings Equity Interests, which relate only to the Sub-Plan for Holdings. In that regard, the classification and treatment of Claims and Equity Interests under the Plan are as follows (to the extent that the descriptions and explanations contained in this Disclosure Statement vary with the terms and conditions of the Plan, the terms and conditions of the Plan are controlling):

Cooper-Standard Holdings Inc.			
Class	**Claim**	**Status**	**Voting Rights**
1A	Priority Claims	Unimpaired	Deemed to accept
2A	Miscellaneous Secured Claims	Unimpaired	Deemed to accept
4A	Prepetition Credit Facility Claims	Unimpaired	Deemed to accept
5A	Senior Note Claims	Unimpaired	Deemed to accept
6A	Senior Subordinated Note Claims	Impaired	Entitled to vote
9	Holdings General Unsecured Claims	Impaired	Deemed to reject
10	Old Holdings Equity Interests	Impaired	Deemed to reject
Cooper-Standard Automotive Inc.			
Class	**Claim**	**Status**	**Voting Rights**
1B	Priority Claims	Unimpaired	Deemed to accept
2B	Miscellaneous Secured Claims	Unimpaired	Deemed to accept
3B	Intercompany Claims	Unimpaired	Deemed to accept
4B	Prepetition Credit Facility Claims	Unimpaired	Deemed to accept
5B	Senior Note Claims	Unimpaired	Deemed to accept
6B	Senior Subordinated Note Claims	Impaired	Entitled to vote
7B	Subsidiary Debtor General Unsecured Claims	Unimpaired	Deemed to accept
8B	Subsidiary Debtor Equity Interests	Unimpaired	Deemed to accept
Cooper-Standard Automotive FHS Inc.			
Class	**Claim**	**Status**	**Voting Rights**
1C	Priority Claims	Unimpaired	Deemed to accept
2C	Miscellaneous Secured Claims	Unimpaired	Deemed to accept
3C	Intercompany Claims	Unimpaired	Deemed to accept
4C	Prepetition Credit Facility Claims	Unimpaired	Deemed to accept
5C	Senior Note Claims	Unimpaired	Deemed to accept
6C	Senior Subordinated Note Claims	Impaired	Entitled to vote
7C	Subsidiary Debtor General Unsecured Claims	Unimpaired	Deemed to accept
8C	Subsidiary Debtor Equity Interests	Unimpaired	Deemed to accept
Cooper-Standard Fluid Systems Mexico Holding LLC			
Class	**Claim**	**Status**	**Voting Rights**
1D	Priority Claims	Unimpaired	Deemed to accept
2D	Miscellaneous Secured Claims	Unimpaired	Deemed to accept

3C	Intercompany Claims	Unimpaired	Deemed to accept
4D	Prepetition Credit Facility Claims	Unimpaired	Deemed to accept
5D	Senior Note Claims	Unimpaired	Deemed to accept
6D	Senior Subordinated Note Claims	Impaired	Entitled to vote
7D	Subsidiary Debtor General Unsecured Claims	Unimpaired	Deemed to accept
8D	Subsidiary Debtor Equity Interests	Unimpaired	Deemed to accept
Cooper-Standard Automotive, OH LLC			
Class	**Claim**	**Status**	**Voting Rights**
1E	Priority Claims	Unimpaired	Deemed to accept
2E	Miscellaneous Secured Claims	Unimpaired	Deemed to accept
3E	Intercompany Claims	Unimpaired	Deemed to accept
4E	Prepetition Credit Facility Claims	Unimpaired	Deemed to accept
5E	Senior Note Claims	Unimpaired	Deemed to accept
6E	Senior Subordinated Note Claims	Impaired	Entitled to vote
7E	Subsidiary Debtor General Unsecured Claims	Unimpaired	Deemed to accept
8E	Subsidiary Debtor Equity Interests	Unimpaired	Deemed to accept
StanTech, Inc.			
Class	**Claim**	**Status**	**Voting Rights**
1F	Priority Claims	Unimpaired	Deemed to accept
2F	Miscellaneous Secured Claims	Unimpaired	Deemed to accept
3F	Intercompany Claims	Unimpaired	Deemed to accept
4F	Prepetition Credit Facility Claims	Unimpaired	Deemed to accept
5F	Senior Note Claims	Unimpaired	Deemed to accept
6F	Senior Subordinated Note Claims	Impaired	Entitled to vote
7F	Subsidiary Debtor General Unsecured Claims	Unimpaired	Deemed to accept
8F	Subsidiary Debtor Equity Interests	Unimpaired	Deemed to accept
Westborn Services Center, Inc.			
Class	**Claim**	**Status**	**Voting Rights**
1G	Priority Claims	Unimpaired	Deemed to accept
2G	Miscellaneous Secured Claims	Unimpaired	Deemed to accept
3G	Intercompany Claims	Unimpaired	Deemed to accept
4G	Prepetition Credit Facility Claims	Unimpaired	Deemed to accept
5G	Senior Note Claims	Unimpaired	Deemed to accept
6G	Senior Subordinated Note Claims	Impaired	Entitled to vote
7G	Subsidiary Debtor General Unsecured Claims	Unimpaired	Deemed to accept
8G	Subsidiary Debtor Equity Interests	Unimpaired	Deemed to accept
North American Rubber Company, Incorporated			
Class	**Claim**	**Status**	**Voting Rights**
1H	Priority Claims	Unimpaired	Deemed to accept
2H	Miscellaneous Secured Claims	Unimpaired	Deemed to accept
3H	Intercompany Claims	Unimpaired	Deemed to accept
4H	Prepetition Credit Facility Claims	Unimpaired	Deemed to accept
5H	Senior Note Claims	Unimpaired	Deemed to accept
6H	Senior Subordinated Note Claims	Impaired	Entitled to vote
7H	Subsidiary Debtor General Unsecured Claims	Unimpaired	Deemed to accept
8H	Subsidiary Debtor Equity Interests	Unimpaired	Deemed to accept
Sterling Investments Company			
Class	**Claim**	**Status**	**Voting Rights**
1I	Priority Claims	Unimpaired	Deemed to accept
2I	Miscellaneous Secured Claims	Unimpaired	Deemed to accept
3I	Intercompany Claims	Unimpaired	Deemed to accept

4I	Prepetition Credit Facility Claims	Unimpaired	Deemed to accept
5I	Senior Note Claims	Unimpaired	Deemed to accept
6I	Senior Subordinated Note Claims	Impaired	Entitled to vote
7I	Subsidiary Debtor General Unsecured Claims	Unimpaired	Deemed to accept
8I	Subsidiary Debtor Equity Interests	Unimpaired	Deemed to accept
Cooper-Standard Automotive NC LLC			
Class	**Claim**	**Status**	**Voting Rights**
1J	Priority Claims	Unimpaired	Deemed to accept
2J	Miscellaneous Secured Claims	Unimpaired	Deemed to accept
3J	Intercompany Claims	Unimpaired	Deemed to accept
4J	Prepetition Credit Facility Claims	Unimpaired	Deemed to accept
5J	Senior Note Claims	Unimpaired	Deemed to accept
6J	Senior Subordinated Note Claims	Impaired	Entitled to vote
7J	Subsidiary Debtor General Unsecured Claims	Unimpaired	Deemed to accept
8J	Subsidiary Debtor Equity Interests	Unimpaired	Deemed to accept
CSA Services Inc.			
Class	**Claim**	**Status**	**Voting Rights**
1K	Priority Claims	Unimpaired	Deemed to accept
2K	Miscellaneous Secured Claims	Unimpaired	Deemed to accept
3K	Intercompany Claims	Unimpaired	Deemed to accept
4K	Prepetition Credit Facility Claims	Unimpaired	Deemed to accept
5K	Senior Note Claims	Unimpaired	Deemed to accept
6K	Senior Subordinated Note Claims	Impaired	Entitled to vote
7K	Subsidiary Debtor General Unsecured Claims	Unimpaired	Deemed to accept
8K	Subsidiary Debtor Equity Interests	Unimpaired	Deemed to accept
NISCO Holding Company			
Class	**Claim**	**Status**	**Voting Rights**
1L	Priority Claims	Unimpaired	Deemed to accept
2L	Miscellaneous Secured Claims	Unimpaired	Deemed to accept
3L	Intercompany Claims	Unimpaired	Deemed to accept
4L	Prepetition Credit Facility Claims	Unimpaired	Deemed to accept
5L	Senior Note Claims	Unimpaired	Deemed to accept
6L	Senior Subordinated Note Claims	Impaired	Entitled to vote
7L	Subsidiary Debtor General Unsecured Claims	Unimpaired	Deemed to accept
8L	Subsidiary Debtor Equity Interests	Unimpaired	Deemed to accept
CS Automotive LLC			
Class	**Claim**	**Status**	**Voting Rights**
1M	Priority Claims	Unimpaired	Deemed to accept
2M	Miscellaneous Secured Claims	Unimpaired	Deemed to accept
3M	Intercompany Claims	Unimpaired	Deemed to accept
4M	Prepetition Credit Facility Claims	Unimpaired	Deemed to accept
7M	Subsidiary Debtor General Unsecured Claims	Unimpaired	Deemed to accept
8M	Subsidiary Debtor Equity Interests	Unimpaired	Deemed to accept

(a) Treatment of Administrative Expenses

Administrative Expenses. Administrative Expenses consist of the actual and necessary expenses incurred during the Chapter 11 Cases. Such expenses include costs incurred in the operation of the Debtors' businesses after the commencement of the Chapter 11 Cases, the actual, reasonable fees and expenses of professionals that they or any Committee appointed in

the Chapter 11 Cases retains, post-petition taxes, if any, and certain other obligations arising after the commencement of the Chapter 11 Cases, including the Bankruptcy Fees.

Treatment of Administrative Expenses. The Debtors or the Reorganized Debtors, as the case may be, will pay each Allowed Administrative Expense against Holdings and the Subsidiary Debtors in full, in Cash, on the later of (a) the Effective Date (or as soon thereafter as is practicable), (b) the date on which the Bankruptcy Court enters an order allowing such Administrative Expense, or (c) such other date to which the Reorganized Debtors and the Holder of the Allowed Administrative Expense agree; provided, however, that Allowed Administrative Expenses representing (a) obligations incurred in the ordinary course of business or assumed by the Debtors or the Reorganized Debtors, as the case may be, will be paid in full or performed by the Debtors or Reorganized Debtors, as the case may be, in the ordinary course of business, consistent with past practice and (b) obligations incurred to Professionals for services provided through the Confirmation Date will be paid in accordance with the applicable Bankruptcy Court order approving the fees and expenses of each such Professional; provided, further, however, that Allowed Administrative Expenses incurred by the Debtors or the Reorganized Debtors, as the case may be, after the Confirmation Date, including claims for Professionals' fees and expenses, will not require application to the Bankruptcy Court and will be paid by the Debtors or Reorganized Debtors, as the case may be, in the ordinary course of business and without further Bankruptcy Court approval; and, provided, further, however, that all reasonable and documented fees and expenses of counsel and other advisors to the Backstop Parties constitute Allowed Administrative Expenses and will be paid by the Debtors in the ordinary course of business during the Chapter 11 Cases without the necessity to file a proof of claim or file any application to or receive any approval from the Bankruptcy Court or the Fee Auditor, in accordance with the terms and subject to the conditions of the Backstop Commitment Fees and Expenses Approval Order and, to the extent approved by the Bankruptcy Court, the order approving the Equity Commitment Agreement. All DIP Obligations (as such term is defined in the DIP Financing Order) payable under the DIP Financing Agreement and with respect to DIP Financing Fees and Expenses, under the DIP Financing Agreement and DIP Original Financing Agreement, and all other DIP Lender Claims are (a) Allowed in full; (b) shall not be subject to any avoidance, reduction, setoff, recoupment, offset, recharacterization, subordination (whether contractual, equitable, or otherwise), counterclaims, cross-claims, defenses, disallowance, impairment, or any other challenges under any applicable law or regulation by any person or entity; (c) constitute Allowed Administrative Expenses; and (d) will be paid in full, in Cash, on the Effective Date, without the need for application to or approval from any court. All Prepetition Credit Facility Fees and Expenses are (a) Allowed in full; (b) will not be subject to any avoidance, setoff, off-set, recoupment, subordination (whether contractual, equitable, or otherwise), recharacterization, disgorgement, disallowance, impairment, objection, defenses, claims, causes of action, suits, counterclaims, cross-claims, reduction or any other challenges under any applicable law or regulation by any person or entity; (c) constitute Allowed Administrative Expenses; and (d) will be paid in full, in Cash, on the Effective Date, without the need for application to or approval from any court.

Final Application for Compensation and Reimbursement of Professionals' Fees and Expenses. The Plan provides that all applications for final allowance of compensation and reimbursement of Professionals' fees and expenses must be filed no later than 120 days following the Effective Date and will be subject to the authorization and approval of the Court.

Any objections to such applications must be filed no later than twenty (20) days following the date on which a final fee application is filed with the Court.

Post-Effective Date Fees and Expenses of the Fee Auditor. Following the Effective Date, the Reorganized Debtors will pay in cash, within thirty (30) days of receipt by the Reorganized Debtors of an invoice from the Fee Auditor, all reasonable and documented fees and expenses of the Fee Auditor that are incurred after the Effective Date, without the need for any further authorization from the Bankruptcy Court. In the event that the Reorganized Debtors object to payment of such invoice from the Fee Auditor for post-Effective Date fees and expenses, in whole or in part, and the parties cannot resolve such objection after good faith negotiation, the Bankruptcy Court will retain jurisdiction to make a determination as to the extent to which the invoice shall be paid by the Reorganized Debtors.

Full Settlement. As more specifically set forth in, and without in any way limiting, section 12.01 of the Plan, the distributions provided for in and when paid pursuant to section 2.01 of the Plan are in full settlement and release of all Administrative Expenses.

(b) Treatment of Priority Tax Claims

Priority Tax Claims. A "Priority Tax Claim" is any Claim against the Debtors of the type specified in section 507(a)(8) of the Bankruptcy Code. These Claims consist of certain unsecured Claims of Governmental Units for taxes. The Debtors estimate that Priority Tax Claims are, in the aggregate, approximately $3,000,000.

Treatment. With respect to each Allowed Priority Tax Claim against Holdings and the Subsidiary Debtors, at the sole option of the Debtors, each Holder of an Allowed Priority Tax Claim will be entitled to receive from the Reorganized Debtors on account of such Claim:

(i) On the Effective Date, or as soon thereafter as is practicable, Cash payments in an amount equal to such Allowed Priority Tax Claim; or

(ii) Such other treatment agreed to by each Holder of such Allowed Priority Tax Claim and the Debtors or Reorganized Debtors, as the case may be.

Full Settlement. As more specifically set forth in, and without in any way limiting, section 12.01 of the Plan, the distributions provided for in and when paid pursuant to the section 3.01 of the Plan are in full settlement, release and discharge of all Priority Tax Claims.

(c) Class 1 – Priority Claims

Class 1 (Subclasses 1A through 1M) consists of all Allowed Claims arising on or prior to the Filing Date that are entitled to priority status in accordance with section 507(a) of the Bankruptcy Code, other than Administrative Expenses and Priority Tax Claims. Priority Claims include Claims for wages, salaries and contributions to employee benefit plans to the extent that such Claims are entitled to priority under section 507(a) of the Bankruptcy Code. The Debtors estimate that Priority Claims are, in the aggregate, approximately $250,000.

Treatment of Priority Claims. On the latest of (a) the Effective Date (or as soon as practicable thereafter), (b) the date on which such Priority Claim becomes an Allowed Priority Claim, or (c) such other date on which the Debtors and the Holder of such Allowed Priority Claim may agree, each Holder of an Allowed Priority Claim will be entitled to receive Cash in an amount sufficient to render such Allowed Priority Claim Unimpaired under section 1124 of the Bankruptcy Code; provided, however, that Allowed Priority Claims representing obligations incurred in the ordinary course will be paid in full or performed by the Debtors or Reorganized Debtors, consistent with past practice.

Full Settlement. As more specifically set forth in, and without in any way limiting section 12.01 of the Plan, the distributions provided in section 6.01 of the Plan to Holders of Priority Claims (when distributed to Holders of Priority Claims in accordance with the Plan) are in full settlement and release of each Holder's Priority Claim and all other Claims against any and all of the Debtors, if any, of such Holder directly or indirectly related to or arising out of the transactions, agreements or instruments upon which such Priority Claim was based. Subclasses 1A through 1M are Unimpaired.

(d) Class 2 – Miscellaneous Secured Claims

Class 2 (Subclasses 2A through 2M) consists of all Miscellaneous Secured Claims. The Debtors estimate that Miscellaneous Secured Claims are, in the aggregate, $0. Miscellaneous Secured Claims are Allowed in the amount of approximately $0. On the Effective Date, at the sole option of the Debtors, (i) the legal, equitable and contractual rights to which the Miscellaneous Secured Claim entitles the Holder of such Claim will remain unaltered, and the Holder of such Claim will retain any Liens and/or security interests securing such Claim, or (ii) the Debtors will provide other treatment that will render such Miscellaneous Secured Claim Unimpaired under section 1124 of the Bankruptcy Code. Subclasses 2A through 2M are Unimpaired.

(e) Class 3 – Intercompany Claims

Class 3 (Subclasses 3B through 3M) consists of all Intercompany Claims. The Debtors estimate that Intercompany Claims are, in the aggregate, approximately $1,087,000,000. On the Effective Date, at the option of the Debtors or the Reorganized Debtors, either (a) the legal, equitable and contractual rights to which the Intercompany Claim entitles the Holder of such Claim will remain unaltered, in full or in part, and treated in the ordinary course of business, (b) such Intercompany Claim will be cancelled and discharged, in full or in part, in which case such discharged and satisfied portion will be eliminated and the Holders thereof will not be entitled to, and will not receive or retain, any property or interest in property on account of such portion under the Plan, or (c) such Intercompany Claim will be settled and discharged in exchange for property of the Debtors; provided, however, that any Intercompany Claims against any Debtor held by a non-Debtor Subsidiary will remain unaltered. Subclasses 3B through 3M are Unimpaired.

(f) Class 4 – Prepetition Credit Facility Claims

Class 4 (Subclasses 4A through 4M) consists of all Prepetition Credit Facility Claims. The Prepetition Credit Facility Claims are Allowed in an amount of no less than $658,416,000 (which includes principal plus accrued pre- and post-petition interest calculated at the applicable non-default rate or rates (including interest on interest) through May 1, 2010) plus any accrued post-petition interest from May 2, 2010 through the Effective Date at the applicable non-default rate or rates (including interest on interest). Such Claims will not be subject to avoidance, setoff, off-set, recoupment, subordination (whether contractual, equitable or otherwise), recharacterization, disallowance, disgorgement, impairment, defenses, claims, causes of action, suits, counterclaims, cross-claims, reduction or any other challenges under any applicable law or regulation by any person or entity.

Treatment of Prepetition Credit Facility Claims. On the Effective Date, in full satisfaction, release, and discharge of, and in exchange for, all Allowed Prepetition Credit Facility Claims, each Holder of an Allowed Prepetition Credit Facility Claim will receive payment in full, in Cash.

Full Settlement. As more specifically set forth in, and without in any way limiting section 12.01 of the Plan, the distributions provided in section 6.04 of the Plan to the Holders of Prepetition Credit Facility Claims (when distributed to the Prepetition Administrative Agent in accordance with the Plan) are in full settlement and release of each Holder's Prepetition Credit Facility Claim and all other Claims against any and all of the Debtors, if any, of such Holder directly or indirectly related to or arising out of the transactions, agreements or instruments upon which such Prepetition Credit Facility Claim was based. Subclasses 4A through 4M are Unimpaired.

(g) Class 5 – Senior Note Claims

Class 5 (Subclasses 5A through 5L) consists of all Senior Note Claims. The Senior Note Claims are Allowed in the amount of no less than $219,250,000 (which includes principal plus accrued pre- and post-petition interest calculated at the applicable non-default rate or rates (including interest on interest) through May 1, 2010), plus any accrued post-petition interest from May 2, 2010 through the Effective Date at the applicable non-default rate or rates (including interest on interest) and any other amounts the Bankruptcy Court may order as necessary to render Class 5 Unimpaired, without avoidance, setoff, subordination, any defenses, counterclaims, or any other reduction of any kind.

Treatment of Senior Note Claims. On the Effective Date, in full satisfaction, release, and discharge of, and in exchange for, all Allowed Senior Note Claims, each Holder of an Allowed Senior Note Claim will receive payment in full, in Cash. However, pursuant to the terms and conditions of the Equity Commitment Agreement, each Supporting Senior Noteholder has agreed to accept worse treatment under the Plan than other Holders of Allowed Senior Note Claims in accordance with Section 1123(a)(4) of the Bankruptcy Code such that instead of receiving payment in full, in Cash, in exchange for its Allowed Senior Note Claims, each Supporting Senior Noteholder has agreed to accept, in full satisfaction of its Allowed Supporting Senior Note Claim and its commitments under the Equity Commitment Agreement, its Pro Rata share of 4,563,095 shares of the New Common Stock.

Full Settlement. As more specifically set forth in, and without in any way limiting section 12.01 of the Plan, the benefits provided in section 6.05 of the Plan to the Holders of Senior Note Claims (when distributed to the Senior Note Indenture Trustee in accordance with the Plan) are in full settlement and release of each Holder's Senior Note Claim and all other Claims against any and all of the Debtors, if any, of such Holder directly or indirectly related to or arising out of the transactions, agreements or instruments upon which such Senior Note Claim was based. Subclasses 5A through 5L are Unimpaired.

Senior Note Indenture Trustee Fees and Expenses. On the date that distributions are first made pursuant to section 10.01 of the Plan, the Debtors or the Reorganized Debtors, as the case may be, will pay the reasonable and documented fees and expenses of the Senior Note Indenture Trustee, through and including the Effective Date, in Cash, including the reasonable and documented fees and expenses of its professionals. The Senior Note Indenture Trustee will also be entitled to payment of its fees and expenses after the Effective Date in connection with the implementation of the Plan.

(h) Class 6 – Senior Subordinated Note Claims

Class 6 (Subclasses 6A through 6L) consists of all Senior Subordinated Note Claims. The Senior Subordinated Note Claims are Allowed in the amount of no less than $330,000,000, without avoidance, setoff, subordination, any defenses, counterclaims, or any other reduction of any kind.

Treatment of Senior Subordinated Note Claims. On the Effective Date, in full satisfaction, release, and discharge of, and in exchange for, all Allowed Senior Subordinated Note Claims, (i) each Holder of an Allowed Senior Subordinated Note Claim will be entitled to receive its Pro Rata share of (y) the Senior Subordinated Noteholder Stock Distribution and (z) the Senior Subordinated Noteholder Warrant Distribution, (ii) each Eligible Noteholder will be entitled to receive its pro rata share of the Senior Subordinated Noteholder Rights and Senior Subordinated Noteholder Oversubscription Rights (as applicable), and (iii) each Non-Eligible Noteholder will receive its pro rata share of the Non-Eligible Noteholder Shares.

Full Settlement. As more specifically set forth in, and without in any way limiting section 12.01 of the Plan, the benefits provided in section 6.06 of the Plan to the Holders of Senior Subordinated Note Claims (when distributed to the Senior Subordinated Note Indenture Trustee in accordance with the Plan) are in full settlement and release of each Holder's Senior Subordinated Note Claim and all other Claims against any and all of the Debtors, if any, of such Holder directly or indirectly related to or arising out of the transactions, agreements or instruments upon which such Senior Subordinated Note Claim was based. Subclasses 6A through 6L are Impaired.

Senior Subordinated Note Indenture Trustee Fees and Expenses. On the date that distributions are first made pursuant to section 10.01 of the Plan, the Debtors or the Reorganized Debtors, as the case may be, will pay the reasonable and documented fees and expenses of the Senior Subordinated Note Indenture Trustee, through and including the Effective Date, in Cash, including the reasonable and documented fees and expenses of its professionals. The Senior

Subordinated Note Indenture Trustee will also be entitled to payment of its fees after the Effective Date in connection with the implementation of the Plan.

(i) Class 7 – Subsidiary Debtor General Unsecured Claims

Class 7 (Subclasses 7B through 7M) consists of all Subsidiary Debtor General Unsecured Claims. The Debtors estimate that Subsidiary Debtor Unsecured Claims are, in the aggregate, approximately $22,200,000.

Treatment of Subsidiary Debtor General Unsecured Claims. On the latest of (a) the Effective Date (or as soon as practicable thereafter), (b) the date on which such Subsidiary Debtor General Unsecured Claim becomes an Allowed Subsidiary Debtor General Unsecured Claim, or (c) such other date on which the Debtors and the Holder of such Allowed Subsidiary Debtor General Unsecured Claim may agree, each Holder of an Allowed Subsidiary Debtor General Unsecured Claim will be entitled to receive Cash in an amount sufficient to render such Allowed Subsidiary Debtor General Unsecured Claim Unimpaired under section 1124 of the Bankruptcy Code.

Full Settlement. As more specifically set forth in, and without in any way limiting section 12.01 of the Plan, the distributions provided in section 6.07 of the Plan to the Holders of Subsidiary Debtor General Unsecured Claims (when distributed to the Holders of Subsidiary Debtor General Unsecured Claims in accordance with the Plan) are in full settlement and release of all Holders' General Unsecured Claims against any and all of the Subsidiary Debtors and all other Claims against any and all of the Subsidiary Debtors, if any, of such Holder directly or indirectly related to or arising out of the transactions, agreements or instruments upon which such General Unsecured Claim or other Claim was based. Subclasses 7B through 7M are Unimpaired.

(j) Class 8 – Subsidiary Debtor Equity Interests

Class 8 (Subclasses 8B through 8M) consists of Subsidiary Debtor Equity Interests, which consist of the Equity Interests in each of the Subsidiary Debtors held by the other Subsidiary Debtors. On the Effective Date, the legal, equitable and contractual rights to which the Subsidiary Debtor Equity Interest entitles the Holder of such Interest will remain unaltered. Subclasses 8B through 8M are Unimpaired.

(k) Class 9 – Holdings General Unsecured Claims

Class 9 consists of all Holdings General Unsecured Claims. The Debtors estimate that Holdings General Unsecured Claims are, in the aggregate, $69,113,000. On the Effective Date, all Holdings General Unsecured Claims will be extinguished and no distributions will be made to Holders of Holdings General Unsecured Claims. The Holders of Holdings General Unsecured Claims are not entitled to receive any distribution or retain any property under the Plan, and any such Claims will be cancelled, released and extinguished on the Effective Date. Class 9 is Impaired.

(l) Class 10 – Old Holdings Equity Interests

Class 10 consists of Old Holdings Equity Interests, which are currently held by the Sponsors. On the Effective Date, all Old Holdings Equity Interests will be cancelled and extinguished and no distributions will be made to Holders of Old Holdings Equity Interests. The Holders of Old Holdings Equity Interests are not entitled to receive any distribution or retain any property under the Plan. Although the Holders of Old Holdings Equity Interests will not receive a distribution or retain any property under the Plan and are deemed to reject the Plan, such Holders have advised the Debtors that they support the Plan. Class 10 is Impaired.

ARTICLE VI.
EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Subject to the approval of the Bankruptcy Court, the Bankruptcy Code empowers a debtor in possession to assume or reject executory contracts and unexpired leases. Generally, an "executory contract" is a contract under which material performance is due from both parties. If an executory contract or unexpired lease is rejected by a debtor in possession, the other parties to the agreement may file a claim for damages incurred by reason of the rejection, which claim is treated as a pre-petition claim. If an executory contract or unexpired lease is assumed by a debtor in possession, the debtor in possession has the obligation to perform its obligations thereunder in accordance with the terms of such agreement and failure to perform such obligations would result in a claim for damages that may be entitled to administrative expense status.

6.01 **Assumption and Rejection of Executory Contracts and Unexpired Leases**

The Debtors will have until the Confirmation Date to file a motion or motions to assume or reject executory contracts and unexpired leases that have not been previously assumed or rejected. In that regard, Section 8.01 of the Plan provides that each executory contract or unexpired lease that (i) has not been expressly assumed or rejected with approval by order of the Bankruptcy Court on or prior to the Confirmation Date, (ii) is not the subject of a motion to reject pending as of the Confirmation Date, or (iii) that is not specifically designated as a contract or lease to be rejected on Schedule 8.01 of the Plan, will be assumed by the Debtors as of the Confirmation Date. The Debtors will file Schedule 8.01 as part of the Plan Supplement, which must be in form and substance reasonably satisfactory to the Required Backstop Parties and in consultation with the Creditors' Committee, and will serve Schedule 8.01 on the counterparties to such contracts or leases.

Section 8.01 of the Plan further provides that each executory contract and unexpired lease that is assumed or that is assumed and assigned will include (a) all modifications, amendments, supplements, restatements, or other agreements made directly or indirectly by any agreement, instrument, or other document that in any manner affects such executory contract or unexpired lease and (b) in respect of agreements relating to premises, all executory contracts or unexpired leases appurtenant to the premises, including all easements, licenses, permits, rights, privileges, immunities, options, rights of first refusal, powers, uses, reciprocal easement agreements, and any other interests in real estate or rights in rem related to such premises, unless (i) any of the foregoing agreements has been rejected pursuant to a Final Order of the Bankruptcy Court or is otherwise rejected as a part of the Plan, or (ii) the non-Debtor party to such executory contract or unexpired lease has agreed otherwise.

6.02 **Cure of Defaults**

Section 8.02 of the Plan provides that, except to the extent that different treatment has been agreed to by the non-Debtor party or parties to any executory contract or unexpired lease to be assumed pursuant to section 8.01 of the Plan, the Debtors will, in consultation with the Required Backstop Parties and the Creditors' Committee, pursuant to the provisions of sections 1123(a)(5)(G) and 1123(b)(2) of the Bankruptcy Code and consistent with the requirements of section 365 of the Bankruptcy Code, within thirty (30) days after the Confirmation Date, file a pleading with the Bankruptcy Court listing the cure amounts of all executory contracts and unexpired leases to be assumed. The parties to such executory contracts and unexpired leases to be assumed by the Debtors will have thirty (30) days to object to the cure amounts listed by the Debtors. A party to an executory contract or unexpired lease to be assumed by the Debtors that does not file an objection with the Bankruptcy Court on or before the deadline set by section 8.02 of the Plan for objections to the cure amount will have waived its right to dispute such amount. If there are any objections filed, the Bankruptcy Court will hold a hearing. In the event the Bankruptcy Court determines that the cure amount is greater than the cure amount listed by the Debtors, the Reorganized Debtors may elect to reject the executory contract or unexpired lease and not pay such greater cure amount. All cure amounts to be paid pursuant to section 8.02 of the Plan will be paid by the Reorganized Debtors.

6.03 **Bar Date for Rejection Damages**

Section 8.03 of the Plan provides that with respect to any executory contract or unexpired lease rejected by the Debtors, the rejection will be deemed to constitute a breach of such contract or lease immediately prior to the Filing Date and may result in a pre-Filing Date Claim against the rejecting Debtor for damages. A Claim for damages against any such Debtor arising from the rejection by such Debtor of any executory contract or unexpired lease pursuant to a Final Order will be forever barred and will not be enforceable against any such Debtor or the Reorganized Debtors or any of their Affiliates or Subsidiaries or their respective property or interest in property and no holder of any such Claim will participate in any distribution under the Plan unless a Proof of Claim is filed with the Bankruptcy Court. Unless otherwise provided by an order of the Bankruptcy Court entered prior to the Confirmation Date, a Proof of Claim with respect to any Claim against the Debtors arising from the rejection of any executory contract or unexpired lease pursuant to an order of the Bankruptcy Court (including the Confirmation Order) must be filed with the Bankruptcy Court by the later of (a) the General Bar Date or (b) thirty (30) days from the date of entry of such order of the Bankruptcy Court approving such rejection. Any Entity that fails to file a Proof of Claim with respect to its Claim arising from such a rejection within the period set forth above will be forever barred from asserting a Claim against the Debtors or the Reorganized Debtors or any of their Affiliates or Subsidiaries or their respective property or interests in property. All Allowed Claims arising from the rejection of executory contracts or unexpired leases will be classified as General Unsecured Claims against the applicable Debtor.

6.04 **Employee Benefit Plans and Agreements**

The Debtors have been operating in the ordinary course of business since the Filing Date. In that regard, the Debtors have continued paying all post-petition employee

salaries, incentive payments and benefits. Subject to the occurrence of the Effective Date and Section 8.04 of the Plan, the Reorganized Debtors will honor, in the ordinary course of business, all employee compensation and employee benefit plans and agreements of the Debtors including, without limitation, incentive agreements with the Debtors' management, the existing annual incentive plan, the existing long term incentive plan, the existing Deferred Compensation Plan and Pre-2005 Executive Deferred Compensation Plan, the existing Change of Control Severance Pay Plan, the existing salaried employee retirement and savings plans and Nonqualified Supplementary Benefit Plan (SERP), and the existing employment agreements and any and all other employee benefit plans and agreements entered into before, on or after the Filing Date and not since terminated. In addition, the Reorganized Debtors will undertake and commit to take the actions relating to such existing employment agreements and plans as set forth on Exhibit B of the Plan and to pay an emergence component award to eligible executives of the Debtors in accordance with Exhibit B and to adopt the Management Incentive Plan with the terms set forth on Exhibit B. Notwithstanding the foregoing, the change of control provisions (including without limitation any right of such participant to terminate employment for "good reason" and any Company funding obligation) will not be triggered under such employment agreement, the Company's Change of Control Severance Pay Plan, Nonqualified Supplementary Benefit Plan (SERP), Deferred Compensation Plan and Pre-2005 Executive Deferred Compensation Plan, in each case as a result of (x) the Company's emergence from Chapter 11 as contemplated by the Plan, (y) the execution and delivery of the Equity Commitment Agreement or (z) the consummation of the transactions provided in the Equity Commitment Agreement and/or the Plan (or otherwise contemplated by the Equity Commitment Agreement and/or the Plan to occur prior to or on or about the Effective Date); provided that the waiver set forth in this sentence shall not apply if a Backstop Party (A) enters into any written shareholder or voting agreement (other than the Equity Commitment Agreement, the Ancillary Agreements (as defined in the Equity Commitment Agreement) or the Plan), (B) purchases or acquires pre-petition claims with respect to the Senior Subordinated Notes (including the purchase or acquisition of any such pre-petition claim held by any other Backstop Party or its affiliates, but excluding any purchase or acquisition by a Backstop Party or its affiliates in its broker/dealer, market making, flow trading or other non-proprietary trading activities), or (C) assigns the Equity Commitment Agreement or its obligations hereunder pursuant to Section 12 of the Equity Commitment Agreement, in the case of each of clauses (A), (B) and (C), only if such action would result in such Backstop Party having beneficial ownership of greater than or equal to 50% of the total voting power of the Company's voting power upon emergence; provided further, that this waiver shall not apply with respect to any rights under Section 7 of the Change of Control Severance Pay Plan in the event that an excise tax is imposed by the IRS pursuant to Section 4999 of the Code by reason of a payment (which is made following an event that the Company reasonably and in good faith determines would have constituted a "change of control" for purposes of such participant's entitlement to payments under such plan, had such participant not executed such waiver) that the IRS asserts is "contingent on a change of control" of the Company within the meaning of Section 280G of the Code, despite the reasonable best efforts of the Company to withstand such assertion, where appropriate. For purposes of clarification, (i) neither (a) the agreements and arrangements involving Backstop Parties that are contemplated by the Equity Commitment Agreement or the Plan to occur or exist prior to, on or about the Effective Date nor (b) any agreements or arrangements by Backstop Parties at any time prior to, on or after the Effective Date to dispose of any or all of their securities of the Company shall be taken into account in

determining whether such Backstop Parties constitute a "group" for purposes of the change of control provisions in the employment agreements and the plans referred to herein and (ii) the acquisition by any person of any equity interest in the Company at any time following the issuance of Backstop Purchaser Shares (as defined in the Equity Commitment Agreement), Rights Offering Shares and Warrants (including the Backstop Purchaser Warrants (as defined in the Equity Commitment Agreement) pursuant to the Plan (other than any acquisition from any Backstop Party that is agreed to between such Backstop Party and its transferee or assignee and consummated on or about the Effective Date) shall not be deemed a transaction provided for in the Equity Commitment Agreement or the Plan.

The Reorganized Debtors will also pay all retiree benefits, if any, of the Debtors (within the meaning of section 1114 of the Bankruptcy Code). The Reorganized Debtors will pay such retiree benefits at the level established in accordance with section 1114 of the Bankruptcy Code, at any time prior to the Confirmation Date, for the duration of the period for which the Debtors are obligated to provide such benefits.

ARTICLE VII.
IMPLEMENTATION OF THE PLAN

7.01 No Substantive Consolidation

The Chapter 11 Cases have been consolidated for procedural purposes only. Accordingly, the Plan constitutes a separate Sub-Plan for each of the thirteen Debtors. Except for the Claims and Administrative Expenses addressed in Articles II and III of the Plan, all Claims and Interests against a particular Debtor are placed into Classes 1 through 10 and subclasses A through M for each of the thirteen Debtors, as applicable.

Except as specifically set forth herein, nothing in the Plan or this Disclosure Statement constitutes an admission that any one of the Debtors is subject to or liable for any claim against any other Debtor. Additionally, claimants holding Claims against multiple Debtors, to the extent Allowed in each Debtor's Chapter 11 Case, will be treated as a separate Claim against each Debtor's Estate; provided, however, that no Holder will be entitled to receive more than payment in full of its Allowed Claim (plus postpetition interest, if and to the extent provided in the Plan), and such Claims will be administered and treated in the manner provided in the Plan. In the event that any Sub-Plan cannot be confirmed, the Sub-Plans of the other Debtors may be confirmed and those Debtors will be permitted to emerge from chapter 11 protection, and the Debtors reserve the right (subject to the consent of the Required Backstop Parties, which must not be unreasonably withheld and in consultation with the Creditors' Committee) to sever the Chapter 11 Case of any such Debtor from the remaining Chapter 11 Cases covered by the Plan and convert the Chapter 11 Case of such Debtor to a case under Chapter 7 of the Bankruptcy Code without otherwise impacting the Plan, this Disclosure Statement Approval Order, the application of the Plan to the remaining Debtors and any order related to the Plan, in respect of the remaining Debtors. For the avoidance of doubt, nothing set forth in section 9.01 of the Plan will in any way affect the treatment of or distribution to holders of DIP Lenders Claims, DIP Financing Fees and Expenses, Prepetition Credit Facility Claims, Prepetition Credit Facility Fees and Expenses set forth elsewhere in the Plan, or any Transaction Expenses as that term is defined in the Equity Commitment Agreement.

7.02 **Vesting of Property**

Under Section 9.02 of the Plan, on the Effective Date, title to all property of the Debtors' Estates will pass to and vest in the applicable Reorganized Debtor, free and clear of all Claims, interests, Liens, security interests, charges and other encumbrances (except as otherwise provided in the Plan). Confirmation of the Plan (subject to the occurrence of the Effective Date) will be binding, and the Debtors' debts will, without in any way limiting section 12.01 of the Plan, be discharged as provided in section 1141 of the Bankruptcy Code. In addition, from and after the Effective Date, the Reorganized Debtors may operate their business(es) and may use, acquire and dispose of property without the supervision of the Bankruptcy Court, free of any restrictions of the Bankruptcy Code or the Bankruptcy Rules, subject to the terms and conditions of the Plan.

7.03 **Preservation of Causes of Action**

In accordance with section 1123(b)(3) of the Bankruptcy Code and except as otherwise provided in the Plan, including Article 12 of the Plan, the Reorganized Debtors will retain all Causes of Action, including Causes of Action that may exist under sections 542, 544 through 550 and 558 of the Bankruptcy Code or under similar state laws, provided however, that all Claims and Causes of Action against the DIP Financing Agent, the DIP Original Financing Agent, the DIP Lenders, the Prepetition Administrative Agent, or the Prepetition Credit Facility Parties with respect to, in connection with, related to or arising from the Prepetition Credit Facility, the DIP Facility or the facility relating to that certain DIP Original Financing Agreement have been and are irrevocably released and waived and are therefore not retained by any party. The Reorganized Debtors, as representatives of the Estates, will retain the exclusive right to enforce, bring, release, settle or compromise, in their sole discretion, any and all such Causes of Action, including such Causes of Action listed as assets in the Debtors' Schedules of Assets and Liabilities and Statement of Financial Affairs (the "Schedules").

On October 2, 2009, the Debtors filed their Schedules. As stated in the Schedules, in the 90 days prior to the Filing Date, the Debtors made payments to third parties. In addition, as stated in the Schedules, in the one year period prior to the Filing Date, the Debtors made payments to Insiders (as that term is defined in the Bankruptcy Code).

The mere fact that payments were made to a creditor during the ninety days prior to the Filing Date or to an Insider during the one year period prior to the Filing Date does not by itself mean that these payments are subject to avoidance. Many of these payments were made in the ordinary course or resulted in new value being given to the Debtors; as such, the payments may not be avoidable as preferential transfers as they are subject to valid defenses under section 547(c) of the Bankruptcy Code. In addition, many of the payments made to creditors were made on account of executory contracts and unexpired leases that were assumed since the Filing Date, and as such, the Debtors cannot seek to avoid these payments. Further, as part of the DIP Financing Order, the Bankruptcy Court ordered that certain payments made to the Debtors' Prepetition Credit Facility Lenders are not subject to avoidance. Additionally, and as set forth in the Schedules, many of the payments were made to taxing authorities, governmental entities, and other entities entitled to priority under the Bankruptcy Code, and these claims are not subject to avoidance. Also, on the first day of the Debtors' Chapter 11 Cases, the Debtors were granted

authority to honor pre-petition payment obligations to numerous entities, including essential and foreign suppliers, as the Bankruptcy Court determined that making such payments was necessary for the continuation of the Debtors' business operations; the Debtors cannot now seek to avoid payments made to these creditors. Moreover, other payments were made to entities necessary to the day-to-day operations of the Debtors' business, such as utilities and insurance carriers.

7.04 **Implementation**

Pursuant to the Rights Offering and Equity Commitment Approval Order, the Debtors were authorized to enter into the Equity Commitment Agreement and conduct the Rights Offering. In that regard, pursuant to the Confirmation Order and upon confirmation of the Plan, the Debtors or the Reorganized Debtors, as the case may be, will be authorized to take all necessary steps, and perform all necessary acts, to consummate the terms and conditions of the Plan. The Reorganized Debtors will be authorized to execute, deliver, or record such contracts, instruments, releases, indentures, and other agreements or documents, and take such actions as may be necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan. On or before the Effective Date, the Debtors or the Reorganized Debtors, as the case may be, may file with the Court the agreements and documents as may be necessary or appropriate to effectuate or further evidence the terms and conditions of the Plan. The Debtors or the Reorganized Debtors, as the case may be, will be authorized to execute the agreements and documents and take such other actions as are necessary to effectuate the transactions provided for in the Plan, without the need for any required approvals, authorizations or consents.

7.05 **Rights Offering and Holdback**

As noted above, the Debtors seek to raise $355 million in new capital through the implementation of the Rights Offering and execution of the Equity Commitment Agreement, which, when combined with borrowings under the New Secured Debt Facility, will be used to pay the Holders of Prepetition Credit Facility Claims and Senior Note Claims in full on the Effective Date.

Participation in the Rights Offering will be available to any Holder of Allowed Senior Subordinated Note Claims that, in accordance with the Rights Offering Procedures, timely returned an Investor Certificate certifying that such Holder is an Accredited Investor, a QIB or a Non-U.S. Person (or a qualified transferee of such Holder in accordance with the Rights Offering Procedures). Each Holder of an Allowed Senior Subordinated Note Claim that (i) timely returned the Investor Certificate in accordance with the instructions on the Investor Certificate certifying that it is not an Accredited Investor, a QIB or a Non-U.S. Person and (ii) continues to hold such Allowed Senior Subordinated Note Claim on the Effective Date, will receive a distribution of a number of shares of New Common Stock determined after the deadline for receipt of all Investor Certificates in a manner previously agreed upon by the Debtors and the Backstop Parties with a value equal to the value of the Senior Subordinated Noteholder Rights such Holder would have received if it was an Accredited Investor, a QIB or a Non-U.S. Person and which number of shares will be filed as a Plan Supplement Investor Certificates were distributed to the Holders of Allowed Senior Subordinated Note Claims on February 12, 2010. If a Holder of an Allowed Senior Subordinated Note Claim was determined

to be an Eligible Noteholder, such Holder has been sent additional materials with instructions on how to participate in the Rights Offering.

In connection with the Rights Offering, the Debtors will distribute to Eligible Noteholders rights to purchase shares of New Common Stock in return for Cash. Eligible Noteholders will acquire their share of rights to subscribe for up to, in the aggregate, 8,623,491 shares, or approximately 39.6%, of the New Common Stock to be issued on the Effective Date (assuming conversion of the New Preferred Stock and subject to dilution from shares issued pursuant to the Management Incentive Plan and shares issuable upon exercise of the New Capital Warrants).

Each Senior Subordinated Noteholder Right represents the right to purchase, and can only be exercised to purchase, New Common Stock. The subscription price for each share of New Common Stock purchased pursuant to the Rights Offering is $21.54. In addition, each Eligible Noteholder that has exercised the full amount of its Senior Subordinated Noteholder Rights will have the right to subscribe for additional shares of New Common Stock not subscribed for in the Rights Offering. The price per share to purchase such additional shares is $21.54.

The Rights Offering will commence on the Subscription Commencement Date and terminate on the Subscription Deadline. The procedures for properly exercising the Rights are set forth in the Rights Offering Procedures. The Senior Subordinated Noteholder Rights offered pursuant to the Rights Offering will only be transferable together with their underlying Claims in accordance with the Rights Offering Procedures. Once an Eligible Noteholder or its transferee has properly exercised its rights pursuant to the Rights Offering Procedures, such exercise will not be permitted to be revoked until the date that is 270 days following the deadline to exercise such rights, if the Effective Date has not occurred on or before such date.

In the event the shares offered pursuant to the Rights Offering are not fully subscribed for during the Subscription Period, the Backstop Parties have agreed to purchase the unsubscribed shares (including any shares not purchased due to rounding) pursuant to the Equity Commitment Agreement. The Backstop Parties have agreed to purchase such shares at a price per share of $21.54. The Equity Commitment Agreement and the Rights Offering Procedures (and related documentation) have been filed concurrently with this Disclosure Statement. The commitment of the Backstop Parties to purchase the unsubscribed shares offered pursuant to the Rights Offering, as provided in the Equity Commitment Agreement, will help to ensure that the Debtors will receive the full amount of the $355 million in Cash in connection with the Rights Offering. In consideration for providing the commitment to backstop the Rights Offering, the Backstop Parties will receive a commitment premium equal to $12,425,000, which represents 3.5% of the Rights Offering Amount. In addition, the Backstop Parties have agreed to purchase, and the Debtors have agreed to sell, (i) 2,558,182 shares, or approximately 11.75% of the New Common Stock to be issued on the Effective Date (assuming conversion of the New Preferred Stock and subject to dilution from shares issued pursuant to the Management Incentive Plan and shares issuable upon exercise of the New Capital Warrants) at the Holdback Subscription Price and (ii) 1,000,000 shares of the New Preferred Stock at the New Preferred Stock Subscription Price. In addition, the Debtors have agreed to issue warrants to the Backstop Parties to purchase 1,693,827 shares, or approximately 7%, of the New Common Stock to be issued on the Effective

Date (assuming conversion of the New Preferred Stock and subject to dilution from shares issued pursuant to the Management Incentive Plan), at a strike price of $27.33.

7.06 **New Credit Facilities**

The Debtors believe that incurring new, affordable debt financing upon their emergence from chapter 11 is necessary to fund the Plan and provide the Reorganized Debtors with the necessary liquidity post-emergence to fund their business operations and remain competitive as a global automotive supplier. In that regard, on the Effective Date, the Reorganized Debtors will enter into the New Working Capital Facility and the New Secured Debt Facility and to grant the liens contemplated thereby.

7.07 **Corporate Action**

On the Effective Date, and as provided in the Plan, the adoption of the Reorganized Debtors' Certificates of Incorporation, the Reorganized Holdings By-Laws, the Certificate of Designations, the selection of directors and officers of the Reorganized Debtors, and all actions of the Debtors and the Reorganized Debtors contemplated by the Plan will be deemed, without further action of any kind or nature, to be authorized and approved in all respects (subject to the provisions of the Plan and the Confirmation Order). All matters provided for in the Plan involving the corporate structure of the Debtors and the Reorganized Debtors and any corporate action required by the Debtors and the Reorganized Debtors in connection with the Plan, will be deemed to have timely occurred in accordance with applicable state law and will be in effect, without any requirement of further action by the security holders or directors or officers of the Debtors and the Reorganized Debtors.

7.08 **Issuance of New Common Stock**

The issuance and distribution of the New Common Stock by Reorganized Holdings to Holders of Allowed Senior Subordinated Note Claims (including pursuant to the Rights Offering), to the Backstop Parties, to Holders of Allowed Supporting Senior Note Claims and pursuant to the Management Incentive Plan will be authorized under the Plan and will be directed, without the need for any further corporate action, under applicable law, regulation, order, rule or otherwise. The New Common Stock being distributed to Holders in exchange for their Allowed Senior Subordinated Note Claims and Allowed Supporting Senior Note Claims will be contributed by Reorganized Holdings to CSA and CSA will distribute the New Common Stock to the Holders of Allowed Senior Subordinated Note Claims and Allowed Supporting Senior Note Claims in exchange for their Claims and in satisfaction of any properly exercised Senior Subordinated Noteholder Rights or Senior Subordinated Noteholder Oversubscription Rights. To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, the New Common Stock issued pursuant to the Plan and its transfer will be exempt from registration under the Securities Act, as amended, all rules and regulations promulgated thereunder, and any and all applicable state and local laws, rules, and regulations. However, shares of New Common Stock issued to the Eligible Noteholders pursuant to the Rights Offering and to the Backstop Parties pursuant to the Equity Commitment Agreement will be issued pursuant to an exemption from registration under the Securities Act and equivalent exemptions under state securities laws. The Non-Eligible Noteholder Shares, and

all shares of New Common Stock being issued pursuant to the Rights Offering and the Equity Commitment Agreement, will be issued at one time on the Effective Date.

In addition to the foregoing, for a period of nine months following the Effective Date, the Company will not, without the prior written consent of the Backstop Parties, (i) register the New Common Stock under the Securities Act or (ii) cause the New Common Stock to be listed for trading on a securities exchange, in each case except in connection with an underwritten initial public offering of the New Common Stock or as required by applicable law; provided, however, that the Company may promptly register the New Common Stock under the Securities Exchange Act if the Non-Backstop Shelf Registration Statement has not been declared effective by the Securities and Exchange Commission by the six month anniversary of the Effective Date.

7.09 **Issuance of New Preferred Stock**

As of the Effective Date, Reorganized Holdings will be authorized to issue pursuant to the Reorganized Debtors' Certificate of Incorporation up to 10,000,000 shares of preferred stock, par value $.001 per share. Pursuant to the Plan, Reorganized Holdings will issue 1,000,000 shares of the New Preferred Stock and preferred shares issued and issuable in connection with the Management Incentive Plan. The terms of the New Preferred Stock are set forth in the Certificate of Designations, which is attached as Exhibit J to the Equity Commitment Agreement. The following summary of the terms of the New Preferred Stock does not purport to be complete and is qualified in its entirety by reference to the Certificate of Designations.

The New Preferred Stock will rank senior to the New Common Stock and to all other classes or series of capital stock of Reorganized Holdings (together, "Junior Securities"), except for any such other class or series, the terms of which expressly provide that it ranks on a parity with the New Preferred Stock as to preferred dividend rights, rights of redemption and rights on liquidation, dissolution or winding-up of Reorganized Holdings.

Holders of the New Preferred Stock will be entitled to receive cumulative preferred dividends payable, at the option of Reorganized Holdings, either in cash or in additional shares of New Preferred Stock ("Additional Shares") on each share of New Preferred Stock at the rate of 7% per annum (paid in quarterly arrears) and dividends to the same extent and on the same basis as declared by the Board of Directors with respect to shares of New Common Stock (other than dividends payable in New Common Stock) in an amount equal to the product of (i) the number of shares of New Common Stock issuable upon conversion of a share of New Preferred Stock and (ii) the dividend payable on a share of the New Common Stock. No dividends or other distributions may be made or set aside for payment on any Junior Securities (unless payable in shares of Junior Securities), and no Junior Securities may be acquired (except as specified in the Certificate of Designations), by Reorganized Holdings, unless the full cumulative preferred dividends have been paid (in cash or Additional Shares) on all outstanding shares of New Preferred Stock for all past dividend periods and, in case of a cash dividend on any Junior Securities, all Additional Shares (which the holders have the option to submit for redemption and which are tendered for redemption) have been redeemed, and the dividends payable to holders of New Preferred Stock with respect to dividends or distributions on the New Common Stock have been paid.

The New Preferred Stock is convertible into New Common Stock at the option of its holders at any time at the conversion price set forth in the Certificate of Designations which is initially $23.30574 per share (as adjusted in certain customary circumstances as specified in the Certificate of Designations, including stock splits and reclassifications, stock dividends and distributions, tender or exchange offers, reorganization events, rights plans and certain issuances of common stock or derivatives). The New Preferred Stock is also convertible into New Common Stock at the option of Reorganized Holdings from and after the third anniversary of the Effective Date, provided that (i) the closing sale price (as defined in the Certificate of Designations) of the New Common Stock exceeded 155% of the applicable conversion price for each of 30 consecutive trading days within 45 days prior to the date Reorganized Holdings notifies the holders of New Preferred Stock of the exercise of its conversion right, (ii) the shares of New Common Stock have been listed on the New York Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market and registered pursuant to Section 12 of the Exchange Act, and (iii) the conditions set forth below in connection with a resale registration statement in the event of a redemption by Reorganized Holdings have been satisfied. Reorganized Holdings may also cause the conversion of all of the shares of New Preferred Stock into shares of New Common Stock immediately prior to the consummation of an initial underwritten public offering of shares of New Common Stock pursuant to a registration statement under the Securities Act, if the holders of two-thirds of the outstanding shares of New Preferred Stock approve such conversion and the shares of New Common Stock have been listed on the New York Stock Exchange, the NASDAQ Global Select Market or the NASDAQ Global Market and registered pursuant to Section 12 of the Exchange Act.

At any time on or within 30 days after receipt of a notice from Reorganized Holdings that a change of control (as defined in the Certificate of Designations) or a cash transaction (as defined in the Certificate of Designations) has occurred, each holder of New Preferred Stock may require Reorganized Holdings to redeem all or a portion of such holder's shares of New Preferred Stock at a cash price per share equal to the greater of (1) the sum of $100 (which amount will be appropriately adjusted in the event of any stock split, stock combination or other similar recapitalization of the New Preferred Stock) (the "Stated Value") and all accrued and unpaid dividends to the redemption date and (2) the conversion value (as defined in the Certificate of Designations) as of the second trading day prior to the redemption date; *provided* that, in case of a cash transaction prior to the fifth anniversary of the Effective Date, each holder of shares of New Preferred Stock exercising its redemption rights will instead receive a cash price per share equal to the greater of (x) the product of the Multiplier and the sum of the Stated Value and all accrued and unpaid dividends to the date of the consummation of the cash transaction, and (y) the conversion value as of such date. "Multiplier" means 1.175 if the cash transaction occurs prior to the first anniversary of the Effective Date, 1.125 if the cash transaction occurs on or after the first anniversary and prior to the fifth anniversary of the Effective Date and 1.0 thereafter. In the event of a cash transaction, Reorganized Holdings may cause all of the shares of New Preferred Stock to be converted in the cash transaction into a cash amount also equal to the greater of (x) the product of the Multiplier and the sum of the Stated Value and all accrued and unpaid dividends to the date of the consummation of the cash transaction and (y) the conversion value as of such date.

In addition, from and after the sixth anniversary of the Effective Date, Reorganized Holdings may redeem shares of New Preferred Stock at any time in whole or in part at a cash price per share equal to the greater of (1) the sum of the Stated Value and all accrued

and unpaid dividends, which sum will, in the case of a redemption prior to the seventh anniversary of the Effective Date, be multiplied by 1.125, and (2) 75% of the conversion value as of the second trading day prior to the redemption date; provided that if the amount in clause (2) is greater than the amount in clause (1), Reorganized Holdings may redeem such shares by paying an amount in cash equal to the amount in clause (1) and issuing such number of shares of New Common Stock valued at the closing sale price of the Common Stock on the second trading day prior to the redemption date equal to the excess of the amount in clause (2) over the amount in clause (1). Prior to exercising such redemption right, a resale registration statement covering the shares of New Common Stock issuable upon conversion of New Preferred Stock has to be filed by Reorganized Holdings, declared effective by the Securities and Exchange Commission and it has to be effective and available for resales for at least 60 days after the relevant redemption date. Such resale registration statement will not be required if (A) each holder of New Preferred Stock is not an affiliate of Reorganized Holdings, (B) the shares of New Common Stock deliverable upon conversion will not be subject to any transfer or resale restrictions under applicable United States securities laws, (C) Reorganized Holdings has agreed to deliver upon conversion shares of New Common Stock without any legend through the facilities of The Depositary Trust Company, New York, or any successor depositary, and (D) upon conversion, the holders of New Preferred Stock would be permitted to freely resell their shares of New Common Stock in the relevant market. Reorganized Holdings may not redeem any shares of New Preferred Stock as described above and may not set aside any cash amount for such redemption, unless full cumulative preferred dividends and full participating dividends, each as described above, have been paid on all outstanding shares of New Preferred Stock for all past dividend periods.

In the event of any liquidation, dissolution or winding-up of Reorganized Holdings, the holders of New Preferred Stock are entitled to priority in payments from Reorganized Holdings in the amount per share of New Preferred Stock equal to the greater of (i) the sum of the Stated Value and all accrued and unpaid cumulative preferred dividends (whether or not earned or declared) to the date of final distribution to the holders of New Preferred Stock and (ii) the amount such share of New Preferred Stock would be entitled to receive pursuant to the liquidation, dissolution or winding up of Reorganized Holdings if such share had been converted into shares of Common Stock.

As provided in the Certificate of Designations, certain actions of Reorganized Holdings require the affirmative approval of the holders of two-thirds of the outstanding shares of New Preferred Stock, voting as a class, in which event each share of New Preferred will have one vote. Except as required by law, in all other situations the holders of shares of New Preferred Stock will vote together with the holders of shares of New Common Stock on all matters upon which holders of shares of New Common Stock have the right to vote and the holders of shares of New Preferred Stock will be entitled to one vote for each share of New Common Stock issuable upon conversion of a share of New Preferred Stock.

If Reorganized Holdings is not subject to the reporting requirements of Sections 13 or 15(d) of the Exchange Act, Reorganized Holdings has to provide the holders of New Preferred Stock with all quarterly and annual financial information and all current reports that would be required to be contained on Forms 10-Q, 10-K and 8-K, respectively, if Reorganized Holdings were required to file such reports with the Commission. For so long as any of the shares of the New Preferred Stock constitute “restricted securities” under Rule 144, Reorganized

Holdings has to provide to the holders and prospective investors the information reasonably necessary to comply with Rules 144 and 144A with respect to re-sales of the shares under the Securities Act, to the extent required to enable the shares to be sold without registration under the Securities Act within the limitation of the exemptions provided by Rules 144 and 144A.

For more information on the issuance and terms of the New Preferred Stock, please see the Certificate of Designations attached to the Equity Commitment Agreement as Exhibit J.

7.10 **Issuance of New Capital Warrants**

On the Effective Date, Reorganized Holdings will issue the New Capital Warrants pursuant to the terms of the New Capital Warrant Agreement, which will be filed with the Bankruptcy Court as part of the Plan Supplement. The issuance of the New Capital Warrants, and the New Common Stock underlying the New Capital Warrants, by Reorganized Holdings and their distribution to the Backstop Parties and to Holders of Allowed Senior Subordinated Claims are authorized and directed, without the need for any further corporate action, under applicable law, regulation, order, rule or otherwise. The New Capital Warrants being distributed to Holders in exchange for their Allowed Senior Subordinated Note Claims will be contributed by Reorganized Holdings to CSA and CSA will distribute the New Capital Warrants to Holders of Allowed Senior Subordinated Note Claims in exchange for their Claims. To the maximum extent provided by section 1145 of the Bankruptcy Code and applicable non-bankruptcy law, the Senior Subordinated Noteholders Warrant Distribution issued pursuant to the Plan and the underlying New Common Stock and their transfer will be exempt from registration under the Securities Act, as amended, all rules and regulations promulgated thereunder, and any and all applicable state and local laws, rules, and regulations. The Backstop Warrants, the New Common Stock underlying the Backstop Warrants and their transfer in each instance will be issued pursuant to an exemption from registration under the Securities Act and equivalent exemptions under state securities laws.

7.11 **Registration Rights Agreement; Shelf Registrations**

On the Effective Date, Reorganized Holdings, the Backstop Parties and certain Eligible Noteholders specified by the Backstop Parties will execute the Registration Rights Agreement in respect of the New Common Stock (including New Common Stock issuable upon conversion of New Preferred Stock and upon exercise of New Capital Warrants), the New Preferred Stock and the New Capital Warrants held or beneficially owned by the parties thereto.

Reorganized Holdings will use its commercially reasonable efforts, at its own cost and expense, to file the Shelf Registration Statements with the SEC within sixty (60) days following the Effective Date, and to cause the Shelf Registration Statements to be declared effective by the SEC as soon as practicable thereafter but in no event later than ninety (90) days following the Effective Date. Reorganized Holdings will use its commercially reasonable efforts to continuously maintain the effectiveness of the Shelf Registration Statements until the earliest to occur of (i) the date on which all securities registered under the applicable Shelf Registration Statement have been sold in a transaction registered under the Securities Act or pursuant to Rule 144 under the Securities Act and (ii) the first anniversary of the original date of effectiveness of the applicable Shelf Registration Statement; provided that Reorganized Holdings will use its

commercially reasonable efforts to continuously maintain the effectiveness of the Backstop Shelf Registration Statement with respect to New Capital Warrants issued to the Backstop Parties and the New Common Stock issuable upon the exercise of such New Capital Warrants until the date on which all New Capital Warrants have been exercised for New Common Stock or the New Capital Warrants have expired.

The plan of distribution of each Shelf Registration Statement will at a minimum allow the shares of New Capital Stock registered thereunder to be sold on any national securities exchange on which the New Capital Stock is then listed, in the over-the-counter market, in other brokerage transactions or transactions with a market maker and in privately negotiated transactions. For the avoidance of doubt, Reorganized Holdings will not be required to allow the Shelf Registration Statements to be utilized for offerings of New Capital Stock or Warrants involving an underwriter, except that the Backstop Shelf Registration Statement shall at the request of a Backstop Party cover market making transactions by the Backstop Party in its capacity as a broker dealer. Reorganized Holdings will take all action reasonably necessary or advisable to allow all Holders of (x) shares of New Capital Stock issued in the Rights Offering, (y) shares of New Capital Stock and New Capital Warrants issued pursuant to the Equity Commitment Agreement and (z) shares of New Common Stock issued upon conversion of the New Preferred Stock and upon exercise of the New Capital Warrants, or their transferees, to include such securities in the applicable Shelf Registration Statement. The provisions of the Registration Rights Agreement regarding the following matters will apply mutatis mutandis to the Shelf Registration Statements: company undertakings to notify selling holders of the effectiveness of the registration statement, to maintain the effectiveness of the registration statement, to furnish to selling holders copies of the registration statement and the related prospectus, to qualify and maintain the qualification of the shares registered under the registration statement in accordance with state securities laws, to amend or supplement the registration statement and the related prospectus as required to comply with law (including with respect to material misstatements and omissions), and to prevent or obtain the withdrawal of any stop order with respect to the registration statement; provisions regarding suspension periods , holdback agreements (except that such holdback agreements will only be applicable during the period that Reorganized Holdings is obligated to keep the applicable Shelf Registration Statement effective for sales under such Shelf Registration Statement), free writing prospectuses, indemnification and contribution and information required from selling shareholders; provided, however, Reorganized Holdings will be obligated to register such securities in the Shelf Registration Statements only to the extent permitted by applicable securities laws. Notwithstanding the foregoing, in the event that the Shelf Registration Statements have been filed and thereafter Reorganized Holdings determines reasonably and in good faith that the filing of the Backstop Shelf Registration Statement, or a request to declare the Backstop Shelf Registration Statement effective, is preventing or materially delaying, or would prevent or materially delay, the ability to cause the Non-Backstop Shelf Registration Statement to be declared effective, Reorganized Holdings will promptly withdraw the Backstop Shelf Registration Statement and not refile the Backstop Shelf Registration Statement unless and until (I) (x) the Non-Backstop Shelf Registration Statement has been declared effective and (y) Reorganized Holdings determines reasonably and in good faith that the filing of the Backstop Shelf Registration Statement, or a request to declare the Backstop Shelf Registration Statement effective, would not cause the effectiveness of the Non-Backstop Shelf Registration Statement to be withdrawn or prevent or materially delay the ability to cause any post-effective amendment

thereto be declared effective or (II) until the shares of New Common Stock registered under the Non-Backstop Shelf Registration Statement can be sold pursuant to Rule 144(b)(1)(i) under the Securities Act. Thereafter, Reorganized Holdings will use commercially reasonable efforts to file the Backstop Shelf Registration Statement and have it declared effective as soon as practicable and maintain the effectiveness of the Shelf Registration Statements as required above.

7.12 **Cancellation of Existing Securities and Agreements**

On the Effective Date, the Prepetition Credit Facility, the Senior Notes, the Senior Subordinated Notes, and the Old Holdings Equity Interests, as well as any and all securities or agreements relating to the DIP Financing Agreement, the Prepetition Credit Facility and/or the Senior Note Indenture and Senior Subordinated Note Indenture will be automatically cancelled, terminated and of no further force or effect; without further act or action under any applicable agreement, law, regulation, order, or rule and the obligations of the parties, as applicable, under the agreements, indentures, and certificates of designation governing such Claims or interests will be discharged; provided, however, that the Prepetition Credit Facility, the Senior Note Indenture and the Senior Subordinated Note Indenture will continue in effect for the limited purpose of (i) allowing the Prepetition Administrative Agent, the Senior Note Indenture Trustee and the Senior Subordinated Note Indenture Trustee, respectively, to make any distributions on account of the Prepetition Credit Facility Claims, the Senior Notes or the Senior Subordinated Notes pursuant to sections 10.03 and 10.04 of the Plan, to perform such other necessary administrative or other functions with respect thereto, and for the Senior Note Indenture Trustee and the Senior Subordinated Note Indenture Trustee to have the benefit of all the rights and protections and other provisions of the Senior Note Indenture or the Senior Subordinated Note Indenture, respectively, vis-à-vis the Senior Noteholders and the Senior Subordinated Noteholders, respectively, including their lien rights, if any, with respect to any distribution to their respective Noteholders under the Plan (for the avoidance of doubt, neither the Rights Offering Shares, the Holdback Shares , nor the Non-Eligible Noteholder Shares are distributions to Noteholders for these purposes), and (ii) permitting the Senior Note Indenture Trustee or the Senior Subordinated Note Indenture Trustee, respectively, to assert any right to indemnification, contribution, or other claim it may have under the Senior Note Indenture or the Senior Subordinated Note Indenture, respectively, subject to any and all defenses any party may have under the Plan or applicable law to any such asserted rights or claims. All subordination provisions in the Senior Subordinated Note Indenture will be compromised and settled by the Plan and neither the Senior Note Indenture Trustee nor the Senior Noteholders will have any claim to any Class 6 distribution under the Plan by reason of any such subordination provisions.

7.13 **Reorganized Debtors' Certificates of Incorporation; Certificate of Designations**

On or prior to the Effective Date, Holdings will file, with the Secretary of State of Delaware, the second amended and restated certificate of incorporation of Reorganized Holdings and the Certificate of Designations. On the Effective Date, or as soon thereafter as practicable, each of the other Reorganized Debtors will file, with the applicable Secretary of State of the State where the applicable Reorganized Debtor is organized, their respective Reorganized Debtors' Certificates of Incorporation.

7.14 **Directors of the Reorganized Debtors**

The new Board of Directors of Reorganized Holdings on and after the Effective Date will consist of (i) the chief executive officer of Reorganized Holdings, (ii) two (2) independent members from the current Board of Directors of Holdings selected by the Debtors, (iii) one (1) independent member nominated by Capital Research and Management Company, Lord, Abbett & Co. LLC, TCW Asset Management Company and TD Asset Management Inc. in consultation with (but without the need for the approval of) the chief executive officer of Reorganized Holdings and an independent search firm as agreed upon by such parties and the Debtors (it being understood that Korn/Ferry International ("Korn Ferry") has been agreed upon), (iv) one (1) independent member nominated by Barclays Capital, Inc. in consultation with (but without the need for the approval of) the chief executive officer of Reorganized Holdings and an independent search firm as agreed upon by such parties and the Debtors (it being understood that Korn Ferry has been agreed upon), (v) one (1) member nominated by Oak Hill Advisors, L.P., and (vi) one (1) member nominated by Silver Point Capital, L.P., with the consent of Barclays Capital, Inc. if such member is not independent. With respect to the independent members nominated pursuant to (ii), (iii) and (iv) of this paragraph, such nominations will be made in consultation with the Creditors' Committee, which consultation will be solely for the Creditors' Committee to determine whether such nominee has a prior relationship with a Backstop Party that would reasonably be expected to influence the exercise of business judgment of the nominee. In addition, Oak Hill Advisors, L.P. and Silver Point Capital, L.P. will each have the right to appoint one (1) observer to the board. Such members of the Board of Directors will take office immediately following the issuance of the shares of New Capital Stock pursuant to Sections 9.08(a) and 9.09 of the Plan and will hold office until the annual meeting of stockholders in 2011. If the member nominated by Oak Hill Advisors L.P. is designated as a member of the initial compensation (or equivalent) committee, either the member nominated by Silver Point Capital, L.P. or the member nominated by Barclays Capital, Inc. will also be designated as a member of such committee. If either of the members nominated by Silver Point Capital, L.P. or Barclays Capital, Inc. is designated as a member of the initial compensation (or equivalent) committee, the member nominated by Oak Hill Advisors L.P. will also be designated as a member of such committee. The list of names of all members of the new Board of Directors of Reorganized Holdings that are known as of the date that is five (5) Business Days prior to the Confirmation Hearing will be filed with the Bankruptcy Court as part of the Plan Supplement. The Board of Directors for each of the remaining Reorganized Debtors on and after the Effective Date will be filed with the Bankruptcy Court as part of the Plan Supplement. The classification and composition of the Board of Directors of each of the Reorganized Debtors will be consistent with the respective Reorganized Debtors' Certificate of Incorporation. Each such director or officer will serve from and after the Effective Date pursuant to the terms of the respective Reorganized Debtors' Certificate of Incorporation and the Reorganized Holdings By-laws and the applicable corporation or limited liability company law, as applicable, of the state in which the Reorganized Debtor is organized.

7.15 **Management Agreements**

Under Section 9.14 of the Plan, on the Effective Date, the Reorganized Debtors will honor, in the ordinary course of business, all employee compensation and employee benefit plans and agreements of the Debtors including, without limitation, incentive agreements with the

Debtors' management, the existing annual incentive plan, the existing long term incentive plan, the existing Deferred Compensation Plan and Pre-2005 Executive Deferred Compensation Plan, the existing Change of Control Severance Pay Plan, the existing salaried employee retirement and savings plans and Nonqualified Supplementary Benefit Plan (SERP), and the existing employment agreements and any and all other employee benefit plans and agreements entered into before, on or after the Filing Date and not since terminated. In addition, the Reorganized Debtors will undertake and commit to take the actions relating to such existing employment agreements and plans as set forth on Exhibit B of the Plan and to pay an emergence component award to eligible executives of the Debtors in accordance with Exhibit B and to adopt the Management Incentive Plan with the terms set forth on Exhibit B. Notwithstanding the foregoing, the change of control provisions (including without limitation any right of such participant to terminate employment for "good reason" and any Company funding obligation) will not be triggered under such employment agreement, the Company's Change of Control Severance Pay Plan, Nonqualified Supplementary Benefit Plan (SERP), Deferred Compensation Plan and Pre-2005 Executive Deferred Compensation Plan, in each case as a result of (x) the Company's emergence from Chapter 11 as contemplated by the Plan, (y) the execution and delivery of the Equity Commitment Agreement or (z) the consummation of the transactions provided in the Equity Commitment Agreement and/or the Plan (or otherwise contemplated by the Equity Commitment Agreement and/or the Plan to occur prior to or on or about the Effective Date); provided that the waiver set forth in this sentence shall not apply if a Backstop Party (A) enters into any written shareholder or voting agreement (other than the Equity Commitment Agreement, the Ancillary Agreements (as defined in the Equity Commitment Agreement) or the Plan), (B) purchases or acquires pre-petition claims with respect to the Senior Subordinated Notes (including the purchase or acquisition of any such pre-petition claim held by any other Backstop Party or its affiliates, but excluding any purchase or acquisition by a Backstop Party or its affiliates in its broker/dealer, market making, flow trading or other non-proprietary trading activities), or (C) assigns the Equity Commitment Agreement or its obligations hereunder pursuant to Section 12 of the Equity Commitment Agreement, in the case of each of clauses (A), (B) and (C), only if such action would result in such Backstop Party having beneficial ownership of greater than or equal to 50% of the total voting power of the Company's voting power upon emergence; provided further, that this waiver shall not apply with respect to any rights under Section 7 of the Change of Control Severance Pay Plan in the event that an excise tax is imposed by the IRS pursuant to Section 4999 of the Code by reason of a payment (which is made following an event that the Company reasonably and in good faith determines would have constituted a "change of control" for purposes of such participant's entitlement to payments under such plan, had such participant not executed such waiver) that the IRS asserts is "contingent on a change of control" of the Company within the meaning of Section 280G of the Code, despite the reasonable best efforts of the Company to withstand such assertion, where appropriate. For purposes of clarification, (i) neither (a) the agreements and arrangements involving Backstop Parties that are contemplated by the Equity Commitment Agreement or the Plan to occur or exist prior to, on or about the Effective Date nor (b) any agreements or arrangements by Backstop Parties at any time prior to, on or after the Effective Date to dispose of any or all of their securities of the Company shall be taken into account in determining whether such Backstop Parties constitute a "group" for purposes of the change of control provisions in the employment agreements and the plans referred to herein and (ii) the acquisition by any person of any equity interest in the Company at any time following the issuance of

Backstop Purchaser Shares (as defined in the Equity Commitment Agreement), Rights Offering Shares and Warrants (including the Backstop Purchaser Warrants (as defined in the Equity Commitment Agreement) pursuant to the Plan (other than any acquisition from any Backstop Party that is agreed to between such Backstop Party and its transferee or assignee and consummated on or about the Effective Date) shall not be deemed a transaction provided for in the Equity Commitment Agreement or the Plan.

7.16 **Pension Plans**

CSA is the contributing sponsor for the Pension Plans. The Pension Plans are covered by Title IV of ERISA. The PBGC guarantees the payment of certain pension benefits upon termination of a pension plan covered by Title IV of ERISA.

Upon confirmation of the Plan, the Reorganized Debtors will assume and maintain the Pension Plans, and contribute to the Pension Plans the amount necessary to satisfy the minimum funding standards under sections 302 and 303 of ERISA, 29 U.S.C. §§ 1082 and 1083, and sections 412 and 430 of the Tax Code, 26 U.S.C. §§ 412 and 430. The Pension Plans may be terminated after the Effective Date only if the statutory requirements of either ERISA section 4041, 29 U.S.C. § 1341 or ERISA section 4042, 29 U.S.C. § 1342, are met. If the Pension Plans terminate, the Reorganized Debtors will be jointly and severally liable for the unpaid minimum funding contributions, statutory premiums, and unfunded benefit liabilities of the Pension Plans. See ERISA sections 4062(a), 4007; 29 U.S.C. §§ 1362(a), 1307.

In addition, nothing in the Plan will be construed as discharging, releasing, or relieving the Debtors, or their successors, including the Reorganized Debtors, or any party, in any capacity, from any liability imposed under any law or regulatory provision with respect to the Pension Plans or the PBGC. The PBGC and the Pension Plans will not be enjoined or precluded from enforcing such liability as a result of any provision of the Plan or the Confirmation Order.

7.17 **Termination of DIP Financing Agreement**

Upon payment of all DIP Obligations (as such term is defined in the DIP Financing Order) incurred under or pursuant to the DIP Financing Agreement, in full, in Cash, on the Effective Date, as provided in section 2.01 of the Plan, (i) the DIP Financing Agreement will be terminated and any and all securities or agreements relating to the DIP Financing Agreement will be automatically cancelled, terminated and of no further force or effect, without further act or action under any applicable agreement, law, regulation, order, or rule and the obligations of the parties, as applicable, under the agreements, and (ii) all Liens and security interests granted to secure such Obligations will be released and will be of no further force and effect.

7.18 **Director Nomination Agreements**

Under Nomination Agreements to be executed on the Effective Date by Reorganized Holdings and the Backstop Parties and their respective affiliates (the "Stockholders"), the Stockholders will have the right to designate certain persons for nomination to the Board of Directors, so long as the Stockholders or their affiliates beneficially own at least

7.5% of the New Common Stock on an as converted basis assuming the conversion of all New Preferred Stock. The Nomination Agreements will be in effect until the earlier of (i) termination of the Nomination Agreement at the election of the Stockholder by written notice to the Company, and (ii) immediately prior to the annual meeting of stockholders of Reorganized Holdings held during the 2013 calendar year, unless terminated earlier as a result of the Stockholders' holdings of New Common Stock. Forms of the Nomination Agreements are attached to the Equity Commitment Agreement as Exhibit F.

ARTICLE VIII.
DISTRIBUTIONS UNDER THE PLAN

8.01 Timing of Distributions Under the Plan

Except as otherwise provided in the Plan, without in any way limiting Article 11 of the Plan, and subject to section 13.02 of the Plan, payments and distributions in respect of Allowed Claims will be made by the Reorganized Debtors (or their designee) on or as promptly as practicable after the Effective Date but no later than 30 days thereafter.

8.02 Distributions on Account of the Prepetition Credit Facility Claim

All distributions on account of the Prepetition Credit Facility Claim will be made to the Prepetition Administrative Agent, which will serve as the Reorganized Debtors' designee for purposes of making distributions under the Plan to Holders of Prepetition Credit Facility Claims. The Reorganized Debtors will pay the Prepetition Administrative Agent its reasonable fees and expenses for making distributions under the Plan to Holders of the Prepetition Credit Facility Claims.

8.03 Distributions on Account of the Senior Notes

All distributions on account of the Senior Notes will be made to the Senior Note Indenture Trustee, which will serve as the Reorganized Debtors' designee for purposes of making distributions under the Plan to Holders of Senior Note Claims; provided, however, that the shares of New Common Stock being distributed to Holders of Allowed Supporting Senior Note Claims pursuant to section 6.05(a) of the Plan and the Equity Commitment Agreement will be distributed through the Subscription Agent or its designee, as the case may be. The Reorganized Debtors will pay the Senior Note Indenture Trustee, in Cash, its reasonable and documented fees and expenses (including reasonable and documented professional fees) for making distributions under the Plan to Holders of the Senior Note Claims. To the extent the Senior Note Indenture Trustee provides services related to distributions pursuant to the Plan, such Senior Note Indenture Trustee will receive from the Reorganized Debtors, without further court approval and upon presenting to the Reorganized Debtors adequate documentation, reasonable compensation, in Cash, for such services and reimbursement of reasonable expenses (including reasonable and documented professional fees) incurred in connection with such services. These payments will be made in the ordinary course by the Reorganized Debtors on terms agreed to between the Senior Note Indenture Trustee and the Reorganized Debtors. Any payments to be made to the Senior Note Indenture Trustee on account of fees and expenses incurred pursuant to Section 10.03(a) of the Plan or any other section of the Plan will be subject

to the requirement that such fees and expenses be reasonable and documented, as determined by the Debtors and the Backstop Parties.

In connection with distributions on account of the Senior Notes Claims, the Senior Note Indenture Trustee will not be required to give any bond, surety, or other security for the performance of its duties with respect to the administration and implementation of distributions. In addition, any and all distributions on account of Senior Note Claims made by the Senior Note Indenture Trustee will be subject to the right of the Senior Note Indenture Trustee to exercise its rights and remedies under the Senior Note Indenture for any unpaid fees and expenses incurred prior to the Effective Date, any fees and expenses of the Senior Note Indenture Trustee incurred in making distributions pursuant to the Plan, and any fees and expenses of the Senior Note Indenture Trustee incurred in responding to any objection to the payment of the fees and expenses of the Senior Note Indenture Trustee pursuant to section 6.05 of the Plan, including reasonable and documented professional fees for any such activity.

The Senior Note Indenture Trustee's exercise of any rights and remedies it may have under the Senior Note Indenture against a distribution to recover repayment of any unpaid fees and expenses will not subject the Senior Note Indenture Trustee to the jurisdiction of the Bankruptcy Court with respect to either the exercise of such rights and remedies or the fees and costs recovered thereby.

The foregoing is in addition to any rights or remedies of the Senior Note Indenture Trustee under the Senior Note Indenture.

8.04 **Distributions on Account of the Senior Subordinated Notes**

All distributions on account of the Senior Subordinated Notes will be made to the Senior Subordinated Note Indenture Trustee, which will serve as the Reorganized Debtors' designee for purposes of making distributions under the Plan to Holders of Senior Subordinated Note Claims; provided, however, that the Rights Offering Shares, the Holdback Shares, the New Capital and the Non-Eligible Noteholder Shares shall be distributed through the Subscription Agent or its designee, as the case may be. The Reorganized Debtors will pay the Senior Subordinated Note Indenture Trustee its reasonable and documented fees and expenses (including reasonable and documented professional fees) for making distributions under the Plan to Holders of the Senior Subordinated Note Claims. To the extent the Senior Subordinated Note Indenture Trustee provides services related to distributions pursuant to the Plan, such Senior Subordinated Note Indenture Trustee will receive from the Reorganized Debtors, without further court approval and upon presenting to the Reorganized Debtors adequate documentation, reasonable compensation, in Cash, for such services and reimbursement of reasonable expenses (including reasonable and documented professional fees) incurred in connection with such services. These payments will be made in the ordinary course by the Reorganized Debtors on terms agreed to between the Senior Subordinated Note Indenture Trustee and the Reorganized Debtors. Any payments to be made to the Senior Subordinated Note Indenture Trustee on account of fees and expenses incurred pursuant to Section 10.04(a) of the Plan or any other section of the Plan will be subject to the requirement that such fees and expenses be reasonable and documented, as determined by the Debtors and the Backstop Parties.

In connection with distributions on account of the Senior Subordinated Notes Claims, the Senior Subordinated Note Indenture Trustee will not be required to give any bond, surety, or other security for the performance of its duties with respect to the administration and implementation of distributions. In addition, any and all distributions, except for the Rights Offering Shares, Holdback Shares, the New Capital Warrants and Non-Eligible Noteholder Shares, on account of Senior Subordinated Note Claims will be subject to the right of the Senior Subordinated Note Indenture Trustee to exercise its rights and remedies under the Senior Subordinated Note Indenture for any unpaid fees and expenses incurred prior to the Effective Date, any fees and expenses of the Senior Subordinated Note Indenture Trustee incurred in making distributions pursuant to the Plan, and any fees and expenses of the Senior Subordinated Note Indenture Trustee incurred in responding to any objection to the payment of the fees and expenses of the Senior Subordinated Note Indenture Trustee pursuant to section 6.05 of the Plan, including reasonable and documented professional fees for any such activity.

The Senior Subordinated Note Indenture Trustee's exercise of any rights and remedies it may have under the Senior Subordinated Note Indenture against a distribution to recover repayment of any unpaid fees and expenses will not subject the Senior Subordinated Note Indenture Trustee to the jurisdiction of the Bankruptcy Court with respect to either the exercise of such rights and remedies or the fees and costs recovered thereby.

The foregoing will be in addition to any rights or remedies of the Senior Subordinated Note Indenture Trustee under the Senior Subordinated Note Indenture.

8.05 **Allocation of Consideration**

The aggregate consideration to be distributed to the Holders of Allowed Claims in each Class under the Plan will be treated as first satisfying an amount equal to the stated principal amount of the Allowed Claim for such Holders and any remaining consideration as satisfying accrued, but unpaid, interest, if any, to the extent that interest is payable under the Plan.

8.06 **Cash Payments**

Cash payments made pursuant to the Plan will be in U.S. dollars. Cash payments to foreign Creditors may be made, at the option of the Reorganized Debtors, in such funds and by such means as are necessary or customary in a particular foreign jurisdiction. Cash payments made pursuant to the Plan in the form of checks issued by the Reorganized Debtors will be null and void if not cashed within 120 days of the date of the issuance thereof. Requests for reissuance of any check must be made directly to the Debtors or Reorganized Debtors, as the case may be, as set forth in section 10.16 of the Plan.

8.07 **Payment of Statutory Fees**

All Bankruptcy Fees as determined by the Bankruptcy Court at the Confirmation Hearing will be paid by the Debtors on or before the Effective Date, or by the Reorganized Debtors as soon as practicable thereafter. All Bankruptcy Fees will be paid until the Bankruptcy Court enters a final decree closing the Chapter 11 Cases.

8.08 **No Interest**

Except with respect to Holders of Unimpaired Claims entitled to interest under applicable non-bankruptcy law or as otherwise expressly provided in the Plan, no Holder of an Allowed Claim will receive interest on the distribution to which such Holder is entitled hereunder, regardless of whether such distribution is made on the Effective Date or thereafter. Without limiting the generality of the foregoing, interest will be not be paid upon any Disputed Claim in respect of the period from the Filing Date to the date a final distribution is made thereon if, and after, such Disputed Claim becomes an Allowed Claim.

8.09 **Setoffs**

The Reorganized Debtors may (but will not be required to), pursuant to section 553 of the Bankruptcy Code or applicable non-bankruptcy law, exercise (i) the setoff rights, of the Debtors or the Reorganized Debtors, as the case may be, against any Allowed Claims and the distributions to be made pursuant to the Plan on account of such Allowed Claims, and (ii) Claims of any nature whatsoever that the Debtors or the Reorganized Debtors or their successors may hold (and could have asserted) against the Holder of such Claim; provided, however, that neither the failure to effect a setoff (or to utilize any other rights pursuant to section 553 of the Bankruptcy Code) nor the allowance of any Claim hereunder will constitute a waiver or release of any such Claims or rights against such Holder, unless an order allowing such Claim otherwise so provides.

8.10 **Special Provision Regarding Unimpaired Claims**

Except as otherwise provided in the Plan, the Confirmation Order, any other order of the Bankruptcy Court, or any document or agreement entered into and enforceable pursuant to the terms of the Plan, nothing herein affects the Debtors' or Reorganized Debtors' rights and defenses, both legal and equitable, with respect to any Unimpaired Claims, including all rights with respect to legal and equitable defenses to setoffs or recoupments against Unimpaired Claims or to request disallowance or subordination of any such Claim. In addition, notwithstanding anything to the contrary, Unimpaired Claims are subject to all applicable provisions of the Bankruptcy Code, including section 502(b) of the Bankruptcy Code.

8.11 **Fractional Securities**

Notwithstanding any other provision of the Plan, only whole numbers of shares of New Common Stock and New Preferred Stock and New Capital Warrants will be issued or transferred (if allowed), as the case may be, pursuant to the Plan. The Reorganized Debtors will not distribute any fractional shares of New Common Stock and New Preferred Stock or New Capital Warrants. For purposes of distribution, fractional shares of New Common Stock and New Preferred Stock and New Capital Warrants will be rounded down to the nearest share of New Common Stock, New Preferred Stock or New Capital Warrant, as applicable.

8.12 **Compliance with Tax Requirements**

In connection with the Plan and all instruments issued in connection with and distributed under the Plan, any party issuing any instrument or making any distribution under the

Plan must comply with all applicable withholding and reporting requirements imposed by any federal, state or local taxing authority, and all distributions under the Plan must be subject to any such withholding or reporting requirements. Notwithstanding the foregoing, each Holder of an Allowed Claim that is to receive a distribution under the Plan has the sole and exclusive responsibility for the satisfaction and payment of any Tax obligations imposed on such Holder by any governmental unit, including income, withholding and other Tax obligations, on account of such distribution. Any party issuing any instrument or making any distribution under the Plan has the right, but not the obligation, to not make a distribution until such Holder has made arrangements satisfactory to such issuing or distributing party for payment of any such Tax obligations.

8.13 **Persons Deemed Holders of Registered Securities; the Distribution Record Date**

As of the close of business on the Distribution Record Date, there will be no further changes in the record Holders of any Claims or Equity Interests. The Debtors, the Reorganized Debtors, or their designees will have no obligation to recognize any transfer of any Claims or Equity Interests occurring after the close of business on the Distribution Record Date, and will be entitled to recognize and deal for the purposes under the Plan (except as to voting to accept or reject the Plan) with only those Holders of record as of the close of business on the Distribution Record Date. In the event of any dispute regarding the identity of any party entitled to any payment or distribution in respect of any Claim under the Plan, no payments or distributions will be made in respect of such Claim until the Bankruptcy Court resolves that dispute pursuant to a Final Order.

8.14 **Surrender of Existing Securities**

As a condition to receiving any distribution under the Plan, and except as otherwise provided in section 10.16 of the Plan, each Holder of an Instrument evidencing a Claim must surrender such Instrument to the Reorganized Debtors or their designee (with the exception of the distribution of the Rights Offering Shares, the Holdback Shares, the New Capital Warrants and the Non-Eligible Noteholder Shares); provided, however, with respect to the Senior Notes and the Senior Subordinated Notes, the requirements of section 10.14 will be deemed satisfied in full if the Senior Note Indenture Trustee and the Senior Subordinated Note Indenture Trustee coordinate with the Depository Trust Company (or such other securities depository or custodian thereof) to surrender and cancel their respective original global notes as soon as practicable after the Effective Date, and no further surrender or cancellation thereof will be required, or in the event the Depository Trust Company (or such other securities depository or custodian thereof) does not surrender such original global notes as soon as practicable after the Effective Date, the Debtors will waive such requirement and no further surrender or cancellation thereof will be required. Any Holder of a Claim that fails to (a) surrender such Instrument or (b) execute and deliver an affidavit of loss and/or indemnity reasonably satisfactory to the Reorganized Debtors or their designee before the later to occur of (i) the second anniversary of the Effective Date and (ii) six (6) months following the date such Holder's Claim becomes an Allowed Claim, will be deemed to have forfeited all rights and Claims and may not participate in any distribution under the Plan. Upon compliance with section 10.15 of the Plan, the Holder of a

Claim evidenced by any such lost, stolen, mutilated or destroyed Instrument will, for all purposes under the Plan, be deemed to have surrendered such Instrument.

8.15 **Undeliverable or Unclaimed Distributions**

Any Entity that is entitled to receive a Cash distribution under the Plan but that fails to cash a check within 120 days of its issuance will be entitled to receive a reissued check from the Reorganized Debtors for the amount of the original check, without any interest, if such Entity requests in writing the Reorganized Debtors or their designee to reissue such check and provides the Reorganized Debtors or their designee, as the case may be, with such documentation as the Reorganized Debtors or their designee request to verify in their reasonable discretion that such Entity is entitled to such check, prior to the second anniversary of the Effective Date. If an Entity fails to cash a check within 120 days of its issuance and fails to request reissuance of such check prior to the later to occur of (i) the second anniversary of the Effective Date and (ii) six (6) months following the date such Holder's Claim becomes an Allowed Claim, such Entity will not be entitled to receive any distribution under the Plan. If the distribution to any Holder of an Allowed Claim is returned to the Reorganized Debtors or their designee as undeliverable, while the Reorganized Debtors will make reasonable efforts to obtain the then-current address of such Holder, no further distributions will be made to such Holder unless and until the Reorganized Debtors or their designee obtain or are notified in writing of such Holder's then-current address. Undeliverable distributions will remain in the possession of the Reorganized Debtors, or their designee pursuant to section 9.02 of the Plan until such time as a distribution becomes deliverable.

All claims for undeliverable distributions must be made on or before the later to occur of (i) the second anniversary of the Effective Date and (ii) six (6) months following the date the Claim underlying such distribution becomes an Allowed Claim. After such date, all unclaimed property will revert to the Reorganized Debtors and the Claim of any Holder or successor to such Holder with respect to such property will be discharged and forever barred notwithstanding any federal or state escheat laws to the contrary.

8.16 **Distributions on Account of General Unsecured Claims**

The Reorganized Debtors will make or otherwise arrange and be responsible for the making of all distributions to Holders of General Unsecured Claims under the Plan.

8.17 **Exemption From Certain Transfer Taxes**

Pursuant to Section 1146(a) of the Bankruptcy Code, the issuance, transfer, or exchange of a security, or the making or delivery of an instrument of transfer from a Debtor to a Reorganized Debtor or any other person or Entity pursuant to the Plan, including the granting or recording of any Lien or mortgage on any property under the New Working Capital Facility Documents or the New Secured Debt Facility Documents will not be subject to any stamp tax or other similar tax, and the Confirmation Order will direct the appropriate state or local governmental officials or agents to forego the collection of any such tax or governmental assessment and to accept for filing and recordation any of the foregoing instruments or other documents without the payment of any such tax or governmental assessment.

ARTICLE IX.
PROCEDURES FOR RESOLVING DISPUTED CLAIMS

9.01 **Objections to Claims; Disputed Claims**

As soon as practicable following the filing of a Proof of Claim in these Chapter 11 Cases, but in no event later than 180 days after the Effective Date (unless extended by an order of the Bankruptcy Court), the Debtors or Reorganized Debtors, as the case may be, will file objections to such Proofs of Claim with the Bankruptcy Court and serve such objections on the holders of each of the Claims to which objections are made; provided, however, that the Debtor and Reorganized Debtors will not object to Claims that are Allowed Claims pursuant to the Plan. Nothing contained in the Plan, however, will limit the Debtors' or Reorganized Debtors' right to object to Proofs of Claim, if any, that are not Allowed under the Plan or that are filed or amended more than 180 days after the Effective Date. The Debtors and Reorganized Debtors will be authorized to, and will, resolve all Disputed Claims by withdrawing or settling any objection thereto, or by litigating to judgment in the Bankruptcy Court or such other court having jurisdiction over the validity, nature, and/or amount thereof.

9.02 **Estimation of Claims**

Any Debtor or Reorganized Debtor may, at any time, request that the Bankruptcy Court estimate any contingent or unliquidated Claim pursuant to section 502(c) of the Bankruptcy Code, regardless of whether the Debtors or the Reorganized Debtors have previously objected to such Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any Claim at any time during litigation concerning any objection to any Claim, including during the pendency of any appeal related to any such objection. In the event the Bankruptcy Court estimates any contingent or unliquidated Claim, that estimated amount will constitute either the Allowed amount of such Claim or a maximum limitation on such Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on such Claim, the Debtors or the Reorganized Debtors, as the case may be, may elect to pursue any supplemental proceedings to object to any ultimate payment of such Claim. All of the aforementioned objection, estimation and resolution procedures are cumulative and are not necessarily exclusive of one another. Claims may be estimated and thereafter resolved by any permitted mechanism. Unless otherwise ordered by the Bankruptcy Court, all objections to, and request for estimation of, Claims will be filed and served on the applicable claimant on or before the date that is 180 days after the Effective Date or 180 days after such Claim is filed, whichever is later. On and after the Effective Date, except to the extent that the Reorganized Debtors consent, or with respect to the fee Claims of Professionals, only the Reorganized Debtors will have the authority to file, settle, compromise, withdraw, or litigate to judgment objections to, and requests for estimation of, Claims.

9.03 **Payments and Distributions with Respect to Disputed Claims**

No payments of distributions will be made in respect of a Disputed Claim until such Disputed Claim becomes an Allowed Claim; provided, however, that where the Debtors, in good faith, reasonably dispute the allowance of no more than 25% of any Claim, the Reorganized Debtors shall make a distribution on or as promptly as practicable after the

Effective Date in accordance with Section 10.01 of the Plan on account of the portion of such Claim that is not a Disputed Claim.

9.04 **Timing of Payments and Distributions with Respect to Disputed Claims**

Subject to the provisions of the Plan, payments and distributions with respect to each Disputed Claim that ultimately becomes an Allowed Claim that would have otherwise been made had such Claim been an Allowed Claim on the Effective Date will be made within 60 days after the date that such Disputed Claim becomes an Allowed Claim. Holders of Disputed Claims, regardless of whether such Disputed Claims become Allowed Claims, will be bound, obligated and governed in all respects by the provisions of the Plan.

9.05 **Prosecution of Objections**

After the Confirmation Date, the Reorganized Debtors will have the authority to file objections, settle, compromise, withdraw, or litigate to judgment objections to Claims. From and after the Effective Date, the Reorganized Debtors may settle or compromise any Disputed Claim without approval of the Bankruptcy Court.

ARTICLE X.
DISCHARGE, INJUNCTIONS, RELEASES AND SETTLEMENT OF CLAIMS

As discussed below, the Plan provides for various releases that are to become effective as of the Confirmation Date but subject to the occurrence of the Effective Date. As noted above, the releases being provided under the Plan are a critical part of the compromise and settlement between the Creditors' Committee, the Senior Noteholders, the Senior Subordinated Noteholders, the Holders of Equity Interests and the Debtors that is embodied in the Plan. The releases are being provided in consideration of, among other things, the services provided to the Debtors by their present and former shareholders, directors, officers, employees, affiliates, agents, advisors, financial advisors, accountants, investment bankers, attorneys, and representatives, as well as the efforts expended by the Creditors' Committee, the present and former holders of the Senior Notes, the present and former holders of the Senior Subordinated Notes, the Senior Note Indenture Trustee, the Senior Subordinated Note Indenture Trustee, and the respective present and former members of the foregoing (except that with respect to the Creditors' Committee only the present members thereof), and each of their present and former affiliates, officers, directors, shareholders, attorneys, accountants, financial advisors, investment bankers, advisory affiliates, employees, agents, successors and assigns, which resulted in a consensual Plan that (a) maximizes the value of the Debtors' businesses and (b) provides for an expedient emergence from chapter 11. Additionally, as set forth below, the releases do not apply to any Entity who has been or is hereafter found to have acted wrongfully with certain misconduct or who has selected to "opt-out" of such releases.

10.01 **Discharge of all Claims and Old Equity Interests and Releases**

(a) **Except as otherwise expressly provided in the Plan, the confirmation of the Plan (subject to the occurrence of the Effective Date) will discharge the Debtors and the Reorganized Debtors from any Claim that arose before the Confirmation Date and any**

Claim of the kind specified in sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not a Proof of Claim is filed or is deemed filed, whether or not such Claim is Allowed and whether or not the Holder of such Claim has voted on the Plan. Confirmation of the Plan will not discharge any DIP Lender Claims or other DIP Obligations (as that term is defined in the DIP Financing Order and the DIP Original Financing Order) under the DIP Financing Agreement unless and until all such DIP Lender Claims and DIP Obligations (as that term is defined in the DIP Financing Order) are paid in full, in cash and all Letters of Credit issued under the Prepetition Credit Facility and that were subsequently issued on or after the Filing Date as permitted under the DIP Financing Agreement have been terminated or cash collateralized or supported by a backstop letter of credit or similarly defeased or rolled into the New Working Capital Facility.

(b) **Furthermore, but in no way limiting the generality of the foregoing, except as otherwise specifically provided by the Plan, the distributions and rights that are provided in the Plan will be in complete satisfaction, discharge and release, effective as of the Confirmation Date (but subject to the occurrence of the Effective Date), of all Claims and Causes of Action against, liabilities of, liens on, obligations of and Old Holdings Equity Interests in Holdings or Reorganized Holdings or the direct or indirect assets and properties of the Debtors or the Reorganized Debtors, whether known or unknown, regardless of whether a Proof of Claim or interest was filed, whether or not Allowed and whether or not the Holder of the Claim or Old Holdings Equity Interest has voted on the Plan, or based on any act or omission, transaction or other activity or security, instrument or other agreement of any kind or nature occurring, arising or existing prior to the Effective Date that was or could have been the subject of any Claim or Old Holdings Equity Interest, in each case regardless of whether a Proof of Claim or interest was filed, whether or not Allowed and whether or not the Holder of the Claim or Old Holdings Equity Interest has voted on the Plan; <u>provided</u>, <u>however</u>, that notwithstanding the foregoing, nothing in the Plan or this Disclosure Statement is intended to release any insurer from having to provide coverage under any policy to which the Debtors, the Reorganized Debtors, and/or their current or former officers, directors, employees, representatives, or agents are parties or beneficiaries.**

(c) **In addition, but in no way limiting the generality of the foregoing, any Holder of a Senior Subordinated Note Claim that votes to accept the Plan, and, to the fullest extent permissible under applicable law, any Holder of a Claim that does not vote to accept the Plan, will be agreeing to the release provisions of the Plan and will be presumed conclusively to have unconditionally and forever released the Debtors, the Reorganized Debtors, the Subsidiaries, the present and former Prepetition Credit Facility Parties, the present and former Prepetition Administrative Agent, the present and former DIP Lenders, the present and former DIP Financing Agent, the present and former DIP Original Financing Agent, the Backstop Parties, the Creditors' Committee, the Senior Note Indenture Trustee, the Senior Subordinated Note Indenture Trustee, the Senior Noteholders, the Senior Subordinated Noteholders, and the present and former members of any of the foregoing (together with the advisory affiliates and advised affiliates of such members) (and each solely in their capacity as such), their respective successors, assigns, and each of their respective affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors,**

investment bankers, successors and assigns (including any professionals retained by such persons or entities), as well as the Debtors' officers, directors, and employees who hold such positions on the Confirmation Date and any Entity claimed to be liable derivatively through any of the foregoing, from any Cause of Action based on the same subject matter as the Claim on which the distribution is received; provided, however, that the foregoing releases will not apply to any person or Entity who, in connection with any act or omission by such person or Entity in connection with or relating to the Debtors or their businesses, has been or is hereafter found by any Final Order or any court or tribunal to have acted with gross negligence or willful misconduct; provided, further, however, that the foregoing releases will not apply to any Holder of a Senior Subordinated Note Claim if such Holder does not vote to accept the Plan and "opts-out" of the releases provided in section 12.01(c) of the Plan by a written election pursuant to such Holder's Ballot.

(d) **Additionally, except as otherwise specifically provided by the Plan or the Confirmation Order, the confirmation of the Plan (subject to the occurrence of the Effective Date) will act as a discharge and release of all Causes of Action (including Causes of Action of a trustee and debtor in possession under the Bankruptcy Code) of the Debtors and Reorganized Debtors, whether known or unknown, against (in each case, only in the specified capacity): (i) their present and former directors, shareholders, officers and employees, agents, attorneys, advisors, accountants, financial advisors and investment bankers; (ii) the present and former Prepetition Administrative Agent and the present and former Prepetition Credit Facility Parties, each in such capacity, and their respective present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors, investment bankers, successors and assigns (including any professionals retained by such persons or entities); (iii) the present and former Holders of the Senior Notes, each in such capacity, and their respective present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors investment bankers, successors and assigns (including any professionals retained by such persons or entities); (iv) the Senior Note Indenture Trustee, in such capacity, and its present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors, investment bankers, successors and assigns (including any professionals retained by such persons or entities); (v) the present and former Holders of the Senior Subordinated Notes, each in such capacity, and their respective present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors, investment bankers, successors and assigns (including any professionals retained by such persons or entities); (vi) the Senior Subordinated Indenture Trustee, in such capacity, and its present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors investment bankers, successors and assigns (including any professionals retained by such persons or entities); (vii) the Creditors' Committee and its respective present and former members and the present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors, investment bankers, successors and assigns (including any professionals retained by such persons or entities) of each of the Creditors' Committee and their respective present and former members; (viii) each of the Backstop**

Parties, each in such capacity, and each of the respective Backstop Parties' present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors, investment bankers, successors and assigns (including any professionals retained by such persons or entities); (ix) the present and former DIP Financing Agent, the present and former DIP Original Financing Agent, and the present and former DIP Lenders, each in such capacity, and each of their respective present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors, investment bankers, successors and assigns (including any professionals retained by such persons and entities), and (x) any Entity claimed to be liable derivatively through any of the foregoing. Notwithstanding the generality of the foregoing, nothing in the Plan will release any claims of any Debtors or Reorganized Debtors, as the case may be, against any Subsidiaries that are not Debtors or Reorganized Debtors, as the case may be; provided, however, that the foregoing releases will not apply to any person or Entity who, in connection with any act or omission by such person or Entity in connection with or relating to the Debtors or their businesses, has been or is hereafter found by any court or tribunal by Final Order to have acted with gross negligence or willful misconduct.

10.02 **Exculpation**

The Debtors, the Reorganized Debtors, the present and former Prepetition Credit Facility Parties, the present and former Prepetition Administrative Agent, the present and former DIP Lenders, the present and former DIP Financing Agent, the present and former DIP Original Financing Agent, the Senior Note Indenture Trustee, the Senior Subordinated Note Indenture Trustee, the Senior Noteholders, the Senior Subordinated Noteholders, the Creditors' Committee, each of the Backstop Parties and each of the respective present and former affiliates, officers, directors, shareholders, advisory affiliates, members, employees, agents, attorneys, advisors, accountants, financial advisors, investment bankers, successors and assigns of the foregoing (including any professionals retained by such persons or entities), will have no liability for any act or omission in connection with, or arising out of, the pursuit of approval of the Rights Offering, this Disclosure Statement, the Plan or the CCAA Plan, or the solicitation of votes for or confirmation of the Plan or the CCAA Plan, or the consummation of the Plan and implementation of the CCAA Plan, or the transactions contemplated and effectuated by the Plan or the CCAA Plan or the administration of the Plan or the CCAA Plan or the property to be distributed under the Plan or the CCAA Plan, or any other act or omission during the administration of the Debtors' Estates or in contemplation of the Chapter 11 Cases or the CCAA Proceeding except for gross negligence or willful misconduct as determined by a Final Order of the Bankruptcy Court, and in all respects, will be entitled to rely upon the advice of counsel with respect to their duties and responsibilities under the Plan.

10.03 **Injunction**

Sections 12.01, 12.02 and 12.03 of the Plan will also act as an injunction against any Entity commencing or continuing any action, employment of process, or act to collect, offset or recover any Claim, Interest or Cause of Action satisfied, released or

discharged under the Plan. Notwithstanding any other provision of the Plan or the Confirmation Order, Confirmation of the Plan will not enjoin or extinguish any Creditor's rights of setoff or recoupment, if any, to the extent that such Creditor has a valid Claim and a valid right of recoupment or setoff under applicable state or federal law (including, without limitation, the Bankruptcy Code). Without limiting the applicability of the foregoing, (a) mutuality will be required for any setoff and (b) no creditor may setoff (i) any prepetition Claim against any postpetition obligation owed to any of the Debtors or (ii) any postpetition claim against any prepetition obligation owed to any of the Debtors. Nothing herein or in the Plan will constitute any admission by any of the Debtors that any Creditor has a valid right of setoff or right of recoupment under applicable state or federal law (including the Bankruptcy Code); and, provided, further, that any and all defenses of the Debtors and/or Reorganized Debtors with respect to any such asserted right of setoff or right of recoupment and to challenge the assertion of any such right of setoff or recoupment are hereby preserved in their entirety.

10.04 **Guarantees and Claims of Subordination**

(a) Guarantees. The classification and the manner of satisfying all Claims under the Plan take into consideration (i) the possible existence of any alleged guarantees by the Debtors of obligations of any Entity or Entities and (ii) that the Debtors may be joint obligors with another Entity or Entities with respect to the same obligation. The Holders of Claims will be entitled to only one distribution with respect to any given obligation of the Debtors under the Plan.

(b) Claims of Subordination. Except as specifically provided in the Plan, to the fullest extent permitted by applicable law, all Claims and Old Holdings Equity Interests, and all rights and claims between or among Holders of Claims or Old Holdings Equity Interests relating in any manner whatsoever to Claims or Old Holdings Equity Interests, based on any contractual, equitable or legal subordination rights, will be terminated on the Effective Date and discharged in the manner provided in the Plan, and all such Claims, Old Holdings Equity Interests and rights so based and all such contractual, equitable and legal subordination rights to which any Entity may be entitled will be irrevocably waived upon the Effective Date. To the fullest extent permitted by applicable law, the rights afforded and the distributions that are made in respect of any Claims or Equity Interests under the Plan will not be subject to levy, garnishment, attachment or like legal process by any Holder of a Claim or Equity Interest by reason of any contractual, equitable or legal subordination rights, so that, notwithstanding any such contractual, equitable or legal subordination rights, each Holder of a Claim or Equity Interest will have and receive the benefit of the rights and distributions set forth in the Plan.

10.05 **Survival of Indemnification Obligations**

Notwithstanding anything to the contrary contained in the Plan, subject to the occurrence of the Effective Date, the Reorganized Debtors will honor the Debtors' obligations to indemnify their directors, officers, agents, employees and representatives serving in such capacity on the Filing Date pursuant to their respective certificates of incorporation, by-laws, contractual obligations or any applicable laws in respect of all past, present and future actions, suits and proceedings against any of such directors, officers, agents, employees and

representatives based upon any act or omission that occurred while such director, officer, agent, employee or representative was employed by or provided services to the Debtors, and that was related to service with, for, or on behalf of the Debtors.

ARTICLE XI.
CONDITIONS TO CONFIRMATION AND EFFECTIVE DATE

11.01 Conditions to Entry of the Confirmation Order

The Plan contains several conditions to confirmation. Specifically, the following conditions must occur and be satisfied or waived in accordance with section 13.03 of the Plan by the applicable Debtor on or prior to the Confirmation Date:

(a) Disclosure Statement. The Disclosure Statement Approval Order shall have been entered by the Bankruptcy Court in form and substance reasonably acceptable to the Required Backstop Parties and the Creditors' Committee;

(b) Plan Documents and Agreements. All documents and agreements contemplated by, related to or necessary to the Plan shall be satisfactory to the applicable Debtor and shall be in form and substance reasonably satisfactory to the Required Backstop Parties as and to the extent required by the Equity Commitment Agreement and such other party as provided under the Plan;

(c) The Rights Offering and Equity Commitment Approval Order. The Rights Offering and Equity Commitment Approval Order shall have become a Final Order in form and substance reasonably satisfactory to the Required Backstop Parties;

(d) The Equity Commitment Agreement. The Equity Commitment Agreement shall continue to be in full force and effect and the conditions and the obligations of the parties thereto shall have been satisfied or waived in accordance therewith; and

(e) New Working Capital Credit Facility Documents and New Secured Debt Facility Documents. The Debtors must have received a firm written commitment for the New Working Capital Credit Facility and the New Secured Debt Facility in form and substance reasonably satisfactory to the Required Backstop Parties.

11.02 Conditions to Effective Date

The Plan contains several conditions to the occurrence of the Effective Date. Specifically, the following conditions must occur and be satisfied or waived in accordance with section 13.03 of the Plan by the applicable Debtor, or as applicable, the Required Backstop Parties, on or before the Effective Date for the Plan to be effective on the Effective Date:

(a) Entry of Confirmation Order. The Confirmation Order shall have become a Final Order in form and substance reasonably satisfactory to the Required Backstop Parties and the Creditors' Committee; provided, however, that any provision in the Confirmation Order that is inconsistent with the Plan or the Equity Commitment Agreement or any exhibits to either of the foregoing and is in any way materially adverse to the Backstop Parties, the Senior

Noteholders, the Senior Subordinated Noteholders, the New Preferred Stock and/or the New Common Stock, shall be subject to the consent of the Required Backstop Parties and shall be in form and substance reasonably satisfactory to the Creditors' Committee;

(b) The Equity Commitment Agreement. The Equity Commitment Agreement shall continue to be in full force and effect, and the conditions to the obligations of the parties thereto shall have been satisfied or waived in accordance therewith;

(c) Rights Offering.

(i) The Rights Offering shall have been conducted and consummated in accordance with the Plan, the Equity Commitment Agreement and the Rights Offering Procedures;

(ii) The Rights Offering Amount shall have been received by the Debtors;

(iii) The Backstop Parties shall have received the Backstop Warrants, the Holdback Shares and the Rights Offering Shares, if any, in accordance with the terms and conditions of the Equity Commitment Agreement, the Plan and the Rights Offering Procedures;

(iv) Eligible Noteholders shall have received their respective Rights Offering Shares in accordance with the terms and conditions of the Plan and the Rights Offering Procedures; and

(v) All fees and expenses due and owing by the Debtors pursuant to the Equity Commitment Agreement and the Rights Offering and Equity Commitment Approval Order shall have been paid, in full and in Cash, without the need for the Backstop Parties to file retention or fee applications with the Bankruptcy Court.

(d) Authorizations, Consents and Approvals. All authorizations, consents and regulatory approvals in connection with the consummation of the Plan shall have been obtained and not revoked;

(e) New Credit Facility Documents. All conditions to the New Working Capital Facility Documents and the New Secured Debt Facility Documents, (both of which must comply with the requirements of the Equity Commitment Agreement), other than the occurrence of the Effective Date of the Plan, must have been satisfied or waived (such waiver requiring, respectively, the consent of the requisite lenders thereto) pursuant to the terms thereof;

(f) Subsidiary Debtor General Unsecured Claims. Subsidiary Debtor General Unsecured Claims (excluding the Senior Note Claims and the Senior Subordinated Note Claims) shall not exceed $33 million;

(g) CCAA Plan of Arrangement. The CCAA Plan shall have become effective in accordance with its terms, the Sanction Order and the CCAA, and the Sanction Order shall have become a Final Order;

(h) Cooper Tire L/C: The Cooper Tire L/C, if required to be issued pursuant to the terms of the Cooper Tire Settlement Agreement, shall have been issued in accordance with the terms of Cooper Tire Settlement Agreement; and

(i) Issuance of New Capital Stock and New Capital Warrants. The Debtors shall have issued the New Capital Stock and the New Capital Warrants pursuant to the provisions of the Plan.

11.03 **Waiver of Conditions**

Notwithstanding anything to the contrary that may be set forth in the lead in to Section 13.01 of the Plan, the Debtors or the Reorganized Debtors, as the case may be, with the consent of the Consenting Backstop Parties, which will not be unreasonably withheld, and after consultation with the Creditors' Committee, may waive one or more of the conditions precedent to the confirmation or effectiveness of the Plan set forth in sections 13.01 and 13.02 of the Plan, other than the conditions contained in section 13.01(d) and (e) and section 13.02(b), (c) and (d), without any other notice to parties in interest or the Bankruptcy Court and without a hearing; provided, however, that the conditions set forth in sections 13.01(a) and (b) of the Plan and 13.02(a), (c)(i), (c)(ii) and (c)(iv) of the Plan may only be waived by the Debtors or the Reorganized Debtors, as the case may be, with the consent of the Creditors' Committee and the Consenting Backstop Parties, which consent shall not be unreasonably withheld.

11.04 **Effect of Failure of Conditions**

If all the conditions to effectiveness and the occurrence of the Effective Date have not been satisfied or duly waived on or before the first Business Day that is more than 180 days after the date the Bankruptcy Court enters the Confirmation Order, or by such later date as is proposed by the Debtors (with the consent of the Consenting Backstop Parties, which shall not be unreasonably withheld) and approved, after notice and a hearing, by the Bankruptcy Court, then upon motion by the Debtors (after consultation with the Consenting Backstop Parties and the Creditors' Committee) made before the time that all of the conditions have been satisfied or duly waived, the Confirmation Order will be vacated by the Bankruptcy Court; provided, however, that notwithstanding the filing of such a motion, the Confirmation Order will not be vacated if each of the conditions to consummation is either satisfied or duly waived before the Bankruptcy Court enters an order granting the relief requested in such motion. If the Confirmation Order is vacated pursuant to section 13.04 of the Plan, the Plan will be null and void in all respects, and nothing contained herein or in the Plan will (a) constitute a waiver or release of any Claims against or Equity Interests in the Debtors or (b) prejudice in any manner the rights of the Holder of any Claim or Equity Interest in the Debtors.

ARTICLE XII.
MISCELLANEOUS PROVISIONS OF THE PLAN

12.01 **Retention of Jurisdiction**

The business and assets of the Debtors will remain subject to the jurisdiction of the Bankruptcy Court until the Effective Date. From and after the Effective Date, the Bankruptcy Court will retain and have exclusive jurisdiction of all matters arising out of, and

related to the Chapter 11 Cases or the Plan pursuant to, and for purposes of, subsection 105(a) and section 1142 of the Bankruptcy Code and for, among other things, to:

(a) Determine any and all disputes relating to Administrative Expenses, Claims and Equity Interests, including the allowance and amount thereof, and any right to setoff;

(b) Determine any and all disputes among creditors with respect to their Claims;

(c) Determine any and all objections to cure amounts required pursuant to section 8.02 of the Plan;

(d) Consider and allow any and all applications for compensation for professional services rendered and disbursements incurred up to and including the Confirmation Date in connection therewith;

(e) Determine any and all applications, motions, adversary proceedings and contested or litigated matters pending on the Effective Date and arising in or related to the Chapter 11 Cases or the Plan;

(f) Remedy any defect or omission or reconcile any inconsistency in the Plan or the Confirmation Order;

(g) Enforce the provisions of the Plan relating to the distributions to be made hereunder;

(h) Issue such orders, consistent with section 1142 of the Bankruptcy Code, as may be necessary to effectuate the consummation and full and complete implementation of the Plan;

(i) Enforce and interpret any provisions of the Plan;

(j) Determine such other matters as may be set forth in the Confirmation Order or that may arise in connection with the implementation of the Plan;

(k) Determine the amounts allowable as Administrative Expenses pursuant to section 503(b) of the Bankruptcy Code;

(l) Hear and determine disputes arising in connection with the interpretation, implementation, or enforcement of the Plan, the Rights Offering and any agreements or documents necessary to effectuate the terms and conditions of the Plan, or any orders entered by the Bankruptcy Court during the pendency of the Chapter 11 Cases;

(m) Hear and determine any issue for which the Plan or any document related to or ancillary thereto requires a Final Order of the Bankruptcy Court;

(n) Hear and determine matters concerning state, local, and federal taxes in accordance with sections 346, 505, and 1146 of the Bankruptcy Code;

(o) Hear and determine any issue related to the composition of the new Board of Directors of each of the Reorganized Debtors;

(p) Hear any other matter not inconsistent with the Bankruptcy Code; and

(q) Enter a final decree closing the Chapter 11 Cases.

12.02 **Binding Effect**

The provisions of the Plan will be binding upon and inure to the benefit of the Debtors, the Reorganized Debtors, any Holder of a Claim or Equity Interest, their respective predecessors, successors, assigns, agents, officers and directors and any other Entity affected by the Plan. Except as expressly set forth therein, nothing in the Plan is intended to affect or will affect any rights or interests of the DIP Lenders, the DIP Financing Agent, the DIP Original Financing Agent, the Prepetition Credit Facility Parties, or the Prepetition Administrative Agent under the DIP Financing Agreement, the DIP Original Financing Agreement, the DIP Financing Order, or the DIP Original Financing Order, including, without limitation, any waivers, releases, or stipulations contained therein.

12.03 **Authorization of Corporate Action**

The entry of the Confirmation Order will constitute a direction and authorization to and of the Debtors or the Reorganized Debtors, as the case may be, to take or cause to be taken any corporate action necessary or appropriate to consummate the provisions of the Plan prior to and through the Effective Date (including the filing of the Reorganized Debtors' Certificates of Incorporation), and all such actions taken or caused to be taken will be deemed to have been authorized and approved by the Bankruptcy Court. Any corporate action required by the Debtors or the Reorganized Debtors in connection with the Plan, including the approval of the Reorganized Debtors' Certificates of Incorporation by the requisite number of stockholders of each Reorganized Debtor, will, as of the Effective Date, be deemed to have occurred and will be effective as provided in the Plan and will be authorized and approved in all respects without any requirement of further action under applicable law, regulation, order, or rule, including any action by the security holders or directors of the Debtors or the Reorganized Debtors.

12.04 **Modification of the Plan**

The Plan may be altered, amended or modified by the Debtors, before or after the Confirmation Date, as provided in section 1127 of the Bankruptcy Code; provided, however, that no such alterations, amendments or modifications will be made without the consent of the Consenting Backstop Parties and the Creditors' Committee, which shall not be unreasonably withheld. A Holder of an Allowed Claim that has accepted the Plan will be deemed to have accepted the Plan as modified if the proposed modification does not materially and adversely change the treatment of the Claim of such Holder.

12.05 **Withdrawal of the Plan**

The Debtors reserve the right at any time prior to the entry of the Confirmation Order, with the consent of the Consenting Backstop Parties and the Creditors' Committee, which

must not be unreasonably withheld, to revoke or withdraw the Plan. If the Debtors revoke or withdraw the Plan then the Plan will be deemed null and void. In such event, nothing contained in the Plan will constitute or be deemed a waiver or release of any Claims by or against the Debtors or any other person, or an admission against interests of the Debtors, nor will it prejudice in any manner the rights of the Debtors or any person in any further proceeding involving the Debtors.

12.06 **Non-Voting Stock**

In accordance with section 1123(a)(6) of the Bankruptcy Code, the Reorganized Debtors' Certificates of Incorporation will contain a provision prohibiting the issuance of nonvoting equity securities by each of the Reorganized Debtors, subject to further amendment of such Reorganized Debtor's Certificates of Incorporation as permitted by applicable law.

12.07 **Dissolution of the Committee**

On the Effective Date, all Committees will cease to exist and their members and employees or agents (including attorneys, investment bankers, financial advisors, accountants and other professionals) will be released from all further authority, duties, responsibilities and obligations relating to and arising from and in connection with the Chapter 11 Cases and no subsequent fees will accrue to any Committee, other than in connection with any application for final allowance of compensation and reimbursement of expenses in accordance with section 2.01 of the Plan; provided, however, that following the Effective Date, the Creditors' Committee will continue to have standing and a right to be heard with respect to: (i) Claims and/or applications for compensation by Professionals and requests for allowance of Administrative Expense for substantial contribution pursuant to section 503(b)(3)(D) of the Bankruptcy Code; (ii) any appeals of the Confirmation Order that remain pending as of the Effective Date; and (iii) responding to creditor inquiries for forty-five (45) days following the Effective Date. All reasonable and documented fees and expenses incurred by counsel retained by the Creditors' Committee in connection therewith (other than with regard to any appeal of the Confirmation Order that the Committee is prosecuting or supporting) shall be paid by the Reorganized Debtors without the requirement of any further order of the Bankruptcy Court.

12.08 **Record Date for Voting Purposes**

For purposes of determining the Holders of Claims and interests who are entitled to vote on the Plan, the record date will be the date that the Court enters the Order approving the Disclosure Statement or such other date as determined by the Court in such Order.

12.09 **Section 1125(e) of the Bankruptcy Code**

The Debtors (and each of their respective Affiliates, agents, directors, officers, employees, advisors and attorneys) have, and upon confirmation of the Plan will be deemed to have, solicited acceptances of the Plan in good faith and in compliance with the applicable provisions of the Bankruptcy Code.

The Debtors, each of the members of the Creditors' Committee, and each of the Backstop Parties (and each of their respective Affiliates, agents, directors, officers, principals,

members, employees, representatives, advisors, attorneys and other professionals) have, and upon confirmation of the Plan will be deemed to have, participated in good faith and in compliance with the applicable provisions of the Bankruptcy Code with regard to the distributions of the New Capital Stock under the Plan, and therefore are not, and on account of such distributions will not be, liable at any time for the violation of any applicable law, rule, or regulation governing the solicitation of acceptances or rejections of the Plan or such distributions made pursuant to the Plan.

12.10 **Post-Confirmation Obligations**

The Reorganized Debtors will pay fees assessed against each of the Debtors' Estates until entry of an order closing the respective Chapter 11 Cases.

12.11 **Severability of Plan Provisions**

If, prior to the Confirmation Date, any term or provision of the Plan is held by the Bankruptcy Court to be invalid, void or unenforceable, the Bankruptcy Court, at the request of Debtors, which request will be made in accordance with section 14.04 of the Plan, will have the power to alter and interpret such term or provision to make it valid or enforceable to the maximum extent practicable, consistent with the original purpose of the term or provision held to be invalid, void or unenforceable, and such term or provision will then be applicable as altered or interpreted. Subject to section 14.04 of the Plan and Bankruptcy Rule 3019, notwithstanding any such holding, alteration or interpretation, the remainder of the terms and provisions of the Plan will remain in full force and effect and will in no way be affected, impaired or invalidated by such holding, alteration or interpretation. The Confirmation Order will constitute a judicial determination and will provide that each term and provision of the Plan, as it may have been altered or interpreted in accordance with the foregoing, is valid and enforceable pursuant to its terms.

12.12 **Successors and Assigns**

The rights, benefits and obligations of any Entity named or referred to in the Plan will be binding on, and will inure to the benefit of, any heir, executor, administrator, personal representative, successor or assign of such entity.

ARTICLE XIII.
CERTAIN RISK FACTORS

HOLDERS OF CLAIMS ENTITLED TO VOTE TO ACCEPT OR REJECT THE PLAN SHOULD READ AND CONSIDER CAREFULLY THE FACTORS SET FORTH BELOW AND THE DOCUMENTS DELIVERED TOGETHER WITH THIS DISCLOSURE STATEMENT AND INCORPORATED BY REFERENCE IN THIS DISCLOSURE STATEMENT, PRIOR TO VOTING TO ACCEPT OR REJECT THE PLAN.

13.01 **Certain Bankruptcy Law Considerations.**

(a) The Debtors' Liquidity Position Imposes Significant Challenges to Its Ability to Continue Operations During the Chapter 11 Cases

As global economic conditions have deteriorated, the Debtors have experienced significant pressure on their business, including the Debtors' liquidity position. The Chapter 11 Cases may increase this pressure. Because of the public disclosure of the Debtors' liquidity constraints, the Debtors' ability to maintain normal credit terms with suppliers has become impaired. The terms of the trade credit received from suppliers have been shortened from historical levels. If liquidity problems persist, suppliers could refuse to provide key products and services in the future. The financial condition and results of operations of the Debtors, in particular with regard to the Debtors' potential failure to meet debt obligations, may lead some customers to become reluctant to enter into long-term agreements with the Debtors. In addition to the cash requirements necessary to fund continuing operations, it is anticipated that the Debtors will incur significant professional fees and other restructuring costs in connection with the Chapter 11 Cases and the restructuring of the Debtors' business operations.

The Debtors are currently conducting operations using borrowings from the DIP Facility. There can be no assurance that the amounts of cash from operations and amounts made available under the DIP Facility will be sufficient to fund the Debtors' operations. In the event that cash flows and available borrowings under the DIP Facility are not sufficient to meet the Debtors' liquidity requirements, the Debtors' operations would be adversely affected and the Debtors may not be able to continue as a going concern.

(b) During the Pendency of the Chapter 11 Cases, the Financial Results of the Debtors May Be Unstable and May Not Reflect Historical Trends

During the pendency of the Chapter 11 Cases, the Debtors' financial results may fluctuate as they reflect asset impairments, asset dispositions, restructuring activities, contract terminations and rejections, and claims assessments. As a result, the historical financial performance of the Debtors may not be indicative of the financial performance following the commencement of the Chapter 11 Cases. Further, the Debtors may sell or otherwise dispose of assets or businesses and liquidate or settle liabilities, with court approval, for amounts other than those reflected in the Debtors' historical financial statements. Any such sale or disposition and any comprehensive restructuring plan could materially change the amounts and classifications reported in the Debtors' historical consolidated financial statements, which do not give effect to any adjustments to the carrying value of assets or amounts of liabilities that might be necessary as a consequence of a comprehensive restructuring plan.

(c) Parties in Interest May Object to the Debtors' Classification of Claims and Equity Interests

Section 1122 of the Bankruptcy Code provides that a plan of reorganization may place a class or interest in a particular class only if such claim or interest is substantially similar to the other claims or interests in such class. The Debtors believe that the classification of Claims and Equity Interests under the Plan complies with the requirements set forth in the

Bankruptcy Code. However, there can be no assurance that the Bankruptcy Court will reach the same conclusion.

(d) Risk of Non-Confirmation or Modification of the Plan

Although the Debtors believe that the Plan satisfies all requirements necessary for its confirmation under the Bankruptcy Code, there can be no assurance that the Bankruptcy Court will reach the same conclusion. Moreover, there can be no assurance that modifications of the Plan or any Sub-Plan will not be required for such confirmation or that such modifications would not necessitate the resolicitation of votes.

There can be no assurance that the requisite acceptances of the Plan or any Sub-Plan will be received. Even if the requisite acceptances are received, there can be no assurance that the Bankruptcy Court will confirm the Plan or any Sub-Plan. The Bankruptcy Court could decline to confirm the Plan or any Sub-Plan if it found that any of the statutory requirements for its confirmation had not been met, including the requirement that the terms of the Plan or any Sub-Plan are fair and equitable to a non-accepting class of Claims or Equity Interests. Section 1129 of the Bankruptcy Code sets forth the requirements for confirmation of a plan of reorganization and requires, among other things, a finding by the Bankruptcy Court that (i) such plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes, (ii) confirmation of the plan is not likely to be followed by a liquidation or a need for further financial reorganization and (iii) the value of distributions to a non-accepting Holder of Claims and Equity Interests within a particular class under the plan will not be less than the value of distributions such Holder would receive if the debtors were liquidated under chapter 7 of the Bankruptcy Code. While there can be no assurance that these requirements will be met, the Debtors believe that the Plan "does not unfairly discriminate" and is "fair and equitable" with respect to any non-accepting classes, will not be followed by the need for further financial reorganization and that non-accepting Holders of Claims will receive distributions no less than would be received following a liquidation under chapter 7 of the Bankruptcy Code when taking into consideration all administrative claims and costs associated with any such case under chapter 7 of the Bankruptcy Code.

If the Plan is not confirmed by the Bankruptcy Court, it is unclear whether a restructuring of the Debtors could be implemented and what distributions Holders of Claims or Equity Interests ultimately would receive with respect to their Claims or Equity Interests. If an alternative reorganization could not be agreed to in the very near term, it is possible that the Debtors would have to liquidate their assets, in which case it is likely that Holders of Claims and Equity Interests would receive substantially less favorable treatment than they would receive under the Plan.

Holders of Claims or Equity Interests may assert, among other things, that the valuation analysis set forth herein is incorrect or that the Plan is not "fair and equitable" and provides a greater than permitted recovery to certain classes of Claims. Although the Debtors stand by Lazard's valuation analysis, there can be no assurance that any such assertions by Holders of Claims or Equity Interests will not delay the Debtors' emergence from chapter 11 of the Bankruptcy Code or prevent confirmation of the Plan.

The Debtors, subject to the terms and conditions of the Plan, reserve the right to modify the terms of the Plan as necessary for its confirmation. Such modification could result in a less favorable treatment of any non-accepting class or classes, as well as of any classes junior to such non-accepting classes, than the treatment currently provided in the Plan. Such less favorable treatment could include a distribution of property of a lesser value than currently provided in the Plan to the class affected by the modification or no distribution of property whatsoever to such class under the Plan.

(e) The Debtors May Object to the Amount or Classification of a Claim or Equity Interest

Except as otherwise provided in the Plan, the Debtors reserve the right to object to the amount or classification of any Claim except any such Claims or Equity Interests that are deemed Allowed under the Plan. The estimates set forth in this Disclosure Statement cannot be relied on by any Holder of a Claim or Equity Interest where such Claim or Equity Interest is subject to an objection. Any Holder of a Claim or Equity Interest that is subject to any objection may not receive its specified share of the estimated distributions described in this Disclosure Statement. In addition, the estimated recoveries included in the Disclosure Statement are based on an estimate of Allowed Claims. Because distributions under the Plan are linked to the amount and value of the Allowed Claims, any material increase in the amount of Allowed Claims over the amounts estimated by the Debtors would materially reduce the recovery to Holders of Allowed Claims under the Plan. The Debtors can make no assurances as to the final Allowed amount of Allowed Claims under the Plan.

(f) Risk of Non-Occurrence of the Effective Date

Although the Debtors believe that the Effective Date may occur as soon as one (1) Business Day after the date upon which the Confirmation Order becomes a Final Order, there can be no assurance as to such timing. Moreover, if the conditions precedent to the Effective Date have not occurred and have not been waived as provided under the Plan, the Plan would be deemed null and void and the Debtors may propose and solicit votes on an alternative plan of reorganization that may not be as favorable to parties-in-interest as the Plan. In addition, a party-in-interest may appeal the entry of the Confirmation Order, which could prevent the Confirmation Order from becoming a Final Order for an extended period of time.

(g) Effect of the Chapter 11 Cases on the Debtors' Businesses

During the Chapter 11 Cases, the Debtors' operations, including the Debtors' ability to execute their business plan, are subject to the risks and uncertainties associated with a chapter 11 bankruptcy. Risks and uncertainties associated with such a proceeding include the following:

. Actions and decisions of the Debtors' creditors and other third parties with interests in the Chapter 11 Cases, which may be inconsistent with the Debtors' plans;

- The Debtors' ability to obtain bankruptcy court approval of this Disclosure Statement, the Plan, or other motions in the proceedings made from time to time;

- The Debtors' ability to develop, prosecute, confirm, and consummate the Plan or other chapter 11 plan of reorganization with respect to the proceedings;

- The Debtors' ability to obtain and maintain commercially reasonable terms with vendors and service providers;

- The Debtors' ability to maintain contracts that are critical to their operations;

- The Debtors' ability to retain management and other key individuals;

- The Debtors' ability to retain the tax refunds relating to the pre-acquisition period; and

- Risks associated with third parties seeking and obtaining court approval to terminate or shorten the Debtors' exclusivity period to propose and confirm a chapter 11 plan of reorganization, to appoint a trustee under Chapter 11, or to convert the Chapter 11 Cases into liquidations under Chapter 7 of the Bankruptcy Code.

These risks and uncertainties could affect the Debtors' business and operations in various ways. For example, negative events or publicity associated with the Chapter 11 Cases could adversely affect the Debtors' sales and relationships with the Debtors' customers, suppliers, joint venture partners and employees, which in turn could adversely affect the Debtors' operations and financial condition, particularly if the proceedings are protracted. Also, transactions outside the ordinary course of business are subject to the prior approval of the Bankruptcy Court, which may limit the Debtors' ability to respond timely to certain events or take advantage of certain opportunities. In addition, in order to successfully emerge from chapter 11, senior management will be required to spend significant amounts of time assisting with the confirmation of the Plan, instead of concentrating exclusively on business operations. Further, the Debtors have made, and will continue to make, judgments as to whether the Debtors should limit investment in, exit, or dispose of certain businesses. These judgments may result in the sale or divestiture of assets or businesses, but there can be no assurance that the Debtors will be able to complete any sale or divestiture on acceptable terms or at all. Any decision by management to further limit investment in, exit, or dispose of businesses may result in the recording of additional charges.

Because of the risks and uncertainties associated with the Chapter 11 Cases, the ultimate impact that events that occur during these proceedings will have on the Debtors' business, financial condition and results of operations cannot be accurately predicted or quantified. There can be no assurance as to what values, if any, will be ascribed in the proceedings to the Debtors' various pre-petition liabilities, common stock, and other securities.

The Debtors believe that confirmation and consummation of the Plan in an expeditious manner will result in the Chapter 11 Cases having a minimal adverse long-term impact on relationships with customers, suppliers, joint venture partners and employees of the Debtors or the Reorganized Debtors. If confirmation and consummation of the Plan do not occur expeditiously, continuing the Chapter 11 Cases will result in the loss of business opportunities for the Debtors, which would cause irreparable harm to the Debtors and the Reorganized Debtors. In addition, prolonged Chapter 11 Cases may make it more difficult for the Debtors to retain and attract management and other key personnel and would require senior management to spend an excessive amount of time and effort dealing with the Debtors' financial problems instead of focusing on the operation of their businesses. Moreover, an increased duration of the Chapter 11 Cases will result in increased costs for professional fees and similar expenses.

(h) A Long Period of Operating in Chapter 11 May Harm the Debtors' Business

A long period of operating under chapter 11 could adversely affect the Debtors' business and operations. So long as the Chapter 11 Cases continue, the Debtors' senior management will be required to spend a significant amount of time and effort dealing with the Debtors' reorganization instead of focusing exclusively on business operations. A prolonged period of operating under chapter 11 will also make it more difficult to attract and retain management and other key personnel necessary to the success and growth of the Debtors' business. In addition, the longer the Chapter 11 Cases continue, the more likely it is that the Debtors' customers, suppliers and joint venture partners will lose confidence in the Debtors' ability to successfully reorganize the Debtors' businesses and seek to establish alternative commercial relationships. Furthermore, so long as the Chapter 11 Cases continue, the Debtors will be required to incur substantial costs for professional fees and other expenses associated with the proceedings. A prolonged continuation of the Chapter 11 Cases may also require the Debtors to seek additional financing. If the Debtors require additional financing during the Chapter 11 Cases and they are unable to obtain the financing on favorable terms or at all, the Debtors' chances of successfully reorganizing their businesses may be seriously jeopardized.

(i) Conversion of the Chapter 11 Cases to Chapter 7

If no plan can be confirmed, or if the Bankruptcy Court otherwise finds that it would be in the best interest of creditors, the Chapter 11 Cases can be converted to a case under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be appointed or elected to liquidate the Debtors' assets for distribution in accordance with the priorities established by the Bankruptcy Code. The Debtors believe that liquidation under chapter 7 would result in no distributions being made to creditors and smaller distributions being made to Holders of Prepetition Credit Facility Claims because of (i) the likelihood that the assets would have to be sold or otherwise disposed of in a disorderly fashion over a short period of time rather than reorganizing the Debtors' business as going concerns; (ii) additional administrative expenses involved in the appointment of a trustee; and (iii) additional expenses and Claims, some of which would be entitled to priority, which would be generated during the liquidation and from the rejection of leases and other executory contracts in connection with a cessation of the operations.

(j) The DIP Financing Agreement Imposes Significant Operating and Financial Restrictions on the Debtors, Compliance or Non-Compliance with Which Could Have a Material Adverse Effect on the Debtors' Liquidity and Operations

Restrictions imposed by the terms of the DIP Financing Agreement could adversely affect the Debtors by limiting their ability to plan for or react to market conditions or to meet its capital needs and could result in an event of default under the DIP Financing Agreement. These restrictions might limit the Debtors' ability, subject to certain exceptions, to, among other things:

. Incur additional indebtedness and issue stock;

. Make prepayments on or purchase indebtedness in whole or in part;

. Pay dividends and other distributions with respect to the Debtors' capital stock or repurchase the Debtors' capital stock or make other restricted payments;

. Make investments;

. Enter into transactions with affiliates on other than arm's-length terms;

. Create or incur liens to secure debt;

. Consolidate or merge with another entity, or allow one of the Debtors' subsidiaries to do so;

. Lease, transfer or sell assets and use proceeds of permitted asset leases, transfers or sales;

. Incur dividend or other payment restrictions affecting subsidiaries;

. Make capital expenditures beyond specified limits;

. Engage in specified business activities; and

. Acquire facilities or other businesses.

In addition, the DIP Financing Agreement contains financial covenants that require the Debtors to maintain maximum levels of consolidated earnings before interest, taxes, depreciation, amortization and certain adjustments and minimum levels of consolidated liquidity. These limitations could have a material adverse effect on the Debtors' liquidity and operations. If the Debtors fail to comply with the restrictions under the DIP Financing Agreement and are unable to obtain a waiver or amendment or a default exists and is continuing under the DIP Financing Agreement, the DIP Lenders could declare outstanding borrowings and other obligations under the DIP Financing Agreement immediately due and payable. The Debtors' ability to comply with these restrictions may be affected by events beyond the Debtors' control, and any material deviations from the Debtors' forecasts could require us to seek waivers or amendments of covenants or alternative sources of financing or to reduce expenditures. There can be no assurances that such waivers, amendments or alternative financing could be obtained, or if obtained, would be on acceptable terms to the Debtors. If the Debtors are unable to comply with the terms of the DIP Financing Agreement, or if the Debtors fail to generate sufficient cash flow from operations, or, if it became necessary, to obtain such waivers, amendments or alternative financing, it could adversely impact the timing of, and the Debtors' ultimate ability to successfully implement, the Plan or other chapter 11 plan of reorganization.

(k) An Involuntary Insolvency Proceeding Could be Commenced Against the Company's Foreign Subsidiaries and/or Affiliates

There can be no assurance that creditors of non-debtor Subsidiaries of the Company will not attempt to commence insolvency proceedings. If an involuntary proceeding is commenced in a foreign jurisdiction in which an Affiliate or Subsidiary of the Debtors operates, an administrator or foreign trustee would be appointed to take control of the non-Debtor foreign operating companies, supplanting the role of the Debtors' current management and supervisory boards that currently oversee the operations and restructuring efforts of the foreign non-Debtor Affiliates. In addition, an involuntary foreign insolvency proceeding of the foreign non-Debtor Affiliates would result in a substantial loss of cumulative value of the Debtors' non-Debtor Affiliates and consequently of the value of the collateral securing the Prepetition Credit Facility Claims and the value of the Senior Subordinated Noteholder Rights and the New Common Stock that the Holders of the Senior Subordinated Note Claims and Supporting Senior Note Claims would receive pursuant to the Plan.

(l) The Canadian Court in the CCAA Proceeding May Not Extend the Stay Under the CCAA Proceeding and CSA Canada May Be Subject to Involuntary Liquidation

There can be no assurance that the Canadian Court in the CCAA Proceeding will extend the stay applicable to CSA Canada in connection with the CCAA Proceeding. The creditors of CSA Canada may seek to lift the stay in the CCAA Proceeding and file an application for a bankruptcy order under the Bankruptcy and Insolvency Act (Canada) for the liquidation of CSA Canada or seek the appointment of a Receiver or Receiver-Manager over CSA Canada.

(m) The Canadian Court May Not Sanction the CCAA Plan or the CCAA Plan May Not Be Implemented

There can be no assurance that the Canadian Court in the CCAA Proceeding will sanction the CCAA Plan, or that the condition precedent to the implementation may be satisfied or waived. If the CCAA Plan is not sanctioned by the Canadian Court, or implemented in accordance with its terms, it is unclear whether a restructuring of CSA Canada could be implemented and what impact the non-sanctioning or non-implementation would have on the Chapter 11 Cases.

13.02 **Risks Related to the Debtors' Business**

(a) The Automotive Industry

The Debtors' principal operations are directly related to domestic and foreign automotive production. Industry sales and production are cyclical in nature, difficult to predict and can be affected by numerous factors, including, but not limited to, the strength of the economy generally, consumer spending or, in specific regions such as North America or Europe, by prevailing interest rates and by other factors which may have an effect on the level of the Debtors' sales. The Projections set forth in this Disclosure Statement assume certain automotive sales and production levels and economic conditions that ultimately may not occur. Any decline in demand for new automobiles, particularly in the United States, could have a material adverse impact on the Debtors, or the Reorganized Debtors', as the case may be, performance and financial condition and could adversely impact their results of operations.

In that regard, the recent global financial crisis and the dislocation in the global credit markets has had a major impact on the global economy and has resulted in a global economic recession. Business activity and production across the world have undergone a major negative readjustment due to the shortage of affordable financing, which has led to drastically higher unemployment numbers and weaker consumer spending. The high unemployment rate among consumers has been exacerbated by the lingering housing crisis and the significant decline in the value of residential and commercial real estate.

Due to the global economic recession, sale and production levels in the automotive industry declined substantially in the second half of 2008 and through the first half of 2009. These levels are not expected to recover to pre-recession levels in the near future. In that regard, the reduction of automotive sales and production combined with the overall reduction of business activity throughout the world has had an adverse impact on the Company's revenues, profitability, cash flow and operations. There is no guarantee that the condition of the global economy and automotive industry will not deteriorate even further, and any such continued deterioration will also have an adverse impact on the Debtors' business or financial condition.

(b) Dependence on Major Customers

The loss of any major customers could affect the financial health of the Debtors. In the nine months ended September 30, 2009, the Debtors' most significant customers were Ford and GM, which accounted for approximately 43% of its net sales on a worldwide basis. In addition, the Debtors' five largest customers (Ford, GM, Volkswagen, Fiat, and Chrysler) and

their subsidiaries accounted for approximately 65% of the Debtors' global sales for the nine months ended September 30, 2009. The Debtors have been a supplier to these companies for many years, and continually engage in efforts to improve and expand relations with each of these customers. However, the Debtors' management cannot guarantee that the Debtors will maintain or improve these relationships or that the Debtors will continue to supply their customers at current levels. The loss of a significant portion of sales to the Debtors' largest customers could have a material adverse effect on the Debtors and their financial performance. In addition, certain of the Debtors' customers are currently facing significant financial challenges. GM and Chrysler have recently emerged from chapter 11 bankruptcy protection and bankruptcy filings or restructuring initiatives by other customers could result in adverse changes in customers' production levels, pricing, and payment terms, could impair their viability as customers of the Debtors, and could limit the Debtors' ability to collect receivables, which could harm the Debtors' business or results of operations. Absent the foregoing risks, which are outside of the Debtors' control, the Debtors believe that relationships with their customers will be maintained if the Chapter 11 Cases proceed as proposed in the Plan and discussed herein. However, if there is a protracted chapter 11 process, the Debtors believe their relationships with their customers likely would be adversely impacted and the Debtors' operations likely would be materially affected. Weakened operating results could adversely affect the Debtors' ability to complete solicitation of acceptances of the Plan or, if such solicitation is successfully completed, to obtain confirmation of the Plan.

(c) A Prolonged Contraction in Automotive Sales and Production Volumes and the Financial Conditions of OEMs Could Adversely Affect the Viability of the Debtors' Supply Base

The Debtors' suppliers are subject to many of the same consequences that would impact the Debtors as a result of a prolonged contraction in automotive sales and production volumes. In addition, many of the Debtors' suppliers also directly supply to Ford, GM and Chrysler, and the financial condition of these OEMs could impact the collectability of their accounts receivable. Depending on each supplier's financial condition and access to capital, its viability could be threatened by such conditions or events which could impact its ability to meet its contractual commitments to the Debtors and consequently impact their ability to meet their own commitments to their customers. There is no assurance that the Debtors would be able to establish alternative sources of supply in time to meet such commitments and avoid potential penalties and damages that could result from such failure.

(d) The Debtors Could Be Adversely Affected If They Are Unable to Continue to Compete Successfully in the Automotive Parts Industry

The automotive parts industry is highly competitive. The Debtors face numerous competitors in each of the product lines the Debtors serve. In general, there are three or more significant competitors for most of the products offered by the Company and numerous smaller competitors. The Debtors also face increased competition for certain of their products from suppliers producing in lower-cost countries such as Korea and China, especially for certain lower-technology noise, vibration and harshness control products that have physical characteristics that make long-distance shipping more feasible and economical. The Debtors

may not be able to continue to compete favorably and increased competition in the Debtors' markets may have a material adverse effect on the Debtors' businesses.

(e) Disruption in the Financial Markets Are Adversely Impacting the Availability and Cost of Credit Which Could Continue to Negatively Affect the Debtors' Businesses

Disruptions in the financial markets, including the bankruptcy, insolvency or restructuring of certain financial institutions, and the general lack of liquidity continue to adversely impact the availability and cost of incremental credit for many companies, including us, and may adversely affect the availability of credit already arranged including, in our case, credit already arranged under our DIP Financing Agreement. These disruptions are also adversely affecting the U.S. and world economy, further negatively impacting consumer spending patterns in the automotive industry. In addition, as our customers and suppliers respond to rapidly changing consumer preferences, they may require access to additional capital. If required capital is not obtained or its cost is prohibitively high, their business would be negatively impacted which could result in further restructuring or even reorganization under bankruptcy laws. Any such negative impact, in turn, could negatively affect our business, either through loss of sales to any of our customers so affected or through inability to meet our commitments (or inability to meet them without excess expense) because of our suppliers' inability to perform.

(f) The Reorganized Debtors May Incur Financial Liability with Respect to their Customer Programs and Warranties

The Debtors may be exposed to product liability and warranty claims in the event that their products actually or allegedly fail to perform as expected or the use of their products results, or is alleged to result, in bodily injury and/or property damage. Accordingly, the Debtors could experience material warranty or product liability losses in the future and incur significant costs to defend these claims.

In addition, if any of the Debtors products are, or are alleged to be, defective, the Debtors may be required to participate in a recall of that product if the defect or the alleged defect relates to automotive safety. The Debtors' costs associated with providing product warranties could be material. Product liability, warranty, and recall costs may have a material adverse effect on the Debtors' business, results of operations, and financial condition.

(g) Key Personnel

The Debtors' ability to operate their businesses and implement their strategies depends, in part, on the efforts of their key employees. The severe down turn in the auto industry may add additional pressure to the Debtors' ability to retain key employees. In addition, the Debtors' future success will depend on, among other factors, the Debtors' ability to attract and retain other qualified personnel. The loss of the services of any of the Debtors' key employees or the failure to attract or retain other qualified personnel could have a material adverse effect on their businesses or business prospects.

(h) Litigation

The Debtors are periodically involved in claims, litigation and various legal matters that arise in the ordinary course of business. Each of these matters is subject to various uncertainties, and some of these matters may be resolved unfavorably with respect to the Debtors. A reserve estimate is established for each matter and updated as additional information becomes available. The Debtors do not believe that the ultimate resolution of any of these matters will have a material adverse effect on their financial condition, results of operations, or cash flows.

(i) Increasing Costs for or Reduced Availability of Manufactured Components and Raw Materials May Adversely Affect the Debtors' Profitability

The principal raw materials that the Debtors purchase include fabricated metal-based components, synthetic rubber, carbon black, and natural rubber. Raw materials comprise the largest component of the Debtors' costs, representing approximately 55.6% of the Debtors' total costs during the nine months ended September 30, 2009. A significant increase in the price of these items could materially increase the Debtors' operating costs and materially and adversely affect the Debtors' profit margins because it is generally difficult to pass through these increased costs to their customers. For example, the Debtors have experienced significant price increases in their raw steel and steel-related components purchases as a result of increased global demand. While these increases fell off in the second half of 2008, continued volatility in the global market presents risk in forecasting cost.

Because the Debtors purchase various types of raw materials and manufactured components, they may be materially and adversely affected by the failure of their suppliers of those materials to perform as expected. This non-performance may consist of delivery delays or failures caused by production issues or delivery of non-conforming products. The risk of non-performance may also result from the insolvency or bankruptcy of one or more of their suppliers. The Debtors' suppliers' ability to supply products to the Debtors is also subject to a number of risks, including availability of raw materials, such as steel and natural rubber, destruction of their facilities, or work stoppages. In addition, the Debtors' failure to promptly pay, or order sufficient quantities of inventory from their suppliers may increase the cost of products they purchase or may lead to suppliers refusing to sell products to them at all. The Debtors' efforts to protect against and to minimize these risks may not always be effective.

The Debtors consider the production capacities and financial condition of suppliers in their selection process, and expect that they will meet the Debtors' delivery requirements. However, there can be no assurance that strong demand, capacity limitations, shortages of raw materials or other problems will not result in any shortages or delays in the supply of components to the Debtors.

(j) The Debtors Are Subject to Other Risks Associated with Their Non-U.S. Operations

The Debtors have significant manufacturing operations outside the United States, including joint ventures and other alliances. The Debtors' operations are located in 18 countries and they export to several other countries. As of September 30, 2009, approximately 74% of the

Debtors' net sales originated outside the United States. Risks are inherent in international operations, including:

- exchange controls and currency restrictions;
- currency fluctuations and devaluations;
- changes in local economic conditions;
- changes in laws and regulations, including the imposition of embargos;
- exposure to possible expropriation or other government actions; and
- unsettled political conditions and possible terrorist attacks against American interests.

These and other factors may have a material adverse effect on the Debtors' international operations or on the Debtors' businesses, results of operations, and financial condition. For example, the Debtors are faced with potential difficulties in staffing and managing local operations and they have to design local solutions to manage credit risks of local customers and distributors. Also, the cost and complexity of streamlining operations in certain European countries is greater than would be the case in the United States, due primarily to labor laws in those countries that can make reducing employment levels more time-consuming and expensive than in the United States. The Debtors' flexibility in their foreign operations can also be somewhat limited by agreements they have entered into with their foreign joint venture partners.

The Debtors' overall success as a global business depends, in part, upon their ability to succeed in differing economic, social, and political conditions. The Debtors may not continue to succeed in developing and implementing policies and strategies that are effective in each location where they do business, and failure to do so could harm their businesses, results of operations, and financial condition.

The Debtors' sales outside the United States expose them to currency risks. During times of a strengthening U.S. dollar, at a constant level of business, the Debtors' reported international sales and earnings will be reduced because the local currency will translate into fewer U.S. dollars. In addition to currency translation risks, the Debtors incur a currency transaction risk whenever one of their operating subsidiaries enters into either a purchase or a sales transaction using a different currency from the currency in which it receives revenues. Given the volatility of exchange rates, the Debtors may not be able to manage their currency transaction and/or translation risks effectively, or volatility in currency exchange rates may have a material adverse effect on the Debtors' financial condition or results of operations.

(k) The Debtors' Import and Export Compliance

The Debtors operate a globally integrated business that requires the cross border movement of both finished goods and parts thereof. The cross border movement of goods is subject to a broad range of laws and regulations related to the customs process, some of which

are specific to the integrated structure of the automotive industry. In addition, the government of each respective jurisdiction where the Debtors do business can impose controls and prohibitions on the goods themselves, as well as their destination. Governments also impose restrictions and prohibitions on specific countries and individuals that their nationals can do business with and the restrictions imposed in one jurisdiction may conflict with those imposed in another jurisdiction where the Debtors do business. Failure to comply with these laws and regulations can lead to significant liability including, but not limited to, substantial fines and criminal charges. As the Debtors operate a globally integrated automotive parts business it is difficult to assess each subsidiary's import/export compliance and correspondingly difficult to precisely assess the potential for liability. The Debtors may have undiscovered liability related to the cross border movement of goods, which, if discovered by the Debtors or the relevant government authority, may materially affect the Debtors' financial condition, as well as disrupt the Debtors' business procedures.

(l) The Debtors' Lean Manufacturing and Other Cost Savings Plans May Not Be Effective

The Debtors' operations strategy includes cutting costs by reducing product errors, inventory levels, operator motion, overproduction, and waiting while fostering the increased flow of material, information, and communication. The cost savings that the Debtors anticipate from these initiatives may not be achieved on schedule or at the level anticipated by management. If the Debtors are unable to realize these anticipated savings, their operating results and financial condition may be adversely affected. Moreover, the implementation of cost saving plans and facilities integration may disrupt the Debtors' operations and performance.

(m) Work Stoppages or Similar Difficulties Could Disrupt the Debtors' Operations

As of September 30, 2009, approximately 41% of the Debtors' employees were represented by unions, and approximately 13% of their employees were union represented employees located in the United States. It is possible that the Debtors' workforce will become more unionized in the future. A work stoppage at one or more of the Debtors' plants may have a material adverse effect on the Debtors' businesses. Unionization activities could also increase the Debtors' costs, which could have an adverse effect on their profitability. The Debtors may be subject to work stoppages and may be affected by other labor disputes. Additionally, a work stoppage at one or more of the Debtors' customers or their customers' suppliers could adversely affect the Debtors' operations if an alternative source of supply were not readily available. Stoppages by employees of the Debtors' customers also could result in reduced demand for their products and have a material adverse effect on their businesses.

(n) The Debtors' Intellectual Property Portfolio May Be Subject to Legal Challenges

The Debtors have developed and actively pursue developing proprietary technology in the automotive industry and rely on intellectual property laws and a number of patents in many jurisdictions to protect such technology. However, the Debtors may be unable to prevent third parties from using the Debtors' intellectual property without authorization. If the

Debtors had to litigate to protect these rights, any proceedings could be costly, and they may not prevail. The Debtors also face increasing exposure to the claims of others for infringement of intellectual property rights. The Debtors may have material intellectual property claims asserted against them in the future and could incur significant costs or losses related to such claims.

(o) The Debtors' Success Depends in Part on Their Development of Improved Products, and the Debtors' Efforts May Fail to Meet the Needs of Customers on a Timely or Cost-Effective Basis

The Debtors' continued success depends on their ability to maintain advanced technological capabilities, machinery, and knowledge necessary to adapt to changing market demands as well as to develop and commercialize innovative products. The Debtors may not be able to develop new products as successfully as in the past or be able to keep pace with technological developments by their competitors and the industry generally. In addition, the Debtors may develop specific technologies and capabilities in anticipation of customers' demands for new innovations and technologies. If such demand does not materialize, the Debtors may be unable to recover the costs incurred in such programs. If the Debtors are unable to recover these costs or if any such programs do not progress as expected, their business, financial condition, or results of operations could be materially adversely affected.

(p) The Debtors Are Subject to a Broad Range of Environmental, Health, and Safety Laws and Regulations, Which Could Adversely Affect Their Businesses and Results of Operations

The Debtors are subject to a broad range of federal, state, and local environmental and occupational safety and health laws and regulations in the United States and other countries, including those governing emissions to air, discharges to water, noise and odor emissions; the generation, handling, storage, transportation, treatment, and disposal of waste materials; the cleanup of contaminated properties; and human health and safety. The Debtors may incur substantial costs associated with hazardous substance contamination or exposure, including cleanup costs, fines, and civil or criminal sanctions, third party property or natural resource damage, or personal injury claims, or costs to upgrade or replace existing equipment, as a result of violations of or liabilities under environmental laws or the failure to maintain or comply with environmental permits required at the Debtors' locations. In addition, many of the Debtors' current and former facilities are located on properties with long histories of industrial or commercial operations and some of these properties have been subject to certain environmental investigations and remediation activities. The Debtors maintain environmental reserves for certain of these sites, which the Debtors believe are adequate. Because some environmental laws (such as the Comprehensive Environmental Response, Compensation and Liability Act) can impose liability retroactively and regardless of fault, on potentially responsible parties for the entire cost of cleanup at currently or formerly owned and operated facilities, as well as sites at which such parties disposed or arranged for disposal of hazardous waste, the Debtors could become liable for investigating or remediating contamination at its current or former properties or other properties (including offsite waste disposal locations). The Debtors may not always be in complete compliance with all applicable requirements of environmental law or regulation, and they may receive notices of violation or become subject to enforcement actions or incur material costs or liabilities in connection with such requirements. In addition, new environmental

requirements or changes to interpretations of existing requirements, or in their enforcement, could have a material adverse effect on the Debtors' businesses, results of operations, and financial condition. For example, while the Debtors are not large emitters of greenhouse gases, laws, regulations and certain regional initiatives under consideration by the U.S. Congress, the U.S. Environmental Protection Agency, and various states, and in effect in certain foreign jurisdictions, could result in increased operating costs to control and monitor such emissions. The Debtors have made and will continue to make expenditures to comply with environmental requirements. While the Debtors' costs to defend and settle claims arising under environmental laws in the past have not been material, such costs may be material in the future.

13.03 **Factors Affecting the Value of the Securities**

(a) The Projections set forth in this Disclosure Statement May Not be Achieved

The Projections cover the operations of the Reorganized Debtors through the period ending December 31, 2013. The Projections are based on numerous assumptions that are an integral part thereof, including Confirmation and consummation of the Plan in accordance with its terms, the anticipated future performance of the Reorganized Debtors, industry performance, general business and economic conditions, competition, adequate financing, absence of material claims, the ability to make necessary product development and capital expenditures, the ability to establish strength in new markets and to maintain, improve and strengthen existing markets, consumer purchasing trends and preferences, the ability to increase gross margins and control future operating expenses and other matters, many of which are beyond the control of the Reorganized Debtors, including regulatory actions, and some or all of which may not materialize. In addition, unanticipated events and circumstances occurring subsequent to the date of this Disclosure Statement may affect the actual financial results of the operations of the Reorganized Debtors. These variations may be material and adverse. Because the actual results achieved throughout the periods covered by the Projections will vary from the projected results, the Projections should not be relied upon as a guaranty, representation, or other assurance of the actual results that will occur.

(b) The New Working Capital Credit Facility and the New Secured Debt Facility May Impose Restrictions on the Reorganized Debtors' Businesses

The New Working Capital Agreement and the New Secured Debt Financing Agreement may contain covenants imposing significant restrictions on the Reorganized Debtors' businesses. These restrictions may affect the Reorganized Debtors' ability to operate their businesses and may limit their ability to take advantage of potential business opportunities as they arise. The Reorganized Debtors' ability to comply with these agreements may be affected by events beyond their control, including prevailing economic, financial and industry conditions, all of which are subject to the risks described in this section. The breach of any of these covenants or restrictions could result in a default under the New Working Capital Credit Agreement and/or the New Secured Debt Agreement. An event of default under the New Working Capital Credit Agreement and/or the New Secured Debt Financing Agreement may permit some of the Reorganized Debtors' lenders to declare all amounts borrowed from them to be immediately due and payable. In such case, the Reorganized Debtors may be unable to pay

such amounts. In addition, due to various business, financial, economic or other factors, the Reorganized Debtors may be unable to make payments required under the New Working Capital Agreement and/or the New Secured Debt Financing Agreement as they become due, including repaying the principal amount thereof.

(c) Post-Emergence Leverage

The Debtors will be materially leveraged upon emergence from chapter 11. The Debtors' high degree of leverage could have important consequences, including:

. It may limit the Debtors' ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions, and general corporate or other purposes on favorable terms or at all;

. A substantial portion of the Debtors' cash flows from operations must be dedicated to the payment of principal and interest on the Debtors' indebtedness and thus will not be available for other purposes, including the Debtors' operations, capital expenditures, and future business opportunities;

. It may place the Debtors at a competitive disadvantage compared to those of their competitors that are less highly leveraged;

. It may restrict the Debtors' ability to make strategic acquisitions or cause them to make non-strategic divestitures; and

. The Debtors' may be more vulnerable than a less highly-leveraged company to a downturn in general economic conditions or in the Debtors' businesses, or the Debtors may be unable to carry out the desired amount of capital spending to support the Debtors' growth.

(d) Absence of Market for Shares of the New Common Stock, New Preferred Stock and New Capital Warrants

Shares of the New Capital Stock and the New Capital Warrants are newly issued securities for which there is no established trading market and there can be no assurance that a trading market for these securities will develop. In addition, there is no public market for shares of the New Capital Stock and the New Capital Warrants and such a public market may not develop following the issuance of these securities. Accordingly, no assurance can be given as to the ability of Holders of shares of the New Capital Stock and the New Capital Warrants to sell such securities or the price that Holders may obtain for such securities.

(e) The Backstop Parties May Acquire a Significant Degree of Influence over the Matters Presented to Shareholders

The Backstop Parties may acquire a significant degree of influence over the matters that are presented to shareholders of Reorganized Holdings pursuant to Holdings'

Reorganized Debtor Certificate of Incorporation and the Reorganized Holdings By-laws. In accordance with the Plan, the Backstop Parties may acquire, upon conversion of the New Preferred Stock and the exercise of the Backstop Warrants, approximately 90%, of the shares of New Common Stock if the Backstop Purchasers were to purchase all of the $355 million of New Capital Stock for which it has provided a backstop commitment or is entitled to under the Equity Commitment Agreement.

(f) Holders of Shares of New Capital Stock and Backstop Warrants Will Be Restricted in Their Ability to Transfer or Resell such Shares

The New Capital Stock issued pursuant to the Rights Offering and the Backstop Warrants will be exempt from registration under the Securities Act and applicable state securities laws. The New Capital Stock and Backstop Warrants will not be registered under the Securities Act and, therefore, until Reorganized Holdings fulfills its obligations to register the New Capital Stock and Backstop Warrants under the Plan or the Registration Rights Agreement, holders of shares of New Capital Stock issued pursuant to the Rights Offering and Backstop Warrants may only offer or sell the shares pursuant to an exemption from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws or pursuant to an effective registration statement. In addition, the Debtors cannot assure that Reorganized Holdings will be able to register the New Capital Stock and the Backstop Warrants in the manner and at the times contemplated by the Plan and the Registration Rights Agreement.

(g) Reorganized Holdings' Ability to Pay Any Dividends on the New Common Stock and the New Preferred Stock will be Limited

Reorganized Holdings cannot assure the Holders of the New Common Stock and New Preferred Stock that it will be able to pay dividends. Reorganized Holdings' ability to pay any cash or non-cash dividends on its stock is subject to the availability of adequate cash (or other consideration) to pay dividends, applicable provisions of state law and the terms of the New Working Capital Facility and the New Secured Debt Financing Facility and any other financing instruments or arrangements that it or its Affiliates or Subsidiaries may enter into in the future. Furthermore, even if Reorganized Holdings has such cash or non-cash property available and provisions and terms of its financing agreements would not be violated by the payment of dividends, the payment of any dividend is subject to the discretion of the board of directors of Reorganized Holdings.

ALTHOUGH THE DEBTORS' MANAGEMENT HAS USED ITS REASONABLE BEST EFFORTS TO ENSURE THE ACCURACY OF THE FINANCIAL INFORMATION PROVIDED IN THIS DISCLOSURE STATEMENT, SOME OF THE FINANCIAL INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT HAS NOT BEEN AUDITED AND IS BASED UPON AN ANALYSIS OF DATA AVAILABLE AT THE TIME OF THE PREPARATION OF THE PLAN AND THIS DISCLOSURE STATEMENT. WHILE THE DEBTORS' MANAGEMENT BELIEVES THAT SUCH FINANCIAL INFORMATION FAIRLY REFLECTS THE FINANCIAL CONDITION OF THE DEBTORS, THE DEBTORS' MANAGEMENT IS UNABLE TO REPRESENT OR WARRANT THAT THE INFORMATION CONTAINED HEREIN AND ATTACHED HERETO IS WITHOUT INACCURACIES.

THESE RISK FACTORS CONTAIN CERTAIN FORWARD-LOOKING STATEMENTS THAT ARE SUBJECT TO A NUMBER OF ASSUMPTIONS, RISKS AND UNCERTAINTIES, MANY OF WHICH ARE BEYOND THE CONTROL OF THE DEBTORS, INCLUDING, AMONG OTHERS, CURRENCY EXCHANGE RATE FLUCTUATIONS, TERRORIST ACTIONS OR ACTS OF WAR, OPERATING EFFICIENCIES, LABOR RELATIONS, ACTIONS OF GOVERNMENTAL BODIES AND OTHER MARKET AND COMPETITIVE CONDITIONS. HOLDERS OF CLAIMS AND EQUITY INTERESTS ARE CAUTIONED THAT THE FORWARD-LOOKING STATEMENTS SPEAK AS OF THE DATE MADE AND ARE NOT GUARANTEES OF FUTURE PERFORMANCE. ACTUAL RESULTS OR DEVELOPMENTS MAY DIFFER MATERIALLY FROM THE EXPECTATIONS EXPRESSED OR IMPLIED IN THE FORWARD-LOOKING STATEMENTS AND THE DEBTORS UNDERTAKE NO OBLIGATION TO UPDATE ANY SUCH STATEMENTS.

ARTICLE XIV.
APPLICATION OF SECURITIES ACT

14.01 **Issuance and Resale of New Securities Under the Plan**

(a) Section 1145 of the Bankruptcy Code

Section 1145 of the Bankruptcy Code generally exempts the issuance of a security from registration under the Securities Act (and any equivalent state securities or "blue sky" laws) if the following conditions are satisfied: (i) the security is issued by a debtor (or its successor) under a chapter 11 plan, (ii) the recipient of the security holds a claim against, an interest in, or a claim for an administrative expense against, the debtor and (iii) the security is issued entirely in exchange for such claim or interest, or is issued "principally" in exchange for such claim or interest and "partly" for cash or property.

Section 1145 is not available to any entity that is defined as an underwriter as defined in section 1145(b) of the Bankruptcy Code. Section 1145(b) of the Bankruptcy Code defines "underwriter" as an entity who: (A) purchases a claim against, interest in, or claim for an administrative expense in the case concerning, the debtor, if such purchase is with a view to distribution of any security received or to be received in exchange for such a claim or interest; (B) offers to sell securities offered or sold under a plan for the Holder of such securities; (C) offers to buy securities offered or sold under a plan from the Holder of such securities, if such offer to buy is (i) with a view to distribution of such securities, and (ii) under an agreement made in connection with the plan, with the consummation of a plan, or with the offer or sale of securities under a plan; or (D) is an issuer, as used in section 2(a)(11) of the Securities Act, with respect to such securities. Issuer for these purposes is defined as any person who, directly or indirectly, controls, is controlled by, or is under direct or indirect common control with, the issuer. "Control" (as such term is defined in Rule 405 of Regulation C under the Securities Act) means the possession, direct or indirect, of the power to direct or cause the direction of the policies of a person, whether through the ownership of voting securities, by contract, or otherwise.

Securities exempt from registration under section 1145 of the Bankruptcy Code may be resold without registration under the Securities Act or other federal securities laws pursuant to the exemption provided by section 4(l) of the Securities Act, which provides that the registration provisions of the Securities Act do not apply to transactions by persons other than issuers, underwriters or dealers In addition, such securities generally may be resold without registration under state securities laws pursuant to various exemptions provided by the respective laws of the several states. **However, recipients of securities issued under the Plan are advised to consult with their own counsel as to the availability of any such exemption from registration in any given instance and as to any applicable requirements or conditions to such availability.**

Securities distributed under the Plan to affiliates of the Company, meaning persons in a "control" relationship with the Company as defined above, would not be eligible for the exemption of section 1145. However, affiliates who receive securities under the Plan that would otherwise qualify for the exemption of section 1145 might still be able to sell those securities without registration pursuant to Rule 144 of the Securities Act. Rule 144 allows a holder of securities that is an affiliate of the issuer that is in compliance with the reporting requirements of Rule 144 of such securities to sell, without registration, within any three-month period a number of such securities that does not exceed the greater of one percent (1%) of the number of outstanding securities in question or the average weekly trading volume in the securities in question during the four (4) calendar weeks preceding the date on which notice of such sale was filed pursuant to Rule 144, subject to the satisfaction of certain other requirements of Rule 144 regarding the manner of sale, notice requirements and the availability of current public information regarding the issuer.

There can be no assurance that an active market for any of the securities to be distributed under the Plan will develop and no assurance can be given as to the prices at which they might be traded.

BECAUSE OF THE COMPLEX, SUBJECTIVE NATURE OF THE QUESTION OF WHETHER A PARTICULAR HOLDER MAY BE AN UNDERWRITER, AFFILIATE OR DEALER, THE DEBTORS MAKE NO REPRESENTATION CONCERNING THE ABILITY OF ANY PERSON TO DISPOSE OF THE SECURITIES TO BE DISTRIBUTED UNDER THE PLAN.

MOREOVER, SUCH SECURITIES, OR THE DOCUMENTS THAT ESTABLISH THE TERMS AND PROVISIONS THEREOF, MAY CONTAIN TERMS AND LEGENDS THAT RESTRICT OR INDICATE THE EXISTENCE OF RESTRICTIONS ON THE TRANSFERABILITY OF SUCH SECURITIES.

THE DEBTORS RECOMMEND THAT RECIPIENTS OF SECURITIES UNDER THE PLAN CONSULT WITH LEGAL COUNSEL CONCERNING THE LIMITATIONS ON THEIR ABILITY TO DISPOSE OF SUCH SECURITIES.

14.02 **New Common Stock, New Preferred Stock, New Capital Warrants**

The Plan provides that (i) all Old Holdings Equity Interests will be cancelled as of the Effective Date and (ii) Holders of Allowed Senior Subordinated Note Claims and Supporting Senior Note Claims will receive distributions of New Common Stock and Holders of Allowed Senior Subordinated Note Claims will receive the Senior Subordinated Noteholder Warrant Distribution.

The Debtors believe that (i) the New Common Stock being distributed pursuant to the Senior Subordinated Noteholder Stock Distribution and the Non-Eligible Noteholder Shares and (ii) the New Capital Warrants being distributed pursuant to the Senior Subordinated Noteholder Warrant Distribution, are exempt from the registration requirements of the Securities Act and equivalent state securities or "blue sky" laws pursuant to the exemption, and subject to exceptions and limitations, contained in section 1145 of the Bankruptcy Code, as described in section 14.01 of Article XIV "Application of Securities Act."

14.03 **Rights Offering: Rights Offering Shares, Holdback Shares and Backstop Warrants**

The Rights Offering is described in section 9.05 of the Plan and above in section 7.05 of this Disclosure Statement. Pursuant to the Rights Offering, the Debtors will issue Senior Subordinated Noteholder Rights to purchase the Rights Offering Shares to Eligible Noteholders of Allowed Senior Subordinated Note Claims. The Backstop Parties, pursuant to the Equity Commitment Agreement, have agreed to purchase all Rights Offering Shares that are not subscribed for in the Rights Offering. The Backstop Parties will also receive the Holdback Shares and the Backstop Warrants as consideration for their commitment under the Equity Commitment Agreement. The Debtors believe that the Rights Offering Shares, the Holdback Shares and the Backstop Warrants are exempt from registration under the Securities Act, pursuant to an exemption from the Securities Act, as transactions by an issuer not involving any public offering, and equivalent exemptions in state securities laws.

ARTICLE XV.
FINANCIAL PROJECTIONS, VALUATION AND ASSUMPTIONS USED

The projected financial and valuation information set forth below and on the attached Appendix A (the "Projections") should be read in conjunction with the assumptions, qualifications, limitations and explanations set forth herein and the other information set forth herein.[11]

[11] Further information regarding the Debtors' historical financial information, as well as business, is set forth in Holdings' Form 10-K for the fiscal year ended December 31, 2008, Holdings' Form 10-Q for the quarterly period ended September 30, 2009, Holdings' Form 10-Q for the quarterly period ended June 30, 2009, and Holdings' Form 10-Q for the quarterly period ended March 31, 2009 which are attached to this Disclosure Statement as Appendices D, E, F, and G, respectively.

15.01 **Valuation of the Debtors**

THE VALUATION INFORMATION CONTAINED IN THIS SECTION WITH REGARD TO THE REORGANIZED DEBTORS IS NOT A PREDICTION OR GUARANTEE OF THE ACTUAL MARKET VALUE THAT MAY BE REALIZED THROUGH THE SALE OF ANY SECURITIES TO BE ISSUED PURSUANT TO THE PLAN.

(a) Overview

The Debtors have been advised by Lazard, their financial advisor, with respect to the potential consolidated Enterprise Value (as hereinafter defined), expressed as a range of values, of the Reorganized Debtors on a going-concern basis. Lazard undertook this valuation analysis for the purpose of determining value available for Distribution to Holders of Allowed Claims pursuant to the Plan and to analyze the potential relative recoveries to such Holders thereunder. The estimated total value available for Distribution (the "Distributable Value") to Holders of Allowed Claims is based upon the estimated value of the Reorganized Debtors' operations on a going concern basis (the "Enterprise Value," as identified above).

Based solely on information provided by the Debtors and publicly available information, Lazard has concluded solely for purposes of the Plan that the estimated Distributable Value of the Reorganized Debtors ranges from $975 million to $1,075 million, with a mid-point estimate of approximately $1,025 million as of an assumed Effective Date of May 1, 2010. Based on an assumed net debt balance of approximately $430 million on the Effective Date, an estimated value of $128 million for the New Preferred Stock, an estimated value of $21 million for the New Capital Warrants and the assumed mid-point Enterprise Value estimate of approximately $1,025 million, Lazard's estimated Distributable Value implies an estimated mid-point value for the New Common Stock of approximately $446 million. Assuming 17,486,990 shares of New Common Stock are distributed to the Holders of Allowed Claims, participants in the Rights Offering and the Backstop Parties pursuant to the Plan, the estimated mid-point value of New Common Stock is equal to $25.52 per share. These values do not give effect to the potentially dilutive impact of (a) any additional shares issued pursuant to the plan as compensation to Senior Subordinated Noteholders who are not Qualified Institutional Investors or Accredited Investors, and thus unable to participate in the Rights Offering or (b) any shares granted, or issued upon exercise of any options that may be granted, under a long-term incentive plan which the Board of Directors of the Reorganized Debtors may authorize for management of the Reorganized Debtors. Lazard's estimates of Enterprise Value and Distributable Value do not constitute an opinion as to fairness from a financial point of view of the consideration to be received under the Plan or of the terms and provisions of the Plan.

THE ESTIMATED DISTRIBUTABLE VALUE RANGE, AS OF THE ASSUMED EFFECTIVE DATE OF MAY 1, 2010, REFLECTS WORK PERFORMED BY LAZARD ON THE BASIS OF INFORMATION PROVIDED BY THE REORGANIZED DEBTORS AND PUBLICLY AVAILABLE INFORMATION AS OF FEBRUARY 26, 2010. ALTHOUGH SUBSEQUENT DEVELOPMENTS MAY AFFECT LAZARD'S

CONCLUSIONS, NEITHER LAZARD NOR THE DEBTORS HAVE ANY OBLIGATION TO UPDATE, REVISE OR REAFFIRM SUCH ESTIMATES.

With respect to the Projections (as defined below) prepared by the management of the Debtors and included in this Disclosure Statement, Lazard assumed that such Projections were reasonably prepared in good faith and on a basis reflecting the Debtors' best estimates and judgments as to the future operating and financial performance of the Reorganized Debtors. Lazard's Distributable Value range assumes the Reorganized Debtors will achieve their Projections in all material respects, including EBITDA growth and improvements in EBITDA margins, earnings and cash flow. If the business performs at levels below those set forth in the Projections, such performance may have a materially negative impact on Enterprise Value.

In estimating the Enterprise Value and Distributable Value of the Reorganized Debtors, Lazard: (a) reviewed certain historical financial information of the Debtors for recent years and interim periods; (b) reviewed certain internal financial and operating data of the Debtors, including the Projections as described in this Disclosure Statement, which data were prepared and provided to Lazard by the management of the Debtors and which relate to the Reorganized Debtors' business and its prospects; (c) met with members of senior management to discuss the Debtors' operations and future prospects; (d) reviewed extensive publicly available financial data for, and considered the market value of, public companies that Lazard deemed generally comparable to the operating business of the Debtors; (e) considered certain economic and industry information relevant to the operating business; and (f) conducted such other studies, analyses, inquiries and investigations as it deemed appropriate. For all purposes of its valuation analysis, Lazard assumed and relied on the accuracy and completeness of all financial and other information furnished to it by the Debtors, as well as publicly available information.

In addition, Lazard did not independently verify management's Projections, or any other information, in connection with its valuation analysis, and no independent valuations or appraisals of the Reorganized Debtors were sought or obtained in connection herewith.

Lazard's analysis addresses the estimated going-concern Enterprise Value of the Debtors and does not value other contingent assets such as any potential value related to certain potential tax attributes, including NOLs. It does not address other aspects of the proposed reorganization, the Plan or any other transactions, and it does not address the Debtors' underlying business decision to effect the reorganization set forth in the Plan. Lazard's valuation analysis does not constitute a recommendation to any Holder of Allowed Claims as to how such person should vote or otherwise act with respect to the Plan. Lazard has not been asked to nor did Lazard express any view as to what the value of the Debtors' securities will be when issued pursuant to the Plan or the prices at which they may trade in the future. The estimated Enterprise Value of the Debtors set forth herein does not constitute an opinion as to fairness from a financial point of view to any person of the consideration to be received by such person under the Plan or of the terms and provisions of the Plan.

Such estimates reflect the application of various valuation techniques and do not purport to reflect or constitute appraisals, liquidation values or estimates of the actual market value that may be realized through the sale of any securities to be issued pursuant to the Plan, which may be significantly different than the amounts set forth herein. The value of an operating

business is subject to numerous uncertainties and contingencies which are difficult to predict and will fluctuate with changes in factors affecting the financial condition and prospects of such a business. As a result, the estimated Enterprise Value range of the Reorganized Debtors set forth herein is not necessarily indicative of actual outcomes, which may be significantly more or less favorable than those set forth herein. Neither the Debtors, Lazard, nor any other person assumes responsibility for their accuracy. In addition, the valuation of newly issued securities is subject to additional uncertainties and contingencies, all of which are difficult to predict. Actual market prices of such securities at issuance will depend upon, among other things, the operating performance of the Debtors, prevailing interest rates, conditions in the financial markets, the anticipated holding period of securities received by pre-petition creditors (some of whom may prefer to liquidate their investment rather than hold it on a long-term basis), and other factors which generally influence the prices of securities.

(b) Valuation Methodology

The following is a brief summary of certain financial analyses performed by Lazard to arrive at its range of estimated Enterprise Values and Distributable Values for the Reorganized Debtors. Lazard performed certain procedures, including each of the financial analyses described below, and reviewed with the management of the Debtors the assumptions on which such analyses were based. Lazard's valuation analysis must be considered as a whole and selecting just one methodology or portions of the analysis could create a misleading or incomplete conclusion as to Enterprise Value.

Under the valuation methodologies summarized below, Lazard derived a range of Enterprise Values for the Reorganized Debtor's consolidated global operations and its unconsolidated joint venture interests (the "Minority JV's") to arrive at a consolidated Enterprise Value range.

(i) Comparable Company Analysis

Comparable company analysis estimates the value of a company based on a relative comparison with other publicly traded companies with similar operating and financial characteristics. Under this methodology, observed enterprise values and equity values for selected public companies are commonly expressed as multiples of various measures of earnings, most commonly earnings before interest, taxes, depreciation and amortization ("EBITDA"), earnings before interest and taxes ("EBIT") and net income. In addition, each company's operational performance, operating margins, profitability, leverage and business trends are examined. Based on these analyses, financial multiples and ratios are calculated to measure each company's relative performance and valuation.

A key factor to this approach is the selection of companies with relatively similar business and operational characteristics to the Debtors. Common criteria for selecting comparable companies for the analysis include, among other relevant characteristics: similar lines of businesses, customers, business risks, growth prospects, maturity of businesses, location, market presence and scale of operations. The selection of truly comparable companies is often difficult and subject to limitations due to sample size and the availability of meaningful market-based information. However, the underlying concept is to develop a premise for relative value,

which, when coupled with other approaches, presents a foundation for estimating Enterprise Value.

Lazard selected the following publicly traded companies (the "Peer Group") on the basis of general comparability to the Debtors in one or more of the factors described above: American Axle & Manufacturing Holdings, Inc., ArvinMeritor, Inc., Autoliv, Inc., BorgWarner Inc., Continental AG, Dana Holding Corp., Exide Technologies, Federal-Mogul Corp, Magna International Inc., Martinrea International Inc., Tenneco Inc., TRW Automotive Holdings Corp. and Valeo.

Using publicly available information, Lazard calculated multiples of enterprise value to EBITDA for the latest twelve months ended ("LTM") December 31, 2009; and each of the calendar years ended 2010 through 2012 for the Peer Group by dividing the enterprise values of each comparable company as of February 26, 2010, by their reported LTM and projected 2010-2012 EBITDA, as estimated by equity research analysts and reported by Institutional Brokers' Estimate System (IBES). Given the significant disruptions in the automotive sector that began in 2008 and continued in 2009, including the bankruptcies of General Motors Corporation and Chrysler Corporation, Lazard's valuation analysis was more heavily focused on 2010 - 2012 multiples.

In determining the applicable enterprise value multiple ranges, Lazard considered a variety of factors, including both qualitative attributes and quantitative measures such as historical and projected revenue and EBITDA results, historical enterprise value/EBITDA trading multiples, EBITDA margins, financial distress impacting trading values, size, and similarity in business lines.

Having calculated these statistics, Lazard then applied the range of multiples to the Debtors' Adjusted EBITDA to determine a range of Enterprise Values. To calculate Adjusted EBITDA, Lazard adjusted the Debtors' EBITDA to exclude assumed non-recurring expenses/charges, restructuring fees and expenses, losses from discontinued or inactive operations, plant closure costs, and dividend income from the Minority JVs. Although Lazard adjusted EBITDA for these factors, it also took into consideration the fact that the Debtors have historically taken significant restructuring charges in many years and also project future restructuring charges in each year of the forecast. Lazard valued the Debtors' interests in the Minority JVs separately.

(ii) Precedent Transactions Analysis

Precedent transactions analysis estimates the value of a company by examining public merger and acquisition transactions. An analysis of a company's transaction value as a multiple of various operating statistics provides industry-wide valuation multiples for companies in similar lines of business to the Debtors. Transaction multiples are calculated based on the purchase price (including any debt assumed) paid to acquire companies that are comparable to the Debtors. Lazard considered prices paid as a multiple of revenue, EBIT, and EBITDA, which were then applied to the Debtors' key operating statistics to estimate the Enterprise Value or value to a potential strategic buyer.

Unlike the comparable public company analysis, the valuation analysis in this methodology reflects a "control" premium, representing the purchase of a majority or controlling position in a company's assets. Thus, this methodology generally produces higher valuations than the comparable public company analysis. Other factors that may affect the values derived in a precedent transaction analysis include the following: (a) circumstances surrounding a merger transaction may introduce "diffusive quantitative results" into the analysis (e.g., an additional premium may be extracted from a buyer in a case of a competitive bidding contest); (b) the market environment is not identical for transactions occurring at different periods of time; and (c) circumstances pertaining to the financial position of the company may have an impact on the resulting purchase price (e.g., a company in financial distress may receive a lower price due to perceived weakness in its bargaining leverage).

As with the comparable public company analysis, because no acquisition used in any analysis is identical to a target transaction, valuation conclusions cannot be based solely on quantitative results. The reasons for and circumstances surrounding each acquisition transaction are specific to such transaction, and there are inherent differences between the businesses, operations, and prospects of each company. Therefore, qualitative judgments must be made concerning the differences between the characteristics of these transactions and other factors and issues that could affect the price an acquirer is willing to pay in an acquisition. The number of completed transactions for which public data is available also limits this analysis. Because the precedent transaction analysis explains other aspects of value besides the inherent value of a company, there are limitations as to its use in the valuation of the Debtors.

In estimating a range of Enterprise Values for the Reorganized Debtors under this methodology, Lazard used publicly available information to calculate multiples of total transaction value ("Transaction Value") to the LTM EBITDA of selected acquired companies at the time of the announcement of the relevant transaction and applied these multiples to the Debtors' LTM December 31, 2009 Adjusted EBITDA.

Lazard evaluated various merger and acquisition transactions that have occurred in the automotive supply industry over the past eight years and involved target companies which produced products that were similar to those of the Debtors, namely sealing, fluid handling, or noise vibration and harshness ("NVH") products. Over that time period, there were a limited number of precedent transactions and of those that are relevant, in some cases limited financial information was disclosed. The analysis was further limited by the fact that the most recent precedent transaction was in June 2007, prior to the industry disruptions that began in 2008.

(iii) Discounted Cash Flow Analysis

The Discounted Cash Flow ("DCF") analysis is a forward-looking enterprise valuation methodology that relates the value of an asset or business to the present value of expected future cash flows to be generated by that asset or business. Under this methodology, projected future cash flows are discounted by the business' weighted average cost of capital (the "Discount Rate"). The Discount Rate reflects the estimated blended rate of return debt and equity investors would require to invest in the business, based on its capital structure. Using a DCF analysis, the Enterprise Value of the Reorganized Debtors is estimated by calculating the present value of the Reorganized Debtors' unlevered after-tax free cash flows based on

projections provided by management of the Debtors (the "Projections") plus an estimate for the value of the firm beyond the period of 2010 to 2013 (the "Projection Period") known as the terminal value. The terminal value is derived by one of two (2) approaches: 1) applying a multiple to the Debtors' projected EBITDA in the final year of the Projection Period, discounted back to the Assumed Effective Date by the Discount Rate; and 2) dividing the projected unlevered free cash flow in the year following the final projected year by the Discount Rate minus a range of perpetual growth rates, discounted back to the Assumed Effective Date by the Discount Rate.

To estimate the Discount Rate for each the U.S. and Non-U.S. operations of the Reorganized Debtors, Lazard used the cost of equity and the after-tax cost of debt for the Reorganized Debtors, assuming a targeted long-term debt-to-total capitalization based on the adjusted average (defined as the average adjusted to exclude the highest and lowest data points) of its Peer Group. Lazard calculated the cost of equity based on the Capital Asset Pricing Model, which assumes that the required equity return is a function of, among other things, the risk-free cost of capital and the correlation of a publicly traded stock's performance to the return on the broader market. To estimate the cost of debt, Lazard estimated what would be the Reorganized Debtors' blended cost of debt based on current capital markets conditions and the financing costs for comparable companies with leverage similar to the Reorganized Debtors' target capital structure. In determining the terminal multiple, Lazard used a range based upon historical LTM EBITDA multiples that the Peer Group traded at over the past five years.

Although relatively formulaic methods are used to derive the key estimates for the DCF methodology, their application and interpretation still involve complex considerations and judgments concerning potential variances in the projected financial and operating characteristics of the Reorganized Debtors, which in turn affect assumptions regarding cost of capital and terminal multiples. Lazard calculated its DCF valuation on a range of Discount Rates of 12.9% to 15.5%, Perpetual Growth Rates of 3.3% to 4.3% and terminal value EBITDA multiples of 4.5x to 5.5x.

In applying the above methodology, Lazard utilized management's detailed Projections for the period beginning April 1, 2010 and ending December 31, 2013 to derive unlevered, after-tax free cash flows. Free cash flow includes sources and uses of cash not reflected in the income statement, such as changes in working capital and capital expenditures. For purposes of the DCF analysis, the Reorganized Debtors are assumed to be full taxpayers at the applicable regional level corporate income tax rates. These cash flows, along with the terminal value, are discounted back to the assumed Effective Date using the range of Discount Rates described above to arrive at a range of Enterprise Values.

(iv) Minority JV's

Lazard applied the DCF and multiple methods to estimate a range of values for the Debtors' unconsolidated joint venture interests in Nishikawa Standard Company and Shanghai SAIC-Metzler Sealing Systems Co. Ltd. Lazard also utilized the dividend discount methodology based upon management's Projections for the dividends that would be received on the Debtors' interests. Lazard estimated the value of the Debtors' unconsolidated joint venture

interest in Guyoung Technology Co. Ltd. based upon the market price of its publicly traded stock.

THE SUMMARY SET FORTH ABOVE DOES NOT PURPORT TO BE A COMPLETE DESCRIPTION OF THE ANALYSES PERFORMED BY LAZARD. THE PREPARATION OF A VALUATION ANALYSIS INVOLVES VARIOUS DETERMINATIONS AS TO THE MOST APPROPRIATE AND RELEVANT METHODS OF FINANCIAL ANALYSIS AND THE APPLICATION OF THESE METHODS IN THE PARTICULAR CIRCUMSTANCES AND, THEREFORE, SUCH AN ANALYSIS IS NOT READILY SUITABLE FOR SUMMARY DESCRIPTION. IN PERFORMING THESE ANALYSES, LAZARD AND THE DEBTORS MADE NUMEROUS ASSUMPTIONS WITH RESPECT TO INDUSTRY PERFORMANCE, BUSINESS AND ECONOMIC CONDITIONS AND OTHER MATTERS. THE ANALYSES PERFORMED BY LAZARD ARE NOT NECESSARILY INDICATIVE OF ACTUAL VALUES OR FUTURE RESULTS, WHICH MAY BE SIGNIFICANTLY MORE OR LESS FAVORABLE THAN SUGGESTED BY SUCH ANALYSES.

15.02 **Financial Projections**

The Projections attached hereto as Appendix A reflect numerous assumptions, including various assumptions with respect to the anticipated future performance of the Reorganized Debtors after the restructuring contemplated under the Plan is consummated, industry performance, general business and economic conditions and other matters, some of which are beyond the control of the Reorganized Debtors. In addition, unanticipated events and circumstances may affect the actual financial results of the Reorganized Debtors in the future. THEREFORE, WHILE THE PROJECTIONS ARE NECESSARILY PRESENTED WITH NUMERICAL SPECIFICITY, THE ACTUAL RESULTS ACHIEVED THROUGHOUT THE FISCAL YEARS ENDING DECEMBER 31, 2010-2013 MAY VARY FROM THE PROJECTED RESULTS. THESE VARIATIONS MAY BE MATERIAL. ACCORDINGLY, NO REPRESENTATION CAN BE MADE OR IS MADE WITH RESPECT TO THE ACCURACY OF THE PROJECTIONS OR THE ABILITY OF THE REORGANIZED DEBTORS TO ACHIEVE THE PROJECTED RESULTS. See Article XIII herein, entitled "Certain Risk Factors" for a discussion of certain factors that may affect the future financial performance of the Reorganized Debtors and their non-Debtor Subsidiaries and of the various risks associated with the securities of the Reorganized Debtors to be issued pursuant to the Plan.

The Debtors do not, as a matter of course, make public projections of their anticipated financial position or results of operations. Accordingly, the Debtors do not anticipate that they will, and disclaim any obligation to, furnish updated projections in the event that actual industry performance or the general economic or business climate differs from that upon which the Projections have been based. Further, the Debtors do not anticipate that they will include such information in documents required to be filed with the SEC, or otherwise make such information public.

The Projections were not prepared in accordance with standards for projections promulgated by the American Institute of Certified Public Accountants or with a view toward compliance with published guidelines regarding projections or forecasts. The Projections have

not been audited, reviewed or compiled by the Debtors' independent public accountants. Although presented with numerical specificity, the Projections are based upon a variety of assumptions, some of which have not been achieved to date and may not be realized in the future, and are subject to significant business, litigation, economic and competitive uncertainties and contingencies, many of which are beyond the control of the Debtors. Consequently, the Projections should not be regarded as a representation or warranty, by the Debtors or any other person, that the Projections will be realized.

Neither the Debtors' independent public accountants, nor any other independent accountants or financial advisors, have compiled, examined or performed any procedures with respect to the projected consolidated financial information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the projected financial information.

SAFE HARBOR STATEMENT UNDER THE PRIVATE SECURITIES LITIGATION REFORM ACT OF 1995: The projected financial statements in Appendix A (the "Projected Financial Statements") contain statements which constitute "forward-looking statements" within the meaning of the Securities Act and the Securities Exchange Act, as amended by the Private Securities Litigation Reform Act of 1995. "Forward-looking statements" in these Projected Financial Statements include the intent, belief or current expectations of the Debtors and members of their Management teams with respect to the timing of, completion of and scope of the current restructuring, reorganization plan, strategic business plan, bank financing, and debt and equity market conditions and the Debtors' future liquidity, as well as the assumptions upon which such statements are based. While management believes that its expectations are based on reasonable assumptions within the bounds of its knowledge of its business and operations, prospective investors are cautioned that any such forward-looking statements are not guarantees of future performance, and involve risks and uncertainties, and that actual results may differ materially from these contemplated by such forward-looking statements. Important factors currently known to management that could cause actual results to differ materially from those contemplated by the forward-looking statements in these Projected Financial Statements include, but are not limited to, further adverse developments with respect to the Debtors' liquidity position or operations of the various businesses of the Reorganized Debtors, adverse developments in the bank financing or public or private markets for debt or equity securities, or adverse developments in the timing or results of the Debtors' current strategic business plan (including the timeline to emerge from chapter 11) and the possible negative effects that could result from potential economic and political factors around the world in the various foreign markets in which the Reorganized Debtors operate.

ARTICLE XVI.
CERTAIN UNITED STATES FEDERAL INCOME TAX CONSEQUENCES

The following discussion summarizes certain United States federal income tax consequences of the implementation of the Plan to the Debtors and to U.S. Holders (as defined below) of Allowed Senior Subordinated Note Claims. The discussion does not address the United States federal income tax consequences to Holders whose Claims are unimpaired or otherwise entitled to payment in full in cash under the Plan or Holders whose Claims are

extinguished without a distribution in exchange therefor. The discussion is for general purposes only, and is based upon the Tax Code, the United States Treasury regulations (including temporary and proposed regulations) promulgated thereunder (the "U.S. Regulations"), judicial authorities and current administrative rulings and practice, all as of the date hereof and all of which are subject to change, possibly retroactively. This summary does not discuss all aspects of United States federal income taxation which may be important to particular Holders in light of their individual investment circumstances, including, but not limited to, banks, financial institutions, broker-dealers, traders, insurance companies, real estate investment trusts, regulated investment companies, tax-exempt organizations, Holders reporting gain on the installment method, U.S. Holders whose functional currency is not the United States dollar, U.S. Holders who hold Senior Subordinated Note Claims, New Common Stock, Senior Subordinated Noteholder Rights or New Capital Warrants as part of a hedging transaction, straddle, conversion transaction, constructive sale, wash sale or other integrated transaction, Holders who acquire New Common Stock or New Capital Warrants other than pursuant to the Plan or Holders other than U.S. Holders. In addition, this summary does not address any tax consequences other than United States federal income tax consequences.

The tax consequences of certain aspects of the Plan are uncertain because of the lack of applicable legal authority and may be subject to administrative or judicial interpretations that differ from the discussion below. No ruling has been requested from the Internal Revenue Service ("IRS") with respect to any of the matters discussed herein, and no opinion of counsel has been sought or obtained with respect thereto.

As used herein, a "U.S. Holder" means a beneficial owner of a Senior Subordinated Note Claim, New Common Stock, Senior Subordinated Noteholder Rights or New Capital Warrants that is, for United States federal income tax purposes,

- a citizen or resident of the United States;
- a corporation organized in or under the laws of the United States or any political subdivision thereof;
- an estate the income of which is subject to United States federal income taxation regardless of its source; or
- a trust if, (i) the trust is subject to the supervision of a court within the United States and the control of one or more "United States persons" as described in section 7701(a)(30) of the Tax Code or (ii) the trust has a valid election in effect under applicable U.S. Regulations to be treated as a "United States person."

If a partnership (or other entity classified as a partnership for United States federal income tax purposes) is the beneficial owner of a Senior Subordinated Note Claim, the United States federal income tax treatment of a partner in the partnership will generally depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. If you are a partnership that is a beneficial owner of a Senior Subordinated Note

Claim, New Common Stock, Senior Subordinated Noteholder Rights or New Capital Warrant or a partner in such a partnership, you should consult your own tax advisor regarding the United States federal income tax consequences of the implementation of the Plan.

PURSUANT TO UNITED STATES TREASURY DEPARTMENT CIRCULAR 230, WE ARE INFORMING YOU THAT (A) THIS DISCUSSION IS NOT INTENDED AND WAS NOT WRITTEN TO BE USED, AND CANNOT BE USED, BY ANY TAXPAYER FOR THE PURPOSE OF AVOIDING PENALTIES UNDER THE UNITED STATES FEDERAL TAX LAWS THAT MAY BE IMPOSED ON THE TAXPAYER, (B) THIS DISCUSSION WAS WRITTEN IN CONNECTION WITH THE PROMOTION OR MARKETING BY THE DEBTORS OF THE PLAN, AND (C) EACH TAXPAYER SHOULD SEEK ADVICE BASED ON ITS PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

THE TAX CONSEQUENCES TO HOLDERS OF CLAIMS MAY VARY BASED UPON THE INDIVIDUAL CIRCUMSTANCES OF EACH HOLDER. THERE CAN BE NO ASSURANCE THAT THE IRS WILL NOT CHALLENGE ANY OF THE TAX CONSEQUENCES DESCRIBED HEREIN, OR THAT SUCH A CHALLENGE, IF ASSERTED, WOULD NOT BE SUSTAINED. ACCORDINGLY, ALL HOLDERS OF CLAIMS ARE URGED TO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES OF THE PLAN TO THEM. THE DEBTORS ARE NOT MAKING ANY REPRESENTATIONS REGARDING THE PARTICULAR TAX CONSEQUENCES OF APPROVAL AND IMPLEMENTATION OF THE PLAN AS TO ANY HOLDER OF CLAIMS, NOR ARE THE DEBTORS OR THEIR COUNSEL RENDERING ANY FORM OF LEGAL OPINION AS TO SUCH TAX CONSEQUENCES.

16.01 **United States Federal Income Tax Consequences to the Debtors**

(a) Cancellation of Indebtedness and Reduction of Tax Attributes

The Debtors generally will realize cancellation of indebtedness ("COI") income on the discharge of existing indebtedness cancelled or exchanged for property of the Debtors (including New Common Stock, Senior Subordinated Noteholder Rights and New Capital Warrants) or Cash to the extent the fair market value of any such property and Cash is less than the principal amount, plus any accrued but unpaid interest, of the indebtedness discharged thereby. Certain statutory or judicial exceptions can apply to limit the amount of COI realized by a debtor (such as where the payment of the discharged debt would have given rise to a tax deduction or where the discharge of indebtedness is treated as an adjustment to the purchase price of certain previously-acquired assets).

Under section 108 of the Tax Code, COI income realized by a debtor will not be recognized if the COI income occurs in a case brought under the Bankruptcy Code, provided the debtor is under the jurisdiction of the court in such case and the cancellation of indebtedness is granted by the court or is pursuant to a plan approved by the court (the "Bankruptcy Exception"). Accordingly, because the cancellation of the Debtors' indebtedness will occur in a case brought under the Bankruptcy Code, the Debtors will be under the jurisdiction of the Bankruptcy Court in such case and the cancellation of the Debtors' indebtedness will be pursuant to the Plan, the

Debtors will not be required to recognize any COI income realized as a result of the implementation of the Plan.

Under section 108(b) of the Tax Code, a taxpayer that does not recognize COI income under the Bankruptcy Exception will be required to reduce certain tax attributes, including its net operating losses and loss carryforwards ("NOLs") (and certain other losses, credits and carryforwards, if any) and its tax basis in its assets (but not below the total amount of liabilities remaining immediately after the discharge of indebtedness), in an amount generally equal to the amount of COI income excluded from income under the Bankruptcy Exception. Where a taxpayer is a member of a group filing a consolidated United States federal income tax return, applicable U.S. Regulations require, in certain circumstances, that the attribute reduction of the consolidated subsidiaries of the debtor and other members of the group also be reduced as a result of the COI of a member. The United States federal income tax return that included the Debtors for the taxable year that ended December 31, 2008 reflects an NOL carryforward to future periods of $127 million. The Debtors expect to have recognized additional losses for the 2009 taxable year.

As a result of the application of section 108(b) of the Tax Code, the Debtors expect that the Debtors' consolidated NOLs will be eliminated or significantly reduced by reason of consummation of the Plan and that the tax basis particular Debtors have in their assets may be reduced. In addition, as discussed below, even if NOLs of the Debtors were to remain following attribute reduction, section 382 of the Tax Code should apply to limit the ability of the Debtors to utilize any such remaining NOLs in future years.

Under Section 108(i) of the Tax Code, the Debtors can, in certain circumstances, elect to defer rather than exclude COI income from taxable income. Deferred COI income under this rule would be included in the Debtors' taxable income ratably over the five taxable-year period starting in 2014. This election is irrevocable. Under this deferral regime, the Debtors would not be required to reduce any of their tax attributes but would have taxable COI income in future years. The Debtors do not expect to make this election.

(b) Section 382 Limitations on NOLs

Under section 382 of the Tax Code, if a corporation with NOLs or certain other tax attributes (a "Loss Corporation") undergoes an "Ownership Change," the use of such NOLs (and certain other tax attributes) will generally be subject to an annual limitation as described below. In general, an "Ownership Change" occurs if the percentage of the value of the Loss Corporation's stock owned by one or more direct or indirect "five percent shareholders" has increased by more than 50 percentage points over the lowest percentage of that value owned by such five percent shareholder or shareholders at any time during the applicable "testing period" (generally, the shorter of (i) the three-year period preceding the testing date or (ii) the period of time since the most recent Ownership Change of the corporation). The Plan should trigger an Ownership Change of the Debtors on the Effective Date under the Tax Code.

When a Loss Corporation undergoes an Ownership Change, an annual limitation (the "Annual Section 382 Limitation") generally limits the ability of the Loss Corporation to utilize historic NOLs, capital loss carryforwards and, if the Loss Corporation has a net unrealized

built-in loss on the date of the Ownership Change, certain subsequently recognized "built-in" losses and deductions (i.e., losses and deductions that have economically accrued but are unrecognized as of the date of the Ownership Change). As a general rule, the Annual Section 382 Limitation equals the product of the value of the stock of the corporation (with certain adjustments) immediately before the Ownership Change and the applicable "long-term tax-exempt rate" in effect for the month in which the Ownership Change occurs (e.g., 4.14% for Ownership Changes occurring in the month of February, 2010). Subject to certain limitations, any unused portion of the Annual Section 382 Limitation may be available in subsequent years. A Loss Corporation must meet certain continuity of business enterprise requirements for at least two years following an Ownership Change in order to preserve the Annual Section 382 Limitation.

A special rule under section 382 of the Tax Code applicable to a Loss Corporation under the jurisdiction of a Bankruptcy Court will apply in calculating the Annual Section 382 Limitation. Under this special rule, the limitation will be calculated by reference to the lesser of the value of the corporation's newly issued stock (with certain adjustments) immediately after the Ownership Change (as opposed to immediately before the Ownership Change, as discussed above) or the value of the corporation's assets (determined without regard to liabilities) immediately before the Ownership Change. Although such calculation may substantially increase the Annual Section 382 Limitation, the Debtors' use of any NOLs, built-in losses and deductions remaining after the implementation of the Plan may still be substantially limited after an Ownership Change.

As stated above, the Debtors should undergo an Ownership Change as a result of the implementation of the Plan. The Debtors have not yet determined whether the Debtors will have a net unrealized built-in loss on the Effective Date. If an Ownership Change occurs, the ability of the Debtors to utilize any NOLs that may remain after the implementation of the Plan will be, and their ability to utilize certain subsequently recognized built-in losses and deductions (if any) may be, subject to an Annual Section 382 Limitation, as described above.

(c) Special Bankruptcy Exception

An exception to the foregoing annual limitation rules generally applies where qualified creditors of a debtor receive, in respect of their claims, at least 50% of the vote and value of the stock of the reorganized debtor (or a controlling corporation if also in bankruptcy) pursuant to a confirmed chapter 11 plan. The Debtors have not determined whether the receipt of the New Common Stock, Senior Subordinated Noteholder Rights and New Capital Warrants by Holders of Senior Subordinated Note Claims pursuant to the Plan may qualify for this exception. Even if the Debtors qualify for this exception, the Debtors are likely to elect not to have the exception apply and instead remain subject to the annual limitation described above.

(d) Alternative Minimum Tax

In general, a United States federal alternative minimum tax ("AMT") is imposed on a corporation's alternative minimum taxable income at a 20% rate to the extent that such tax exceeds the corporation's regular United States federal income tax. For purposes of computing taxable income for AMT purposes, certain tax deductions and other beneficial allowances are

modified or eliminated. In particular, even though a corporation otherwise might be able to offset all of its taxable income for regular tax purposes by available loss carryforwards, only 90% of a corporation's taxable income for AMT purposes may be offset by available loss carryforwards (as computed for AMT purposes).

In addition, if a corporation (or consolidated group) undergoes an Ownership Change and is in a net unrealized built-in loss position (as determined for AMT purposes) on the date of the Ownership Change, the corporation's (or consolidated group's) aggregate tax basis in its assets would be reduced for certain AMT purposes to reflect the fair market value of such assets as of the change date.

Any AMT that a corporation pays generally will be allowed as a nonrefundable credit against its regular United States federal income tax liability in future taxable years when the corporation is no longer subject to the AMT and otherwise becomes subject to regular tax.

16.02 **United States Federal Income Tax Consequences of the Plan to U.S. Holders of Senior Subordinated Note Claims**

Pursuant to the Plan, Holders of Allowed Senior Subordinated Note Claims will receive New Common Stock and New Capital Warrants and, in the case of Holders of Allowed Senior Subordinated Note Claims that are Eligible Noteholders, Senior Subordinated Noteholder Rights in satisfaction and discharge of their Claims. Solely for purposes of this Section 16.02, the term "Eligible Noteholder" refers only to an Eligible Noteholder that is also a U.S. Holder.

(a) Tax Treatment of the Exchange of Allowed Senior Subordinated Note Claims

The United States federal income tax consequences to a U.S. Holder of exchanging an Allowed Senior Subordinated Note Claim for New Common Stock and New Capital Warrants and, if applicable, Senior Subordinated Noteholder Rights are uncertain and complex and depend upon, among other things, whether the exchange constitutes a taxable exchange or, alternatively, a tax-deferred transaction for United States federal income tax purposes, and, in the case of an Eligible Noteholder, whether the Senior Subordinated Noteholder Rights are treated as separate from the New Common Stock issued in the exchange or, alternatively, are disregarded. In order for the exchange of a Senior Subordinated Note Claim to be treated as a tax-deferred transaction, the Senior Subordinated Note Claim being exchanged would generally be required to be a "security" for purposes of the reorganization provisions of the Tax Code. The determination of whether a debt instrument constitutes a security depends upon an evaluation of the nature of the debt instrument based on all the facts and circumstances. The term of the debt instrument is particularly important in this regard and ordinarily debt instruments with short term original maturities are not considered securities, while debt instruments with long term original maturities are likely to be considered securities. The dividing line between short term and long term will vary depending on the particular facts and circumstances and there are numerous other factors that may be considered in determining whether a debt instrument constitutes a security, including the security for payment, the creditworthiness of the obligor, the subordination or lack thereof to other creditors, the similarity of the debt instrument to a cash payment, and the purpose of the borrowing. Generally, however,

an original maturity on a corporate debt instrument of less than five years is an indication that the instrument is not a security whereas an original maturity on a corporate debt instrument of more than ten years is an indication that the instrument is a security. Under the foregoing principles, the Senior Subordinated Notes, which had an original maturity of approximately 10 years, are likely to be treated as securities for United States federal income tax purposes. Amounts received by a U.S. Holder on account of accrued interest in respect of a Claim, to the extent attributable to the current U.S. Holder's holding period, are not securities. U.S. Holders of Senior Subordinated Note Claims are urged to consult their tax advisors regarding the United States federal income tax status of the exchange of their Claims for New Common Stock and New Capital Warrants and, if applicable, Senior Subordinated Noteholder Rights as either a taxable or a tax-deferred exchange and the United States federal income tax consequences of implementation of the Plan to them based on their particular circumstances and should not rely solely on the general discussion herein.

The Plan provides that Holdings will issue New Common Stock and New Capital Warrants to CSA and CSA will then transfer the New Common Stock and New Capital Warrants to the Holders of Allowed Senior Subordinated Note Claims in satisfaction of their Claims and, in the case of Eligible Noteholders that exercise the Senior Subordinated Noteholder Rights, in satisfaction of their Senior Subordinated Noteholder Rights. If this characterization of the transaction were respected for United States federal income tax purposes, an exchange of an Allowed Senior Subordinated Note Claim for New Common Stock and New Capital Warrants and, in the case of an Eligible Noteholder, Senior Subordinated Noteholder Rights would constitute a fully taxable transaction under section 1001 of the Tax Code. Nonetheless, under IRS Revenue Ruling 59-222, it is possible that the transaction could be characterized as if Holders of the Senior Subordinated Note Claims had exchanged their Claims for stock of CSA and then exchanged that stock for New Common Stock and New Capital Warrants of Holdings in a transaction or series of transactions qualifying for tax deferred treatment for United States federal income tax purposes. However, the applicability of this authority to an exchange of an Allowed Senior Subordinated Note Claim pursuant to the Plan is uncertain as the exchange described in the Revenue Ruling differs in significant respects from the exchange described herein.

(i) Consequences if the Exchange of Allowed Senior Subordinated Note Claims Constitutes a Fully Taxable Transaction

If the Exchange of an Allowed Senior Subordinated Note Claim for New Common Stock and New Capital Warrants and, in the case of an Eligible Noteholder, Senior Subordinated Noteholder Rights pursuant to the Plan constitutes a fully taxable transaction, an exchanging U.S. Holder would recognize gain or loss equal to the difference between (i) the fair market value as of the Effective Date of the New Common Stock and the New Capital Warrants and, in the case of an Eligible Noteholder, possibly the Senior Subordinated Noteholder Rights received in exchange for the Claim (other than New Common Stock and New Capital Warrants and, in the case of an Eligible Noteholder, Senior Subordinated Noteholder Rights received on account of accrued interest), and (ii) the U.S. Holder's adjusted tax basis in the Claim (excluding any tax basis attributable to accrued interest) exchanged therefor. A U.S. Holder's tax basis in the New Common Stock and the New Capital Warrants and, in the case of an Eligible Noteholder, possibly the Senior Subordinated Noteholder Rights received would equal the

amount taken into account by such U.S. Holder in respect of such New Common Stock and New Capital Warrants and, in the case of an Eligible Noteholder, Senior Subordinated Noteholder Rights in determining its amount realized on the exchange. A U.S. Holder's holding period for the New Common Stock and the New Capital Warrants and, in the case of an Eligible Noteholder, Senior Subordinated Noteholder Rights received generally would begin on the day after the exchange. See "Tax Treatment of the Senior Subordinated Noteholder Rights" below, for certain additional disclosure regarding the Senior Subordinated Noteholder Rights.

(ii) Consequences if the Exchange of Allowed Senior Subordinated Note Claims Constitutes a Tax-Deferred Transaction

If the exchange of an Allowed Senior Subordinated Note Claim for New Common Stock and New Capital Warrants and, in the case of an Eligible Noteholder, Senior Subordinated Noteholder Rights were to constitute a tax-deferred transaction, an exchanging U.S. Holder would not recognize any loss on the exchange; however, an exchanging U.S. Holder would be required to recognize gain on the exchange in connection with the receipt of the New Capital Warrants and possibly in connection with the receipt of the Senior Subordinated Noteholder Rights as discussed below (in addition to income or loss, if any, recognized with respect to accrued interest on the Claim exchanged, as discussed below under "Allocation of Consideration Received and Treatment of Amounts Received on Account of Accrued Interest"). The amount of gain required to be recognized (in addition to gain, if any, attributable to accrued interest) by a U.S. Holder that exchanges an Allowed Senior Subordinated Note Claim (treating each Senior Subordinated Note as a separate Claim for this purpose) will be limited to the lesser of (i) the fair market value as of the Effective Date of the New Capital Warrants received with respect to the Claim exchanged therefor and (ii) the amount of gain, if any, realized by the U.S. Holder (determined in the manner discussed above under "Consequences if the Exchange of Allowed Senior Subordinated Note Claims Constitutes a Fully Taxable Transaction") with respect to the Claim exchanged therefor.

The United States federal income tax status of the Senior Subordinated Noteholder Rights to be received by an Eligible Noteholder is uncertain. It is likely that the Senior Subordinated Noteholder Rights would not be treated as property requiring the recognition of gain in a tax-deferred transaction either because (i) the Eligible Noteholder would be treated as receiving rights to acquire stock of CSA in a tax-deferred transaction and, if such Eligible Noteholder exercised those rights, having exchanged those rights for stock of CSA and then having exchanged the stock of CSA for New Common Stock of Holdings in a tax-deferred transaction or because (ii) the Senior Subordinated Noteholder Rights are only exercisable prior to the Effective Date of the Plan and thus an Eligible Noteholder holding an Allowed Senior Subordinated Note Claim that exercises its Senior Subordinated Noteholder Rights would be treated for United States federal income tax purposes as receiving additional New Common Stock with a value equal to the value of such Senior Subordinated Noteholder Rights. If the Senior Subordinated Noteholder Rights are treated as property permitted to be received without the recognition of gain in a tax-deferred transaction, then the tax consequences described above will apply to Eligible Noteholders receiving Senior Subordinated Noteholder Rights in a tax-deferred transaction.

Notwithstanding the foregoing, it is possible that the Senior Subordinated Noteholder Rights will be treated as additional consideration that is not permitted to be received without recognition of gain in a tax-deferred transaction. In such a case, an Eligible Noteholder that exchanges an Allowed Senior Subordinated Note Claim (treating each Senior Subordinated Note Claim as a separate Claim for this purpose) will be required to recognize gain (in addition to gain, if any, attributable to accrued interest) in an amount equal to the lesser of (i) the fair market value as of the Effective Date of the New Capital Warrants and the Senior Subordinated Noteholder Rights and (ii) the amount of gain, if any, realized by the Eligible Noteholder (determined in the manner discussed above under "Consequences if the Exchange of Allowed Senior Subordinated Note Claims Constitutes a Fully Taxable Transaction") with respect to the Claim exchanged therefor.

A U.S. Holder's aggregate initial tax basis in the New Common Stock (and in the case of an Eligible Noteholder, if the Senior Subordinated Noteholder Rights are treated as property permitted to be received without recognition of gain in a tax-deferred transaction, possibly also the Senior Subordinated Noteholder Rights), other than New Common Stock, if any, received on account of accrued interest, would equal such U.S. Holder's adjusted tax basis in the Claim exchanged therefor (excluding any tax basis attributable to accrued interest in respect of such Claim), increased by the amount of any gain recognized as a result of the exchange of such Claim (other than gain, if any, attributable to accrued interest) and reduced by the fair market value as of the Effective Date of the New Capital Warrants and, if the Senior Subordinated Noteholder Rights are treated as property not permitted to be received without recognition of gain in a tax-deferred transaction, further reduced by the fair market value on the Effective Date of the Senior Subordinated Noteholder Rights received by the Eligible Noteholder with respect to the Claim. A U.S. Holder's holding period for the New Common Stock (and in the case of an Eligible Noteholder, if the Senior Subordinated Noteholder Rights are treated as property permitted to be received without recognition of gain in a tax-deferred transaction, possibly also the Senior Subordinated Noteholder Rights), other than New Common Stock, if any, received on account of accrued interest, would include the period during which the U.S. Holder held the Claim exchanged therefor. If the Senior Subordinated Noteholder Rights are treated as property not permitted to be received without recognition of gain in a tax-deferred transaction, an Eligible Noteholder's tax basis in a Senior Subordinated Noteholder Right would equal the fair market value of the Senior Subordinated Noteholder Right as of the Effective Date and an Eligible Noteholder's holding period for a Senior Subordinated Noteholder Right generally would begin on the day after the exchange. A U.S. Holder's tax basis in a New Capital Warrant would equal the fair market value of the New Capital Warrant as of the Effective Date and a U.S. Holder's holding period for a New Capital Warrant generally would begin on the day after the exchange.

U.S. Holders of Senior Subordinated Note Claims are urged to consult their tax advisors with respect to the possibility that the exchange may be treated as a tax-deferred transaction, the treatment of any Senior Subordinated Noteholder Rights received in a tax-deferred transaction, and reporting requirements applicable to persons receiving stock, securities and other property in an exchange in connection with a tax-deferred transaction.

(b) Character of Gain or Loss and Tax Treatment of Market Discount

Subject to the market discount rules described below, any gain or loss recognized by an exchanging U.S. Holder would be capital gain or loss if the Senior Subordinated Note Claim exchanged is held as a capital asset, and would be long term capital gain or loss if, as of the Effective Date, the Claim exchanged has been held by such U.S. Holder for more than one year. Long-term capital gains recognized by non-corporate U.S. Holders prior to January 1, 2011 are taxed at a maximum rate of 15%. Net capital gains on the disposition of capital assets held for one year or less are subject to United States federal income tax at ordinary income tax rates. For a corporate U.S. Holder, all capital gains are currently taxed at the same rate as ordinary income. The deductibility of capital losses is subject to limitations.

Under the "market discount" rules of the Tax Code, if a U.S. Holder acquired its Senior Subordinated Note Claim from a prior holder at a market discount (within the meaning of section 1278 of the Tax Code), any gain recognized by a U.S. Holder as a result of exchanging its Claim for New Common Stock and New Capital Warrants and, in the case of an Eligible Noteholder, Senior Subordinated Noteholder Rights would be treated as ordinary income (rather than capital gain) to the extent of any market discount on the Claim exchanged that has accrued during the period that the U.S. Holder held such Claim and that has not previously been included in income by the U.S. Holder. If the exchange constitutes a fully taxable transaction, the New Common Stock and New Capital Warrants and, in the case of an Eligible Noteholder, the Senior Subordinated Noteholder Rights received would not be treated as having been acquired with market discount. If the exchange constitutes a tax-deferred transaction, any accrued market discount on the U.S. Holder's Claim not previously treated as ordinary income by the U.S. Holder (including, as a result of the exchange, as discussed above) should carry over to the New Common Stock and, in the case of an Eligible Noteholder, possibly the Senior Subordinated Noteholder Rights received in the exchange. In such a case, any gain recognized by the U.S. Holder upon a subsequent disposition should be treated as ordinary income (rather than capital gain) to the extent of the amount of accrued and unrecognized market discount carried over to the New Common Stock and, in the case of an Eligible Noteholder, the Senior Subordinated Noteholder Rights.

(c) Allocation of Consideration Received and Treatment of Amounts Received on Account of Accrued Interest

Under the Plan, consideration distributed to Holders of Allowed Claims will be treated first as satisfying an amount equal to the stated principal amount of the Allowed Claim and then, to the extent of any excess, as satisfying accrued but unpaid interest in respect of such Allowed Claim, if any. However, there can be no assurance that the IRS will respect such an allocation and the IRS may take the position that the consideration received by Holders of Allowed Claims should be allocated in some other manner. U.S. Holders of Senior Subordinated Note Claims should consult their own tax advisors regarding the proper allocation of the consideration received under the Plan.

A U.S. Holder of an Allowed Senior Subordinated Note Claim that receives consideration on account of accrued interest that has not previously been included in its gross income will be required to recognize ordinary income equal to the fair market value of the consideration received under the Plan with respect to such Claim. Conversely, such U.S. Holder generally would recognize a deductible loss to the extent that any accrued interest previously

included in gross income is not paid in full. A U.S. Holder's aggregate tax basis in any consideration received on account of accrued interest will be the fair market value of such consideration on the Effective Date and a U.S. Holder's holding period for any consideration received on account of accrued interest generally will begin on the day after the Effective Date of the Plan.

(d) Tax Treatment of the New Common Stock

Distributions on shares of the New Common Stock will constitute dividends and be included in a U.S. Holder's gross income (as ordinary income) when paid to the extent of the current or accumulated earnings and profits of Holdings as determined under United States federal income tax principles. Distributions on shares of New Common Stock received by a U.S. Holder that exceed the current and accumulated earnings and profits of Holdings will be treated first as a non-taxable return of capital reducing (but not below zero) the U.S. Holder's adjusted tax basis in the shares of New Common Stock. Any such distributions in excess of a U.S. Holder's adjusted tax basis in the shares of New Common Stock will generally be treated as capital gain. Subject to certain exceptions, dividends received by non-corporate U.S. Holders currently are taxed at a maximum rate of 15% (effective for tax years through 2010), provided that certain holding period requirements are met. Dividends paid to corporate U.S. Holders will generally qualify for the dividends-received deduction, provided that certain holding period requirements are met.

Certain events, such as adjustment of the exercise price of the New Capital Warrants could, in some circumstances, be deemed to result in the payment of a taxable distribution to the Holders of the New Capital Warrants if such event has the effect of increasing the proportionate interest of Holders of New Capital Warrants in the earnings and profits or assets of Holdings. A failure to fully adjust the exercise price of the New Capital Warrants or a failure to fully adjust the conversion price of the New Preferred Stock to be issued to the Backstop Parties to reflect a stock dividend or other event increasing the proportionate interest of Holders of the New Common Stock in the earnings and profits or assets of Holdings could, in some circumstances, be deemed to result in the payment of a taxable distribution to the Holders of the New Common Stock. However, adjustments to the exercise price of the New Capital Warrants or the conversion price of the New Preferred Stock made pursuant to a bona fide reasonable adjustment formula that has the effect of preventing the dilution of the New Capital Warrants or the New Preferred Stock will not be deemed a taxable distribution. If a taxable deemed distribution occurs, such deemed distribution would be taxable as a dividend, return of capital or capital gain in accordance with the rules discussed above, and U.S. Holders may recognize income as a result even though they receive no cash or property.

Upon the sale or other taxable disposition of New Common Stock, in general, a U.S. Holder will recognize taxable gain or loss measured by the difference, if any, between (i) the amount realized on the sale, exchange or other taxable disposition, and (ii) the U.S. Holder adjusted tax basis in the New Common Stock disposed of. A U.S. Holder's adjusted tax basis in the New Common Stock generally will equal the U.S. Holder's initial tax basis, subject to certain adjustments, as discussed above. Except as discussed above with respect to market discount, a U.S. Holder's gain or loss generally will be capital gain or loss and generally will be long-term capital gain or loss if, at the time of the sale or other disposition, the U.S. Holder's holding

period for the New Common Stock is more than one year. Subject to limited exceptions, capital losses cannot be used to offset ordinary income. Long-term capital gain recognized by a non-corporate U.S. Holder currently is subject to a preferential rate of United States federal income taxation.

(e) Tax Treatment of the Senior Subordinated Noteholder Rights

The characterization of the Senior Subordinated Noteholder Rights for United States federal income tax purposes is uncertain.

An Eligible Noteholder that receives a Senior Subordinated Noteholder Right (however characterized) pursuant to the Plan generally will not recognize gain or loss upon the exercise of such Senior Subordinated Noteholder Right. However, because the Senior Subordinated Noteholder Rights are exercisable prior to the Effective Date of the Plan, an Eligible Noteholder that exercises its Senior Subordinated Noteholder Rights may be treated for United States federal income tax purposes as receiving additional New Common Stock with a value equal to the value of such Senior Subordinated Noteholder Rights or, alternatively, as receiving Senior Subordinated Noteholder Rights. If the Senior Subordinated Noteholder Rights are disregarded and the Eligible Noteholder is treated as receiving additional New Common Stock, such Eligible Noteholder's aggregate initial tax basis in the New Common Stock received upon exercise of the Senior Subordinated Noteholder Rights will be equal to the sum of (i) the portion of such Eligible Noteholder's aggregate tax basis in the New Common Stock received which is allocated to the additional New Common Stock, based on the relative fair market values of the New Common Stock and the additional New Common Stock treated as received by such Holder on the Effective Date, and (ii) the amount paid to exercise the Senior Subordinated Noteholder Rights. In such a case, the Eligible Noteholder could have a split holding period (part new and part carryover) if the receipt of the additional New Common Stock was part of a tax-deferred transaction, as discussed above, for United States federal income tax purposes.

If, alternatively, an Eligible Noteholder is treated as receiving Senior Subordinated Noteholder Rights pursuant to the Plan, the amount of such Eligible Noteholder's initial tax basis in the New Common Stock received upon exercise of the Senior Subordinated Noteholder Rights will depend on whether the Senior Subordinated Noteholder Rights are treated as property requiring the recognition of gain in a tax-deferred transaction. If the Senior Subordinated Noteholder Rights are treated as property requiring the recognition of gain in a tax-deferred transaction, the amount of such Eligible Noteholder's initial tax basis in the New Common Stock received upon exercise of the Senior Subordinated Noteholder Rights will be equal to the sum of (i) the fair market value of the Senior Subordinated Noteholder Right as of the Effective Date and (ii) the amount paid to exercise the Senior Subordinated Noteholder Rights. If, on the other hand, the Senior Subordinated Noteholder Rights are treated as property permitted to be received without recognition of gain in a tax deferred transaction, the amount of such Eligible Noteholder's initial tax basis in the New Common Stock received upon exercise of the Senior Subordinated Noteholder Rights will be equal to the sum of (i) the portion of such Eligible Noteholder's aggregate tax basis in the New Common Stock and Senior Subordinated Noteholder Rights received which is allocated to the Senior Subordinated Noteholder Rights, based on the relative fair market values of the New Common Stock and the Senior Subordinated Noteholder Rights received by such Holder on the Effective Date, and (ii) the amount paid to

exercise the Senior Subordinated Noteholder Rights. In each case in which an Eligible Noteholder is treated as receiving Senior Subordinated Noteholder Rights, the Eligible Noteholder's holding period in the New Common Stock received upon exercise of the Senior Subordinated Noteholder Rights generally would commence on the day following the Effective Date.

It is uncertain whether an Eligible Noteholder that does not exercise a Senior Subordinated Noteholder Right should be treated as not having received anything of additional value in respect of its Allowed Senior Subordinated Note Claim, or should instead be treated as receiving a right that lapsed. In the latter event, the Eligible Noteholder may recognize a loss equal to its tax basis in the Senior Subordinated Noteholder Right, if any. In general, such a loss would be a capital loss, and would be a short term or long term capital loss depending on its holding period for the Senior Subordinated Noteholder Right, which holding period may include the Eligible Noteholder's holding period for its Allowed Senior Subordinated Note Claim exchanged therefor if the exchange constitutes a tax-deferred transaction, as discussed above under "Consequences if the Exchange of Allowed Senior Subordinated Note Claims Constitutes a Tax-Deferred Transaction."

(f) Tax Treatment of the New Capital Warrants

A U.S. Holder holding a New Capital Warrant generally will not recognize gain or loss for United States federal income tax purposes upon the exercise of such New Capital Warrant and will have a tax basis in the New Common Stock received equal to its tax basis in the New Capital Warrant exercised, increased by the amount paid to exercise the New Capital Warrant. A U.S. Holder's holding period for the New Common Stock received on exercise of a New Capital Warrant generally would commence the day following the exercise.

A U.S. Holder that allows the New Capital Warrant to lapse would generally recognize a loss for United States federal income tax purposes equal to its tax basis in the New Capital Warrant. In general, such a loss would be a capital loss, and would be a short term or long term capital gain or loss depending on its holding period for the New Capital Warrant.

16.03 **Information Reporting and Backup Withholding**

In general, information reporting requirements will apply and backup withholding may apply to payments to non-corporate U.S. Holders pursuant to the Plan, and dividends or disposition proceeds in respect of the New Common Stock. In general, "backup withholding" may apply to such payments if the U.S. Holder fails to provide an accurate taxpayer identification number or is notified by the IRS that it has failed to report all interest and dividends required to be shown on its United States federal income tax returns.

Any amounts withheld under the backup withholding rules from payment to a beneficial owner would be allowed as a credit against such beneficial owner's United States federal income tax liability or refunded to such beneficial owner provided the required information is timely furnished to the IRS.

In addition, U.S. Regulations generally require disclosure by a taxpayer on its United States federal income tax return of certain types of transactions in which the

taxpayer participated, including, among other types of transactions, certain transactions that result in the taxpayer's claiming a loss in excess of specified thresholds. Holders are urged to consult their tax advisors regarding these regulations and whether the transactions contemplated by the Plan would be subject to these regulations and require disclosure on the Holders' tax returns. The foregoing summary has been provided for informational purposes only. All Holders of Claims receiving a distribution under the Plan are urged to consult their tax advisors concerning the United States federal, state, local and foreign tax and other tax consequences applicable under the Plan.

ARTICLE XVII.
ACCEPTANCE AND CONFIRMATION OF THE PLAN

Described below are certain important considerations under the Bankruptcy Code in connection with confirmation of the Plan.

17.01 Solicitation of Acceptance

The Debtors will solicit in good faith and in compliance with the applicable provisions of the Bankruptcy Code and the Bankruptcy Rules, the acceptance of the Plan from all record Holders of Claims entitled to vote whether to accept or reject the Plan. The solicitation of acceptances from Holders of Claims in Unimpaired classes is not required under the Bankruptcy Code. In addition, the solicitation of acceptances of the Plan from the Holders of General Unsecured Claims against Holdings and Old Equity Interests is not required because, under the Bankruptcy Code, such Holders are deemed to have rejected the Plan. The following class is Impaired and is entitled to vote on the Plan:

Class 6 – Senior Subordinated Note Claims.

The record date for determining whether Holders of Claims are entitled to accept or reject the Plan is [_____ __], 2010 with respect to Holders of Senior Subordinated Note Claims.

The Debtors believe that this classification of Claims and Equity Interests complies with section 1122 of the Bankruptcy Code and is in the best interests of the Debtors, their estates and Holders of Claims and Equity Interests.

17.02 Confirmation Hearing

On March 19, 2010, the Debtors filed the Disclosure Statement and their Plan and sought an order that scheduled the hearing to consider confirmation of the Plan. The Bankruptcy Court has scheduled the confirmation hearing for [_____ __, 20__].

The Plan provides that the Effective Date of the Plan will be the first Business Day immediately following the date upon which all conditions to the Effective Date set forth in section 13.02 of the Plan have been satisfied or waived by the Debtors or the Reorganized Debtors, as the case may be; provided, however, that if a stay of the Confirmation Order is in effect on such date, the Effective Date will be the first Business Day after such stay is no longer in effect.

Section 1128(a) of the Bankruptcy Code requires the Bankruptcy Court, after notice, to hold a confirmation hearing. Section 1128(b) of the Bankruptcy Code provides that any party in interest may object to confirmation of the Plan.

Notice of the Confirmation Hearing will be provided to all Holders of Claims and Equity Interests or their representatives and other parties in interest (the "Confirmation Notice"). The Confirmation Hearing may be adjourned from time to time by the Bankruptcy Court without further notice except that an announcement of the adjourned date must be made at the Confirmation Hearing or any adjournment thereof. Objections to confirmation of the Plan must be made in writing, specifying in detail the name and address of the person or entity objecting, the grounds for the objection and the nature and amount of the Claim or Equity Interest held by the objector. Objections must be filed with the Bankruptcy Court, together with proof of service, and served upon the parties so designated in the Confirmation Notice on or before the time and date designated in the Confirmation Notice as being the last date for serving and filing objections to confirmation of the Plan. Objections to confirmation of the Plan are governed by Bankruptcy Rule 9014 and the local rules of the Bankruptcy Court.

17.03 **Requirements for Confirmation of the Plan**

As discussed below, the Debtors intend to request confirmation of the Plan pursuant to section 1129(b) of the Bankruptcy Code. In order for the Plan to be confirmed pursuant to section 1129(b) of the Bankruptcy Code, the Plan must satisfy all of the provisions of section 1129(a) of the Bankruptcy Code, except for section 1129(a)(8) therein. Specifically, the Bankruptcy Court must determine, among other things, that (i) the Plan was accepted by the requisite votes of Holders of Claims entitled to vote on the Plan and each Sub-Plan (see this Article XVII "Acceptance and Confirmation of the Plan"), (ii) the Plan and each Sub-Plan are in the "best interests" of all Holders of Claims and Equity Interests (that is, that each Holder of a Claim or Equity Interest who does not vote to accept the Plan will receive at least as much pursuant to the Plan as he, she or it would receive in a liquidation under chapter 7 of the Bankruptcy Code) (see section 17.07 "Acceptance and Confirmation of the Plan—Best Interests Test" and the Liquidation Analysis attached hereto as Appendix B) and (iii) the Plan and each Sub-Plan are feasible (that is, there is a reasonable probability that the Reorganized Debtors will be able to perform their obligations under the Plan and each Sub-Plan and continue to operate their business without further financial reorganization or liquidation) (see section 17.08 "Acceptance and Confirmation of the Plan—Feasibility").

The Debtors believe that, upon acceptance of the Plan by Class 6 Senior Subordinated Note Claims, the Plan and each Sub-Plan will satisfy all the statutory requirements of chapter 11 of the Bankruptcy Code, the Debtors have complied or will have complied with all of the requirements of chapter 11 of the Bankruptcy Code, and the Plan and each Sub-Plan are being proposed and will be submitted to the Bankruptcy Court in good faith.

17.04 **Confirmation of the Plan under Section 1129(b)**

Generally, a class of claims or interests is considered to be "unimpaired" under a plan of reorganization if the plan does not alter the legal, equitable and contractual rights of the Holders of such claims or interests. Classes of claims or interests that are not impaired under a

plan of reorganization are conclusively presumed to have accepted the plan of reorganization and are not entitled to vote. Classes of claims or interests that are impaired under a plan of reorganization that receive no distribution or retain no property in respect of such claims or interests are deemed to have rejected the plan of reorganization and are also not entitled to vote.

Acceptances of the Plan are being or will be solicited only from those Holders of Claims in an Impaired class and who are entitled to receive a distribution under the Plan. Under the Plan, Classes 1 (Priority Claims), 2 (Miscellaneous Secured Claims), 3 (Intercompany Claims), 4 (Prepetition Credit Facility Claims), 5 (Senior Note Claims), 7 (Subsidiary Debtor General Unsecured Claims) and 8 (Subsidiary Debtor Equity Interests) are Unimpaired. Class 6 (Senior Subordinated Note Claims) is Impaired, is entitled to a distribution under the Plan and, therefore, is entitled to vote on the Plan. Classes 9 (Holdings General Unsecured Claims) and 10 (Old Holdings Equity Interests) are Impaired, not entitled to receive a distribution under the Plan and, therefore, deemed to reject the Plan as a matter of law. As a result, the Debtors must request that the Bankruptcy Court confirm the Plan pursuant to section 1129(b) of the Bankruptcy Code. See section 5.03 "Summary of the Plan—Classification and Treatment of Claims and Equity Interests Under the Plan." Acceptance of the Plan is being solicited from Holders of Claims in Class 6. See section 1.01 "Introduction and Summary — The Solicitation."

The Debtors will request confirmation of the Plan pursuant to the provisions of section 1129(b) of the Bankruptcy Code. Under these provisions, the Bankruptcy Court will confirm the Plan despite the lack of acceptance by an Impaired class or classes if the Bankruptcy Court finds that (a) the Plan does not discriminate unfairly with respect to each non-accepting Impaired class, (b) the Plan is "fair and equitable" with respect to each non-accepting Impaired class, (c) at least one Impaired class has accepted the Plan (without counting acceptances by Insiders) and (d) the Plan satisfies the other requirements set forth in section 1129(a) of the Bankruptcy Code except for section 1129(a)(8) thereof. In that regard, since at least one Impaired class must accept the Plan in order for the Plan to be confirmed, Class 6 Senior Subordinated Note Claims must vote in favor of the plan as the only the class voting on the Plan. The Backstop Parties (which hold a substantial majority in dollar amount of Senior Subordinated Note Claims) support the Plan and have agreed to vote in favor of the Plan.

17.05 **No Unfair Discrimination**

A plan of reorganization does not "discriminate unfairly" with respect to a nonaccepting class if the value of the cash and/or securities to be distributed to the nonaccepting class is equal or otherwise fair when compared to the value of distributions to other classes whose legal rights are the same as those of the nonaccepting class. The Debtors believe that the Plan and each Sub-Plan would not discriminate unfairly against any nonaccepting class of Claims or Equity Interests.

17.06 **Fair and Equitable Test**

The "fair and equitable" test of section 1129(b) of the Bankruptcy Code requires absolute priority in the payment of claims and interests with respect to any nonaccepting class or classes. The "fair and equitable" test established by the Bankruptcy Code is different for secured claims, unsecured claims and equity interests and includes the following treatment:

(a) Secured Claims

A plan is fair and equitable with respect to a nonaccepting class of secured claims if (1) the Holder of each claim in such class will retain its lien or liens and receive deferred cash payments totaling the allowed amount of its claim, of a value, as of the effective date of the plan, equal to the value of such Holder's interest in the collateral, (2) the Holder of each claim in such class will receive the proceeds from the sale of such collateral or (3) the Holder of each claim in such class will realize the indubitable equivalent of its allowed secured claim.

(b) Unsecured Claims

A plan is fair and equitable with respect to a nonaccepting class of unsecured claims if (1) the Holder of each claim in such class will receive or retain under the plan property of a value, as of the effective date of the plan, equal to the allowed amount of its claim or (2) Holders of claims or interests that are junior to the claims of such creditors will not receive or retain any property under the plan on account of such junior claim or interest.

(c) Equity Interests

A plan is fair and equitable with respect to a nonaccepting class of equity interests if the plan provides that (1) each member of such class receives or retains on account of its interest property of a value, as of the effective date of the plan, equal to the greatest of the allowed amount of any fixed liquidation preference to which such Holder is entitled, any fixed redemption price to which such Holder is entitled or the value of such interest or (2) Holders of interests that are junior to the interests of such class will not receive or retain any property under the plan on account of such junior interests.

17.07 **Best Interests Test**

Whether or not the Plan is accepted by each class of Claims and Equity Interests, in order to confirm the Plan, the Bankruptcy Court must independently determine that the Plan is in the best interests of each class of Claims or Equity Interests Impaired by the Plan—that is, with respect to each Impaired class, (a) each Holder of a Claim or Equity Interest has accepted the Plan or (b) that Holders of Impaired Claims and Equity Interests will receive at least as much pursuant to the Plan as they would receive in a liquidation under chapter 7 of the Bankruptcy Code.

To determine the value that Holders of Impaired Claims and Equity Interests would receive if the Debtors were liquidated, the Bankruptcy Court must determine the dollar amount that would be generated from the liquidation of the Debtors' assets in the context of a liquidation case under chapter 7 of the Bankruptcy Code. The Cash amount which would be available for satisfaction of Administrative Expenses, Priority Claims, unsecured Claims and Equity Interests in the Debtors would consist of the proceeds resulting from the disposition of the assets of the Debtors, augmented by the Cash held by the Debtors at the time of the commencement of the case under chapter 7 of the Bankruptcy Code. Any such Cash amount then would be reduced by the amount of any Claims secured by such assets, the costs and expenses of the liquidation and any additional Administrative Expenses and Priority Claims that may result from the termination of the Debtors' businesses and the use of chapter 7 of the

Bankruptcy Code for the purposes of liquidation. Finally, the present value of such allocations (taking into account the time necessary to accomplish the liquidation) is compared to the value of the property that is proposed to be distributed under the Plan on the Effective Date.

The Debtors' costs of liquidation under chapter 7 of the Bankruptcy Code would include the fees payable to a trustee in bankruptcy, as well as those which might be payable to attorneys and other professionals that such a trustee may engage, plus any unpaid expenses incurred by the Debtors during the Chapter 11 Cases and allowed in cases under chapter 7 of the Bankruptcy Code, such as compensation for attorneys, financial advisors, appraisers, accountants and other professionals, and costs and expenses of members of any statutory committee of unsecured creditors appointed by the United States Trustee pursuant to section 1102 of the Bankruptcy Code and any other such appointed committee. In addition, as described above, Claims may arise by reason of the breach or rejection of obligations incurred and executory contracts entered into by the Debtors during the pendency of Chapter 11 Cases by reason of the rejection of executory contracts or leases which otherwise would have been assumed in a reorganization under chapter 11 of the Bankruptcy Code.

To determine whether the Plan is in the best interests of each Impaired class, the present value of the distributions from the proceeds of the liquidation of the Debtors' assets and properties, after subtracting the amounts attributable to the foregoing Claims, costs and expenses, are then compared with the value of the property offered to such classes of Claims and Equity Interests under the Plan.

In applying the "best interests test," it is possible that Claims and Equity Interests in cases under chapter 7 of the Bankruptcy Code may not be classified according to the seniority of such Claims and Equity Interests as provided in the Plan. In the absence of a contrary determination by the Bankruptcy Court, all pre-petition unsecured Claims which have the same rights upon liquidation would be treated as one class for purposes of determining the potential distribution of the liquidation proceeds resulting from such cases under chapter 7 of the Bankruptcy Code. The distributions from the liquidation proceeds would be calculated ratably according to the amount of the Claim held by each Creditor. Creditors who claim to be beneficiaries of any contractual subordination provisions might seek to enforce such contractual subordination provisions in the Bankruptcy Court or otherwise. Section 510 of the Bankruptcy Code specifies that such contractual subordination provisions are enforceable in a case under chapter 7 of the Bankruptcy Code. The rule of absolute priority of distributions applicable in cases under chapter 7 of the Bankruptcy Code provides that no junior creditor may receive any distribution or retain any property until all senior creditors are paid in full with interest. Consequently, the Debtors believe that if the Debtors were liquidated under chapter 7 of the Bankruptcy Code, the Holders of Claims in all Classes would receive distributions of a value significantly less than the value of the distributions provided to the Creditors in such classes under the Plan, and that Holders of Claims in Class 9 and Holders of Old Holdings Equity Interests in Class 10 would receive no distributions under chapter 7 of the Bankruptcy Code. See the Liquidation Analysis attached hereto as Appendix B.

The Debtors have considered the effects that a liquidation under chapter 7 of the Bankruptcy Code would have on the ultimate proceeds available for distribution to creditors in a case under chapter 11 of the Bankruptcy Code, including (i) the increased costs and expenses of

liquidation under chapter 7 of the Bankruptcy Code arising from fees payable to a trustee in bankruptcy and professional advisors to such trustee, (ii) the erosion in value of assets in cases under chapter 7 of the Bankruptcy Code in the context of the expeditious liquidation required under chapter 7 of the Bankruptcy Code and the "forced sale" atmosphere that would prevail and (iii) the substantial increases in Claims which would be satisfied on a priority basis or on parity with creditors in a case under chapter 11 of the Bankruptcy Code. Therefore, the Debtors have determined that confirmation of the Plan will provide each Holder of a Claim in all classes with a recovery that is not less (and is expected to be substantially more) than it would receive pursuant to liquidation of the Debtors under chapter 7 of the Bankruptcy Code. For Classes 9 and 10, confirmation of the Plan and liquidation under chapter 7 of the Bankruptcy Code yields the same result, i.e., no distribution, and therefore, the Debtors believe the best interests test is satisfied with respect to these classes as well.

17.08 **Feasibility**

Even if the Plan is accepted by each class of Claims and even if the Bankruptcy Court determines that the Plan satisfies the "best interests" test, section 1129(a)(11) of the Bankruptcy Code requires that, in order for the Plan to be confirmed by the Bankruptcy Court, it must be demonstrated that consummation of the Plan is not likely to be followed by the liquidation or the need for further financial reorganization of the Debtors. This requirement is the so-called "feasibility" test. For purposes of determining whether the Plan meets this requirement, the Debtors have analyzed their ability to meet their obligations under the Plan. As part of such analysis, the Debtors' management has prepared the projections of the balance sheet, cash flow and net income of the Reorganized Debtors (assuming the transactions contemplated by the Plan are consummated) for the fiscal years 2010 through 2013 and set forth in Appendix A to this Disclosure Statement. The significant assumptions on which the Projections are based are set forth in Appendix A. Based on the Projections, the Debtors' management believes that the Reorganized Debtors will be able to make all payments required to be made pursuant to the Plan.

The Debtors' management has prepared the Projections to comply with the requirements of the Bankruptcy Code. The accompanying prospective financial information was not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information, but, in the view of the Debtors' management, was prepared on a reasonable basis, reflects the best currently available estimates and judgments, and presents, to the best of management's knowledge and belief, the expected course of action and the respective expected future financial performance of the Reorganized Debtors. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and Holders of Claims entitled to vote are cautioned not to place undue reliance on the Projections. In particular, this information should not be relied upon to determine how to proceed in connection with the Solicitation. Accordingly, and except as otherwise indicated, the Debtors do not intend, and disclaim any obligation, to (a) furnish updated projections to Holders of Claims prior to the Effective Date or to Holders of New Capital Stock or New Capital Warrants or any other party after the Effective Date or (b) otherwise make such updated information publicly available. Neither the Debtors' independent auditors, nor any other independent

accountants or financial advisors, have compiled or examined the accompanying prospective financial information to determine the reasonableness thereof and, accordingly, have not expressed an opinion or any other form of assurance with respect thereto.

The Projections, while presented with numerical specificity, are necessarily based on a variety of estimates and assumptions which, though considered reasonable by management, may not be realized and are beyond the Debtors' control. No representations or warranties can be made as to the accuracy of the Projections or to the Reorganized Debtors' ability to achieve the projected results. Some assumptions inevitably will not materialize. Further, events and circumstances occurring subsequent to the date on which the Projections were prepared may be different from those assumed or, alternatively, may have been unanticipated, and thus the occurrence of these events may affect financial results in a material and possibly adverse manner. The Projections, therefore, may not be relied upon as a representation or warranty or other assurance by the Debtors that the results of the Projections will be achieved.

The Projections are based on the assumption that the Effective Date would occur on or about May 1, 2010. A significant delay in the Effective Date may have a significant negative impact on the operations and financial performance of the Debtors including an increased risk of the Debtors' inability to meet sales and profitability forecasts.

ARTICLE XVIII.
ALTERNATIVES TO CONFIRMATION AND CONSUMMATION OF THE PLAN

If the Plan is not confirmed by the Bankruptcy Court and consummated, the alternatives to the Plan include (a) continuation of the pending Chapter 11 Cases; (b) liquidation of the Debtors under chapter 7 of the Bankruptcy Code; and (c) an alternative plan of reorganization.

18.01 Continuation of the Chapter 11 Cases

If the Plan is not confirmed, and the Debtors remain in chapter 11, the Debtors could continue to operate their businesses and manage their properties as debtors in possession, but they would remain subject to the restrictions imposed by the Bankruptcy Code. It is not clear whether the Debtors could survive as a going concern in protracted chapter 11 cases and the Debtors may have difficulty sustaining the high costs and the erosion of market confidence that may be caused if the Debtors remain as chapter 11 debtors in possession.

18.02 Liquidation Under Chapter 7 of the Bankruptcy Code

If no chapter 11 plan for the Debtors is confirmed, the Chapter 11 Cases may be converted to cases under chapter 7 of the Bankruptcy Code, pursuant to which a trustee would be elected or appointed to liquidate the assets of the Debtors for distribution to Holders of Claims and Equity Interests in accordance with the priorities established by the Bankruptcy Code. A discussion of the effects that a liquidation under chapter 7 of the Bankruptcy Code would have on the recovery of Holders of Claims and Equity Interests is set forth under section 17.07

"Acceptance and Confirmation of the Plan—Best Interests Test." For the reasons discussed thereunder, the Debtors believe that confirmation of the Plan will provide each Holder of a Claim and Equity Interest entitled to receive a distribution under the Plan with a recovery that is not less (and is expected to be substantially more) than such Holder would receive pursuant to liquidation of the Debtors under chapter 7 of the Bankruptcy Code.

18.03 **Alternative Plan**

If the Plan is not confirmed, the Debtors (or, if the Debtors' exclusive period in which to file a plan of reorganization of the Debtors has expired, any other party in interest in the Chapter 11 Cases) could file a different plan or plans. Such a plan might involve either a reorganization and continuation of the Debtors' businesses or an orderly liquidation of their assets. In addition, until the Plan is consummated, subject to certain conditions, the Debtors may determine to withdraw the Plan and propose and solicit different reorganization plans. With respect to an alternative plan, the Debtors have explored various other alternatives in connection with the formulation and development of the Plan. In a liquidation under chapter 11 of the Bankruptcy Code, the Debtors' assets would be sold in an orderly fashion over a more extended period of time than in a liquidation under chapter 7 of the Bankruptcy Code, probably resulting in somewhat greater (but indeterminate) recoveries than would be obtained in a liquidation under chapter 7 of the Bankruptcy Code. Further, if a trustee were not appointed because such appointment is not required in a case under chapter 11 of the Bankruptcy Code, the expenses for professional fees would most likely be lower than those incurred in a case under chapter 7 of the Bankruptcy Code. Although preferable to liquidation under chapter 7 of the Bankruptcy Code, the Debtors believe that any alternative liquidation under chapter 11 of the Bankruptcy Code is a much less attractive alternative to Holders of Claims and Equity Interests than the Plan because of the greater recovery provided for by the Plan.

ARTICLE XIX.
THE BANKRUPTCY PLAN—VOTING INSTRUCTIONS AND PROCEDURES

19.01 **General**

The Debtors are soliciting the acceptance of the Plan from Holders of Class 6 Senior Subordinated Note Claims. The Holders of Class 1 Priority Claims, Class 2 Miscellaneous Secured Claims, Class 3 Intercompany Claims, Class 4 Prepetition Credit Facility Claims, Class 5 Senior Note Claims, Class 7 Subsidiary Debtor General Unsecured Claims, and Class 8 Subsidiary Debtor Equity Interests are Unimpaired under the Plan and are conclusively presumed to have accepted the Plan. All Holders of Class 9 Holdings General Unsecured Claims and Class 10 Old Holdings Equity Interests are Impaired, not entitled to receive or retain any property under the Plan, and thus deemed to have rejected the Plan.

A Ballot to be used to accept or reject the Plan has been enclosed with all copies of this Disclosure Statement mailed to Holders of Class 6 Senior Subordinated Note Claims.

The Plan provides that Priority Claims, Intercompany Claims, Miscellaneous Secured Claims, Prepetition Credit Facility Claims, Senior Note Claims, Subsidiary Debtor General Unsecured Claims against, and Subsidiary Debtor Equity Interests will be Unimpaired

under the Plan. The Plan also provides that Holders of Holdings General Unsecured Claims and Old Holdings Equity Interests are not entitled to receive or retain any property under the Plan and therefore are deemed to have rejected the Plan. Accordingly, this Disclosure Statement (and the appendices hereto), together with the accompanying Ballot and the related materials delivered together herewith, are only being furnished to Holders of Class 6 Senior Subordinated Note Claims and may not be relied upon or used for any purpose by such Holders other than to determine whether or not to vote to accept or reject the Plan.

19.02 **Voting Deadline**

IT IS IMPORTANT THAT THE HOLDERS OF CLAIMS IN CLASS 6 EXERCISE THEIR RIGHTS TO VOTE TO ACCEPT OR REJECT THE PLAN. All known Holders of Claims entitled to vote on the Plan have been sent a Ballot together with this Disclosure Statement. Such Holders should read the Ballot carefully and follow the instructions contained therein. Please use only the Ballot that accompanies this Disclosure Statement.

The Debtors have engaged Kurtzman Carson Consultants LLC ("KCC") as the Voting Agent to assist in the transmission of voting materials and in the tabulation of votes with respect to the Plan. **FOR YOUR VOTE TO COUNT, YOUR VOTE MUST BE RECEIVED AT THE FOLLOWING ADDRESS BEFORE THE VOTING DEADLINE OF [_:00 P.M.], PREVAILING PACIFIC TIME, ON [_____ __, 20__]:**

If you are sending by mail, courier or hand delivery, to:

Cooper-Standard Ballot Processing
c/o Kurtzman Carson Consultants
1230 Avenue of the Americas, 7th Floor
New York, NY 10020

IF YOU HAVE BEEN INSTRUCTED TO RETURN YOUR BALLOT TO YOUR BANK, BROKER, OR OTHER NOMINEE, OR TO THEIR AGENT, YOU MUST RETURN YOUR BALLOT TO THEM IN SUFFICIENT TIME FOR THEM TO PROCESS IT AND RETURN IT TO THE VOTING AGENT AT THIS ADDRESS BEFORE THE VOTING DEADLINE.

IF A BALLOT IS DAMAGED OR LOST, OR FOR ADDITIONAL COPIES OF THIS DISCLOSURE STATEMENT, YOU MAY CONTACT THE DEBTORS' VOTING AGENT. ANY BALLOT WHICH IS EXECUTED AND RETURNED BUT WHICH DOES NOT INDICATE AN ACCEPTANCE OR REJECTION OF THE PLAN WILL BE DEEMED TO BE A VOTE TO ACCEPT THE PLAN. IF YOU HAVE ANY QUESTIONS CONCERNING VOTING PROCEDURES, YOU MAY CONTACT THE VOTING AGENT AT THE ADDRESS SPECIFIED ABOVE.

19.03 **Holders of Claims Entitled to Vote**

The Claims in the following Class are Impaired under the Plan and entitled to receive a distribution; consequently, each Holder of such Claim, as of the Record Date established by the Debtors for purposes of this solicitation, may vote to accept or reject the Plan:

Class 6 — Senior Subordinated Note Claims
(Holders of the Senior Subordinated Note Claims)

19.04 **Vote Required for Acceptance by a Class**

The Bankruptcy Code defines acceptance of a plan by a class of claims as acceptance by Holders of at least two-thirds in dollar amount and more than one-half in number of the claims of that class which cast ballots for acceptance or rejection of the plan. Thus, acceptance by a class of claims occurs only if Holders of at least two-thirds in dollar amount and a majority in number of the claims in such class that actually vote cast their Ballots in favor of acceptance.

A vote may be disregarded if the Bankruptcy Court determines, after notice and a hearing, that such acceptance or rejection was not solicited or procured in good faith or in accordance with the provisions of the Bankruptcy Code.

19.05 **Voting Procedures**

The Debtors are providing copies of this Disclosure Statement, Ballots, and where appropriate, Master Ballots, to all registered Holders (as of the Record Date) of Senior Subordinated Note Claims in Class 6. For further information regarding voting procedures, please consult the Disclosure Statement Approval Order.

Registered Holders of Senior Subordinated Note Claims in Class 6 may include brokers, banks, and other nominees. If such registered Holders do not hold Claims for their own accounts, they or their agents (collectively with such registered Holder, "Nominees") should provide copies of this Disclosure Statement and appropriate Ballots to their customers and to beneficial owners. Any beneficial owner who has not received a Ballot should contact his, her, or its Nominee, or the Voting Agent.

(a) Holders of Class 6 Senior Subordinated Note Claims

Beneficial Owners. Any beneficial owner, as of the Distribution Record Date, of Class 6 Senior Subordinated Note Claims in his, her, or its own name can vote by completing and signing the enclosed Ballot and returning it directly to the Voting Agent (using the enclosed pre-addressed postage-paid envelope) so as to be received by the Voting Agent before the Voting Deadline. If no envelope was enclosed, contact the Voting Agent for instructions. In addition, if any beneficial owner, as of the Distribution Record Date, of Class 6 Senior Subordinated Note Claims votes to accept the Plan, such beneficial owner may elect in writing to opt-out of the releases provided in Section 12.01(c) of the Plan, pursuant to such beneficial owner's Ballot. For a detailed description of the discharge, injunctions, releases and settlement of claims provided in the Plan, please see Article X "Discharge, Injunctions, Releases and Settlement of Claims."

Any beneficial owner holding, as of the Distribution Record Date, Senior Subordinated Note Claims in "street name" through a Nominee can vote by completing and signing the Ballot (unless the Ballot has already been signed, or "prevalidated," by the Nominee), and returning it to the Nominee in sufficient time for the Nominee to then forward the vote so as to be received by the Voting Agent before the Voting Deadline of [_:00 p.m.]

(prevailing Eastern Time) on [_____ __, 20__]. Any Ballot submitted to a Nominee will not be counted until such Nominee properly completes and timely delivers a corresponding Master Ballot to the Voting Agent. **If your Ballot has already been signed (or "prevalidated") by your Nominee, you must complete the Ballot and return it directly to the Voting Agent so that it is received by the Voting Agent before the Voting Deadline.**

A Nominee that is the registered Holder for a beneficial owner, as of the Distribution Record Date, of Senior Subordinated Note Claims, can obtain the votes of the beneficial owners of such securities, consistent with customary practices for obtaining the votes of securities held in "street name," in one of the following two ways:

The Nominee may "prevalidate" a Ballot by (i) signing the Ballot, (ii) indicating on the Ballot the name of the registered Holder, the amount of securities held by the Nominee for the beneficial owner, and the principal amount and the appropriate account numbers for the accounts in which such securities are held by the Nominee, and (iii) forwarding such Ballot, together with the Disclosure Statement, return envelope, and other materials requested to be forwarded, to the beneficial owner for voting. The beneficial owner must then indicate his, her or its vote on the Plan, review the certifications contained in the Ballot, and return the Ballot directly to the Voting Agent in the pre-addressed, postage-paid envelope so that it is received by the Voting Agent before the Voting Deadline. A list of the beneficial owners to whom "prevalidated" Ballots were delivered should be maintained by Nominees for inspection for at least one year from the Voting Deadline.

OR

If the Nominee elects not to "prevalidate" Ballots, the Nominee may obtain the votes of beneficial owners by forwarding to the beneficial owners the unsigned Ballots, together with the Disclosure Statement, a return envelope provided by, and addressed to, the Nominee, and other materials requested to be forwarded. Each such beneficial owner must then indicate his, her or its vote on the Plan, review the certifications contained in the Ballot, execute the Ballot, and return the Ballot to the Nominee. After collecting the Ballots, the Nominee should, in turn, complete a Master Ballot compiling the votes and other information from the Ballots, execute the Master Ballot, and deliver the Master Ballot to the Voting Agent so that it is received by the Voting Agent before the Voting Deadline. All Ballots returned by beneficial owners should be retained by Nominees for inspection for at least one year from the Voting Deadline. Please note: The Nominee should advise the beneficial owners to return their Ballots to the Nominee by a date calculated by the Nominee to allow it to prepare and return the Master Ballot to the Voting Agent so that the Master Ballot is received by the Voting Agent before the Voting Deadline.

(b) Other

If a Ballot is signed by trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations, or others acting in a fiduciary or representative capacity, such persons should indicate such capacity when signing, and unless otherwise determined by the Debtors, must submit proper evidence satisfactory to the Debtors of their authority to so act.

For purposes of voting to accept or reject the Plan, the beneficial owners of such securities will be deemed to be the "Holder" of such claims represented by such securities.

All Claims, as the case may be, in a Class that are voted by a beneficial owner must be voted either to accept or to reject the Plan and may not be split by the beneficial owner within such Class. Unless otherwise ordered by the Bankruptcy Court, Ballots or Master Ballots which are signed, dated, and timely received, but on which a vote to accept or reject the Plan has not been indicated, will be deemed to be a vote to accept the Plan. The Debtors, in their discretion, may request that the Voting Agent attempt to contact such voters to cure any such defects in the Ballots or Master Ballots.

Except as provided below, unless the Ballot or Master Ballot is timely submitted to the Voting Agent before the Voting Deadline together with any other documents required by such Ballot or Master Ballot, the Debtors may, in their sole discretion, reject such Ballot or Master Ballot as invalid, and therefore, decline to utilize it in connection with seeking confirmation of the Plan by the Bankruptcy Court.

In the event of a dispute with respect to a Claim, any vote to accept or reject the Plan cast with respect to such Claim will not be counted for purposes of determining whether the Plan has been accepted or rejected, unless the Bankruptcy Court orders otherwise.

The Debtors at this time are not requesting the delivery of, and neither the Debtors nor the Voting Agent will accept, certificates representing any notes or equity securities. Prior to the Effective Date, the Debtors will furnish all such Holders with appropriate letters of transmittal to be used to remit such securities in exchange for the distribution under the Plan. Information regarding such remittance procedure (together with all appropriate materials) will be distributed by the Debtors after confirmation of the Plan.

ARTICLE XX.
CONCLUSION AND RECOMMENDATION

BASED ON ALL OF THE FACTS AND CIRCUMSTANCES, THE DEBTORS AND THE CREDITORS' COMMITTEE BELIEVE THAT CONFIRMATION OF THE PLAN IS IN THE BEST INTERESTS OF THE DEBTORS, THEIR CREDITORS, AND THEIR ESTATES. IN ADDITION, THE BACKSTOP PARTIES SUPORT THE PLAN AND HAVE AGREED, SUBJECT TO APPROVAL OF THIS DISCLOSURE STATEMENT, TO VOTE IN FAVOR OF THE PLAN. THE PLAN PROVIDES FOR AN EQUITABLE AND EARLY DISTRIBUTION TO HOLDERS OF CLAIMS AND PRESERVES THE GOING CONCERN VALUE OF THE DEBTORS. THE DEBTORS BELIEVE THAT ALTERNATIVES TO CONFIRMATION OF THE PLAN COULD RESULT IN SIGNIFICANT DELAYS, LITIGATION AND COSTS. FOR THESE REASONS, THE DEBTORS AND THE CREDITORS' COMMITTEE URGE YOU TO RETURN YOUR BALLOT AND VOTE TO ACCEPT THE PLAN.

Dated: Novi, Michigan
March 19, 2010

Respectfully submitted,
Cooper-Standard Holdings Inc. (for itself and on behalf of each of the other Debtors)

By: _____
Allen J. Campbell
Vice President and Chief Financial Officer

_____
Mark D. Collins, Esq.
Michael J. Merchant, Esq.
Chun I. Jang, Esq.
RICHARDS, LAYTON & FINGER, P.A.
One Rodney Square
920 North King Street
Wilmington, Delaware 19801
Tel: (302) 651-7700
Fax: (302) 651-7701

- and –

Gary L. Kaplan, Esq.
Richard J. Slivinski, Esq.
Peter B. Siroka, Esq.
FRIED, FRANK, HARRIS, SHRIVER
& JACOBSON LLP
One New York Plaza
New York, New York 10004
Tel: (212) 859-8000
Fax: (212) 859-4000

Counsel for Debtors and Debtors in Possession