

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

Overseas Shipholding Group, Inc., et al.,¹

Debtors.

Chapter 11

Case No. 12-20000 (PJW)

(Jointly Administered)

Re: D.I. 149, 405, 3206, 3251 *ε* 3297

ORDER PERMITTING SECURITIES TRADING

Upon the request of the Official Committee of Equity Security Holders (the “Committee” or “Equity Committee”) of Overseas Shipholding Group, Inc., et al. (collectively, the “Debtors”), seeking entry of an order, pursuant to Sections 105(a), 362, and 541 of the Bankruptcy Code, and based upon the agreement of the parties (other than the United States Trustee, who does not object) reached following the hearing conducted on May 27, 2014 (the “Hearing”), permitting the members of the Equity Committee (collectively, the “Members”)² and their Affiliates³ to trade Securities⁴ subject to the terms of this Order; and the Members having previously executed confidentiality agreements with the Debtors; and the Members having previously established and implemented Ethical Walls and appointed an Agent (each, as defined below); and due and proper notice having been given; and a hearing having been waived; and it appearing that no other or

¹ For a complete list of Debtors, see *Motion of Debtors for Order Under Fed. R. Bankr. P. 1015 and Del. Bankr. L.R. 1015-1 Authorizing Joint Administration of Chapter 11 Cases* [Docket No. 3].

² As used herein the term “Members” shall include Caxton International Limited and Cyrus Opportunities Fund II, L.P. and each of their respective “Affiliates” (as defined below).

³ As used herein the term “Affiliates” shall have the meaning ascribed in the Securities Act of 1933, Rule 405 (17 CFR 230.405). All other capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in the *First Amended Disclosure Statement With Respect to the Joint Plan of Reorganization of Overseas Shipholding Group, Inc., et al., Under Chapter 11 of the Bankruptcy Code* [D.I. 3262], filed May 26, 2014.

⁴ As used herein, the term “Securities” shall mean the common stock of Overseas Shipholding Group, Inc.



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further notice is necessary; and the Court having jurisdiction to consider the requested relief pursuant to 28 U.S.C. §§ 157 and 1337; and the Court having determined that this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); and the Court having determined that the factual bases established at the Hearing and recognized legal precedent in this Circuit establish just cause for the relief requested herein, and that such relief is in the best interests of the Debtors, their estates, their creditors and the parties in interest; and upon the record in these proceedings; and after due deliberation, and sufficient cause appearing therefore, it is hereby:

ORDERED, that the relief is granted on a final basis as set forth below; and it is further

ORDERED, that as referenced herein the definition of “Securities” shall apply only to the Members and their Affiliates and be limited exclusively to the existing common stock of Overseas Shipholding Group, Inc., and nothing in this Order shall create a “safe harbor” for the trading by any other person or of any other securities or claims; and it is further

ORDERED, that to the extent this Order is inconsistent with any prior order or pleading, the terms of this Order shall govern; and it is further

ORDERED, that the requirements set forth in this Order are in addition to the requirements of all applicable law and do not excuse compliance therewith; and it is further

ORDERED, that any Member acting in any capacity will not be violating its duties as a Member and, accordingly, will not subject its holdings to possible disallowance or other adverse treatment, to the extent that any such Member or any one or more of its Affiliates (in either case, a “Securities Trading Entity”) trades Securities during the period commencing upon and after entry of this Order subject to the terms of the Order (I) Approving Adequacy of Information Contained in First Amended Disclosure Statement with Respect to Joint Plan of

Reorganization of Overseas Shipholding Group, Inc., et al., Under Chapter 11 of the Bankruptcy Code; (II) Establishing Record Date in Connection with Proposed Plan of Reorganization; (III) Approving Solicitation Procedures; (IV) Approving Forms of Ballots; (V) Approving Temporary Allowance Procedures; (VI) Approving Vote Tabulation Procedures; (VII) Approving Notice and Objection Procedures for the Assumption, Assignment and Rejection of Executory Contracts and Unexpired Leases, Including Relevant Bar Dates; and (VIII) Scheduling Hearing on Confirmation of Debtors' Plan of Reorganization [D.I. 3286], upon receipt by the Debtors and the United States Trustee of a written acknowledgment by the Member (in form and substance reasonably acceptable to the Debtors and the United States Trustee), which may take the form of an email correspondence, that (a) the Securities Trading Entities and/or their affiliates, as appropriate, have already designed, established, implemented and shall comply with internal procedures or protocols derived from longstanding compliance with Federal and state securities laws and regulations or otherwise that are monitored by compliance department personnel of such Securities Trading Entities or their affiliates, as appropriate, and (b) the Member has appointed an unaffiliated Agent (each an "Agent," and collectively the "Agents") to serve in its place on the Equity Committee and, (i) the Securities Trading Entities' trading personnel are prevented from obtaining, directly or indirectly, any non-public information received by the Agent pursuant its appointment to the Equity Committee ("Restricted Information"); (ii) the Agent is prevented from obtaining, directly or indirectly, any information regarding such Securities Trading Entities' trading of Securities prior to any actual trade of Securities; and (iii) the Member's Agent shall generally occupy a separate physical space from the Member's Securities Trading Entity (such procedures, collectively, the "Ethical Walls"); and it is further

ORDERED, that the Equity Committee's advisors shall continue to direct all Equity Committee communications with its Members, reflecting Restricted Information, to the Agents, and not to the Securities Trading Entity's trading personnel, such that no Restricted Information shall pass directly from the Equity Committee or any Agent to the Securities Trading Entities' trading personnel; and it is further

ORDERED, that the Debtors shall have no liability to any person or entity based on the provision of non-public information to the Equity Committee's advisors or Agents in reliance on the acknowledgement of the Members, the Ethical Walls and this Order; and it is further

ORDERED, that nothing herein shall relieve Members of their duties under any confidentiality or other agreements with the Debtors, it being understood that on May 26, 2014, the Debtors relieved each of the Members of their contractual trading restrictions under each of their respective confidentiality agreements with OSG; and it is further

ORDERED, that this Order does not preclude the Court from taking any action that it may deem appropriate in the event that the Court determines that an actual breach of fiduciary duty or unlawful use or disclosure of Restricted Information (including, without limitation, failure to comply with the Ethical Walls) shall have occurred in connection with the trading of Securities; and it is further

ORDERED, that nothing in this Order prejudices the rights of the United States Trustee (or any other party in interest) to move for a further Order of this Court terminating the ability of Members to trade Securities; and it is further

ORDERED, that subject to other applicable provisions of this Order, Members shall be entitled to trade Securities as permitted by and subject to the procedures contained in this Order; and it is further

ORDERED, that nothing in this Order relieves any entity of its obligations, if any, to comply with any applicable requirements of Rule 3001 of the Federal Rules of Bankruptcy Procedure; and it is further

ORDERED, that the requirements of Bankruptcy Rule 6004(a) are hereby satisfied; and it is further

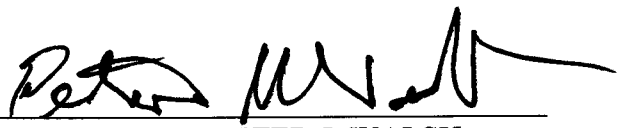
ORDERED, that notwithstanding Bankruptcy Rule 6004(h), the terms and conditions of this Order are immediately effective and enforceable upon its entry; and it is further

ORDERED, that the Debtors, the Equity Committee and its Members and their Agents are authorized to take all actions necessary to effectuate the relief granted in this Order; and it is further

ORDERED, that nothing herein shall limit the effect upon or requirement for compliance by any Member or Securities Trading Entity in regard to any order which may subsequently be entered in these cases concerning the trading of Securities and otherwise applicable to said Member or Securities Trading Entity; and it is further

ORDERED, that this Court retains exclusive jurisdiction with respect to all matters arising from or related to the implementation, interpretation, and enforcement of this Order.

Dated: May 28 2014
Wilmington, Delaware



THE HONORABLE PETER J. WALSH
UNITED STATES BANKRUPTCY JUDGE