


# **EXHIBIT K-2**

This document has been electronically entered in the records of the United States Bankruptcy Court for the Southern District of Ohio.

IT IS SO ORDERED.

Dated: April 17, 2008

  
Lawrence S. Walter  
United States Bankruptcy Judge

---

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF OHIO  
WESTERN DIVISION (DAYTON)

In re: ) Chapter 15  
 )  
ROL MANUFACTURING (CANADA) LTD., ) Case No. 08-31022  
ET AL., ) (Jointly Administered)  
 )  
 )  
Debtors. ) Hon. Lawrence S. Walter

ORDER GRANTING RECOGNITION OF  
FOREIGN MAIN PROCEEDING

WHEREAS, Raymond Chabot Inc. (the "Monitor") is the duly appointed monitor and the foreign representative of ROL Manufacturing (Canada) Ltd., ROL Holdings (Canada) Inc., ROL Holdings USA, Inc., ROL Manufacturing of America, Inc., and Marwil, Inc. (collectively, the "Debtors"), which filed, on March 7, 2008, joint proceedings (the "Canadian Proceeding") under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pending before the Québec Superior Court (Commercial Division) (District of Montréal) (the "Canadian Court"); and

WHEREAS, the Monitor, by its United States counsel, filed petitions for each of the Debtors dated March 7, 2008 pursuant to chapter 15 of title 11 of the United States Code (the “Bankruptcy Code”) seeking recognition of the Canadian Proceeding as a foreign main proceeding (the “Chapter 15 Petitions”); and

WHEREAS, due and timely notice of the filing of the Chapter 15 Petitions having been given pursuant to an order of this Court, dated March 12, 2008 [D.E. 25], as reflected in the filed affidavit of service of Jeffrey A. Chadwick, sworn to March 14, 2008 [D.E. 37], and which notice is deemed adequate for all purposes, and no other or further notice need be given; and

WHEREAS, a hearing was held before this Court on April 16, 2008 to consider the Chapter 15 Petitions, and the Court having considered and reviewed all pleadings and exhibits submitted by the Monitor in support of the Chapter 15 Petitions prior to or at such recognition hearing, and no objection or response to the Chapter 15 Petitions having been filed left unresolved by the Court; and after due deliberation and sufficient cause appearing therefor, the Court finds and concludes as follows:

1. The Monitor has demonstrated that:
  - (a) the Debtors are subject to a pending foreign proceeding within the meaning of section 101(23) of the Bankruptcy Code;
  - (b) the Debtors are subject to a foreign main proceeding within the meaning of section 1502(4) of the Bankruptcy Code;
  - (c) the Monitor is the foreign representative of the Debtors within the meaning of section 101(24) of the Bankruptcy Code;
  - (d) the Chapter 15 cases were properly commenced pursuant to sections 1504 and 1515 of the Bankruptcy Code;

(e) the Chapter 15 Petitions satisfied the requirements of section 1515 of the Bankruptcy Code.

2. The Monitor and Debtors are entitled to all of the relief provided pursuant to section 1520 of the Bankruptcy Code, without limitation.

3. The Monitor and Debtors are entitled to additional relief pursuant to sections 1521(a)(5), (a)(7) and 1521(b) of the Bankruptcy Code, maintaining the administration, realization and distribution of the Debtors' assets located in the United States with the Debtors, subject to the Monitor's oversight, in the Canadian Proceeding.

4. The relief granted hereby is necessary and appropriate, in the interests of the public and international comity, consistent with the public policy of the United States, warranted pursuant to sections 1520 and 1521 of the Bankruptcy Code, and will not cause hardship to creditors of the Debtors or other parties-in-interests that is not outweighed by the benefits of granting that relief.

5. This Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

6. This is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(P).

7. Venue is proper in this district pursuant to 28 U.S.C. § 1410(1) and (3).

**NOW, THEREFORE, IT IS HEREBY ORDERED:**

ORDERED, that the Canadian Proceeding (including the initial order entered in the Canadian Proceeding, as has been amended, and as may be further amended from time to time (the "Initial CCAA Order")) is granted recognition pursuant to section 1517(a) of the Bankruptcy Code; and it is further

ORDERED, that the Canadian Proceeding is granted recognition as a foreign main proceeding pursuant to section 1517(b)(1) of the Bankruptcy Code; and it is further

ORDERED, that all relief afforded a foreign main proceeding pursuant to section 1520 of the Bankruptcy Code is granted without limitation; and it is further

ORDERED, that the automatic stay of section 362 of the Bankruptcy Code applies with respect to the Debtors and any property of the Debtors that is within the territorial jurisdiction of the United States; and it is further

ORDERED, that additional relief – pursuant to sections 1521(a)(2), 1521(a)(5) and (a)(7) and 1521(b), maintaining the administration, realization and distribution of the Debtors’ assets located in the United States with the Debtors, subject to the oversight of the Monitor in the Canadian Proceeding (except as may be expressly provided in the Initial CCAA Order) – is granted; and it is further

ORDERED, that this Order shall be served upon all known creditors (or their counsel) of the Debtors by electronic mail or by facsimile transmission, or in the event service by electronic mail or facsimile cannot be accomplished, then by either U.S. mail, first class postage prepaid, or overnight courier service, on or before April 19, 2008; and it is further

ORDERED, that service in accordance with this Order shall constitute adequate and sufficient service and notice.

ORDERED, that the following provisions of the Initial CCAA Order are hereby approved and incorporated herein by reference:

[36.1] **APPROVE** and **ORDER** the implementation of the terms and conditions of the Forbearance Agreement entered into by and between Petitioner and HSBC as of March 6, 2008 (as amended, the “**Forbearance Agreement**”), which provides, *inter alia*, the circumstances under which Petitioner is permitted to borrow under the Operating Loan, as this term is defined in the Facility Letter which Petitioner and HSBC have entered into as of May 8, 2007, as amended by

the letter dated June 21, 2007 (the “**Facility Letter**”), up to an amount of US\$22,000,000.00, the whole secured by the guarantees, hypothecs, mortgages and security agreements presently held by HSBC (**HSBC Security**);

[36.2] **APPROVE** and, in aid and assistance of the Canadian Court in the Canadian Proceeding:

(a) **ORDER** that notwithstanding anything to the contrary contained in section 552(a) of the *United States Code* (the “*US Bankruptcy Code*”), as adequate protection for, and to secure the payment of, an amount equal to the aggregate diminution (whether by depreciation, use, sale, loss or otherwise) in the value of HSBC's Pre-Petition Collateral (including cash collateral as defined in section 363(a) of the *US Bankruptcy Code*)<sup>1</sup> and as security for and an inducement to HSBC (a) to permit Petitioner's use of the HSBC Collateral (as defined below) (including, without limitation, amounts re-advanced hereunder) and (b) to increase and allow Petitioner to make additional borrowings under the Facility Letter (the “**Post-Petition Obligations**”, together with the “**Pre-Petition Obligations**”, the “**Obligations**”), in addition to all existing security interests and liens granted to HSBC, Petitioner hereby grants to HSBC, pursuant to the *US Bankruptcy Code*, including sections 361, 363, 364 and 552(b), but subject and subordinate to the allowed amounts of Administrative Charges and D&O Charges, (i) a first-priority, senior and duly perfected post-petition security interest in and charge or lien upon all of the Pre-Petition Collateral consisting of Canadian and US Current Assets itemized in the Security Agreements currently existing and hereafter-acquired, and the proceeds thereof, wherever located (but not including any of the Canadian or US Fixed Assets and Intangibles), (ii) a first-priority, senior and duly perfected post-petition security interest in and charge or lien upon all claims pursuant to sections 544, 545, 547, 548, 549, 550 and 553 of

---

<sup>1</sup> Pre-Petition Collateral shall include all of Petitioner's property itemized in the General Security Agreements dated September 30, 2005 (collectively, the “**Security Agreements**”) which ROL Canada, ROL USA and Marwil executed and delivered to Bank and, in part, categorized as Canadian and US (a) Fixed Assets, (b) Intangibles and (c) Current Assets (i.e., Accounts, Inventory and Marketable Securities) in the Amended and Restated Priority Agreement dated June 21, 2007 (the “**Priority Agreement**”).

the *US Bankruptcy Code*, and any and all proceeds of such claims, but only to the extent of the Post-Petition Obligations, (iii) a first-priority, senior and duly perfected post-petition security interest in and charge or lien upon all of Petitioner's unencumbered Property, wherever located, but only to the extent of the Post-Petition Obligations and (iv) a junior, duly perfected post-petition security interest in and lien upon all other Property of Petitioner, consisting of Canadian and US Fixed Assets and Intangibles and any Property other than Canadian and US Current Assets, which is subject to prior valid, perfected and unavoidable pre-petition liens of Petitioner's other secured creditors whether in accordance with law or whether by virtue of the rankings (priorities) set forth at Section 2 of the Priority Agreement (collectively, the "**HSBC Collateral**");

(b) **ORDER** that such security interests, charges and liens upon the HSBC Collateral in favor of HSBC shall be valid, perfected, enforceable and effective as of the Filing Date without any further action needed to be taken by Petitioner or HSBC and without the execution, filing or recordation of any financing statements, security agreements, or other documents;

(c) **ORDER** that such security interests, charges and liens upon the HSBC Collateral in favor of HSBC shall be senior in priority to any lien, security interest or charge encumbering Petitioner's Property that may be avoided and preserved for the benefit of Petitioner and their estates under section 551 of the *US Bankruptcy Code*;

(d) **ORDER** that as further adequate protection for, and to secure the payment of the full amount of the Obligations, HSBC is hereby granted an allowed super-priority administrative claim, pursuant to section 364(c)(1) of the *US Bankruptcy Code*, having priority in right of payment over any and all other obligations, liabilities and indebtedness of Petitioner (except for the allowed amounts of Administrative Charges and D&O Charges), whether now in existence or hereafter incurred, and over any and all administrative expenses or priority claims of the kind specified in, or ordered pursuant to, *inter alia*, sections 105, 326, 328, 330, 331, 503(b), 506(c), 507(a), 507(b), 364(c)(1), 546(c), 726, 1113 and/or 1114

of the *US Bankruptcy Code*, but only to the extent of the Post-Petition Obligations;

(e) **ORDER** that Petitioner shall not permit the imposition of any priming or *pari passu* lien or security interest in any of the HSBC Collateral, pursuant to section 363 or 364 of the *US Bankruptcy Code* or otherwise, without the prior written consent of HSBC;

(f) **ORDER** that no costs or expenses of administration which have or may be incurred in Petitioner's cases at any time shall be charged against HSBC, its claims or the HSBC Collateral, pursuant to section 506(c) of the *US Bankruptcy Code*, without the prior written consent of HSBC, and no such consent shall be implied from any other action, inaction, or acquiescence by HSBC;

(g) **ORDER** that notwithstanding anything to the contrary contained herein, Petitioner's use of HSBC Collateral (including without limitation Petitioner's cash collateral as defined in section 363(a) of the *US Bankruptcy Code*) shall expire, without further court order, on the earliest to occur of (i) the termination of Petitioner's rights under this Order, (ii) the dismissal or conversion of any of the Canadian or US bankruptcy cases of any Petitioner, (iii) the appointment of a trustee or examiner or other representative with expanded powers (other than the monitor in Canada or the foreign representative in the USA), (iv) any default under this Order or under the Financing Agreement, Security Documents, Facility Letter or Forbearance Agreement, (v) the enforcement or attempted enforcement of any junior liens in any of the HSBC Collateral or (vi) any attempt by Petitioner to obtain, or if any other party in interest obtains, an order of this Court or other order or judgment, and the effect of such order or judgment is to, invalidate, reduce or otherwise impair HSBC's claims or liens, or to subject any of the HSBC Collateral to any surcharge pursuant to section 506(c) of the *US Bankruptcy Code* (each, a "**Default**");

(h) **ORDER** that, upon the occurrence and continuance of a Default, Petitioner shall remain bound by all restrictions, prohibitions and other terms as provided herein, and HSBC (a) shall have no obligation to lend or advance any

additional funds to or on behalf of Petitioner, or provide any other financial accommodations thereto, and (b) HSBC is authorized to, without providing any prior notice thereof, declare all Obligations immediately due and payable, accelerate the Obligations, cease to extend advances under the Facility Letter, set off any Obligations with HSBC Collateral or proceeds thereof in HSBC's possession; provided, however, in order to exercise any other rights and remedies provided for in the Financing Agreement, Security Documents, Facility Letter or Forbearance Agreement, or under applicable non-bankruptcy law, foreign or domestic, HSBC shall provide not less than five (5) days' prior written notice (the "**Notice Period**") to the Monitor, Petitioner, their Canadian and US legal counsel, and each and every holder of a security interest, lien or charge upon the HSBC Collateral (the "**Notice Parties**"). In the event a Notice Party has not obtained an order from the US Court to the contrary before the end of the Notice Period, the automatic stay provisions of section 362 of the *US Bankruptcy Code* shall be deemed terminated, vacated and modified solely as to such other rights and remedies without the necessity of further action by the Court. The US Court shall retain exclusive jurisdiction to hear and resolve any disputes and enter any orders relating to the application, re-imposition or continuance of the automatic stay pursuant to section 362 of the *US Bankruptcy Code* or any other relief requested pursuant to section 362 of the *US Bankruptcy Code* in relation thereto and with respect to the US Assets;

(i) **ORDER** that this Order and the transactions contemplated hereby shall be without prejudice to the right of HSBC (i) to seek additional adequate protection, including the benefit of section 507(b) of the *US Bankruptcy Code* and (ii) to exercise any and all rights, remedies, claims and causes of action which HSBC may have against any other party;

(j) **ORDER** that, subject and pursuant to section 364(e) of the *US Bankruptcy Code*, any modification, vacation or reversal of this Order shall not affect the validity of the authorization to incur post-petition debt, the post-petition debt incurred, the grant and priority of liens in favour of HSBC and the continuing

applicability all of the terms and conditions of the Financing Agreement, Security Documents and Facility Letter as to HSBC's advances to Petitioner;

(k) **ORDER** that this Order and the transactions contemplated hereby shall be without prejudice to the right of Roynat and Laurentian Bank to seek adequate protection of their security interests in the Petitioner's Property, including the benefit of section 507(b) of the *US Bankruptcy Code*, to the extent consistent with the terms of the Priority Agreement and this Order, and that the Monitor is authorized to negotiate and approve such adequate protection;

“[36.3] **APPROVE** and, in aid and assistance of the Canadian Court in the Canadian Proceeding:

a) **ORDER** that for so long as (i) the Debtors are in compliance with the terms of this Order and any orders of the US Court entered in connection with the use of the US Collateral and (ii) no Termination Event (as this term is defined hereinafter) shall have occurred, Roynat and Laurentian Bank consent to the Debtors' use of the US Collateral;

b) **ORDER** that the Debtors agree and are ordered, as adequate protection for their use of the US Collateral, to make monthly interest-only payments on the Roynat Term Loans and on the Laurentian Term Loan (the “**Adequate Protection Payments**”). The Adequate Protection Payments shall be applied to the secured claims of Roynat and Laurentian Bank as of March 7, 2008 in accordance with further orders of this Court. The obligation of the Debtors to make Adequate Protection Payments hereunder shall terminate in the event that the Debtors shall no longer hold title to any US Collateral;

c) **ORDER** that, for further additional adequate protection for the use of the US Collateral, (i) the Debtors hereby grant, assign and pledge to each of Roynat and Laurentian Bank post-petition security interests and liens (the “**Adequate Protection Liens**”) of the same validity, extent and priority as Roynat's and Laurentian Bank's pre-petition security interests in the US Collateral (but subject,

first, to the allowed amounts of Administrative Charges and D&O Charges and, thereafter, to the provisions of the Priority Agreement) in and to all of the Debtors' currently owned and after-acquired real and personal property, other than the proceeds of any avoidance actions under chapter 5 of the *US Bankruptcy Code* and (ii) the US Court grants to each of Roynat and Laurentian Bank a super-priority allowed administrative expense claim pursuant to section 503(b)(1) and 507(b) of the *US Bankruptcy Code* (the "**Administrative Claims**"). The Adequate Protection Liens and the Administrative Claims shall be limited to the extent of any diminution in the value of Roynat's and Laurentian Bank's interests in the US Collateral from March 7, 2008. The Administrative Claims shall be subject and subordinate, first, to the allowed amounts of Administrative Charges and D&O Charges and, second, to the priority and super-priority administrative expense claim granted by the Debtors in the Chapter 15 Case to HSBC for the Post-Petition Obligations as defined in the Initial Order, but senior to all other priority or super-priority claims in the Chapter 15 Case and *pari passu* with HSBC's remaining priority and super-priority administrative expense claim in the Chapter 15 Case. As among the Petitioner's secured lenders, the provisions of the Priority Agreement and the Initial Order, as amended, shall govern any distributions in respect of the Adequate Protection Liens and the Administrative Claims;

d) **ORDER** that, for additional adequate protection for the Debtors' use of the US Collateral, the Debtors agree and are ordered to comply with all material provisions of the credit agreements and related loan documents governing the Roynat Loans and the Laurentian Bank Loan including, but not limited to, those provisions concerning the delivery of financial reports, the maintenance of property, insurance, compliance with laws, and environmental laws;

e) **ORDER** that, nothing in this paragraph 36.3 shall be deemed to be a waiver by Roynat or Laurentian Bank of their rights (i) to request additional or further adequate protection of their interests in property of the Debtors' estates in the event of a material change in circumstances, (ii) to move for relief from the

automatic stay, (iii) to oppose any extension of the Debtors' exclusive period for filing a plan of reorganization or (iv) to request any other relief in this case; provided, that the Debtors reserve any and all rights with respect to any of the foregoing;

f) **ORDER** that the US Court's issuance of these orders shall constitute authorization, ratification, and approval of any reasonable actions taken or to be taken by the Debtors and/or Roynat and/or Laurentian Bank in furtherance hereof;

g) **ORDER** that, upon the occurrence of a Termination Event, the Debtors shall remain bound by all restrictions, prohibitions and other terms provided herein. The validity and enforceability of all security interests, liens and priorities authorized or created hereby shall survive the conversion of any case to a case under chapter 7 of the *US Bankruptcy Code*. The provisions of this Order shall be binding upon and inure to the benefit of Roynat, Laurentian Bank, the Debtors, and their respective successors and assigns. This Order shall bind any trustee hereafter appointed for the estates of the Debtors, whether in the Chapter 15 Case or in the event of conversion of the bankruptcy case to a liquidation under chapter 7 of the *US Bankruptcy Code*;

h) **ORDER** that "**Termination Event**" shall mean the occurrence of any of the following: (a) the conversion of any of the Debtors' bankruptcy cases to a case administered under chapter 7, (b) the dismissal of any of the Debtors' bankruptcy cases, (c) the appointment of a trustee or an examiner with expanded powers in any of the Debtors' bankruptcy cases, (d) the reversal, revocation, modification, amendment, stay or rescission of this Order, (e) the Debtors' failure to comply with, or their default under any term or condition of, this Order or any amendment or modification hereof, which failure or default is not cured within seven (7) calendar days of written notice by Roynat or Laurentian Bank to the Debtors, the Monitor and their respective counsel of the occurrence of such failure or default and (f) any enforcement action taken by HSBC on its collateral. Notice may be sent via facsimile and shall be effective when sent;

i) **ORDER** that the terms and conditions of this Order are reasonable and appropriate and are consistent with and satisfy the requirements and provisions of sections 363(e), 363(c)(2) and 361 of the *US Bankruptcy Code*;

ORDERED that the postpetition agreement among the Debtors and Freudenberg-NOK General Partnership/Corteco (“FNGP”), which was placed on the record on April 16, 2008 to resolve FNGP’s objections to the Motion is approved.

IT IS SO ORDERED.

###