



TO: Members of Troy City Council
FROM: Lori Grigg Bluhm, City Attorney
Christopher J. Forsyth, Assistant City Attorney
DATE: September 25, 2007
SUBJECT: In re Collins and Aikman Corporation, et al.

This summer, the City of Troy was the subject of one of the bankruptcy cases filed by Collins & Aikman against municipalities where their facilities were located. In the case against the City of Troy, Collins & Aikman sought to avoid the 2004 and 2005 personal property taxes that were assessed against the corporation. These taxes totaled \$201,997.83, and they were paid prior to filing of the bankruptcy matter.

Enclosed please find a stipulation, where Collins & Aikman agreed to voluntarily dismiss the adversary bankruptcy proceeding against the City of Troy. We worked with bankruptcy specialist Sandra Hamilton (Nantz, Litowich, Smith, Girard and Hamilton, P.C.), who was already representing some of the other municipalities in the cases filed by Collins & Aikman. The City was able to realize some savings because of this joint defensive effort.

On September 19, 2007, the Bankruptcy Judge signed the order of dismissal, and therefore this case against the City is now closed.

If you have any questions, please let us know.

**IN THE UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

In re:)	Chapter 11
)	
COLLINS & AIKMAN CORPORATION, <u>et al.</u> ¹)	Case No. 05-55927
)	(Jointly Administered)
Debtors.)	
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COLLINS & AIKMAN CORPORATION, <u>et al.</u> ,)	Honorable Steven W. Rhodes
)	
Plaintiffs,)	Adversary No. 07-05665
)	
v.)	
)	
CITY OF TROY, MICHIGAN,)	
)	
Defendant.)	
)	
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**ORDER APPROVING THE STIPULATION RESOLVING ADVERSARY
PROCEEDING FILED AGAINST CITY OF TROY, MICHIGAN**

Upon the stipulation [Docket No. 12] (the “Stipulation”) by and between the above-captioned debtors (collectively, the “Debtors” or “Plaintiffs”) and the City of Troy,

¹ The Debtors in the jointly administered cases include: Collins & Aikman Corporation; Amco Convertible Fabrics, Inc., Case No. 05-55949; Becker Group, LLC (d/b/a/ Collins & Aikman Premier Mold), Case No. 05-55977; Brut Plastics, Inc., Case No. 05-55957; Collins & Aikman (Gibraltar) Limited, Case No. 05-55989; Collins & Aikman Accessory Mats, Inc. (f/k/a the Akro Corporation), Case No. 05-55952; Collins & Aikman Asset Services, Inc., Case No. 05-55959; Collins & Aikman Automotive (Argentina), Inc. (f/k/a Textron Automotive (Argentina), Inc.), Case No. 05-55965; Collins & Aikman Automotive (Asia), Inc. (f/k/a Textron Automotive (Asia), Inc.), Case No. 05-55991; Collins & Aikman Automotive Exteriors, Inc. (f/k/a Textron Automotive Exteriors, Inc.), Case No. 05-55958; Collins & Aikman Automotive Interiors, Inc. (f/k/a Textron Automotive Interiors, Inc.), Case No. 05-55956; Collins & Aikman Automotive International, Inc., Case No. 05-55980; Collins & Aikman Automotive International Services, Inc. (f/k/a Textron Automotive International Services, Inc.), Case No. 05-55985; Collins & Aikman Automotive Mats, LLC, Case No. 05-55969; Collins & Aikman Automotive Overseas Investment, Inc. (f/k/a Textron Automotive Overseas Investment, Inc.), Case No. 05-55978; Collins & Aikman Automotive Services, LLC, Case No. 05-55981; Collins & Aikman Canada Domestic Holding Company, Case No. 05-55930; Collins & Aikman Carpet & Acoustics (MI), Inc., Case No. 05-55982; Collins & Aikman Carpet & Acoustics (TN), Inc., Case No. 05-55984; Collins & Aikman Development Company, Case No. 05-55943; Collins & Aikman Europe, Inc., Case No. 05-55971; Collins & Aikman Fabrics, Inc. (d/b/a Joan Automotive Industries, Inc.), Case No. 05-55963; Collins & Aikman Intellimold, Inc. (d/b/a M&C Advanced Processes, Inc.), Case No. 05-55976; Collins & Aikman Interiors, Inc., Case No. 05-55970; Collins & Aikman International Corporation, Case No. 05-55951; Collins & Aikman Plastics, Inc., Case No. 05-55960; Collins & Aikman Products Co., Case No. 05-55932; Collins & Aikman Properties, Inc., Case No. 05-55964; Comet Acoustics, Inc., Case No. 05-55972; CW Management Corporation, Case No. 05-55979; Dura Convertible Systems, Inc., Case No. 05-55942; Gamble Development Company, Case No. 05-55974; JPS Automotive, Inc. (d/b/a PACJ, Inc.), Case No. 05-55935; New Baltimore Holdings, LLC, Case No. 05-55992; Owosso Thermal Forming, LLC, Case No. 05-55946; Southwest Laminates, Inc. (d/b/a Southwest Fabric Laminators Inc.), Case No. 05-55948; Wickes Asset Management, Inc., Case No. 05-55962; and Wickes Manufacturing Company, Case No. 05-55968.

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COLLINS & AIKMAN CORPORATION, <u>et al.</u> ,)	Honorable Steven W. Rhodes
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Plaintiffs,)	Adversary No. 07-05665
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v.)	
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CITY OF TROY, MICHIGAN,)	
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Defendant.)	
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**STIPULATION RESOLVING ADVERSARY PROCEEDING FILED AGAINST
CITY OF TROY, MICHIGAN**

This Stipulation is made as of September 19, 2007 by and between the above-captioned debtors (collectively, the “Debtors” or “Plaintiffs”) and the City of Troy, Michigan (the “Defendant”) resolving the above-captioned adversary proceeding (the “Adversary Proceeding”).

¹ The Debtors in the jointly administered cases include: Collins & Aikman Corporation; Amco Convertible Fabrics, Inc., Case No. 05-55949; Becker Group, LLC (d/b/a/ Collins & Aikman Premier Mold), Case No. 05-55977; Brut Plastics, Inc., Case No. 05-55957; Collins & Aikman (Gibraltar) Limited, Case No. 05-55989; Collins & Aikman Accessory Mats, Inc. (f/k/a the Akro Corporation), Case No. 05-55952; Collins & Aikman Asset Services, Inc., Case No. 05-55959; Collins & Aikman Automotive (Argentina), Inc. (f/k/a Textron Automotive (Argentina), Inc.), Case No. 05-55965; Collins & Aikman Automotive (Asia), Inc. (f/k/a Textron Automotive (Asia), Inc.), Case No. 05-55991; Collins & Aikman Automotive Exteriors, Inc. (f/k/a Textron Automotive Exteriors, Inc.), Case No. 05-55958; Collins & Aikman Automotive Interiors, Inc. (f/k/a Textron Automotive Interiors, Inc.), Case No. 05-55956; Collins & Aikman Automotive International, Inc., Case No. 05-55980; Collins & Aikman Automotive International Services, Inc. (f/k/a Textron Automotive International Services, Inc.), Case No. 05-55985; Collins & Aikman Automotive Mats, LLC, Case No. 05-55969; Collins & Aikman Automotive Overseas Investment, Inc. (f/k/a Textron Automotive Overseas Investment, Inc.), Case No. 05-55978; Collins & Aikman Automotive Services, LLC, Case No. 05-55981; Collins & Aikman Canada Domestic Holding Company, Case No. 05-55930; Collins & Aikman Carpet & Acoustics (MI), Inc., Case No. 05-55982; Collins & Aikman Carpet & Acoustics (TN), Inc., Case No. 05-55984; Collins & Aikman Development Company, Case No. 05-55943; Collins & Aikman Europe, Inc., Case No. 05-55971; Collins & Aikman Fabrics, Inc. (d/b/a Joan Automotive Industries, Inc.), Case No. 05-55963; Collins & Aikman Intellimold, Inc. (d/b/a M&C Advanced Processes, Inc.), Case No. 05-55976; Collins & Aikman Interiors, Inc., Case No. 05-55970; Collins & Aikman International Corporation, Case No. 05-55951; Collins & Aikman Plastics, Inc., Case No. 05-55960; Collins & Aikman Products Co., Case No. 05-55932; Collins & Aikman Properties, Inc., Case No. 05-55964; Comet Acoustics, Inc., Case No. 05-55972; CW Management Corporation, Case No. 05-55979; Dura Convertible Systems, Inc., Case No. 05-55942; Gamble Development Company, Case No. 05-55974; JPS Automotive, Inc. (d/b/a PACI, Inc.), Case No. 05-55935; New Baltimore Holdings, LLC, Case No. 05-55992; Owosso Thermal Forming, LLC, Case No. 05-55946; Southwest Laminates, Inc. (d/b/a Southwest Fabric Laminators Inc.), Case No. 05-55948; Wickes Asset Management, Inc., Case No. 05-55962; and Wickes Manufacturing Company, Case No. 05-55968.

WHEREAS, on May 17, 2005 (the "Petition Date"), the Debtors filed their voluntary petitions for relief under chapter 11 of the Bankruptcy Code, 11 U.S.C. §§ 101-1330 (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Eastern District of Michigan (the "Bankruptcy Court").

WHEREAS, on May 15, 2007, the Debtors filed the Complaint to avoid the fixing of any alleged statutory liens of the Defendant related to any claims on account of the personal property taxes incurred by the Debtors in the 2004 and 2005 tax years (the "Taxes") pursuant to section 545(2) of the Bankruptcy Code.

WHEREAS, on July 16, 2007, the Defendant filed its answer to the Complaint [Docket No. 9].

WHEREAS, the Defendant agrees that no payment or amount is due or owing by any of the Debtors on account of any of the Taxes.

NOW, THEREFORE, in consideration of the mutual premises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, it is hereby stipulated and agreed to by and between the Debtors and the Defendant as follows:

1. The Defendant's alleged liens related to the Taxes are hereby avoided pursuant to section 545(2) of the Bankruptcy Code.
2. The Defendant hereby acknowledges and agrees that no payment or amount is due or owing by any of the Debtors on account of any of the Taxes.
3. This Stipulation fully, finally and completely resolves and satisfies any claims the Defendant has or may have, now or hereafter arising, against the Debtors on account of or relating to any of the Taxes.

4. The Defendant shall not collect or seek to collect any payments or amounts on account of the Taxes from any of the Debtors or their successors (including, for clarity, any trust established under the Debtors' chapter 11 plan).

5. The Bankruptcy Court shall retain jurisdiction (and the Debtors and the Defendant consent to such retention of jurisdiction) to resolve any disputes or controversies arising from or related to this Stipulation.

6. This Stipulation may be executed in multiple counterparts, any of which may be transmitted by facsimile, and each of which shall be deemed an original, but all of which together shall constitute one instrument.

7. This Stipulation constitutes the entire agreement between the parties with respect to the subject matter hereof, and no prior or contemporaneous agreement may be used to alter the terms of the Stipulation.

8. The signatories to this Stipulation represent that they have been duly authorized by their respective client to execute this Stipulation.

KIRKLAND & ELLIS LLP

**NANTZ, LITOWICH, SMITH, GIRARD &
HAMILTON, P.C.**

/s/ Scott R. Zernick

Richard M. Cieri (NY RC 6062)
Joseph Serino, Jr. (NY JS 9911)
Carl D. LeSueur (NY CL 0315)
Citigroup Center
153 East 53rd Street
New York, New York 10022
Telephone: (212) 446-4800
Facsimile: (212) 446-4900

/s/ Sandra S. Hamilton

Sandra S. Hamilton (P-41980)
2025 East Beltline, S.E.
Suite 600
Grand Rapids, Michigan 49546
Telephone: (616) 977-0077

Counsel for Defendant

-and-

David L. Eaton (IL 3122303)
Ray C. Schrock (IL 6257005)
Scott R. Zernick (IL 6276224)
200 East Randolph Drive
Chicago, Illinois 60601
Telephone: (312) 861-2000
Facsimile: (312) 861-2200

-and-

CARSON FISCHER, P.L.C.

Joseph M. Fischer (P13452)
4111 West Andover Road
West - Second Floor
Bloomfield Hills, Michigan 48302
Telephone: (248) 644-4840
Facsimile: (248) 644-1832

Co-Counsel for the Debtors