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**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:)	Chapter 15
)	
WHITE BIRCH PAPER COMPANY, <u>et al.</u> , ¹)	Case No. 10-31234 (DOT)
)	
Debtors in a Foreign Proceeding.)	Jointly Administered
)	

¹ The Debtors in these cases are: White Birch Paper Company (“White Birch Company”); Papier Masson Ltee (“Papier Masson”); Stadacona General Partner, Inc. (“Stadacona GP”); Stadacona Limited Partnership (“Stadacona LP”); F.F. Soucy Limited Partnership (“FF Soucy LP”); and F.F. Soucy Inc. & Partners, Limited Partnership (“FF Soucy & Partners LP”). The Debtors’ U.S. service address is 80 Field Point Road, Greenwich, Connecticut 06830.

**ORDER GRANTING A PRELIMINARY INJUNCTION AND OTHER
PROVISIONAL RELIEF UNDER CHAPTER 15 OF THE BANKRUPTCY CODE**

Upon the *Ex Parte Application for Entry of an Order (A) Granting Provisional Relief and Injunction and (B) Scheduling a Hearing* [Docket No. 7] (the “Application”)² of White Birch Paper Company (“White Birch Company”), in its capacity as foreign representative (the “Foreign Representative”) of the above-captioned debtors (collectively, the “Debtors”) in a foreign proceeding (the “Canadian Proceeding”) under Canada’s *Companies’ Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the “CCAA”) pending before the Superior Court for the Province of Quebec, Commercial Division, Judicial District of Montreal, Canada (the “Canadian Court”), the Foreign Representative, pursuant to sections 105(a), 1519, 1520 and 1521 of the Bankruptcy Code, requests: (a) entry of a temporary restraining order enforcing the Petition for the Issuance of an Initial Order (the “Initial CCAA Order”) and related relief; (b) after seven days’ notice and a hearing on the Application (with such hearing to be held only to the extent unresolved objections exist), the Provisional Order pending entry of an order recognizing the Canadian Proceeding as a “foreign main proceeding” on a permanent basis; (c) the scheduling of a hearing on the Application; and (d) such other relief as may be just and proper; and upon consideration of the Application and the Sherrick Declaration and all documents attached thereto; and it appearing that this Court has jurisdiction to consider the Application pursuant to 28 U.S.C. §§ 157 and 1334; and it appearing that venue of these cases and the Application in this district is proper pursuant to 28 U.S.C. §§ 1408 and 1410(3); and it appearing that this matter is a core proceeding pursuant to 28 U.S.C. § 157(b); and it appearing that notice of the filing of the Application and the hearing thereon having been given in accordance with the Court’s *Temporary Restraining Order Granting Provisional Relief Pursuant to Chapter 15 of the Bankruptcy Code*

2 Capitalized terms used and not defined herein shall have the meaning ascribed to them in the Application.

[Docket No. 21] has been given as set forth therein and pursuant to Bankruptcy Rules 1011(b) and 2002(q), and that such notice is adequate and no other or further notice need be given; and a Hearing having been held to consider the relief requested in the Application (the “Hearing”) and upon the record of the Hearing and all of the proceedings held before the Court; and the Court having found and determined that the relief sought in the Application is consistent with the purpose of chapter 15 of the Bankruptcy Code and that the legal and factual bases set forth in the Application establish just cause for the relief granted herein; and no objections or other responses having been filed that have not been overruled, withdrawn or otherwise resolved; and after due deliberation and sufficient cause appearing therefore, the Court finds and concludes as follows:³

1. There is a substantial likelihood that the Foreign Representative will be able to demonstrate that the Canadian Proceeding is a “foreign main proceeding” as defined in section 1502(4) of the Bankruptcy Code.

2. The commencement or continuation of any action or proceeding in the United States against the Debtors or any of the Debtors’ assets or proceeds thereof, except as provided in the Interim Financing Credit Agreement (as defined in the CCAA Initial Order) and the CCAA Initial Order (as modified, amended or extended from time to time by the Canadian Court), should be enjoined on the terms set forth herein, pursuant to sections 105(a) and 1519 of the Bankruptcy Code to permit the expeditious and economical administration of the Debtors’ estates in the Canadian Proceeding, and the relief requested either (a) will not cause any undue hardship to other parties in interest or (b) any hardship to parties in interest is outweighed by the benefits of the relief requested.

³ The findings and conclusions set forth herein and in the record of the hearing on the Application constitute this Court’s findings of facts and conclusions of law pursuant to Fed. R. Civ. P. 52, as made applicable herein by Bankruptcy Rules 7052 and 9014. To the extent any of the findings of fact herein constitute conclusions of law, they are adopted as such. To the extent any of the conclusions of law herein constitute findings of fact, they are adopted as such.

3. Unless a preliminary injunction order is issued on the terms set forth herein, there is a material risk that the Debtors' assets could be subject to efforts by creditors or other parties in interest in the United States to control or possess the Debtors' assets located in the U.S. or take other detrimental business acts against such assets of the Debtors.

4. Such acts (other than such acts permitted pursuant to the Interim Financing Credit Agreement and the Initial CCAA Order -- as modified, amended or extended from time to time by the Canadian Court) could: (a) interfere with and cause harm to the jurisdictional mandate of this Court under chapter 15 of the Bankruptcy Code; (b) interfere with and cause harm to the Debtors' efforts to administer their estates pursuant to the Canadian Proceeding; and (c) undermine the Foreign Representative's efforts to achieve an equitable result for the benefit of all of the Debtors' creditors. Accordingly, absent entry of this Order there is a material risk that the Debtors may suffer immediate and irreparable injury for which they will have no adequate remedy at law, and therefore, it is necessary that the Court enter this Order.

5. The interest of the public will be served by this Court's entry of this Order.

6. Subject to the Interim Financing Credit Agreement and the Initial CCAA Order (as modified, amended or extended from time to time by the Canadian Court), the Debtors and the Foreign Representative are entitled to the full protections and rights available pursuant to section 1519(a) of the Bankruptcy Code on the terms set forth herein.

NOW THEREFORE, IT IS HEREBY ORDERED, THAT:

1. The Application is granted as set forth herein.
2. Beginning on the date of this Order and continuing until the date of the entry of an order of this Court recognizing (a) the Canadian Proceeding as a "foreign main proceeding" as defined in section 1502(4) of the Bankruptcy Code and (b) White Birch Company as a "foreign representative" as defined in section 101(24) of the Bankruptcy Code, and unless otherwise

extended pursuant to section 1519(b) of the Bankruptcy Code, then subject to the terms set forth herein, including without limitation in Paragraph 4 of this Order:

- (a) the protections of sections 361 and 362 of the Bankruptcy Code apply to the Debtors and their assets in the United States;
- (b) the Foreign Representative is established as the representative of the Debtors with full authority to administer the Debtors' assets and affairs in the United States, including, without limitation, making payments on account of the Debtors' prepetition and postpetition obligations as permitted by the Canadian Court and in accordance with any approved debtor in possession financing or budget in connection therewith;
- (c) the Foreign Representative is entrusted with the administration or realization of all or part of the Debtors' assets in the United States, including, without limitation, all of the Debtors' assets that may have been transferred to parties in the United States;
- (d) all persons and entities are enjoined from seizing, attaching and/or enforcing or executing liens or judgments against the Debtors' property in the United States or from transferring, encumbering or otherwise disposing of or interfering with the Debtors' assets or agreements in the United States without the express consent of the Foreign Representative;
- (e) all persons and entities are enjoined from commencing or continuing, including the issuance or employment of process of, any judicial, administrative or any other action or proceeding involving or against the Debtors or their assets or proceeds thereof, or to recover a claim or enforce any judicial, quasi-judicial, regulatory, administrative or other judgment, assessment, order, lien or arbitration award against the Debtors or their assets or proceeds thereof; and
- (f) the Foreign Representative has the right and power to examine witnesses, take evidence or deliver information concerning the Debtors' assets, affairs, rights, obligations or liabilities.

3. Nothing herein shall enjoin a police or regulatory act of a governmental unit, including a criminal action or proceeding.

4. Notwithstanding anything to the contrary herein, nothing herein shall provide the Debtors with any greater protection for their U.S. assets than that provided under the Initial CCAA Order with respect to the Debtors' Canadian assets vis-à-vis the postpetition lenders' rights

and remedies under the interim DIP authorizations contained in the Initial CCAA Order and the DIP credit documents, and the protections granted to the Debtors under this Order shall be subject to the terms of the Initial CCAA Order.

5. Except as permitted by the Initial CCAA Order (as modified, amended or extended from time to time by the Canadian Court) or by leave of the Canadian Court, no action may be commenced or continued against any of the former, current or future directors or officers of the Debtors with respect to any claim against the directors or officers that arose before the date hereof and that relates to any obligations of the Debtors whereby the directors or officers are alleged under any law to be liable in their capacity as directors or officers for the payment or performance of such obligations, until a compromise or arrangement in respect of the Debtors, if one is filed, is sanctioned by the Canadian Court, or is refused by the creditors of the Debtors or the Canadian Court.

6. Until further order of this Court, the Foreign Representative is hereby established as the exclusive representative of the Debtors in the United States.

7. The Debtors and White Birch Company in connection with its appointment as the Foreign Representative are, subject to the terms and conditions of the Interim Financing Credit Agreement and the CCAA Initial Order (as modified, amended or extended from time to time by the Canadian Court), entitled to the full protections and rights available pursuant to section 1519(a) of the Bankruptcy Code on the terms set forth in this Order.

8. Pursuant to Rule 65(b) of the Federal Rules of Civil Procedure, made applicable to these proceedings pursuant Bankruptcy Rule 7065, no notice to any person is required prior to entry and issuance of this Order.

9. The security provisions of Rule 65(c) of the Federal Rules of Civil Procedure, as made applicable by Bankruptcy Rule 7065, are waived.

10. Subject to the Initial CCAA Order, any party in interest: (a) may make a motion seeking relief from, or modification of, this Order, by filing a motion on not less than five (5) business days notice to United States Counsel (defined below), counsel to the agent under the Debtor's postpetition financing agreement and counsel to the agent under the First Lien Term Loan Agreement, Latham & Watkins LLP, 885 Third Avenue, New York, New York 10022-4834, Attn.: Keith A. Simon, seeking an order for such relief, and any such request shall be the subject of a hearing to be scheduled by the Court and (b) may file objections and be heard by the Court in accordance with the terms of any order of the Court providing for a hearing on any subsequent relief sought by the Foreign Representative in this proceeding.

11. Copies of this Order, the proposed order recognizing the Canadian Proceeding as a foreign main proceeding and White Birch Company as a foreign representative, and notice of the hearing on the Petition shall be served via first class U.S. mail upon (a) the Office of the United States Trustee for the Eastern District of Virginia; (b) counsel to the agent under the Debtors' proposed postpetition financing agreement; (c) counsel to the agent under the First Lien Term Loan Agreement; (d) counsel to the agent under the Second Lien Term Loan Agreement; (e) counsel to the agent under the Revolving ABL Agreement; (f) counsel to counterparties under the Swap Agreements; (g) the monitor appointed in the CCAA Cases; (h) all parties to litigation currently pending in the United States to which any Debtor is a party; (i) SunTrust Bank; (j) HSBC Bank USA, N.A.; (k) vendors and suppliers of the Debtors located in the United States; (l) all other parties against whom the Debtors obtained provisional relief pursuant to section 1519 of the Bankruptcy Code; and (m) all parties that file notices of appearance in the Chapter 15 Cases

pursuant to Bankruptcy Rule 2002. Such service shall be deemed adequate and sufficient service and notice for all purposes.

12. The banks and financial institutions with which the Debtors maintain bank accounts or on which checks are drawn or electronic payment requests made in payment of prepetition or postpetition obligations are authorized and directed to continue to service and administer the Debtors' bank accounts without interruption and in the ordinary course and to receive, process, honor and pay any and all such checks, drafts, wires and automatic clearing house transfers issued, whether before or after the Petition Date and drawn on the Debtors' bank accounts by respective holders and makers thereof and at the direction of the Foreign Representative or the Debtors, as the case may be.

13. Notwithstanding any provision in the Bankruptcy Rules to the contrary: (a) this Order shall be effective immediately and enforceable upon its entry; (b) the Foreign Representative is not subject to any stay in the implementation, enforcement or realization of the relief granted in this Order; and (c) the Foreign Representative is authorized and empowered, and may in its discretion and without further delay, take any action and perform any act necessary to implement and effectuate the terms of this Order.

14. This Court shall retain jurisdiction with respect to any matters, claims, rights or disputes arising from or related to the Motion or the implementation of this Order.

Dated: _____, 2010
Richmond, Virginia

United States Bankruptcy Judge

I ASK FOR THIS:

/s/ Jonathan L. Hauser

Jonathan L. Hauser

VSB No. 18688

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Counsel to the Foreign Representative

CERTIFICATION OF ENDORSEMENT
UNDER LOCAL BANKRUPTCY RULE 9022-1(C)

Pursuant to Local Bankruptcy Rule 9022-1(C), I hereby certify that the foregoing proposed order has been endorsed by or served upon all necessary parties.

/s/ Jonathan L. Hauser