

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 15
	)	
FRASER PAPERS INC., <u>et al.</u> , <sup>1</sup>	)	Case No. 09-12123(KJC)
	)	
Debtors in Foreign Proceedings.	)	Jointly Administered
	)	
	)	RE: D.I. 70
	)	

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**ORDER, PURSUANT TO 11 U.S.C. §§ 105(a), 1521 AND 1525, RECOGNIZING  
CANADIAN CLAIMS ORDER IN THE UNITED STATES**

Upon the motion (the "Motion") of Fraser Papers Inc. ("Fraser") as foreign representative of Fraser and its affiliated captioned debtors and participants (collectively, with Fraser, the "Debtors") in a 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 Ontario Superior Court of Justice (Commercial List) (the "Canadian Court"), pursuant to sections 105(a), 1521 and 1525 of title 11 of the United States Code (the "Bankruptcy Code"), for the entry of an order recognizing the Canadian Claims Order<sup>2</sup> in the United States; and all interested parties having due and proper notice of the Motion; and the Court having considered and reviewed the Motion; and based on the foregoing, the Court finds and concludes as follows:

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<sup>1</sup> These jointly administered cases are those of the following debtors: Fraser Papers Inc., FPS Canada Inc., Fraser Papers Holdings Inc., Fraser Timber Limited, Fraser Papers Limited, and Fraser N.H. LLC.

<sup>2</sup> All terms not defined herein shall have the meanings ascribed to them in the Motion.

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

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

c) Venue is proper in this District pursuant to 28 U.S.C. § 1410.

NOW THEREFORE, IT IS HEREBY ORDERED THAT:

1. The Motion is granted and, pursuant to sections 105(a), 1521 and 1525 of the Bankruptcy Code, the Canadian Claims Order attached hereto as Exhibit A is hereby recognized and given full force and effect in the United States and is enforceable in accordance with its terms.

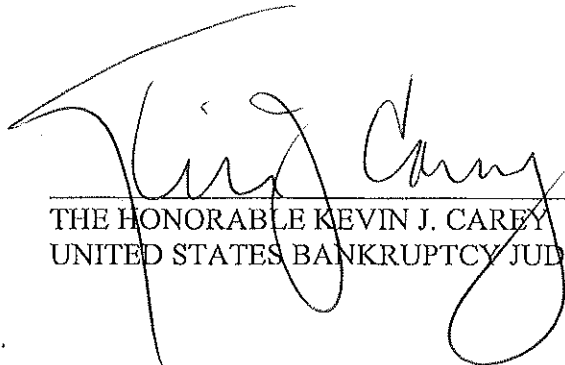
2. The Monitor and the Debtors are authorized and empowered to take such steps and perform such actions as may be necessary to implement and effectuate the terms of this Order.

3. Without in any way limiting the foregoing, all claims of the United Steel, Paper and Forestry, Rubber, Manufacturing, Energy, Allied Industrial and Service Workers International Union (the "USW") or any Steelworkers (as defined below) related to grievances relating to alleged violations of the respective collective bargaining agreements (each a "CBA") covering USW-represented employees (the "Steelworkers") at the Madawaska, Maine and Gorham, New Hampshire facilities ( the "Steelworker Grievance Claims") shall be made solely in accordance with the Canadian Claims Order. To the extent, however, that the Steelworker Grievance Claims are subject to arbitration under the relevant CBA and (i) arbitration proceedings relate to disputes which arose as of or prior to the Petition Date, such arbitration proceedings may proceed to resolve all issues therein in accordance with the applicable CBA, provided, however, that any liquidated amounts for claims for money that are established in such arbitration

proceedings may only be filed as Claims (as defined in the Canadian Claims Order) in accordance with the terms, including timeframes, of the Canadian Claims Order; and (ii) arbitration proceedings relate to alleged violations of the relevant CBA that arose after the Petition Date, such arbitration proceedings may proceed to resolve all issues therein in accordance with the applicable CBA, provided, however, that any liquidated amounts for claims for money that are established in such arbitration proceedings that constitute Restructuring Claims (as defined in the Canadian Claims Order), shall be filed as Restructuring Claims in accordance with the terms, including timeframes, of the Canadian Claims Order. The Debtors shall be authorized to enter into settlements of Steelworker Grievance Claims to the extent that such settlements are otherwise authorized by the Companies' Creditors Arrangement Act under Canadian law and to the extent applicable, the United States Bankruptcy Code.

4. This Court shall retain jurisdiction with respect to all matters relating to the interpretation or implementation of this Order.

Dated: August 5, 2009  
Wilmington, Delaware



THE HONORABLE KEVIN J. CAREY  
UNITED STATES BANKRUPTCY JUDGE