

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

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In re : Chapter 11
: :
: : Case No. 09-12278 (CSS)
PROLIANCE INTERNATIONAL, INC., *et al.*,¹ :
: (Jointly Administered)
: :
Debtors. : **Hearing Date: April 27, 2010 at 11:00 a.m.**
: **Obj. Deadline: April 13, 2010 at 4:00 p.m.**
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**MOTION OF THE DEBTORS FOR
ENTRY OF AN ORDER APPROVING THE STIPULATION
RESOLVING THE CLAIMS OF PENSION BENEFIT GUARANTY CORPORATION**

The above-captioned debtors and debtors-in-possession (collectively, the "Debtors") file this motion (the "Motion"), pursuant to sections 105(a) and 363 of title 11 of the United States Code (the "Bankruptcy Code") and Rule 9019 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), for entry of an order approving the Stipulation (the "Stipulation")² resolving the PBGC Claims (as defined below) in their entirety.³ In support of this Motion, the Debtors respectfully represent as follows:

Preliminary Statement

1. In connection with the Debtors' sale of all of the issued and outstanding equity interests (the "NRF Stock") of the Debtors' wholly-owned non-Debtor subsidiary,

¹ The Debtors are the following four entities (the last four digits of their respective taxpayer identification numbers, if any, follow in parentheses): Proliance International, Inc. (7383); Aftermarket Delaware Corporation (9862); Aftermarket LLC; and Proliance International Holding Corporation (9275). The address of each of the Debtors is 100 Gando Drive, New Haven, Connecticut 06513.

² A copy of the Stipulation is attached hereto as Exhibit B. All capitalized terms not otherwise defined herein shall have the meanings given to them in the Stipulation.

³ A copy of the proposed order (the "Order") is attached hereto as Exhibit A.

Nederlandse Radiateuren Fabriek B.V. ("NRF"), PBGC entered into a settlement with Silver Point Finance, LLC, as agent to the Debtors' prepetition secured lenders ("Silver Point"), which involved the payment of a portion of proceeds of the sale of the NRF Stock to PBGC (which would have otherwise been paid to Silver Point) in consideration of PBGC's agreement to release all claims and liens against NRF, its assets and Silver Point, among other parties. Such agreement was approved by this Court as part of the order approving the sale of the NRF Stock to Banco Products (India) Ltd. ("Banco"), which was entered on February 19, 2010 (Docket No. 607) (the "NRF Sale Order"). The NRF Sale Order further provided, among other things, that the Debtors and PBGC would continue to negotiate in good faith to resolve PBGC's remaining claims against the Debtors' estates.

2. As a result of those negotiations, the Debtors and PBGC have resolved the PBGC Proofs of Claim (as defined below) pursuant to the Stipulation. The PBGC Proofs of Claim represent some of the largest claims against the Debtors' estates and, accordingly, settlement of such claims represent a sound exercise of the Debtors' business judgment not only due to the size of such claims and in light of the tens or hundreds of thousands of dollars in litigation costs saved through the settlement, but, perhaps more importantly, due to the fact that under the Stipulation PBGC has agreed to substantially reduce the amount of its claims against the Debtors' estates. Accordingly, the Debtors respectfully request that this Court approve the Stipulation under Bankruptcy Rule 9019.

Background

3. On July 2, 2009 (the "Petition Date"), each of the Debtors commenced a case under chapter 11 of the Bankruptcy Code.⁴ The Debtors are operating their businesses and

⁴ Background information regarding, among other things, the Debtors' business and the events leading to the

managing their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

4. On July 15, 2009, the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed the official committee of unsecured creditors (the "Committee"). No trustee or examiner has been appointed in these chapter 11 cases.

Facts Relevant to the Relief Requested

The NRF Sale Process

5. On December 30, 2009, the Debtors filed the Motion of the Debtors for (I) an Order (A) Approving Bid Procedures for the Sale of the Stock of the Debtors' Wholly-Owned Subsidiary, Nederlandse Radiatoren Fabriek B.V., (B) Authorizing the Debtors to Offer Certain Bid Protections and (C) Scheduling Final Sale Hearing and Approving Form and Manner of Notice Thereof, and (II) an Order Authorizing and Approving (A) the Sale of the Stock of Nederlandse Radiatoren Fabriek B.V. Free and Clear of All Liens, Claims and Encumbrances, and (B) Related Relief (Docket No. 521) (the "NRF Sale Motion").

6. On February 19, 2010, this Court entered the NRF Sale Order, which approved the sale of the NRF Stock to Banco. The Debtors closed the sale of the NRF Stock to Banco on February 23, 2010.

7. As described above, under the NRF Sale Order, the Debtors and PBGC agreed to continue to negotiate in good faith to resolve the PBGC Proofs of Claim.

The PBGC Claims

8. On August 12, 2009, The Pension Benefit Guaranty Corporation ("PBGC") filed a complaint (the "PBGC Complaint") against Debtor Proliance International,

commencement of these chapter 11 cases is contained in the Affidavit of Arlen F. Henock in Support of First Day Pleadings, which was filed on the Petition Date.

Inc. ("Proliance") in the United States District Court for the District of Connecticut, by which PBGC sought an order (a) terminating the Proliance Pension Plan and the Proliance Bargaining Unit Pension Plan (collectively, the "Pension Plans"), (b) appointing PBGC as statutory trustee of the Pension Plans, (c) establishing August 12, 2009 as the plan termination date of the Pension Plans, and (d) requiring that all relevant records be turned over to PBGC.

9. On January 26, 2010, PBGC and Proliance entered into that certain Agreement for Appointment of Trustee and Termination of Plan providing, among other things, that the Pension Plans were terminated effective as of August 12, 2009 and pursuant to section 4042(d)(1) of ERISA, PBGC has the powers of the plan administrator. Thereafter, PBGC and Proliance filed a joint motion to dismiss the PBGC Complaint.

10. On December 10, 2009, PBGC filed on behalf of itself and the Pension Plans 32 proofs of claim (Claim Nos. 412 – 443) on account of various contingent, unliquidated and priority claims PBGC asserted against each of the Debtors in these chapter 11 cases in connection with the Pension Plans (collectively, the "PBGC Proofs of Claim").

11. On January 14, 2010, PBGC filed a response to the NRF Sale Motion (Docket No. 552) (the "Response"). Under the NRF Sale Order, the Response was withdrawn with prejudice in consideration of the payment to PBGC of a portion of the proceeds of the sale of the NRF Stock that would have otherwise gone to Silver Point and the agreement of the Debtors to continue to try to resolve the PBGC Proofs of Claim in good faith.

The Stipulation

12. After substantial, good faith and arms'-length negotiations, the parties have agreed to resolve fully and finally all PBGC Proofs of Claim under the Stipulation, which provides, among other things, that:⁵

- PBGC shall be entitled to an allowed (a) unsecured nonpriority claim in the amount of \$16,223,623.00 (the "PBGC Unsecured Claim") and (b) fifth priority claim under section 507(a)(5) of the Bankruptcy Code in the amount of \$158,409.00 (the "PBGC Priority Claim"). Each and every PBGC Proof of Claim filed by PBGC shall be disallowed in its entirety and replaced by the PBGC Unsecured Claim and the PBGC Priority Claim.
- In the event that the Debtors circulate to PBGC an approved disclosure statement with respect to a chapter 11 plan of liquidation that is consistent in all material respects with the Stipulation, including without limitation, the amount and priority of PBGC's claims, and is not otherwise inconsistent with PBGC's interests or obligations (such plan, a "Conforming Plan"), PBGC shall support confirmation of the Conforming Plan and PBGC shall not file any pleading or request for relief inconsistent with the Conforming Plan without the prior written consent of the Debtors. If PBGC, in the exercise of its reasonable discretion, deems that the approved disclosure statement does not contain a plan of liquidation that is a Conforming Plan, then PBGC shall have no obligation to support confirmation of such plan.
- Except as set forth in the Stipulation, PBGC, on its own behalf, on behalf of the Pension Plans, and in every other capacity in which it may now or in the future act, unconditionally and forever releases, waives and discharges the Debtors (collectively, the "Released Entities") and each of the Released Entities' directors, officers, employees, agents, and each of its (or their) heirs, agents, executors, administrators, attorneys, successors and assigns (collectively, the "PBGC Releasees") from and against all claims, obligations, suits, judgments, damages, demands, disputes, controversies, assessments, sums of money, debts, rights, causes of action and liabilities of any kind whatsoever, upon any legal or equitable theory (whether contractual, common law, statutory, federal, state, local or otherwise), whether known or unknown, that PBGC ever had, now has or hereafter can, shall or may have, from the beginning of time, against the

⁵ The summary of the Stipulation provided herein is provided for convenience only. To the extent that there are any inconsistencies between the summary description of the Stipulation contained herein and the terms and conditions of the Stipulation, the terms of the Stipulation control.

PBGC Releasees by reason of any matter, cause or thing whatsoever relating to obligations to PBGC or the Pension Plans with respect to the Pension Plans under ERISA, the Internal Revenue Code of 1986, as amended, (the "IRC") or otherwise (together with the PBGC Proofs of Claim, the "PBGC Claims"), except for claims brought by PBGC on behalf of the Pension Plans against a fiduciary to the Pension Plans for breach of fiduciary duty under 29 U.S.C. §§ 1104-1109.

- PBGC shall be deemed to have fully, finally and forever released any purported liens that exist or could have been asserted against the Debtors and the Released Entities under ERISA, the IRC or otherwise, except to the extent any liens arise as a result of claims under 29 U.S.C. §§ 1104-1109, and the PBGC Claims shall be deemed fully and finally satisfied.
- PBGC agrees not to pursue collection and not to assert any claims in the future against the Debtors, the Released Entities, the PBGC Releasees, or any entity that continues the Debtors' or the Released Entities' business operations, in whatever form, for termination premiums under section 4006(a)(7) of ERISA (29 U.S.C. § 1306(a)(7)) in connection with the termination of the Pension Plans.

Relief Requested

13. By this Motion, the Debtors respectfully request the entry of an order, pursuant to sections 105(a) and 363 of the Bankruptcy Code and Bankruptcy Rule 9019(a), approving the Debtors' entry into the Stipulation.

14. Section 363(b)(1) provides that the trustee "after notice and a hearing, may use, sell, or lease, other than in the ordinary course of business, property of the estate." 11 U.S.C. § 363(b)(1). Section 363 is the statutory basis governing settlement agreements. See Myers v. Martin (In re Martin), 91 F.3d 389, 394 n.2 (3d Cir. 1996).

15. Section 105(a) of the Bankruptcy Code provides, in pertinent part, that the "[c]ourt may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions" of the Bankruptcy Code. 11 U.S.C. § 105(a). Bankruptcy Rule 9019 governs the procedural prerequisites to approval of a settlement and provides, in relevant part, that "[o]n motion by the [debtor-in-possession] and after notice and a hearing, the court may

approve a compromise or settlement." Fed. R. Bankr. P. 9019(a). Together, section 105(a) of the Bankruptcy Code and Bankruptcy Rule 9019(a) empower a bankruptcy court to approve a proposed compromise and settlement when it is in the best interests of the debtor's estate and its creditors." See In re Marvel Entm't Group, Inc., 222 B.R. 243, 249 (D. Del. 1998); In re Louise's Inc., 211 B.R. 798, 801 (D. Del. 1997); Vaughn v. Drexel Burnham Lambert Group (In re Drexel Burnham Lambert Group), 134 B.R. 499, 505 (Bankr. S.D.N.Y. 1991); In re Texaco, 84 B.R. 893, 901-02 (Bankr. S.D.N.Y. 1988).

16. "[C]ompromises are favored in bankruptcy" because they minimize the costs of litigation and further the parties' interest in expediting administration of a bankruptcy estate. Martin, 91 F.3d at 393 (citing Collier on Bankruptcy ¶ 9019.03[1] (15th ed. 1993)).

17. In approving a settlement pursuant to Bankruptcy Rule 9019, "[t]he court is not supposed to have a 'mini trial' on the merits, but should 'canvass the issues to see whether the settlement falls below the lowest point in the range of reasonableness.'" In re Jasmine, Ltd., 258 B.R. 119, 123 (D. N.J. 2000) (citing In re Neshaminy Office Building Assocs., 62 B.R. 798, 803 (E.D. Pa. 1986)); see also In re Penn. Truck Lines, Inc., 150 B.R. 595, 598 (E.D. Pa. 1992), aff'd, 8 F.3d 812 (3d Cir. 1993).

18. The following factors are utilized by courts to determine whether a settlement is within a range of reasonableness: (a) the probability of success in the litigation; (b) difficulties to be encountered in collection; (c) the complexity of the litigation and related expense, inconvenience, and delay; and (d) the interests of the creditors. Fry's Metals, Inc. v. Gibbons (In re RFE Indus., Inc.), 283 F.3d 159, 165 (3rd Cir. 2002); In re Etoys, Inc., 331 B.R. 176, 198 (Bankr. D. Del. 2005); In re Coram Healthcare Corp., 315 B.R. 321, 330-31 (Bankr.

D. Del. 2004); see also Protective Comm. for Indep. Stockholders of TMT Trailer Ferry, Inc. v. Anderson, 390 U.S. 414, 424 (1968).

19. After extensive discussions and good faith, arms'-length negotiations, the Debtors and PBGC entered into the Stipulation in order to avoid time-consuming and costly litigation and to accomplish the parties' goal of resolving any and all issues related to the PBGC Proofs of Claim.

20. The Debtors respectfully submit that the Stipulation will save their estates the very high costs that would be incurred in negotiating, and potentially litigating, the PBGC Proofs of Claim, and any related issues, which costs might exceed the benefits that might be realized if the process were continued, while still fairly and adequately addressing the interests of the Debtors and all stakeholders in these chapter 11 cases. After evaluating all of the governing factors listed above, the Debtors submit that the Stipulation is both fair and equitable and in the best interest of the estates, especially considering that the Stipulation involves a reduction of **more than \$7.5 million** in claims asserted by PBGC in these chapter 11 cases.

Request for Waiver of Stay

21. The Bankruptcy Rules provide for a 14-day stay of effectiveness of orders entered by a bankruptcy court, in each case subject to the ability of the bankruptcy court to order otherwise. See, e.g., Fed. R. Bankr. P. 4001(a)(3), 6004(h), 7062, 9014. To the extent any such stay would otherwise be applicable here, the Debtors request that any order approving the Stipulation be effective immediately upon entry by providing that the 14-day stay under the Bankruptcy Rules, or any similar rules, is waived.

22. Bankruptcy Rule 6004(h) provides that "[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise." The purpose of such stay is to provide

sufficient time for an objecting party to appeal before an order can be implemented. See Advisory Committee Notes to Fed. R. Bankr. P. 6004(h). Although the Bankruptcy Rules and the related Advisory Committee Notes are silent as to when a court should "order otherwise" to eliminate or reduce the 14-day stay period, the leading treatise on bankruptcy suggests that the 14-day stay period should be eliminated to allow a transaction to close immediately "where there has been no objection to the procedure." 10 Collier on Bankruptcy ¶ 6004.10 (15th ed. 2008).

23. The Debtors submit that waiver of the 14-day stay imposed by Bankruptcy Rule 6004(h), to the extent that it applies, or any applicable stay, is appropriate under these circumstances to allow approval of the Stipulation and consummation of any transactions contemplated thereunder to proceed without delay immediately following the entry of any order approving the Stipulation.

Notice

24. Notice of this Motion has been given to: (a) the U.S. Trustee, (b) PBGC, (c) counsel for the Committee, (d) the United States' Attorney's Office, (e) the Internal Revenue Service and (f) all other parties who filed requests for notice under Bankruptcy Rule 2002 in these chapter 11 cases. The Debtors submit that under the circumstances no other or further notice need be given.

No Prior Request

25. No prior request for the relief sought herein has been made to this or any other court.

WHEREFORE, the Debtors respectfully request that this Court enter the Order, in substantially the form attached hereto as Exhibit A, (i) approving the Stipulation, (ii) providing that any 14-day stay under the Bankruptcy Rules or any similar rules is waived and (iii) granting such other and further relief to the Debtors as this Court deems just and proper.

Dated: March 30, 2010
Wilmington, Delaware

Respectfully submitted,

Zachary I. Shapiro

Daniel J. DeFranceschi (DE No. 2732)
Christopher M. Samis (DE No. 4909)
Zachary I. Shapiro (DE No. 5103)
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-and-

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ATTORNEYS FOR THE DEBTORS

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

-----X
In re : Chapter 11
: :
: : Case No. 09-12278 (CSS)
PROLIANCE INTERNATIONAL, INC., *et al.*,¹ : :
: : (Jointly Administered)
: :
Debtors. : **Hearing Date: April 27, 2010 at 11:00 a.m.**
: **Obj. Deadline: April 13, 2010 at 4:00 p.m.**
-----X

NOTICE OF MOTION AND HEARING

PLEASE TAKE NOTICE that, on March 30, 2010, Proliance International, Inc., (“Proliance”) and the other debtors in the above-captioned cases (collectively with Proliance, the “Debtors”), filed the **Motion of the Debtors for Entry of an Order Approving the Stipulation Resolving the Claims of the Pension Benefit Guaranty Corporation** (the “Motion”) with the United States Bankruptcy Court for the District of Delaware, 824 Market Street, 3rd Floor, Wilmington, Delaware 19801 (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Motion must be filed in writing with the Bankruptcy Court and served upon and received by the undersigned counsel for the Debtors on or before **April 13, 2010 at 4:00 p.m. (Eastern Daylight Time)**.

PLEASE TAKE FURTHER NOTICE that if an objection is timely filed, served and received and such objection is not otherwise timely resolved, a hearing to consider such objection and the Motion will be held before The Honorable Christopher S. Sontchi at the

¹ The Debtors are the following four entities (the last four digits of their respective taxpayer identification numbers, if any, follow in parentheses): Proliance International, Inc. (7383); Aftermarket Delaware Corporation (9862); Aftermarket LLC; and Proliance International Holding Corporation (9275). The address of each of the Debtors is 100 Gando Drive, New Haven, Connecticut 06513.

Bankruptcy Court, 824 Market Street, 5th Floor, Courtroom 6, Wilmington, Delaware 19801 on
April 27, 2010 at 11:00 a.m. (Eastern Daylight Time).

**IF NO OBJECTIONS TO THE MOTION ARE TIMELY FILED, SERVED
AND RECEIVED IN ACCORDANCE WITH THIS NOTICE, THE BANKRUPTCY
COURT MAY GRANT THE RELIEF REQUESTED IN THE MOTION WITHOUT
FURTHER NOTICE OR HEARING.**

Dated: March 30, 2010
Wilmington, Delaware

Respectfully submitted,

Zachary I. Shapiro

Daniel J. DeFranceschi (DE No. 2732)
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ATTORNEYS FOR THE DEBTORS

EXHIBIT A

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

-----X
In re : Chapter 11
PROLIANCE INTERNATIONAL, INC., *et al.*,¹ : Case No. 09-12278 (CSS)
Debtors. : (Jointly Administered)
-----X
Re: Docket No. ____

**ORDER GRANTING MOTION OF THE DEBTORS FOR
ENTRY OF AN ORDER APPROVING THE STIPULATION
RESOLVING THE CLAIMS OF PENSION BENEFIT GUARANTY CORPORATION**

This matter coming before the Court on the Motion of the Debtors for Entry of an Order Approving the Stipulation Resolving the Claims of Pension Benefit Guaranty Corporation (the "Motion"),² filed by the above-captioned debtors and debtors-in-possession (collectively, the "Debtors"); the Court having reviewed the Motion and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the "Hearing"); the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) venue for this matter is proper in this district pursuant to 28 U.S.C. §§ 1408 and 1409, (iii) this is a core proceeding pursuant to 28 U.S.C. § 157(b) and (iv) notice of the Motion and the Hearing was sufficient under the circumstances; after due deliberation the Court having determined that the relief requested in the Motion is

¹ The Debtors are the following four entities (the last four digits of their respective taxpayer identification numbers, if any, follow in parentheses): Proliance International, Inc. (7383); Aftermarket Delaware Corporation (9862); Aftermarket LLC; and Proliance International Holding Corporation (9275). The address of each of the Debtors is 100 Gando Drive, New Haven, Connecticut 06513.

² Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

necessary, is the product of the Debtors' sound business judgment and is in the best interests of the Debtors, their estates and their creditors; and good and sufficient cause having been shown;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Stipulation is APPROVED.
3. The Parties to the Stipulation are hereby authorized to take any actions reasonably necessary to effectuate the terms of the Stipulation.
4. The Bankruptcy Court shall retain exclusive jurisdiction (and the Parties consent to such retention of jurisdiction) with respect to any disputes arising from or related to, or other actions to interpret, administer or enforce the terms and provisions of, the Stipulation.
5. Notwithstanding Bankruptcy Rule 6004(h) or otherwise, this Order shall be effective and enforceable immediately upon entry and any 14-day stay under the Bankruptcy Rules, or any similar rules, is waived.

Dated: April _____, 2010
Wilmington, Delaware

THE HONORABLE CHRISTOPHER S. SONTCHI
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

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

-----X
In re : Chapter 11
PROLIANCE INTERNATIONAL, INC., *et al.*,¹ : Case No. 09-12278 (CSS)
Debtors. : (Jointly Administered)
-----X

STIPULATION

This stipulation (the "Stipulation") is made by and between the above-captioned debtors (collectively, the "Debtors") and the Pension Benefit Guaranty Corporation ("PBGC," and together with the Debtors, the "Parties").

WHEREAS, on July 2, 2009 (the "Petition Date"), the Debtors filed voluntary petitions for relief (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Bankruptcy Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court");

WHEREAS, on August 12, 2009, PBGC filed a complaint (the "Complaint") against Debtor Proliance International, Inc. ("Proliance") in the United States District Court for the District of Connecticut, by which PBGC sought an order (i) terminating the Proliance International, Inc. Pension Plan and the Proliance International, Inc. Bargaining Unit Pension Plan (collectively, the "Pension Plans"), (ii) appointing PBGC as statutory trustee of the Pension

¹ The Debtors are the following four entities (the last four digits of their respective taxpayer identification numbers, if any, follow in parentheses): Proliance International, Inc. (7383); Aftermarket Delaware Corporation (9862); Aftermarket LLC; and Proliance International Holding Corporation (9275). The address of each of the Debtors is 100 Gando Drive, New Haven, Connecticut 06513.

Plans, (iii) establishing August 12, 2009 as the plan termination date of the Pension Plans, and (iv) requiring that all relevant records be turned over to PBGC;

WHEREAS, on January 26, 2010, PBGC and Proliance entered into that certain Agreement for Appointment of Trustee and Termination of Plan providing, among other things, that the Pension Plans were terminated effective as of August 12, 2009, and PBGC and Proliance filed a joint motion to dismiss the Complaint;

WHEREAS, as of August 12, 2009, the Pension Plans were terminated and pursuant to section 4042(d)(1) of ERISA, PBGC has the powers of the plan administrator;

WHEREAS, on December 10, 2009, PBGC filed on behalf of itself and the Pension Plans 32 proofs of claim (Claim Nos. 412 – 443) (collectively, the "PBGC Proofs of Claim") on account of various contingent, unliquidated and priority claims PBGC asserted against each of the Debtors in the Chapter 11 Cases aggregated as follows:

1. Minimum funding contributions owed to the Pension Plans for:
 - a. an administrative claim in the amount of \$31,901;
 - b. 180-day claim for benefits that accrued post-petition in the amount of \$138,811; and
 - c. a general unsecured claim for minimum funding contributions owed to the Pension Plans in the amount of \$914,484;
2. Unliquidated claims for premiums owed to PBGC;
3. The amortization shortfall under 29 U.S.C. § 1362(c) in the amount of \$6,691,925; and
4. Unfunded benefit liabilities in the amount of \$16,328,302.

WHEREAS, after filing the PBGC Proofs of Claim, PBGC received certain information, which modified its claim for minimum funding contributions and unfunded benefit liabilities as follows:

1. Minimum funding contributions owed to the Pension Plans for:

- a. 180-day claim for benefits that accrued post-petition in the amount of \$158,409; and
 - b. a general unsecured claim for minimum funding contributions owed to the Pension Plans in the amount of \$975,855; and
2. Unfunded benefit liabilities in the amount of \$16,223,623.

WHEREAS, on December 30, 2009, the Debtors filed the Motion of the Debtors for (I) an Order (A) Approving Bid Procedures for the Sale of the Stock of the Debtors' Wholly-Owned Subsidiary, Nederlandse Radiateuren Fabriek B.V., (B) Authorizing the Debtors to Offer Certain Bid Protections and (C) Scheduling Final Sale Hearing and Approving Form and Manner of Notice Thereof, and (II) an Order Authorizing and Approving (A) the Sale of the Stock of Nederlandse Radiateuren Fabriek B.V. Free and Clear of All Liens, Claims and Encumbrances, and (B) Related Relief (Docket No. 521) (the "NRF Sale Motion");

WHEREAS, PBGC filed a response to the NRF Sale Motion (Docket No. 552) (the "Response"), in which, among other things, PBGC reserved all of its rights to object to the sale of the NRF Stock;

WHEREAS, following the Debtors and PBGC's resolution of PBGC's Response to the NRF Sale Motion, this Court entered the Order Authorizing and Approving (I) the Sale of Stock of the Debtors' Wholly-Owned Subsidiary, Nederlandse Radiateuren Fabriek B.V. Free and Clear of All Liens, Claims and Encumbrances, and (II) Related Relief (Docket No. 607) (the "NRF Sale Order");

WHEREAS, the NRF Sale Order provided, among other things, that the Debtors and PBGC would continue, in good faith, ongoing discussions to expeditiously settle the PBGC Proofs of Claim against the Debtors' estates; and

WHEREAS, the Parties engaged in good faith, arms'-length negotiations to resolve the PBGC Proofs of Claim and the PBGC Claims (as defined below) in their entirety.

NOW THEREFORE, in consideration for good and valuable consideration, the receipt and adequacy of which are hereby mutually acknowledged, and intending to be bound hereby, the Parties do hereby agree and resolve as follows:

1. In the Debtors' Chapter 11 Cases, PBGC shall be entitled to an allowed (a) unsecured nonpriority claim in the amount of \$16,223,623 (the "PBGC Unsecured Claim"), and (b) fifth priority claim under section 507(a)(5) of the Bankruptcy Code in the amount of \$158,409 (the "PBGC Priority Claim"). Each and every PBGC Proof of Claim shall be disallowed in its entirety and replaced with the PBGC Unsecured Claim and the PBGC Priority Claim.

2. In the event that the Debtors circulate to PBGC an approved disclosure statement with respect to a chapter 11 plan of liquidation that is consistent in all material respects with this Stipulation, including without limitation, the amount and priority of PBGC's claims, and is not otherwise inconsistent with PBGC's interests or obligations (such plan, a "Conforming Plan"), PBGC shall support confirmation of the Conforming Plan and PBGC shall not file any pleading or request for relief inconsistent with the Conforming Plan without the prior written consent of the Debtors. If PBGC, in the exercise of its reasonable discretion, deems that the approved disclosure statement does not contain a plan of liquidation that is a Conforming Plan, then PBGC shall have no obligation to support confirmation of such plan.

3. Except as set forth herein, PBGC, on its own behalf, on behalf of the Pension Plans, and in every other capacity in which it may now or in the future act, hereby unconditionally and forever releases, waives and discharges the Debtors (collectively, the "Released Entities") and each of the Released Entities' directors, officers, employees, agents, and each of its (or their) heirs, agents, executors, administrators, attorneys, successors and

assigns (collectively, the "PBGC Releasees") from and against all claims, obligations, suits, judgments, damages, demands, disputes, controversies, assessments, sums of money, debts, rights, causes of action and liabilities of any kind whatsoever, upon any legal or equitable theory (whether contractual, common law, statutory, federal, state, local or otherwise), whether known or unknown, that PBGC ever had, now has or hereafter can, shall or may have, from the beginning of time, against the PBGC Releasees by reason of any matter, cause or thing whatsoever relating to obligations to PBGC or the Pension Plans with respect to the Pension Plans under ERISA, the Internal Revenue Code of 1986, as amended, (the "IRC") or otherwise (together with the PBGC Proofs of Claim, the "PBGC Claims"), except for claims brought by PBGC on behalf of the Pension Plans against a fiduciary to the Pension Plans for breach of fiduciary duty under 29 U.S.C. §§ 1104-1109. PBGC shall be deemed to have fully, finally and forever released any purported liens that exist or could have been asserted against the Debtors and the Released Entities under ERISA, the IRC or otherwise, except to the extent any liens arise as a result of claims under 29 U.S.C. §§ 1104-1109, and the PBGC Claims shall be deemed fully and finally satisfied. PBGC agrees not to pursue collection and not to assert any claims in the future against the Debtors, the Released Entities, the PBGC Releasees, any successors to the Debtors or the Released Entities, or any entity that continues the Debtors' or the Released Entities' business operations, in whatever form, for termination premiums under section 4006(a)(7) of ERISA (29 U.S.C. § 1306(a)(7)) in connection with the termination of the Pension Plans.

4. The Parties represent that they possess full power and authority to execute, deliver and perform this Stipulation (in the Debtors' case, subject to approval of the Bankruptcy

Court). The persons executing this Stipulation have been duly authorized to execute and deliver this Stipulation.

5. This Stipulation will be effective upon approval by the Bankruptcy Court.

6. This Stipulation is not and shall not be construed as or deemed to be an admission or concession by or on the part of any party of any liability or the applicability or inapplicability of any provision of ERISA in connection with any matter described in the Stipulation, and each party expressly denies any liability whatsoever.

7. This Stipulation and the rights and obligations of the parties hereunder shall be governed in accordance with federal law and, except to the extent preempted by federal law, the laws of the State of New York, without regard to conflicts of law principles that would require the application of the laws of another jurisdiction.

8. This Stipulation may be executed in identical counterparts, each of which shall be an original as against the party that signed it and all which together shall constitute one and the same instrument.

Dated: March 30, 2010

/s/ Ross S. Barr

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