

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF PENNSYLVANIA

_____)	
IN RE:)	Chapter 15
RAILPOWER HYBRID TECHNOLOGIES CORP.,))	Case No. 09-10198
Debtor.)	
_____)	
RAILPOWER HYBRID TECHNOLOGIES CORP.,))	Document No. 3
Movant,)	Hearing Date and Time:
v.)	Response Deadline:
NO RESPONDENTS.)	
_____)	

**ORDER GRANTING PROVISIONAL RELIEF PENDING
RECOGNITION OF A FOREIGN MAIN PROCEEDING
PURSUANT TO CHAPTER 15**

WHEREAS, Ernst & Young Inc. (the "Monitor") is the duly appointed monitor and the foreign representative Railpower Hybrid Technologies Corp. (the "Debtor") which filed, on February 4, 2009, joint proceedings (the "Canadian Proceeding") with Railpower Technologies Corp. under Canada's *Companies' Creditors Arrangement Act*, R.S.C. 1985, c. C-36, as amended (the "CCAA") pending before the Quebec Superior Court (Commercial Division) (District of Montreal) (the "Canadian Court");

WHEREAS, the Monitor, by its United States counsel, filed a petition for the Debtor dated February 5, 2009, 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 Petition"); and

WHEREAS, the Monitor has filed a Motion (the "Motion") requesting, *inter alia*, an order of this Court granting provisional relief in support of the Canadian Proceeding pursuant to section 1519(a) of the Bankruptcy Code pending entry of the order of recognition; and

WHEREAS, the Court has considered and reviewed the Chapter 15 Petition, and all documents filed in support thereof, including but not limited to the Motion, the Affidavit and Statement of Foreign Representative in Support of Chapter 15 Petition and Recognition Application, and the Foreign Representative's Rule 1007(a)(4) List of Administrators, Litigation Parties and Entities Against Whom Provisional Relief is Sought, each signed by Martin P. Rosenthal, a Senior Vice President of Ernst & Young, Inc., as Monitor, and ~~held a hearing on the Motion as the Court deemed appropriate (the "Hearing")~~, and based on the foregoing, the Court finds and concludes as follows:

1. The Monitor has demonstrated a substantial likelihood of success that the Debtor is subject to a pending foreign main proceeding in Canada and that the Monitor is the foreign representative of the Debtor.

2. Unless provisional relief is issued, it appears to the Court that the Debtor's assets are subject to attack and piecemeal dissipation by its creditors, and that there is a material risk that such attack could occur. Such attacks by creditors would interfere and cause harm to the Debtor's efforts to administer its estate, subject to the oversight of the Monitor, pursuant to the Canadian Proceeding, and would undermine the Debtor's efforts to achieve a successful restructuring of its business and affairs for the benefit of all of its creditors. As a result, the Debtor's estate would suffer immediate and irreparable injury for which it would have no adequate remedy at law. Therefore, it is necessary that the Court grant the requested relief

without prior notice (except as otherwise noted by counsel for the Monitor on the record of the Hearing) to parties-in-interest or their counsel.

3. The interest of the public will be served by this Court's granting of the Motion as to the provisional injunctive relief.

4. The requested relief is not contrary to the public policy of the United States; rather, it is entirely consistent with the stated purposes of chapter 15 of the Bankruptcy Code.

**NOW, THEREFORE, BEGINNING ON THE DATE OF THIS ORDER AND
CONTINUING UNTIL ~~ENTRY~~ ^{A HEARING} BY THIS COURT ~~OF AN ORDER~~ ^{ON THE MOTION FOR AN} RECOGNIZING
THE CANADIAN PROCEEDING AS A FOREIGN MAIN PROCEEDING, OR AS
OTHERWISE ORDERED BY THE COURT, IT IS HEREBY**

ORDERED, that all persons and entities are stayed from executing against the Debtor's assets, except as may be expressly provided in the Initial CCAA Order entered in the Canadian Proceeding; and it is further

ORDERED, that all persons and entities are stayed from terminating or attempting to terminate or modify the terms of any of the Debtor's contracts and leases, except as may be expressly provided in the Initial CCAA Order entered in the Canadian Proceeding; and it is further

ORDERED, that all of the Debtor's assets located in the United States shall continue to be maintained, administered and/or realized upon by the Debtor, subject to the oversight of the Monitor in the Canadian Proceeding; and it is further

ORDERED, that all persons and entities are enjoined from transferring, encumbering or otherwise disposing of any assets of the Debtor, except as may be expressly provided in the Initial CCAA Order entered in the Canadian Proceeding; and it is further

ORDERED, that the Monitor may examine witnesses, take evidence or seek the delivery or information concerning the Debtor's assets, affairs, rights, obligations or liabilities; and it is further

ORDERED, that counsel for the Monitor shall immediately serve a copy of this Order *and the Motion* upon the Debtor, all known creditors (or their counsel) of the Debtor, all parties against whom relief is sought, all other parties in interest and all parties requesting notice pursuant to Bankruptcy Rule 2002, by either U.S. mail (first class postage prepaid), overnight courier service, facsimile transmission or electronic mail, which service shall be deemed good and sufficient service and adequate notice for all purposes; and it is further

ORDERED, that a hearing on the continuation of the foregoing injunction shall be held on MARCH 5, 2009, at 1:30 P. *the Bankruptcy* in Courtroom of the United States Bankruptcy Court for the Western District of Pennsylvania, Erie Division, 17 South Park Row, Erie, Pennsylvania 16501. Any objections to the continuation of the foregoing injunction shall be filed and served *prior to the scheduled hearing* ~~as provided in the Court's Order Scheduling Hearing and Specifying the Form and Manner of Service of Chapter 15 Petition entered in this case.~~

Dated: February 6th, 2009

Warren W. Bentley
UNITED STATES BANKRUPTCY JUDGE

FILED

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CLERK, U.S. BANKRUPTCY COURT
WEST. DIST. OF PENNSYLVANIA
ERIE OFFICE