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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11  
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Chrysler LLC, *et al.*, : Case No. 09-50002 (AJG)  
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Debtors. : (Jointly Administered)  
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**MOTION OF DEBTORS AND DEBTORS IN POSSESSION,  
PURSUANT TO SECTIONS 345, 363(c)(1), 503(b)(1) AND 553  
OF THE BANKRUPTCY CODE, FOR INTERIM AND FINAL ORDERS:  
(A) APPROVING THE CONTINUED USE OF THEIR CASH MANAGEMENT  
SYSTEM, BANK ACCOUNTS AND BUSINESS FORMS; (B) GRANTING  
APPROVAL OF INVESTMENT AND DEPOSIT GUIDELINES; (C) AUTHORIZING  
BANKS PARTICIPATING IN THE DEBTORS' CASH MANAGEMENT SYSTEM  
TO HONOR CERTAIN TRANSFERS AND CHARGE CERTAIN FEES AND  
OTHER AMOUNTS; (D) PERMITTING CONTINUED INTERCOMPANY  
TRANSACTIONS AND RECOGNIZING ADMINISTRATIVE EXPENSE STATUS**

**TO POSTPETITION INTERCOMPANY CLAIMS; AND (E) PRESERVING  
AND PERMITTING THE EXERCISE OF INTERCOMPANY SETOFF RIGHTS**

TO THE HONORABLE  
UNITED STATES BANKRUPTCY JUDGE:

Chrysler LLC ("Chrysler") and 24 of its domestic direct and indirect subsidiaries, as debtors and debtors in possession (collectively with Chrysler, the "Debtors"), respectfully represent as follows:

**Background**

1. On the date hereof (the "Petition Date"), the Debtors commenced their reorganization cases by filing voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). By a motion filed on the Petition Date, the Debtors have requested that their chapter 11 cases be consolidated for procedural purposes only and administered jointly.

2. The Debtors are authorized to continue to operate their business and manage their properties as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

3. The Debtors and their nondebtor direct and indirect subsidiaries (collectively, the "Chrysler Companies") comprise one of the world's largest manufacturers and distributors of automobiles and other vehicles, together with related parts and accessories. On the Petition Date, the Chrysler Companies employed approximately 55,000 hourly and salaried employees worldwide, 70% of whom were based in the United States. In addition, as of the Petition Date, the Debtors made payments for health care and related benefits to more than 105,000 retirees.

4. Chrysler's ultimate parent company, Chrysler Holding LLC ("Chrysler Parent"), also owns a financing company, nondebtor Chrysler Financial Services Americas LLC

("Chrysler Financial"), that operates under a governance structure separate from Chrysler, with its own board and management. Historically, Chrysler Financial has provided financing to both Chrysler's dealers and consumers.

5. For the twelve months ended December 31, 2008, the Chrysler Companies recorded revenue of more than \$48.4 billion and had assets of approximately \$39.3 billion and liabilities totaling \$55.2 billion.

6. A more detailed explanation of Chrysler's businesses and operations, and the events leading to the commencement of these cases, can be found in the Affidavit of Ronald E. Kolka, which was filed contemporaneously herewith and is incorporated herein by reference.

### **Overview of These Cases**

7. The significance of this chapter 11 filing to Chrysler and to the United States economy is difficult to overstate. In connection with the filing, Chrysler is seeking approval from this Court to consummate the only sale transaction that preserves some portion of its business as a going concern and averts a liquidation of historic proportions. If the proposed transaction, designed to effect an alliance with Italian automobile manufacturer Fiat S.p.A. ("Fiat"), is rejected and Chrysler liquidates, it will mean the end of an iconic, 83-year-old American car company whose name has been synonymous with innovative engineering, from the Slant-Six and HEMI engines, to power windows, power brakes and power steering, to the minivan. A liquidation would also have impacts on the nation's economy and Chrysler's stakeholders that are grim:

- 38,500 hourly and salaried Chrysler workers in the U.S. will lose their jobs;
- Chrysler's workers and retirees and their surviving spouses will lose over \$9.8 billion of health care and other benefits and \$2 billion in annual pension payments;

- All 23 of Chrysler's manufacturing plants and facilities and 15 parts depots in the United States will shut down (as well as 18 additional plants and parts depots worldwide);
- Approximately 3,200 Chrysler dealers will be put out of business and the over 140,000 employees of those dealerships will lose their jobs;
- Over \$5.7 billion in outstanding auto parts and service supplier invoices will not be paid to Chrysler's suppliers and new business will be cancelled, forcing hundreds of suppliers out of business and the loss of hundreds of thousands of additional jobs;
- Over 31 million Chrysler, Jeep and Dodge owners would lose significant value in their cars and trucks, particularly due to questions about the ongoing availability of warranties and replacement parts and services;
- Local, state and federal governments will lose tens of billions of dollars in tax revenues, according to a research memorandum published by the Center for Automotive Research in November 2008;<sup>1</sup>
- Over \$100 billion in annual sales will disappear from local economies; and
- Chrysler's first lien secured creditors will receive net present value recoveries of less than 38 cents on the dollar and possibly as little as 9 cents; the U.S. government, another secured creditor, will receive less than that; and Chrysler's unsecured creditors will receive nothing.

8. The economic and market conditions that led to the commencement of Chrysler's chapter 11 cases and the need for the proposed sale transaction are well known, but sobering nonetheless. The automotive market meltdown, the worst in at least 26 years,<sup>2</sup> disrupted Chrysler's substantial progress in implementing a long-term plan to reduce costs and transform its businesses for the next generation of cars. With sales plummeting and credit markets frozen, Chrysler undertook an intense effort to address the challenges it faced. After months of hard work and dedication by Chrysler's management, employees and advisors,

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<sup>1</sup> Daniel Cole, *et al.*, Center for Automotive Research Memorandum, *The Impact on the U.S. Economy of a Major Contraction of the Detroit Three Automakers*, at <http://www.cargroup.org> (Nov 4, 2008).

<sup>2</sup> Chris Isidore, *Auto Sales Are Worst in 26 Years. January Sales Tumble More Than Expected at GM, Ford and Toyota as Rental Car Companies Slash Purchases*, CNNMoney.com, Feb. 3, 2009 (4:22 p.m., ET).

working with all key stakeholders and with the support of the U.S. government, the Debtors have commenced these cases to implement a prompt sale to preserve the going concern value of their businesses and return these businesses to viability under new ownership.

9. The proposed sale transaction would create the sixth-largest global automaker by volume unit, increasing competitiveness with other Original Equipment Manufacturers ("OEMs") and creating billions of dollars in synergies. This transaction is the result of thousands of hours of negotiations among multiple parties. The transaction is being financially backed by the United States Department of the Treasury (the "U.S. Treasury") and Export Development Canada, an affiliate of the Canadian government, which together will provide the new alliance with approximately \$6 billion of taxpayer money to start up and maintain operations. In addition to this unprecedented government support, virtually all of the major constituencies that would be affected by a Chrysler liquidation have recognized how devastating it would be and have made important concessions in support of the proposed alliance:

- The International Union, United Automobile, Aerospace and Agricultural Implement Workers of America (the "UAW") has agreed to wage and benefit reductions in the context of a sale to the new company, which would receive the benefit of a new collective bargaining agreement eliminating certain severance benefits, and would be a party to an agreement with the UAW containing restructured retiree health care benefits;
- Chrysler's dealers have agreed to reduce their dealer and service contract margins;
- Chrysler's already financially troubled suppliers have agreed to a further 3% price reduction and other measures that will save millions of dollars;
- Chrysler's largest secured creditors, JPMorgan Chase, Goldman Sachs, Morgan Stanley and Citigroup, have agreed to the transaction that would substantially compromise their first lien debt, comprising 70% of the \$6.9 billion total outstanding, for an estimated recovery of approximately 28 cents on the dollar; and

- Chrysler Parent's minority shareholder, Daimler AG ("Daimler"), has agreed as part of a settlement with Chrysler to (a) forgive \$1.5 billion of second lien debt, at the same time that \$500 million of second lien debt is forgiven by majority shareholder Cerberus Capital Management L.P. ("Cerberus"); and (b) assist in funding Chrysler's pension plans.

Representatives of these constituencies have devoted the past six months to reaching these agreements.

10. As the culmination of these efforts, Chrysler, Fiat and New Chrysler (as defined below) have reached an agreement in principle and are expected to enter into a Master Transaction Agreement (collectively with other ancillary and supporting documents, the "Purchase Agreement") in short order. Pursuant to the Purchase Agreement, among other things: (a) Chrysler will transfer the majority of its operating assets to New CarCo Acquisition LLC ("New Chrysler"), a newly established Delaware limited liability company that currently is an indirect wholly-owned subsidiary of Fiat; and (b) in exchange for those assets, New Chrysler will assume certain liabilities of Chrysler and pay to Chrysler \$2 billion in cash (collectively with the other transactions contemplated by the Purchase Agreement, the "Fiat Transaction").

With the support of the U.S. government, Fiat, the UAW, dealers, suppliers and other stakeholders, the Debtors commenced these cases to implement an expeditious sale process to implement the Fiat Transaction, or a similar transaction with a competing bidder, designed to maximize the value of the Debtors' operations and businesses for the benefit of their stakeholders. Pending the proposed sale, the Debtors will idle most operations as they conserve their resources, while at the same time ensuring that (a) the facilities are prepared to resume normal production schedules quickly upon the completion of a sale and (b) consumers are not impacted by the filing.

11. Time is of the essence. Given the continuing stress on all aspects of the automotive industry and the idling of the Debtors' manufacturing facilities, key relationships

with suppliers, dealers and other business partners simply cannot be preserved if the sale process is not concluded quickly. Absent a prompt sale, approved and consummated in the coming weeks, the value of the Debtors' assets will rapidly decline and the ability to achieve a going concern sale will be irretrievably lost. By contrast, the proposed sale transaction, if it can be promptly consummated, will maximize the value available for stakeholders, will save hundreds of thousands of jobs and will strengthen the U.S. automotive sector and the economy generally.

### **Jurisdiction**

12. This Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

### **Relief Requested**

13. Pursuant to sections 345, 363(c)(1), 503(b)(1) and 553 of the Bankruptcy Code, the Debtors hereby seek the entry of interim and final orders:

- (a) approving the Debtors' continued use of their (i) current cash management system, (ii) existing bank accounts (as well as authorizing the Debtors to open and close bank accounts) and (iii) business forms;
- (b) approving the Debtors' current investment and deposit guidelines;
- (c) authorizing all banks participating in the Debtors' cash management system to honor certain transfers and charge Bank Fees (as such term is defined below) and certain other amounts;
- (d) permitting the Debtors to reconcile and net any mutual prepetition obligations between any Debtor, on the one hand, and any other Debtor or any direct or indirect non-Debtor subsidiary of Chrysler, on the other hand, arising from intercompany transactions through the cash management system as described below; and
- (e) permitting continued intercompany funding through the Debtors' cash management system and granting administrative expense status to mutual postpetition intercompany claims held by a Debtor or direct or indirect non-Debtor subsidiary of Chrysler against one or more of the Debtors.

### **Facts Relevant to This Motion**

14. As described above, Chrysler is the direct or indirect parent of each of the other Debtors. Accordingly, the Debtors are "affiliates" within the meaning of section 101(2) of the Bankruptcy Code. The Debtors, as affiliated entities, have utilized a cash management system (as it may be modified, the "Cash Management System") in the day-to-day operation of their businesses for the last 25 years. The Cash Management System provides a well-established mechanism for the collection, concentration, management and disbursement of funds used in the Debtors' businesses.<sup>3</sup>

15. In connection with the Cash Management System, prior to the Petition Date, the Debtors maintained approximately 96 foreign and domestic bank accounts in the ordinary course of their businesses, including concentration accounts, collection accounts, disbursement accounts, demand deposit accounts, payroll and benefits accounts and other special purpose accounts (collectively, the "Bank Accounts"), out of which they manage cash receipts and disbursements. All domestic Bank Accounts are maintained at financial institutions insured by the Federal Deposit Insurance Corporation ("FDIC") or the Federal Savings and Loan Insurance Corporation ("FSLIC").

16. The principal components of the Cash Management System and the flow of funds through the Bank Accounts in that system, as they existed prior to the Petition Date, are described in detail below:

- (a) **Cash Collection and Concentration.** The majority of the Debtors' cash flows through a concentration account (the "Main Concentration Account") maintained by Chrysler at JPMorgan Chase Bank, N.A. ("JPMorgan Chase"). Funds flow into the Main Concentration Account from a variety of sources: (1) a concentration account maintained by Debtor Chrysler Motors LLC ("Chrysler Motors"), (2) a wholesale lock

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<sup>3</sup> Certain non-Debtor affiliates of Chrysler maintain separate cash management systems.



box concentration account, (3) a collections account maintained at Debtor Chrysler International Corporation ("Chrysler International Corp."), (4) a Chrysler miscellaneous receipts account and (5) certain other accounts, all of which are described in greater detail below. Historically funds in the Main Concentration Account were used to fund various disbursement accounts from which the Debtors make disbursements by check, electronic funds transfer or wire transfer to satisfy a variety of obligations, including outstanding vendor and supplier payables, employee payroll, healthcare and other benefit obligations (the "Disbursement Accounts"). Going forward, the Debtors anticipate that all funds flowing into the Disbursement Accounts will be drawn from the DIP Account (as such term is defined below) and proceeds from the sale of the Debtors' MOPAR parts inventory. Funds from the Main Concentration Account also flow into a custodial account maintained at JPMorgan Chase (the "Custodial Account") that the Debtors use to fund investment activity.

- (1) Chrysler Motors LLC Concentration Account. Chrysler Motors maintains a concentration account at JPMorgan Chase (the "Chrysler Motors Concentration Account"). Funds flow into the Chrysler Motors Concentration Account in two ways. Amounts owed from dealers not financed by Chrysler Financial are drafted into the Chrysler Motors Concentration Account,<sup>4</sup> and amounts owed from dealers financed by Chrysler Financial are transferred by Chrysler Financial to the Chrysler Motors Concentration Account. On a daily basis, funds are transferred automatically from the Chrysler Motors Concentration Account to the Main Concentration Account.
- (2) Wholesale Lock Box Concentration Account. Check payments from domestic customers of the Debtors' operating subsidiaries are collected in 13 lockbox accounts. Electronic fund transfers from the government are collected in two accounts. At the end of each day, the funds from these 15 accounts are swept into and consolidated in a wholesale lock box concentration account maintained at the Bank of America, N.A. (the "Wholesale Lock Box Concentration Account"). Amounts in the Wholesale Lock Box Concentration Account are manually wired to the Main Concentration Account typically on a daily basis.
- (3) Chrysler International Corp. USD Receipts. Collections in U.S. dollars flow into a Chrysler International Corp. collections account

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<sup>4</sup> In connection with the drafting process, Chrysler Motors maintains a drafting reserve account and, with respect to dealers in New York, a security deposit account, both of which are maintained at JPMorgan Chase.

maintained at JPMorgan Chase<sup>5</sup> from overseas receipts (including proceeds from vehicle shipments), which are then transferred automatically into the Main Concentration Account. Non-U.S. dollar receipts reach the Main Concentration Account indirectly, as more fully described below.

- (4) Chrysler Miscellaneous Receipts. Chrysler maintains a zero balance depository account at JPMorgan Chase that is funded by monies received from miscellaneous receipts and is swept daily into the Main Concentration Account.
- (5) Other Accounts. The Debtors also maintain certain other accounts that flow into the Main Concentration Account, which include (a) an account maintained by Chrysler with KeyBank, N.A. that is funded by local receipts and (b) the Hewitt – Direct Pay Health Care Account maintained at Citibank, N.A. ("Citibank") that is funded by COBRA premium payments. In addition, Debtors Chrysler Service Contracts Inc. and Global Electric Motorcars, LLC each maintain a zero balance concentration account, which is swept daily into the Main Concentration Account.

(b) **Disbursements**.

- (1) Controlled Disbursement Accounts. Chrysler maintains four controlled disbursement accounts with JPMorgan Chase: (a) one account to fund accounts payable for production materials, (b) one account to fund accounts payable for non-production materials, (c) one account for sale incentive programs and (d) one account for marketing services.
- (2) Comerica Payroll and Benefits Accounts. Chrysler maintains a zero balance concentration account with Comerica Bank that is used to fund a payroll checking account for hourly and salaried employees, as well as a Sick & Accident Benefits account. As of January 2009, activity in these accounts has been migrated to JPMorgan Chase. These accounts will be closed after all open items have been cleared.
- (3) JPMorgan Chase Payroll and Benefits Accounts. To replace the payroll and benefits accounts maintained at Comerica, the Debtors have established accounts at JPMorgan Chase to fund payroll checking for hourly and salaried and employees, as well as Sick & Accident Benefits. As of the Petition Date, the Debtors had not fully completed the transition of these accounts from Comerica to

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<sup>5</sup> Chrysler International Corp. also maintains a concentration account at JPMorgan Chase; to date, the Debtors have not used this account.

JPMorgan Chase and maintain payroll and benefits accounts at both institutions.

- (4) JPMorgan Chase ACH Account. Chrysler maintains an ACH Clearing account with JPMorgan Chase that is used for various electronic fund transfer payments processed via Automated Clearing House ("ACH") applications, including, among other things, dealer payments, certain accounts payable and direct deposit payroll (including hourly, salaried and executive payroll).
- (5) Healthcare Funding Accounts. Chrysler supports seven healthcare funding accounts at various institutions. The accounts are not in Chrysler's name, but Chrysler is responsible for funding such accounts to pay certain benefit costs.
- (6) GEAC A/P Account. Chrysler maintains an account with JPMorgan Chase to process next-day wires processed by the Global Accounts Payable system.
- (7) Emergency Checking Account. Chrysler maintains an emergency checking account with JPMorgan Chase. Although the Debtors generally have trended away from the use of checks, Chrysler maintains the ability to write checks in case of emergencies (for instance, in case of a blackout or other event that makes electronic transfer difficult).
- (8) Supplier Receivable Payments Account. Chrysler maintains an account at Citibank, N.A. with respect to certain payments made to a bankruptcy-remote special purpose vehicle in connection with the federal government's Automotive Supplier Support Program.

(c) **Other Accounts.**

- (1) **DIP Account.** Chrysler has established an account at KeyBank, N.A. for the purpose of receiving proceeds under the Debtors' proposed postpetition secured credit (the "DIP Account").
- (2) **Investment Accounts.** Chrysler maintains (a) three Money Market investment accounts at JPMorgan Chase (JPMorgan Treasury Plus Fund, JPMorgan U.S. Government Fund and JPMorgan Prime Fund) into which any funds in the Custodial Account are deposited, (b) two separately managed accounts at JPMorgan Chase and Pacific Investment Management LLC, primarily investing in U.S. Treasury and Government Agency securities, repurchase agreements secured by U.S. Treasury and Government Agency securities, commercial paper and certificates of deposit, and (c) an investment account holding miscellaneous securities and certain currently inactive investment accounts (collectively, the "Investment Accounts").
- (3) **Security Accounts.** Chrysler maintains seven accounts with JPMorgan Chase that contain cash that allegedly secures the following obligations owed to third parties: (a) obligations to the U.S. Government for Mopar inventory drawdowns below specified levels, (b) obligations to the U.S. Government relating to asset sale reserves, (c) letter of credit obligations, (d) obligations under the Master Autofinance Agreement with Chrysler Financial, (e) obligations owed to Daimler in connection with certain guarantees executed by Daimler guaranteeing obligations of Chrysler, (f) obligations relating to the Debtors' corporate credit card and (g) obligations relating to retail finance obligations. Chrysler maintains two accounts with Fifth Third Bank that secure certain letter of credit obligations. Chrysler maintains an account with Comerica Bank that contains cash to secure certain of the Debtors' obligations relating to payroll processing (during the transition of the Debtors' payroll processing from Comerica to JPMorgan Chase). Chrysler also maintains a limited number of cash collateral or deposit accounts relating to insurance obligations.<sup>6</sup>
- (4) **Chrysler Canadian Accounts.** Chrysler maintains Canadian bank accounts with the Royal Bank of Canada, including a concentration account (the "Canadian Concentration Account"), as well as two other Canadian accounts: one relating to accounts payable for production materials and one relating to accounts payable for non-

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<sup>6</sup> Chrysler also may maintain certain additional investment, custody, cash collateral or escrow accounts that are inactive or unfunded.

production materials. The Debtors use these accounts to make payments in Canadian dollars.

- (5) Chrysler International Corp. Foreign Accounts. Chrysler International Corp. maintains 19 foreign accounts at JPMorgan Chase for non-U.S. dollar payments and collections (the "Non-USD Accounts").<sup>7</sup>
- (6) PESO General Account. Chrysler maintains a Mexican Peso account at Banco J.P. Morgan S.A. As of the Petition Date, there was no activity in the Peso account.
- (7) Additional Accounts. The Debtors also maintain the following additional accounts:
  - Debtor Chrysler Service Contracts Florida, Inc., which provides extended service contracts, maintains an account with JPMorgan Chase to satisfy certain state law requirements.
  - Debtor Chrysler International Services SA ("CISSA"), which facilitates the movement of U.S. employees to non-US affiliates, maintains a U.S. dollar account with Citibank, and an Australian dollar account at National Australia Bank Ltd. The employee is transferred to CISSA's payroll, and CISSA bills the applicable foreign jurisdiction to which the employee is assigned.
  - Debtor Peapod Mobility LLC maintains a concentration account that is funded by customer deposits and an escrow account at JPMorgan Chase.

17. The Debtors' non-Debtor subsidiaries maintain separate cash management systems. The Cash Management System and the Canadian cash management system are managed from Chrysler headquarters in Auburn Hills, Michigan, while the Mexican cash management system is managed by Chrysler de Mexico's Treasury Department in Santa Fe, Mexico. Other non-Debtor affiliates outside of North America are responsible for operating their

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<sup>7</sup> Chrysler International Corporation also maintains a U.S. dollar account and a Renminbi account at JPMorgan Chase for general business purposes relating to its operations in China.

own cash management systems under the corporate guidelines that have been published by the Debtors' central Treasury Department in Auburn Hills.

18. As described in the discussion of intercompany transactions below, cash flows between Chrysler and its Debtor and non-Debtor subsidiaries occur on a regular basis as the result of the intercompany purchase and sale of finished vehicles and parts. These transactions occur under established transfer price policies and stated terms.

19. A chart summarizing the primary components of the Debtors' Cash Management System, as it existed prior to the Petition Date, and a non-exclusive schedule of the Debtors' prepetition Bank Accounts are attached hereto as Exhibits A and B, respectively, and incorporated herein by reference.

### **Argument**

#### ***Continued Use of a Cash Management System Is Warranted***

20. The Debtors hereby seek authority to continue to use the Cash Management System. In light of the substantial size and complexity of the Debtors' operations, the successful administration of these cases, as well as the preservation and enhancement of the Debtors' respective values, simply cannot be achieved if the Debtors' cash management procedures are substantially disrupted. Therefore, it is essential that the Debtors be permitted to continue to consolidate the management of their cash and transfer monies from entity to entity, as needed, in the amounts necessary to continue the operation of their financial affairs and in accordance with their existing cash management procedures.

21. The Cash Management System has been utilized by the Debtors for many years on an evolving basis and constitutes a customary and essential business practice. The Cash Management System is similar to those commonly employed by corporate enterprises comparable to the Debtors in size and complexity. The widespread use of such systems,

moreover, is attributable to the numerous benefits they provide, including the ability to:

- (a) control and monitor corporate funds; (b) invest idle cash; (c) ensure cash availability; and
- (d) reduce administrative expenses by facilitating the movement of funds and the development of timely and accurate account balance and presentment information. These controls are especially important here, given the significant volume of transactions – historically aggregating approximately \$128 billion annually – that have been managed historically through the Cash Management System.

22. In addition, given the Debtors' corporate and financial structure and the number of affiliated entities participating in the Cash Management System, it would be difficult and unduly burdensome, if not impossible, for the Debtors to establish an entirely new system of accounts and a new cash management and disbursement system for each separate legal entity. Thus, under the circumstances, the maintenance of the Cash Management System not only is essential, but also is in the best interests of the Debtors' respective estates and creditors.<sup>8</sup> In fact, if the Debtors are not permitted to continue to utilize the Cash Management System, the administration of these cases would be severely and irreparably disrupted. Accordingly, the Court should authorize the Debtors' continued use of the Cash Management System described herein.

23. In addition, the Debtors request authority to open and close bank accounts. The Debtors request that the Banks (as such term is defined below) be authorized to honor the Debtors' requests to open or close any bank accounts, provided, however, that any new domestic account is established at a bank insured with the FDIC or the FSLIC and that is organized under

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<sup>8</sup> As a matter of course, the Debtors will continue to maintain current records with respect to all transfers of cash, so that all transactions can be readily ascertained, traced and recorded properly on applicable intercompany accounts.

the laws of the United States or any State therein, or, in the case of accounts that may carry a balance exceeding the insurance limitations set thereby, on the list of authorized bank depositories for the Southern District of New York.

24. Bankruptcy courts routinely permit chapter 11 debtors to continue using their existing cash management systems, generally treating requests for such relief as a relatively "simple matter." In re Baldwin-United Corp., 79 B.R. 321, 327 (Bankr. S.D. Ohio 1987); see also Official Comm. of Unsecured Creditors v. Columbia Gas Sys. Inc. (In re Columbia Gas Sys. Inc.), 997 F.2d 1039, 1061 (3d Cir. 1993) (noting that with approval the bankruptcy court's finding that a requirement to maintain all accounts separately "would be a huge administrative burden and economically inefficient"); Charter Co. v. Prudential Ins. Co. of Am. (In re Charter Co.), 778 F.2d 617, 621 (11th Cir. 1985) (holding that the debtors' postpetition use of their prepetition "routine cash management system" was "entirely consistent" with applicable provisions of the Bankruptcy Code).<sup>9</sup>

25. Section 363(c)(1) of the Bankruptcy Code authorizes a debtor in possession to "use property of the estate in the ordinary course of business without notice or a hearing." 11 U.S.C. § 363(c)(1). The purpose of section 363(c)(1) of the Bankruptcy Code is to provide a debtor in possession with the flexibility to engage in those transactions that make up the bulk of its day-to-day operations without incurring the excessive monitoring costs that would result from the need to provide notice of, and obtain approval for, such ordinary course activities.

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<sup>9</sup> Because orders approving the continued use of preexisting cash management systems generally are entered at the time of or shortly after the commencement of a bankruptcy case, and because the benefits to affiliated debtors of such systems are widely recognized, few if any requests for the entry of such orders are ever contested. In fact, references to court orders authorizing the continued use of centralized cash management systems generally are found in opinions regarding collateral proceedings, rather than in reported decisions approving or disapproving the use of a particular system. See, e.g., In re FRG, Inc., 107 B.R. 461, 465 (Bankr. S.D.N.Y. 1989) (involving motion to transfer venue, but referring to an order authorizing the debtors to continue to utilize their prepetition cash management system).



See, e.g., Medical Malpractice Ins. Ass'n v. Hirsch (In re Lavigne), 114 F.3d 379, 384 (2d Cir. 1997); In re Enron Corp., No. 01-16034 (ALG), 2003 WL 1562202, at \*15 (Bankr. S.D.N.Y. Mar. 21, 2003); Chaney v. Official Comm. of Unsecured Creditors of Crystal Apparel, Inc. (In re Crystal Apparel, Inc.), 207 B.R. 406, 409 (S.D.N.Y. 1997). Within the purview of section 363(c) of the Bankruptcy Code, a debtor in possession is authorized to continue the "routine transactions" associated with its cash management system.

26. Further, the continued postpetition use of cash management systems also has been approved as a routine matter in other chapter 11 cases in this District. See, e.g., In re Interep Nat'l Radio Sales, Inc., No. 08-11079 (RDD) (Bankr. S.D.N.Y. Apr. 1, 2008) (the "Interep Order"); In re PLVTZ, Inc., No. 07-13532 (REG) (Bankr. S.D.N.Y. Nov. 9, 2007) (the "PLVTZ Order"); In re Dana Corp., No. 06-10354 (BRL) (Bankr. S.D.N.Y. Mar. 29, 2006) (the "Dana Order"); In re Calpine Corp., No. 05-60200 (BRL) (Bankr. S.D.N.Y. Jan. 25, 2006) (the "Calpine Order"); In re Musicland Holding Corp., No. 06-10064 (SMB) (Bankr. S.D.N.Y. Jan. 17, 2006) (the "Musicland Order"); In re Delphi Corp., No. 05-44481 (RDD) (Bankr. S.D.N.Y. Nov. 4, 2005) (the "Delphi Order").<sup>10</sup>

27. The Debtors respectfully submit that, under the circumstances, the maintenance of a Cash Management System in substantially the same form as it existed prior to the Petition Date is in the best interests of the Debtors' estates and creditors. Avoiding the unnecessary distractions that inevitably would be associated with any significant changes to the Cash Management System will assist the Debtors in their transition into chapter 11, the administration of these cases and the Debtors' efforts to maximize the value of their assets.

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<sup>10</sup> Because of the voluminous nature of these unreported orders, they are not attached to this Motion. Copies of these unreported orders will be made available to the Court at or prior to the hearing on this Motion and are available to other parties upon request from the Debtors' counsel.

Accordingly, the Debtors seek authority under section 363(c)(1) of the Bankruptcy Code to continue the collection, concentration, disbursement and investment of cash pursuant to their Cash Management System, as described above.

***Continued Use of the Bank Accounts Is Warranted***

28. As set forth above, as part of their Cash Management System, the Debtors have utilized the Bank Accounts on a regular basis. To avoid substantial disruption to their ability to manage cash, as part of their Cash Management System, the Debtors hereby request that they be permitted to continue to use the Bank Accounts. Allowing these accounts to be maintained with the same account numbers will greatly assist the Debtors in accomplishing a smooth transition to chapter 11.

29. To protect against the possible inadvertent payment of prepetition claims, the Debtors immediately will advise their Banks not to honor checks issued prior to the Petition Date, except as otherwise expressly permitted by an order of the Court and directed by the Debtors. The Debtors, moreover, have the capacity to draw the necessary distinctions between prepetition and postpetition obligations and payments without closing the Bank Accounts and opening new ones.

30. Authority to continue the use of existing bank accounts has been granted in numerous other chapter 11 cases in this District. See, e.g., Interep Order; PLVTZ Order; Dana Order; Calpine Order; Musicland Order; Delphi Order.

***Continued Use of Business Forms Is Warranted***

31. In the ordinary course of their business, the Debtors use a variety of checks and other business forms (collectively, and as they may be modified, the "Business Forms"). By virtue of the nature and scope of the Debtors' businesses and the large number of commercial transactions that the Debtors typically engage in on a regular basis, it is important

that the Debtors be permitted to continue to use their Business Forms without alteration or change. To avoid disruption of the Cash Management System and unnecessary expense, the Debtors request that they be authorized to continue to use their Business Forms substantially in the forms existing immediately before the Petition Date, without reference to their status as debtors in possession, provided, however, that (a) once the Debtors' existing check stock has been used, any future checks ordered by the Debtors will include the legend "Debtor-in-Possession;" and (b) as soon as reasonably practicable, the Debtors will cause the phrase "Debtor-in-Possession" to be included on their blank check stock. In the absence of such relief, the estates will be required to bear a potentially significant expense that the Debtors respectfully submit is unwarranted.

32. Authority to continue the use of business forms without alteration has been granted in numerous other chapter 11 cases in this District. See, e.g., Interep Order; PLVTZ Order; Dana Order; Calpine Order; Musicland Order; Delphi Order.

***Continued Use of Current Investment Guidelines Is Warranted***

33. Historically, all excess funds generated by the Debtors have been (a) maintained in domestic bank accounts insured by the United States (through FDIC or FSLIC) or (b) invested in low risk investments through the Investment Accounts (collectively, the "Investment Guidelines").<sup>11</sup> Although the Investment Guidelines may not strictly comply with the approved investment guidelines identified in section 345 of the Bankruptcy Code in all cases, the Debtors' deposits and investments nevertheless are safe, prudent and designed to yield the maximum reasonable net return on the funds invested, taking into account the safety of such

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<sup>11</sup> Going forward, the Debtors' anticipate funding their operations through borrowings under the proposed postpetition secured credit facility and the use of proceeds from the Debtors' MOPAR parts inventory such that funds received from other sources will be maintained in domestic bank accounts or the Investment Accounts.

deposits and investments. Accordingly, the Debtors respectfully request authority to invest and deposit funds in accordance with the Investment Guidelines, notwithstanding that such guidelines may not strictly comply in all respects with the approved investment guidelines set forth in section 345 of the Bankruptcy Code. The Debtors further request that the applicable institutions be authorized and directed to accept and hold or invest such funds, at the Debtors' direction, in accordance with the Investment Guidelines.

34. Pursuant to section 345(b) of the Bankruptcy Code, any deposit or other investment made by a debtor, except those insured or guaranteed by the United States or by a department, agency or instrumentality of the United States or backed by the full faith and credit of the United States, must be secured by either a bond in favor of the United States that is secured by the undertaking of a corporate surety approved by the United States Trustee for the relevant district or the deposit of securities of the kind specified in 31 U.S.C. § 9303. Section 345(b) of the Bankruptcy Code provides further, however, that a bankruptcy court may allow the use of alternatives to these approved investment guidelines "for cause." See 11 U.S.C. § 345(b); see also In re Serv. Merch. Co., 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999).

35. In the Service Merchandise case, the court identified the following factors as a guide for determining whether cause exists to waive the requirements of section 345(b) of the Bankruptcy Code:

- (a) the sophistication of the debtor's business;
- (b) the size of the debtor's business operations;
- (c) the amount of investments involved;
- (d) the bank ratings of the financial institutions where the debtor's funds are held;
- (e) the complexity of the case;

- (f) the safeguards in place within the debtor's own business for insuring the safety of the funds;
- (g) the debtor's ability to reorganize in the face of a failure of one or more of the financial institutions;
- (h) the benefit to the debtor of current practices;
- (i) the harm, if any, to the estate; and
- (j) the reasonableness of the debtor's request for relief from the section 345(b) requirements in light of the overall circumstances of the case.

See Service Merch., 240 B.R. at 896. Examining these factors, the Service Merchandise court concluded that "cause" existed in that case because the debtors were "large, sophisticated [companies] with a complex cash management system" that had the ability to shift money as needed to ensure the safety of their funds. Id. Moreover, the benefits to the debtor of waiving the section 345(b) requirements far outweighed any potential harm to the estate, and the failure to waive the requirements "would needlessly handcuff these debtors' reorganization efforts." Id. at 896-97.

36. As in Service Merchandise, and in the other chapter 11 cases in which courts in this District have granted requests for approval of the continued use of investment and deposit guidelines that did not strictly comply with section 345 of the Bankruptcy Code, the Debtors are large, sophisticated companies with a complex Cash Management System that provides the Debtors with the ability to transfer funds rapidly to ensure their safety. In light of these factors and the safety of the investment vehicles that the Debtors propose to utilize to invest any excess funds, the Debtors believe that sufficient cause exists under section 345(b) of the Bankruptcy Code to allow the Debtors to deviate from the investment guidelines set forth therein.

37. Courts in this District routinely have granted requests for approval of the continued use of investment and deposit guidelines that did not strictly comply with section 345 of the Bankruptcy Code, but that, as here, nevertheless were safe and prudent. See, e.g., Interep Order; PLVTZ Order; Dana Order; Calpine Order; Musicland Order; In re Delphi Corp., No. 05-44481 (RDD) (Bankr. S.D.N.Y. Oct. 14, 2005).

***Authorization of (A) Banks to Charge Back Returned Items and (B) the Debtors to Pay Bank Fees Is Warranted***

38. Concurrently with the filing of this Motion, the Debtors have filed motions requesting authority to pay, in their sole discretion and in the ordinary course of their business, certain prepetition obligations to employees, suppliers, customers, lienholders, taxing authorities and other entities. With respect to some of this debt, prior to the Petition Date, the Debtors issued checks that have yet to clear the banking system. In other cases, the Debtors would issue the relevant checks postpetition on account of such prepetition debt once the Court entered an order permitting the Debtors to do so. The Debtors intend to inform their banks which prepetition checks should be honored pursuant to orders of the Court authorizing such payment.

39. As a result of the foregoing, the Debtors request their banks and financial institutions (collectively, the "Banks") be authorized to accept and honor all representations from the Debtors as to which checks, drafts, wires or ACH transfers should be honored or dishonored consistent with any order(s) of this Court and governing law, whether such checks, drafts, wires or ACH transfers are dated or made prior to, on or subsequent to the Petition Date. Pursuant to the relief requested in this Motion, the Banks shall not be liable to any party on account of (a) following the Debtors' instructions or representations as to any order of this Court, (b) honoring any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored or (c) an innocent mistake made despite

implementation of reasonable item handling procedures. Such relief is reasonable and appropriate because the Banks are not in a position to independently verify or audit whether a particular item may be paid in accordance with the Court's order or otherwise.

40. Finally, the Debtors request authority for the Banks to charge and the Debtors to pay or honor both prepetition and postpetition service and other fees, costs, charges and expenses to which the Banks may be entitled under the terms of and in accordance with their contractual arrangements with the Debtors (collectively, the "Bank Fees"). The Debtors also request that the Banks be authorized to charge back returned items to the Bank Accounts in the normal course of business.

41. The Debtors require this relief to minimize the disruption of the Cash Management System and their Bank Accounts and to assist them in accomplishing a smooth transition to chapter 11. Authority for debtors to pay bank fees and banks to charge back returned items has been routinely granted in other chapter 11 cases in this District.

See, e.g., Interep Order; PLVTZ Order; Dana Order; Musicland Order; Delphi Order.

***Continued Intercompany Transactions and Administrative Expense Status for Intercompany Obligations is Appropriate***

42. Prior to the Petition Date, the Debtors and certain non-debtor affiliates provided a number of goods and services to, and engaged in intercompany financial transactions with, each other in the ordinary course of their respective businesses (collectively, the "Intercompany Transactions"). The Intercompany Transactions include, but are not limited to, the following transactions:

- (1) The Debtors' maintain an "in-house bank" referred to as Notes & Advances ("Notes & Advances"). Notes & Advances is a series of accounts set up in the Debtors' accounting systems that contain debit and credit advances associated with intercompany agreements between borrowing parties.

- (2) Certain of the Debtors purchase essential goods and services from, and provide essential goods and services to, other Debtors and non-debtor affiliates. For example, the Debtors buy product from and sell product to their affiliates in Canada, Mexico and Austria, and receive payment through the Debtors' netting system. Any amounts owed to, or from, the Debtors after netting are paid directly from, or into, as applicable, the Main Concentration Account. The Debtors' typically are net purchasers. These transactions are reconciled and generally netted on a monthly basis (the "Payables Netting").
- (3) Certain Debtors' non-U.S. dollar payables are paid through the Non-USD Accounts and are reconciled and recorded as intercompany obligations. For example, Chrysler International Corp. pays certain production expenses from the Non-USD Accounts for the benefit of Chrysler. Similarly, Chrysler enters into forward foreign exchange transactions that result in foreign currency being transferred from the Non-USD Accounts and converted into U.S. dollars that are transferred into the Main Concentration Account. Discrete transfers in the appropriate intercompany accounts are made on account of the receivables and payables relating to such transactions in accordance with the Debtors' existing practices (collectively with the Payables Netting and Notes & Advances, the "Reconciliation Process").

43. These Intercompany Transactions reduce the administrative costs incurred by the Debtors and allow for the purchase/supply of essential goods when the Debtors' businesses are operating. By contrast, if the Intercompany Transactions were to be discontinued, the Debtors' Cash Management System and related administrative controls would be disrupted to the detriment of the Debtors and their estates. The Debtors thus submit that the continuation of the Intercompany Transactions is in the best interests of the Debtors' respective estates and creditors.

44. If this Court authorizes the continuation of Intercompany Transactions, at any given time there may be balances due and owing from one Debtor to another or to a non-Debtor affiliate. These balances represent extensions of intercompany credit. To ensure that each individual Debtor will not, at the expense of its creditors, fund the operations of another



entity, the Debtors will continue to maintain records of such transfers, including records of all current intercompany accounts receivable and payable. Additionally, the Debtors respectfully request that, pursuant to sections 503(b) of the Bankruptcy Code, all claims of one of the Chrysler Companies against a Debtor arising from Intercompany Transactions (collectively, the "Intercompany Claims") arising after the Petition Date be administrative expense claims.

45. Administrative expense treatment for postpetition Intercompany Claims, as requested here, has been granted in other chapter 11 cases in this District. See, e.g., Interep Order; Dana Order; Calpine Order; Musicland Order; Delphi Order.

***The Preservation and Permitted Exercise of Intercompany Setoff Rights Is Appropriate***

46. The Debtors also seek authorization to preserve and exercise intercompany setoff rights that arise through the operation of their Cash Management System.

Section 553(a) of the Bankruptcy Code provides that:

Except as otherwise provided in this section and in sections 362 and 363 of this title, this title does not affect any right of a creditor to offset a mutual debt owing by such creditor to the debtor that arose before the commencement of the case under this title against a claim of such creditor against the debtor that arose before the commencement of the case . . . .

11 U.S.C. § 553(a).

47. A creditor need only establish two elements before a setoff may be asserted: mutuality and timing.<sup>12</sup> Although courts have not uniformly defined the elements of mutuality, most courts require that the debts are (a) owed between the same parties and (b) in the

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<sup>12</sup> See Official Comm. of Unsecured Creditors v. Mfrs. & Traders Trust Co. (In re The Bennett Funding Group, Inc.), 212 B.R. 206, 212 (B.A.P. 2d Cir. 1997); see also In re Verco Indus., 704 F.2d 1134, 1139 (9th Cir. 1983); In re Lundell Farms, 86 B.R. 582, 584 (Bankr. W.D. Wis. 1988).

same right or capacity.<sup>13</sup> Timing requires that both claims arise prepetition.<sup>14</sup> In other words, "a creditor may not set off a pre-petition claim against a post-petition debt it owes the debtor, and likewise it may not set off a post-petition claim that it has against a prepetition debt it owes to a debtor."<sup>15</sup> In addition, courts have allowed the parties to offset claims postpetition in the same manner as a prepetition setoff, as long as the mutuality requirements are met.<sup>16</sup>

48. As described above, Intercompany Transactions are normally netted as part of the Reconciliation Process. The Cash Management System and related controls allow the Debtors to track all obligations owing between related entities and thereby ensures that setoffs of Intercompany Claims through the Reconciliation Process will meet both the mutuality and timing requirements of section 553 of the Bankruptcy Code.

49. Accordingly, the Debtors respectfully request that they be expressly authorized to set off mutual prepetition obligations relating to Intercompany Transactions. Further, the Debtors also respectfully request that the Debtors be expressly authorized, in the Debtors' discretion, to set off mutual postpetition obligations relating to Intercompany Transactions through the Cash Management System.

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<sup>13</sup> See 5 COLLIER ON BANKRUPTCY ¶ 553.03[3][a] (Alan N. Resnick & Henry J. Sommer eds., 15th ed. rev. 2006); Lubman v. Sovran Bank, N.A. (In re A & B Homes, Ltd.), 98 B.R. 243, 248 (Bankr. E.D. Va. 1989).

<sup>14</sup> See Packaging Indus. Group, Inc. v. Dennison Mfg. Co. (In re Sentinel Prods. Corp.), 192 B.R. 41, 45 (N.D.N.Y. 1996) ("[T]he offset debts must be mutual, prepetition debts."); Scherling v. Hellman Elec. Corp. (In re Westchester Structures), 181 B.R. 730, 739 (Bankr. S.D.N.Y. 1995) ("Courts have interpreted debts in the same right to mean that a 'pre-petition debt cannot offset a post-petition debt.'").

<sup>15</sup> Arnold M. Quittner, Setoff & Recoupment, 715 PLI/Comm 663, 694 (1995) (citing Metco Mining & Minerals, Inc. v. PBS Coals, Inc. (In re Metco Mining and Minerals, Inc.), 171 B.R. 210 (Bankr. W.D. Pa. 1994)); see also Westchester Structures, 181 B.R. at 739.

<sup>16</sup> See, e.g., United States v. Gordon Sel-Way, Inc. (In re Gordon Sel-Way, Inc.), 239 B.R. 741, 751 (E.D. Mich. 1999), aff'd, 270 F.3d 280 (6th Cir. 2001); In re Mohawk Indus., Inc., 82 B.R. 174, 179 (Bankr. D. Mass. 1987).

50. This relief recently was granted by this Court in other chapter 11 cases involving the automotive industry. See Dana Order; Delphi Order.

**Requests for Immediate Relief and Waiver of Stay**

51. Pursuant to Rules 6003(b) and 6004(h) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), the Debtors seek (a) immediate entry of an order granting the relief sought herein and (b) a waiver of any stay of the effectiveness of such an order. Bankruptcy Rule 6003(b) provides, in relevant part, that "[e]xcept to the extent that relief is necessary to avoid immediate and irreparable harm, the court shall not, within 20 days after the filing of the petition, grant relief regarding . . . a motion to pay all or part of a claim that arose before the filing of the petition." Accordingly, where the failure to grant any such requested relief would result in immediate and irreparable harm to the Debtors' estates, the Court may allow the Debtors to pay all or part of a claim that arose before the Petition Date prior to the twenty-first day following the Petition Date. 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 10 days after entry of the order, unless the court orders otherwise."

52. As set forth above, the immediate continued use of the Bank Accounts, Cash Management System and Business Forms and related relief is essential to prevent immediate and potentially irreparable damage to the Debtors' ability to administer these cases and to maximize the value available to stakeholders. Accordingly, the Debtors submit that ample cause exists to justify: (a) the immediate entry of an order granting the relief sought herein pursuant to Bankruptcy Rule 6003(b); and (b) a waiver of the ten-day stay imposed by Bankruptcy Rule 6004(h), to the extent that it applies.

**Notice**

53. No trustee or examiner has been appointed in these chapter 11 cases.

Notice of this Motion has been given to: (a) the Office of the United States Trustee for the Southern District of New York; (b) the creditors holding the 50 largest unsecured claims against the Debtors' estates, as identified in the Debtors' chapter 11 petitions; (c) counsel to the administrative agent for the Debtors' prepetition senior secured lenders; (d) counsel to Cerberus; (e) counsel to Daimler; (f) counsel to the UAW; (g) counsel to the U.S. Treasury; and (h) the Banks. The Debtors submit that no other or further notice need be provided.

**No Prior Request**

54. No prior request for the relief sought in this Motion has been made to this or any other Court.

WHEREFORE, the Debtors respectfully request that this Court: (i) enter an interim order substantially in the form attached hereto as Exhibit C, granting the relief sought herein on an interim basis; (ii) enter a final order in substantially the same form as the interim order; and (iii) grant such other and further relief to the Debtors as the Court may deem proper.

Dated: April 30, 2009  
New York, New York

Respectfully submitted,

/s/ Corinne Ball

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Veerle Roovers  
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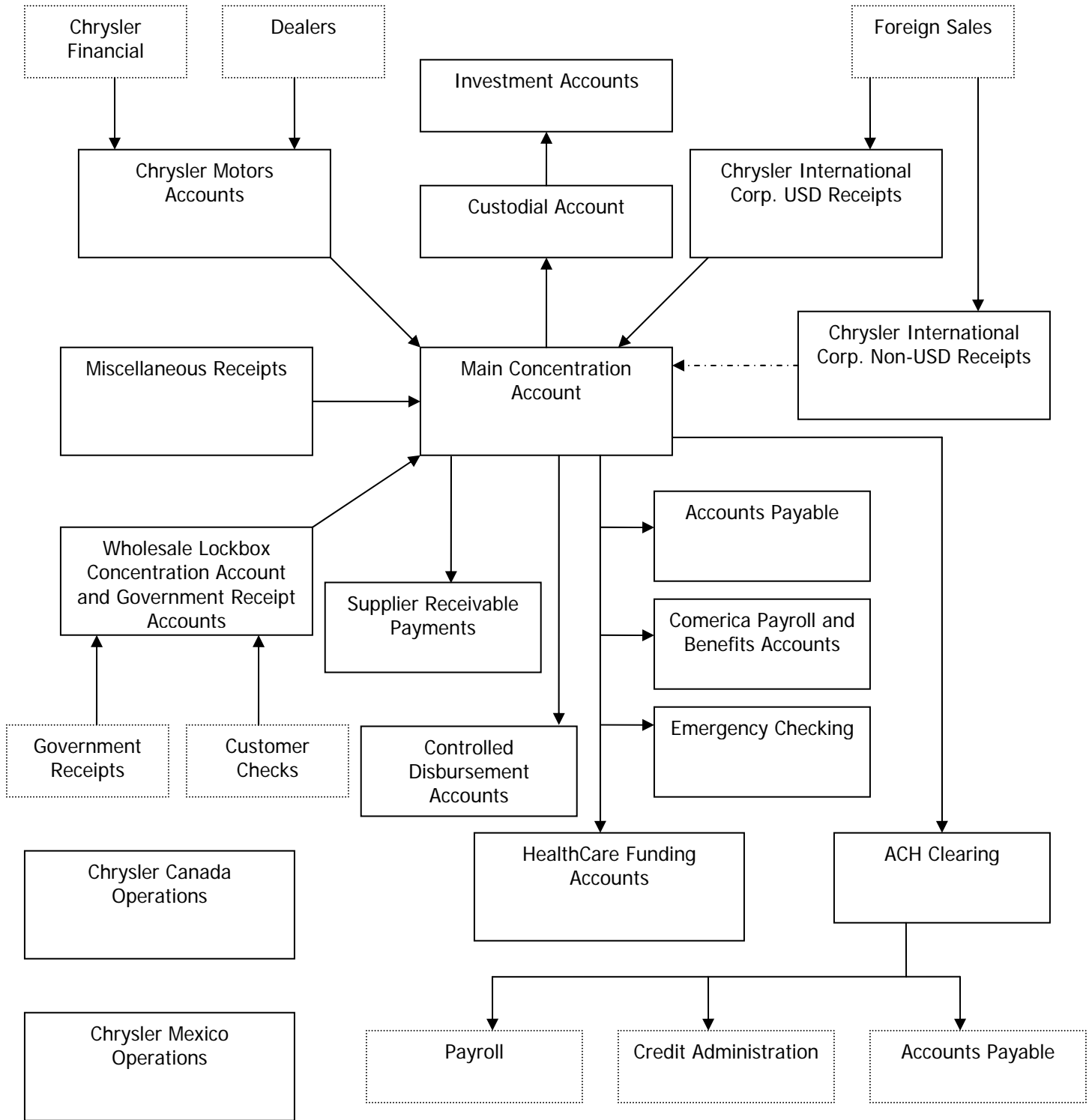
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PROPOSED ATTORNEYS FOR DEBTORS  
AND DEBTORS IN POSSESSION

**EXHIBIT A**

# The Debtors' Cash Management System



**EXHIBIT B**



## Non-Exclusive Schedule of Debtor Bank Accounts<sup>1</sup>

Debtor	Account Bank	Acct. #	Account Type
Chrysler International Corporation	JPMorgan Chase Bank	6432	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	0401	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	1801	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	1802	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	0201	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	1801	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	0175	Concentration
Chrysler International Corporation	JPMorgan Chase Bank		Concentration
Chrysler International Corporation	JPMorgan Chase Bank	8234	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	6568	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	1803	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	1727	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	3210	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	1804	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	4899	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	1805	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	1806	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	8427	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	1259	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	0765	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	1808	Concentration
Chrysler International Corporation	JPMorgan Chase Bank	1582	RMB Basic Account
Chrysler International Corporation	JPMorgan Chase Bank	1142	Current Account
Chrysler International Services, S.A.	Citibank N.A.	8012	CISSA Puerto Rico
Chrysler LLC	Bank of America, N.A.	6566	Chrysler Motors Lock Box
Chrysler LLC	Bank of America, N.A.	1808	Chrysler Motors Lock Box
Chrysler LLC	Bank of America, N.A.	2714	Chrysler Vans Lock Box
Chrysler LLC	Bank of America, N.A.	6708	Chrysler LLC Lock Box
Chrysler LLC	Bank of America, N.A.	6744	Chrysler LLC Lock Box
Chrysler LLC	Bank of America, N.A.	8173	Chrysler LLC Lock Box
Chrysler LLC	Bank of America, N.A.	8245	Chrysler LLC Lock Box
Chrysler LLC	Bank of America, N.A.	8298	Chrysler LLC Lock Box
Chrysler LLC	Bank of America, N.A.	1703	Chrysler Motors Lock Box
Chrysler LLC	Bank of America, N.A.	8742	Chrysler Motors Lock Box
Chrysler LLC	Bank of America, N.A.	1514	Chrysler Motors Lock Box
Chrysler LLC	Bank of America, N.A.	1387	Chrysler Motors Lock Box
Chrysler LLC	Bank of America, N.A.	9081	Chrysler Realty Lock Box
Chrysler LLC	Bank of America, N.A.	0574	Wholesale Lock Box
Chrysler LLC	Bank of America, N.A.	0327	EFT Government
Chrysler LLC	Bank of America, N.A.	6340	EFT Gov't - Customs
Chrysler LLC	Charter One Bank	7003	Escrow - Blue Water
Chrysler LLC	Citibank Delaware	2868	Hewitt - Dir. Pay Health Care
Chrysler LLC	Comerica Bank	7539	Concentration
Chrysler LLC	Comerica Bank	0578	Payroll-Hry-Sal-Mgt Bands 89-93

<sup>1</sup> To alleviate privacy concerns, either (a) account numbers are omitted or (b) only the last four digits of an account number are included in this column.

<b>Debtor</b>	<b>Account Bank</b>	<b>Acct. #</b>	<b>Account Type</b>
Chrysler LLC	Comerica Bank	3960	Benefits-Sedgwick / S&A
Chrysler LLC	Fifth Third Bancorp	4501	Cash Collateral
Chrysler LLC	Harris Bank		Custody Account
Chrysler LLC	JPMorgan Chase Bank	4452	A/P Wire Transfers
Chrysler LLC	JPMorgan Chase Bank		Concentration
Chrysler LLC	JPMorgan Chase Bank	6792	Emergency Checking
Chrysler LLC	JPMorgan Chase Bank	8438	Escrow - IMPA
Chrysler LLC	JPMorgan Chase Bank	5796	Cash Collateral
Chrysler LLC	JPMorgan Chase Bank	9271	Cash Collateral
Chrysler LLC	JPMorgan Chase Bank		Escrow - DCNAH
Chrysler LLC	JPMorgan Chase Bank		Escrow - DCFSA
Chrysler LLC	JPMorgan Chase Bank	5784	Concentration
Chrysler LLC	JPMorgan Chase Bank	9157	Depository Concentration
Chrysler LLC	JPMorgan Chase Bank		Custody
Chrysler LLC	JPMorgan Chase Bank		Chrysler Investments I
Chrysler LLC	JPMorgan Chase Bank		Chrysler Investments II
Chrysler LLC	JPMorgan Chase Bank		Chrysler Investments III
Chrysler LLC	JPMorgan Chase Bank		Chrysler Investments IV
Chrysler LLC	JPMorgan Chase Bank		Chrysler Investments V
Chrysler LLC	JPMorgan Treasury Plus Fund		Money Market Account
Chrysler LLC	JPMorgan Prime Fund		Money Market Account
Chrysler LLC	JPMorgan US Government Fund		Money Market Account
Chrysler LLC	JPMorgan Chase Bank	9509	A/P - RECAP
Chrysler LLC	JPMorgan Chase Bank	0509	Dealer Incentives
Chrysler LLC	JPMorgan Chase Bank	9509	InterOne Marketing
Chrysler LLC	JPMorgan Chase Bank	4509	GAP Payment System
Chrysler LLC	Keybank N.A.	9951	Local Receipts
Chrysler LLC	Keybank N.A.		Concentration
Chrysler LLC	Royal Bank of Canada	4378	Concentration
Chrysler LLC	Royal Bank of Canada	8116	GAP Payment System
Chrysler LLC	Royal Bank of Canada	9647	A/P - RECAP
Chrysler LLC	JPMorgan Chase Bank	2531	Cash Collateral - Purchase Card
Chrysler LLC	JPMorgan Chase Bank	2499	Cash Collateral - Auto finance
Chrysler LLC	JPMorgan Chase Bank	3167	Hourly & Salary Payroll Checks SBU S&A Benefits
Chrysler LLC	JPMorgan Chase Bank	3175	HBU S&A Benefits
Chrysler LLC	Banco J.P. Morgan SA	7016	PESO General Account
Chrysler LLC	Fifth Third Bank	6943	Cash Collateral
Chrysler LLC	JPMorgan Chase Bank	5100	Cash Collateral
Chrysler LLC	JPMorgan Chase Bank	0599	Cash Collateral
Chrysler LLC	JPMorgan Chase Bank	0185	Cash Collateral
Chrysler LLC	JPMorgan Chase Bank	0186	Cash Collateral
Chrysler LLC	Comerica Bank	7221	Cash Collateral
Chrysler LLC	U.S. Bank	8010	Cash Collateral
Chrysler LLC	Citibank, N.A.	4318	Supplier Receivable Payments
Chrysler Motors LLC	JPMorgan Chase Bank	2470	Concentration
Chrysler Motors LLC	JPMorgan Chase Bank	1199	Reserve House Account
Chrysler Motors LLC	JPMorgan Chase Bank	8246	NY Dealer Security Dep.
Chrysler Service Contracts Florida, Inc.	JPMorgan Chase Bank	0434	Concentration

<b>Debtor</b>	<b>Account Bank</b>	<b>Acct. #</b>	<b>Account Type</b>
Chrysler Service Contracts, Inc.	JPMorgan Chase Bank	8392	Concentration
Global Electric Motorcars	JPMorgan Chase Bank	5479	Concentration
Peapod Mobility LLC	JPMorgan Chase Bank	4652	Concentration
Peapod Mobility LLC	JPMorgan Chase Bank	8941	Escrow

**EXHIBIT C**

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

-----X  
In re : Chapter 11  
Chrysler LLC, *et al.*, : Case No. 09-50002 (AJG)  
Debtors. : (Jointly Administered)  
-----X

**INTERIM ORDER, PURSUANT TO SECTIONS 345, 363(c)(1), 503(b)(1) AND 553 OF THE BANKRUPTCY CODE, (A) APPROVING THE DEBTORS' CONTINUED USE OF THEIR CASH MANAGEMENT SYSTEM, BANK ACCOUNTS AND BUSINESS FORMS; (B) GRANTING APPROVAL OF INVESTMENT AND DEPOSIT GUIDELINES; (C) AUTHORIZING BANKS PARTICIPATING IN THE DEBTORS' CASH MANAGEMENT SYSTEM TO HONOR CERTAIN TRANSFERS AND CHARGE CERTAIN FEES AND OTHER AMOUNTS; (D) PERMITTING CONTINUED INTERCOMPANY TRANSACTIONS AND RECOGNIZING ADMINISTRATIVE EXPENSE STATUS TO POSTPETITION INTERCOMPANY CLAIMS; AND (E) PRESERVING AND PERMITTING THE EXERCISE OF INTERCOMPANY SETOFF RIGHTS**

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This matter coming before the Court on the Motion of Debtors and Debtors in Possession, Pursuant to Sections 345, 363(c)(1), 503(b)(1) and 553 of the Bankruptcy Code, for Interim and Final Orders: (A) Approving the Continued Use of Their Cash Management System, Bank Accounts and Business Forms; (B) Granting Approval of Investment and Deposit Guidelines; (C) Authorizing Banks Participating in the Debtors' Cash Management System to Honor Certain Transfers and Charge Certain Fees and Other Amounts; (D) Permitting Continued Intercompany Transactions and Granting Administrative Expense Status to Postpetition Intercompany Claims; and (E) Preserving and Permitting the Exercise of Intercompany Setoff Rights (the "Motion"),<sup>1</sup> filed by the debtors and debtors in possession in the above-captioned

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings given to them in the Motion.

cases (collectively, the "Debtors"); the Court having reviewed the Motion and the Affidavit of Ronald E. Kolka filed in support of the Debtors' first day papers (the "Affidavit") and having considered the statements of counsel and the evidence adduced with respect to the Motion at a hearing before the Court (the "Hearing"); and the Court having found that (i) the Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334, (ii) this is a core proceeding pursuant to 28 U.S.C. § 157(b), (iii) notice of the Motion and the Hearing was sufficient under the circumstances, (iv) cause exists, within the meaning of section 345(b) of the Bankruptcy Code, to permit the Debtors to deposit and invest funds in accordance with the terms hereof, (v) there is good cause to waive the ten-day stay imposed by Bankruptcy Rule 6004(h) to the extent it is applicable and (vi) the requirements of Bankruptcy Rule 6003(b) have been satisfied with respect to the relief authorized by this Order, to the extent applicable; and the Court having determined that the legal and factual bases set forth in the Motion and the Affidavit and at the Hearing establish just cause for the relief granted herein;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. The Debtors are authorized to: (a) continue to use their Cash Management System maintained by the Debtors immediately prior to the Petition Date; (b) implement ordinary course changes to their Cash Management System; and (c) open and close bank accounts.
3. The Debtors are authorized to continue to use their Business Forms substantially in the forms existing immediately before the Petition Date. The Debtors are authorized to utilize their current business forms without reference to their status as debtors in possession, provided, however, that (a) once the Debtors' existing check stock has been used, any

future checks ordered by the Debtors shall include the legend "Debtor-in-Possession;" and (b) as soon as reasonably practicable, the Debtors shall cause the phrase "Debtor-in-Possession" to be included on their blank check stock.

4. The Debtors are authorized to deposit and invest funds in accordance with the Investment Guidelines, notwithstanding that certain Investment Guidelines may not strictly comply in all respects with the investment guidelines expressly set forth in section 345 of the Bankruptcy Code. The Debtors' banks (collectively, the "Banks") are authorized to accept and hold or invest funds, at the Debtors' direction, in accordance with the Investment Guidelines.

5. The Banks are authorized to accept and honor all representations from the Debtors as to which checks, drafts, wires or ACH transfers should be honored or dishonored consistent with any order(s) of this Court and governing law, whether such checks, drafts, wires or ACH transfers are dated or made prior to, on or subsequent to the Petition Date. The Banks shall not be liable to any party on account of (a) following the Debtors' instructions or representations as to any order of this Court, (b) the honoring of any prepetition check or item in a good faith belief that the Court has authorized such prepetition check or item to be honored or (c) an innocent mistake made despite implementation of reasonable item handling procedures.

6. The Banks are authorized to charge, and the Debtors are authorized to pay or honor, in their sole discretion, the Bank Fees. The Banks also are authorized to charge back returned items to the Bank Accounts in the normal course of business.

7. The Debtors are authorized, in their sole discretion, from and after the Petition Date, to continue to engage in Intercompany Transactions. All Intercompany Claims held by a Debtor or direct or indirect non-Debtor subsidiary of Debtor Chrysler against a Debtor arising from postpetition intercompany transactions shall, pursuant to sections 503(b)(1), be

treated as administrative expenses. In connection therewith, the Debtors shall continue to maintain current records with respect to all transfers of cash so that all transactions, including Intercompany Transactions, may be readily ascertained, traced and recorded properly on applicable intercompany accounts.

8. Pursuant to section 553 of the Bankruptcy Code, the Debtors are authorized, in the Debtors' sole discretion, to (a) set off mutual prepetition obligations relating to Intercompany Transactions through the Cash Management System, and (b) set off mutual postpetition obligations relating to Intercompany Transactions through the Cash Management System. In connection therewith, the Debtors shall continue to maintain current records with respect to all transfers of cash so that all transactions, including Intercompany Transactions, may be readily ascertained, traced and recorded properly on applicable intercompany accounts.

9. Within three business days of the entry of this order (the "Interim Order"), the Debtors shall serve a copy of the Interim Order and the Motion on (a) the Office of the United States Trustee for the Southern District of New York; (b) the creditors holding the 50 largest unsecured claims against the Debtors' estates, as identified in the Debtors' chapter 11 petitions; (c) counsel to the administrative agent for the Debtors' prepetition senior secured lenders; (d) counsel to Cerberus; (e) counsel to Daimler; (f) counsel to the U.S. Treasury; and (g) the Banks. The Debtors also shall serve a copy of this Interim Order on counsel to the Official Committee of Unsecured Creditors (the "Creditors Committee") promptly upon its appointment.

10. Any objection to the relief requested in the Motion on a permanent basis must (a) be filed in writing with the Court, at One Bowling Green, New York, New York 10004-1408, by 4:00 p.m. (New York time) on the date that is 15 days after the entry of this Interim



Order (the "Objection Deadline") and (b) served so as to be actually received by the following parties by the Objection Deadline: (i) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004, Attn: Brian S. Masumoto, Esq.; (ii) Chrysler, LLC, Legal Department, 1000 Chrysler Drive, CIMS #485-14-96, Auburn Hills, Michigan 48326-2766, Attn: Holly E. Leese, Esq.; (iii) (A) Jones Day, 222 East 41st Street, New York, New York 10017, Attn: Corinne Ball, Esq. and Veerle Roovers, Esq., and (B) Jones Day, 1420 Peachtree Street, N.E., Suite 800, Atlanta, Georgia 30309, Attn: Jeffrey B. Ellman, Esq.; (iv) counsel to the Creditors Committee; (v) counsel to the administrative agent for the Debtors' prepetition senior secured lenders; (vi) counsel to Cerberus; (vii) counsel to Daimler; (viii) counsel to the U.S. Treasury; and (ix) the Banks.

11. If any timely objections are received, a hearing shall be held to consider such objections at the first regularly scheduled omnibus hearing in these cases. This Order shall remain in effect until such hearing.

12. If no objections are timely filed and served as set forth herein, the Debtors shall, on or after the Objection Deadline, submit to the Court a final order substantially in the form of this Interim Order, which Order may be entered with no further notice or opportunity to be heard afforded to any party.

13. Pursuant to Bankruptcy Rule 6004(h), to the extent applicable, this Order shall be immediately effective and enforceable upon its entry.

Dated: New York, New York  
\_\_\_\_\_, 2009

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UNITED STATES BANKRUPTCY JUDGE