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Proposed Attorneys for Debtors
and Debtors in Possession

**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

**MOTION OF DEBTORS AND DEBTORS IN POSSESSION,
PURSUANT TO SECTIONS 105(a) AND 331 OF THE BANKRUPTCY
CODE, BANKRUPTCY RULE 2016(a) AND LOCAL BANKRUPTCY
RULE 2016-1, FOR AN ORDER ESTABLISHING PROCEDURES
FOR INTERIM MONTHLY COMPENSATION OF PROFESSIONALS**

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;¹
- 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,² 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,

¹ 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).

² 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").

11. 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.

12. 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.

Relief Requested

13. Pursuant to sections 105(a) and 331 of the Bankruptcy Code, Rule 2016(a) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Rule 2016-1 of the Local Bankruptcy Rules for the United States Bankruptcy Court for the Southern District of New York (the "Local Bankruptcy Rules"), the Debtors hereby seek the entry of an order:

(a) establishing an orderly, regular process for the allowance and payment of compensation and reimbursement for attorneys and other professionals whose services are authorized by this Court pursuant to sections 327 or 1103 of the Bankruptcy Code and who are required to file applications for allowance of compensation and reimbursement of expenses pursuant to sections 330 and 331 of the Bankruptcy Code and Bankruptcy Rule 2016(a); and (b) establishing a procedure for reimbursement of reasonable out-of-pocket expenses incurred by members of any statutory committees appointed in these cases.

Facts Relevant to This Motion

14. By applications filed on the Petition Date or expected to be filed shortly thereafter, the Debtors are seeking approval to retain and employ, pursuant to section 327 of the Bankruptcy Code: (a) Jones Day, as bankruptcy counsel; (b) Togut, Segal & Segal, LLP, as conflicts counsel; (c) Schulte Roth & Zabel LLP, as special counsel; (d) Capstone Advisory Group, LLC, as financial advisors; (e) Greenhill & Co., Inc., as investment bankers; and

(f) Deloitte Tax LLP, as tax advisors. It is anticipated that a statutory committee of unsecured creditors will be appointed in these cases and will retain counsel and financial advisors, and possibly other professionals, to represent it.

15. The Debtors also have filed a motion (the "Ordinary Course Professionals Motion") seeking authority to continue to employ, retain and pay certain professionals (collectively, the "Ordinary Course Professionals") in the ordinary course of business on terms substantially similar to those in effect prior to the Petition Date, without the need to file individual retention applications for each of these professionals. In particular, the Ordinary Course Professionals Motion seeks authority for the Debtors to pay Ordinary Course Professionals in full, without the need to file interim or final fee applications, in accordance with their prepetition arrangements, but subject to certain fee caps and other procedural requirements and limitations described therein. Under certain circumstances, Ordinary Course Professionals whose fees exceed the established dollar limitations will be required to file applications with the Court before being paid.

16. Thus, there are two categories of professionals who will be required to submit, pursuant to section 331 of the Bankruptcy Code, interim or final fee applications seeking compensation for services rendered and reimbursement of expenses incurred: (a) chapter 11 professionals separately retained under sections 327 or 1103 of the Bankruptcy Code (collectively, the "Retained Professionals"); and (b) under certain conditions, those Ordinary Course Professionals whose fees and expenses exceed the limitations set forth in the order approving the Ordinary Course Professionals Motion. Only the Retained Professionals will be required to comply with the proposed compensation and reimbursement procedures outlined herein.

Argument

17. Pursuant to section 331 of the Bankruptcy Code,³ all professionals are entitled to submit applications for interim compensation and reimbursement of expenses every 120 days, or more often if the court permits. In addition, section 105(a) of the Bankruptcy Code authorizes the court to issue any order "that is necessary or appropriate to carry out the provisions of [the Bankruptcy Code]," thereby codifying the bankruptcy court's inherent equitable powers.

18. The Debtors seek the entry of an order, pursuant to sections 105(a) and 331 of the Bankruptcy Code, Bankruptcy Rule 2016(a) and Local Bankruptcy Rule 2016-1, and in accordance with the standing General Order M-219, as amended by General Order M-348, of the United States Bankruptcy Court for the Southern District of New York, signed on March 21, 2008 by Chief Bankruptcy Judge Stuart M. Bernstein (the "Standing Order"), establishing procedures for monthly compensation and reimbursement of expenses of professionals in these chapter 11 cases. Procedures similar to those proposed herein have been approved in other large chapter 11 cases in this District. See, e.g., In re Lehman Bros. Holdings Inc., No. 08-13555 (JMP) (Bankr. S.D.N.Y. Nov. 5, 2008); In re Steve & Barry's Manhattan LLC, No. 08-12579 (ALG) (Bankr. S.D.N.Y. Jul. 29, 2008); In re Interep Nat'l Radio Sales, Inc., No. 08-11079 (RDD) (Bankr. S.D.N.Y. Apr. 22, 2008); In re Dana Corp., No. 06-10354 (BRL)

³ Section 331 of the Bankruptcy Code provides, in part, as follows:

A trustee, an examiner, a debtor's attorney, or any professional person employed under section 327 or 1103 of this title may apply to the court not more than once every 120 days after an order for relief in a case under this title, or more often if the court permits, for such compensation for services rendered before the date of such an application or reimbursement for expenses incurred before such date as is provided under section 330 of this title.

11 U.S.C. § 331.

(Bankr. S.D.N.Y. Mar. 29, 2006); In re Musicland Holding Corp., No. 06-10064 (SMB) (Bankr. S.D.N.Y. Jan. 27, 2006); In re Calpine Corp., No. 05-60200 (BRL) (Bankr. S.D.N.Y. Jan. 25, 2006); In re Delphi Corp., No. 05-44481 (RDD) (Bankr. S.D.N.Y. Nov. 4, 2005); In re IMPATH Inc., No. 03-16113 (PCB) (Bankr. S.D.N.Y. Sept. 30, 2003); In re Loral Space & Commc'ns, Ltd., No. 03-41710 (RDD) (Bankr. S.D.N.Y. Aug. 6, 2003).⁴

19. In accordance with the Standing Order, the Debtors propose that the payment of compensation and reimbursement of expenses of Retained Professionals be structured as follows (except as may otherwise be provided in orders of the Court authorizing the retention of specific Retained Professionals):

- (a) On or before the 20th day of each month following the month for which compensation is sought, each Retained Professional seeking compensation pursuant to an order approving this Motion will serve a monthly statement (a "Monthly Statement"), by hand or overnight delivery, on the following parties (collectively, the "Notice Parties"): (i) the Debtors, c/o Chrysler LLC, 1000 Chrysler Drive, CIMS# 485-14-36, Auburn Hills, Michigan 48326 (Attn: Holly E. Leese, Esq.); (ii) Jones Day, counsel to the Debtors, 222 East 41st Street, New York, New York 10017 (Attn: Corinne Ball, Esq.) and 1420 Peachtree Street, N.E., Suite 800, Atlanta, Georgia 30309-3053 (Attn: Jeffrey B. Ellman, Esq.); (iii) counsel to any statutory committees appointed in these cases; (iv) Simpson Thacher & Bartlett LLP, counsel to the administrative agent for the Debtors' prepetition senior secured lenders, 425 Lexington Avenue, New York, New York 10017 (Attn: Peter Pantaleo, Esq. and David Eisenberg, Esq.); (v) the Office of the United States Trustee for the Southern District of New York (the "U.S. Trustee"), 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Brian S. Masumoto, Esq.); and (vi) Cadwalader, Wickersham & Taft LLP, counsel to the U.S. Treasury, One World Financial Center, New York, New York 10281 (Attn: John J. Rapisardi, Esq.).

⁴ 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.

- (b) The Monthly Statement need not be filed with the Court and a courtesy copy need not be delivered to the presiding judge's chambers since the order approving this Motion is not intended to alter the fee application requirements outlined in sections 330 and 331 of the Bankruptcy Code and since Retained Professionals are still required to serve and file interim and final applications for approval of fees and expenses in accordance with the relevant provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules.
- (c) Each Monthly Statement must contain a list of the individuals and their respective titles (e.g., attorney, accountant or legal assistant) who provided services during the statement period, their respective billing rates, the aggregate hours spent by each individual, a reasonably detailed breakdown of the disbursements incurred (no professional should seek reimbursement of an expense that would otherwise not be allowed pursuant to the Court's Administrative Orders dated June 24, 1991 and April 21, 1995 or the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C § 330 dated January 30, 1996), and contemporaneously maintained time entries for each individual in increments of tenths of an hour.
- (d) Each Notice Party will have at least 15 days after its receipt of a Monthly Statement to review it and, if the Notice Party has an objection to the compensation or reimbursement sought in a particular Monthly Statement, the Notice Party will, by no later than the 40th day following the month for which compensation is sought, serve upon the Retained Professional whose Monthly Statement is the subject of a Notice Party's objection, and the other Notice Parties, a written "Notice of Objection to Fee Statement," setting forth the nature of the objection and the specific amount of fees or expenses at issue.
- (e) At the expiration of the 40-day period, the Debtors will promptly pay 80% of the fees and 100% of the expenses identified in each Monthly Statement to which no objection has been served in accordance with paragraph (d) hereof.
- (f) If the Debtors receive an objection to a particular Monthly Statement, they will withhold payment of that portion of the Monthly Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth in paragraph (e) hereof.

- (g) Similarly, if the objecting parties and the Retained Professional are able to resolve their dispute following the service of a Notice of Objection to Fee Statement and if the Retained Professional whose Monthly Statement was the subject of a Notice Party's objection serves on all of the Notice Parties a statement indicating that the objection is withdrawn and describing in detail the terms of the resolution, then the Debtors will promptly pay, in accordance with paragraph (e) hereof, that portion of the Monthly Statement that is no longer subject to an objection.
- (h) All objections that are not resolved by the parties will be preserved and scheduled for hearing before the Court at the next interim or final fee application hearing to be conducted by the Court in accordance with paragraph (j) hereof.
- (i) The service of an objection in accordance with paragraph (d) hereof will not prejudice the objecting party's right to object to any fee application made to the Court in accordance with the Bankruptcy Code on any ground, whether raised in the objection or not. Furthermore, the decision by any party not to object to a Monthly Statement in accordance with paragraph (d) hereof will not be a waiver of any kind or prejudice that party's right to object to any fee application subsequently made to the Court in accordance with the Bankruptcy Code.
- (j) Approximately every 120 days (but not less frequently than every 150 days), each Retained Professional will serve and file with the Court, pursuant to sections 330 and 331 of the Bankruptcy Code, an application for interim or final (as the case may be) Court approval and allowance of the compensation and reimbursement of expenses. No notice of hearing should be filed by Retained Professionals in connection with their fee applications; rather, the Debtors will schedule and notice a hearing at which all such applications will be heard.
- (k) Any Retained Professional that fails to file an application seeking approval of compensation and expenses previously paid under the order approving this Motion when due will:
 - (i) be ineligible to receive further monthly payments of fees or reimbursement of expenses as provided herein until the Retained Professional files the delinquent fee application and an order of the Court authorizes the Debtors to resume monthly payments to such Retained Professional; and
 - (ii) may

be required to disgorge any fees paid since retention or the last fee application, whichever is later.

- (l) The pendency of an application or a Court order that payment of compensation or reimbursement of expenses was improper as to a particular Monthly Statement will not disqualify a Retained Professional from the future payment of compensation or reimbursement of expenses as set forth above, unless otherwise ordered by the Court.
- (m) Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided herein will have any effect on this Court's interim or final allowance of compensation and reimbursement of expenses of any Retained Professional.
- (n) Counsel for any statutory committee may, in accordance with the foregoing procedure for monthly compensation and reimbursement of Retained Professionals, collect and submit statements of expenses, with supporting vouchers, from members of the committee he or she represents; provided, however, that such committee counsel ensures that these reimbursements comply with this Court's Administrative Orders dated June 24, 1991 and April 21, 1995.

20. The Debtors propose that each Retained Professional whose retention has been approved by the Court as of the Petition Date may seek, in its first Monthly Statement, compensation for work performed and reimbursement for expenses incurred during the period beginning on the Petition Date and ending on May 31, 2009. The first interim fee application for such Retained Professionals will seek compensation and reimbursement of expenses for the period from the Petition Date through August 31, 2009. All Retained Professionals not retained as of the Petition Date will file their first Monthly Statement for the period from the effective date of the retention through the end of the first full month following the effective date of their retention, and otherwise in accordance with the procedures set forth in this Motion.

21. The proposed procedures will enable the Debtors to closely monitor the costs of administration, maintain level cash flow and implement efficient cash management

procedures. Moreover, these procedures also will allow the Court and the key parties in interest to insure the reasonableness and necessity of the compensation and reimbursement sought pursuant to such procedures.

Notice

22. No trustee or examiner has been appointed in these chapter 11 cases. Notice of this Motion has been given to: (a) the U.S. Trustee; (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; and (g) counsel to the U.S. Treasury. The Debtors submit that no other or further notice need be provided at no other or further notice need be provided.

No Prior Request

23. 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 order substantially in the form attached hereto as Exhibit A, granting the relief sought herein; and (ii) 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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PROPOSED ATTORNEYS FOR DEBTORS
AND DEBTORS IN POSSESSION

EXHIBIT A

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

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

**ORDER, PURSUANT TO SECTIONS 105(a) AND 331 OF THE
BANKRUPTCY CODE, BANKRUPTCY RULE 2016(a) AND
LOCAL BANKRUPTCY RULE 2016-1, ESTABLISHING PROCEDURES
FOR INTERIM MONTHLY COMPENSATION FOR PROFESSIONALS**

This matter coming before the Court on the Motion of Debtors and Debtors in Possession, Pursuant to Sections 105(a) and 331 of the Bankruptcy Code, Bankruptcy Rule 2016(a) and Local Bankruptcy Rule 2016-1, for an Order Establishing Procedures for Interim Monthly Compensation of Professionals (the "Motion"),¹ filed by the debtors and debtors in possession in the above-captioned 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 on the Motion (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) the procedures set forth in the Motion will ensure the reasonableness and necessity of compensation and reimbursement sought by Retained Professionals, (iv) this Order complies with or conforms substantially to the Standing Order, (v) the relief requested in the Motion is in the best interest of

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

the Debtors, their estates and creditors, (vi) proper and adequate notice has been given by service of the Motion and notice of the Hearing and (vii) no other further notice is necessary; 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. Except as may otherwise be provided in orders of the Court authorizing the retention of specific professionals, all Retained Professionals in these cases may seek monthly compensation in accordance with the following procedures:

- (a) On or before the 20th day of each month following the month for which compensation is sought, each Retained Professional seeking compensation pursuant to this Order shall serve a monthly statement (a "Monthly Statement"), by hand or overnight delivery, on the following parties (collectively, the "Notice Parties"): (i) the Debtors, c/o Chrysler LLC, 1000 Chrysler Drive, CIMS# 485-14-36, Auburn Hills, Michigan 48326-2766 (Attn: Holly E. Leese, Esq.); (ii) Jones Day, 222 East 41st Street, New York, New York 10017 (Attn: Corinne Ball, Esq.) and 1420 Peachtree Street, N.E., Suite 800, Atlanta, Georgia 30309-3053 (Attn: Jeffrey B. Ellman, Esq.); (iii) counsel to any statutory committees appointed in these cases; (iv) Simpson Thacher & Bartlett LLP, counsel to the administrative agent for the Debtors' prepetition senior secured lenders, 425 Lexington Avenue, New York, New York 10017 (Attn: Peter Pantaleo, Esq. and David Eisenberg, Esq.); (v) the U.S Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Brian S. Masumoto, Esq.) and (vi) Cadwalader, Wickersham & Taft LLP, counsel to the U.S. Treasury, One World Financial Center, New York, New York 10281 (Attn: John J. Rapisardi, Esq.).
- (b) The Monthly Statement need not be filed with the Court and a courtesy copy need not be delivered to the presiding judge's chambers since this Order is not intended to alter the fee application requirements outlined in sections 330 and 331 of the Bankruptcy Code and since Retained Professionals are still required to serve and file interim and final applications for

approval of fees and expenses in accordance with the relevant provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Bankruptcy Rules.

- (c) Each Monthly Statement must contain a list of the individuals and their respective titles (e.g., attorney, accountant or legal assistant) who provided services during the statement period, their respective billing rates, the aggregate hours spent by each individual, a reasonably detailed breakdown of the disbursements incurred (no professional should seek reimbursement of an expense that would otherwise not be allowed pursuant to the Court's Administrative Orders dated June 24, 1991 and April 21, 1995 or the United States Trustee Guidelines for Reviewing Applications for Compensation and Reimbursement of Expenses Filed under 11 U.S.C § 330 dated January 30, 1996), and contemporaneously maintained time entries for each individual in increments of tenths of an hour.
- (d) Each Notice Party shall have at least 15 days after its receipt of a Monthly Statement to review it and, if the Notice Party has an objection to the compensation or reimbursement sought in a particular Monthly Statement, the Notice Party shall, by no later than the 40th day following the month for which compensation is sought, serve upon the Retained Professional whose Monthly Statement is the subject of a Notice Party's objection, and the other Notice Parties, a written "Notice of Objection to Fee Statement," setting forth the nature of the objection and the specific amount of fees or expenses at issue.
- (e) At the expiration of the 40-day period, the Debtors shall promptly pay 80% of the fees and 100% of the expenses identified in each Monthly Statement to which no objection has been served in accordance with paragraph (d) hereof.
- (f) If the Debtors receive an objection to a particular Monthly Statement, they shall withhold payment of that portion of the Monthly Statement to which the objection is directed and promptly pay the remainder of the fees and disbursements in the percentages set forth in paragraph (e) hereof.
- (g) Similarly, if the objecting parties and the Retained Professional are able to resolve their dispute following the service of a Notice of Objection to Fee Statement and if the Retained Professional whose Monthly Statement was the subject of a Notice Party's objection serves on all of the Notice Parties a statement indicating that the objection is withdrawn and describing in detail the terms of the resolution, then the

Debtors shall promptly pay, in accordance with paragraph (e) hereof, that portion of the Monthly Statement that is no longer subject to an objection.

- (h) All objections that are not resolved by the parties shall be preserved and scheduled for hearing before the Court at the next interim or final fee application hearing to be conducted by the Court in accordance with paragraph (j) hereof.
- (i) The service of an objection in accordance with paragraph (d) hereof shall not prejudice the objecting party's right to object to any fee application made to the Court in accordance with the Bankruptcy Code on any ground, whether raised in the objection or not. Furthermore, the decision by any party not to object to a Monthly Statement in accordance with paragraph (d) hereof shall not be a waiver of any kind or prejudice that party's right to object to any fee application subsequently made to the Court in accordance with the Bankruptcy Code.
- (j) Approximately every 120 days (but not less frequently than every 150 days), each Retained Professional shall serve and file with the Court, pursuant to sections 330 and 331 of the Bankruptcy Code, an application for interim or final (as the case may be) Court approval and allowance of the compensation and reimbursement of expenses. No notice of hearing shall be filed by Retained Professionals in connection with their fee applications; rather, the Debtors shall schedule and notice a hearing at which all such applications will be heard.
- (k) Any Retained Professional that fails to file an application seeking approval of compensation and expenses previously paid under this Order when due shall: (i) be ineligible to receive further monthly payments of fees or reimbursement of expenses as provided herein until the Retained Professional files the delinquent fee application and an order of the Court authorizes the Debtors to resume monthly payments to such Retained Professional; and (ii) may be required to disgorge any fees paid since retention or the last fee application, whichever is later.
- (l) The pendency of an application or a Court order that payment of compensation or reimbursement of expenses was improper as to a particular Monthly Statement shall not disqualify a Retained Professional from the future payment of

compensation or reimbursement of expenses as set forth above, unless otherwise ordered by the Court.

- (m) Neither the payment of, nor the failure to pay, in whole or in part, monthly compensation and reimbursement as provided herein shall have any effect on this Court's interim or final allowance of compensation and reimbursement of expenses of any Retained Professional.
- (n) Counsel for any statutory committee may, in accordance with the foregoing procedure for monthly compensation and reimbursement of Retained Professionals, collect and submit statements of expenses, with supporting vouchers, from members of the committee he or she represents; provided, however, that such committee counsel ensures that these reimbursements comply with this Court's Administrative Orders dated June 24, 1991 and April 21, 1995.

3. The initial Monthly Statement of each Retained Professional whose retention has been approved by the Court as of the Petition Date and who is seeking interim compensation and reimbursement of expenses shall be served in accordance with the procedures set forth herein for the period beginning on the Petition Date and ending on May 31, 2009.

4. The initial Monthly Statement of each Retained Professional whose retention has been approved by the Court as of a date after the Petition Date and who is seeking interim compensation and reimbursement of expenses shall be served in accordance with the procedures set forth herein for the period from the effective date of the retention through the end of the first full month following the effective date of their retention, and otherwise in accordance with the procedures set forth in this Order.

5. The amount of fees and disbursements sought shall be set out in U.S. Dollars.

6. The Debtors shall include all payments to Retained Professionals on their monthly operating reports, detailed so as to state the amount paid to each of the Retained Professionals.

7. Any party may object to requests for payments made pursuant to this Order on the grounds that (a) the Debtors have not timely filed monthly operating reports or (b) the Debtors have not remained current with their administrative expenses and fees under 28 U.S.C. § 1930; otherwise, this Order shall continue and shall remain in effect during the pendency of these cases.

8. All time periods set forth in this Order shall be calculated in accordance with Bankruptcy Rule 9006(a).

9. Any and all other and further notice of the relief requested in the Motion shall be, and hereby is, dispensed with and waived; provided, however, that the Debtors must serve a copy of this Order on all Notice Parties.

Dated: New York, New York
_____, 2009

UNITED STATES BANKRUPTCY JUDGE