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**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

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: In re : Chapter 11
: Alpha Holding LP, :
: : Case No. 09-50025 (AJG)
: Debtor. :
: :
-----X

**MOTION OF DEBTORS AND DEBTORS IN POSSESSION
FOR AN ORDER, PURSUANT TO SECTION 105(a) OF THE
BANKRUPTCY CODE, GRANTING RELIEF IN CONNECTION WITH THE
COMMENCEMENT OF CHAPTER 11 CASE BY ALPHA HOLDING LP**

TO THE HONORABLE ARTHUR J. GONZALEZ,
UNITED STATES BANKRUPTCY JUDGE:

Chrysler LLC ("Chrysler") and its affiliated debtors and debtors in possession in the above captioned cases (collectively with Chrysler, the "Debtors") respectfully represent as follows:

Background

1. On April 30, 2009 (the "Petition Date"), Chrysler and 24 of its affiliated Debtors (collectively, the "Original 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 an order of the Court (Docket No. 97), the Original Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being administered jointly. On May 19, 2009 (the "Alpha Petition Date"), Debtor Alpha Holding LP ("Alpha") commenced its reorganization case by filing a voluntary petition under chapter 11 of the Bankruptcy Code.

2. The Debtors are authorized to continue to operate their businesses 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. For the 12 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.

5. Chrysler and certain of its affiliates, Fiat S.p.A. ("Fiat") and New Chrysler (as defined below) have entered into a Master Transaction Agreement dated as of April 30, 2009 (collectively with other ancillary and supporting documents, the "Purchase Agreement"). 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 formed by 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").

6. With the support of the U.S. and Canadian governments, Fiat, the International Union, United Automobile, Aerospace and Agricultural Implement Workers of America, 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 idled 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.

Jurisdiction

7. 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

8. Alpha is an affiliate of the Original Debtors. In accordance with the Purchase Agreement, New Chrysler exercised its right to designate Alpha as a seller of assets under the Purchase Agreement necessitating its filing of a petition for relief under chapter 11 of the Bankruptcy Code.

9. By this Motion, the Debtors request the entry of an order, pursuant to section 105(a) of the Bankruptcy Code, providing that the orders entered at the request of the Original Debtors, including all related pleadings filed by the Original Debtors in connection with such orders (collectively, the "Prior Orders"),¹ apply to Alpha's chapter 11 case, *nunc pro tunc* to the Alpha Petition Date, as if Alpha was one of the Original Debtors.

10. Furthermore, the Debtors request that any additional orders requested by the Original Debtors and entered in the Original Debtors' jointly administered chapter 11 cases with respect to motions or applications currently pending in such cases or filed through the date that this Motion has been granted, including all pleadings filed by the Original Debtors in connection with such orders (collectively, the "New Orders," and together with the Prior Orders, the "Chrysler Orders") apply to Alpha as of the date of the entry of such orders.

¹ The Prior Orders include the "first day" orders.

***Request for Consolidation and Joint Administration
of Chapter 11 Cases of Original Debtors and Alpha***

11. The Debtors request, pursuant to Rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules"), that Alpha's chapter 11 case be consolidated for procedural purposes only and jointly administered with the Original Debtors' chapter 11 cases in accordance with the Court's Order, Pursuant to Bankruptcy Rule 1015(b), Directing Joint Administration of the Debtors' Chapter 11 Cases (Docket No. 97) (the "Joint Administration Order") that was entered in the Original Debtors' cases.

12. Consistent with the Joint Administration Order, Alpha requests that, for all pleadings, parties in interest be directed to use the consolidated caption approved in the Joint Administration Order. That caption indicates that the pleading relates to the jointly administered bankruptcy case of "Chrysler LLC, *et al.*"

***Request to File Lists of Creditors and
Equity Security Holders in Lieu of Matrices***

13. Alpha filed with its voluntary petition: (a) a consolidated list of the creditors holding the 50 largest unsecured claims on a consolidated basis; and (b) a list setting forth the names and addresses of its equity security holders.

14. By the Court's Order, Pursuant to Sections 342 and 521(a) of the Bankruptcy Code, Bankruptcy Rules 1007(a) and 2002(a), (f), (l) and (m) and Local Bankruptcy Rule 1007-1, for an Order (A) Waiving the Requirement that Each Debtor File a List of Creditors, (B) Approving the Form and Manner of Notice of the Commencement of the Debtors' Chapter 11 Cases and (C) Authorizing the Filing of a Consolidated List of Top 50 Unsecured Creditors (Docket No. 254) (the "First Day Creditor Order"), the requirement that the Original Debtors file a list of creditors with the Court on the Petition Date was waived and the Original Debtors were authorized to file a consolidated list of the 50 largest unsecured creditors. For the reasons set forth

below and in the First Day Creditor Order, the Debtors respectfully request that the relief granted in the First Day Creditor Order apply to Alpha.

***Request for Extension of
Prior Relief and Pleadings to Alpha***

15. Without limiting the foregoing, to ensure that Alpha is "on an even playing field" with the Original Debtors and in an effort to eliminate the filing of duplicative applications and motions and, therefore, reduce the burdens of the Court and on parties in interest, the Debtors request that all other "first day" relief not addressed above, and all other applicable relief obtained by the Original Debtors in their cases after the Alpha Petition Date, be deemed applicable to Alpha. Specifically, the Debtors request that, effective as of the Alpha Petition Date, Alpha be deemed to be a "Debtor" within the meaning of, and for all purposes under, all Prior Orders, to the extent that such relief is applicable to Alpha or has not been vacated by an order of the Court. Likewise, the Debtors request that any New Orders based on pending motions and applications apply to Alpha, where applicable, as the date of entry of such orders.

Argument

16. Section 105(a) of the Bankruptcy Code provides, in relevant part: "The court may issue any order, process, or judgment that is necessary or appropriate to carry out the provisions of this title." 11 U.S.C. § 105(a). Under section 105(a), the Court has expansive equitable powers to fashion any order or decree that is in the interest of preserving or protecting the value of a debtor's assets. See, e.g., In re Chinichian, 784 F.2d 1440, 1443 (9th Cir. 1986) ("Section 105 sets out the power of the bankruptcy court to fashion orders as necessary pursuant to the purposes of the Bankruptcy Code."); Bird v. Crown Convenience (In re NWFEX, Inc.), 864 F.2d 588, 590 (8th Cir. 1988) ("The overriding consideration in bankruptcy . . . is that equitable principles govern"); In re Cooper Props. Liquidating Trust, Inc., 61 B.R. 531, 537 (Bankr. W.D.

Tenn. 1986) ("[T]he Bankruptcy Court is one of equity and as such it has a duty to protect whatever equities a debtor may have in property for the benefit of its creditors as long as that protection is implemented in a manner consistent with the bankruptcy laws.").

17. As described in the Original Debtors' motion seeking the entry of the Joint Administration Order, Bankruptcy Rule 1015(b) provides that, if two or more petitions are pending in the same court by or against a debtor and an affiliate, "the court may order a joint administration of the estates." The joint administration of Alpha's chapter 11 case with the Original Debtors' cases will permit the Clerk of the Court to continue to utilize a single general docket for these cases and, in most instances, combine required notices to creditors of Alpha's and the Original Debtors' respective estates and other parties in interest. Accordingly, the joint administration of Alpha's estate with the estates of the Original Debtors is warranted because it will ease the administrative burden of the Court and interested parties.

18. In addition to joint administration, the Chrysler Orders address many of the first day and other matters which the Debtors must address, including certain administrative matters, the payment of certain prepetition claims, the retention of professionals and other critical matters in these chapter 11 cases. Moreover, certain Chrysler Orders are critical to the proposed sale of substantially all of the Debtors' assets that is central to the Debtors' completion of a successful chapter 11 process. In sum, the relief requested and the protections and authorizations set forth in the Chrysler Orders are critical for Alpha to complete a smooth transition into chapter 11 and to pursue a swift and successful conclusion to its chapter 11 case.

19. Furthermore, the entry of an order directing that the Chrysler Orders be made applicable to Alpha will eliminate the need for duplicative motions, applications, affidavits, declaration, notices and other pleadings and orders to be filed in Alpha's case, to the benefit of the

Debtors' estates and stakeholders. The Debtors will save time and expense for their estates, reduce the burden on the Court and parties in interest by proceeding in this manner and experience a smooth transition into chapter 11 with a minimum of delay, cost and expense for the benefit of all parties in interest.

20. If Alpha had commenced its chapter 11 case at the same time as the Debtors, Alpha would have been a movant and a beneficiary with respect to all the Chrysler Orders. By this Motion, the Debtors seek to streamline the motion practice for requesting the relief set forth in the Chrysler Orders, while at the same time providing the facts and justification required for the entry of such relief with respect to Alpha.

21. The Debtors believe that the relief requested herein is appropriate to carry out the provisions of the Bankruptcy Code has been granted by courts in this district and elsewhere. See, e.g., In re Lehman Bros. Holdings Inc., Case No. 08-13555 (JMP) (Bankr. S.D.N.Y. 2008); In re Delphi Corp., Case No. 05-44481 (RDD) (Bankr. S.D.N.Y. 2005); In re Enron Corp., Case No. 01-16034 (AJG) (Bankr. S.D.N.Y. 2001).

22. Based upon the foregoing, the Debtors submit that the relief requested herein is essential, appropriate and in the best interest of the Debtors' estates and creditors, and therefore, should be granted.

Notice

23. No trustee or examiner has been appointed in these chapter 11 cases. In accordance with the Administrative Order, Pursuant to Bankruptcy Rule 1015(c), Establishing Case Management and Scheduling Procedures (Docket No. 661) (the "Case Management Order" entered in the Original Debtors' chapter 11 cases), notice of this Motion has been given to the parties identified on the General Service List and the Special Service List (as such terms are identified in the Case Management Order). Notice of this Motion has also been given to those

creditors holding the 50 largest unsecured claims against Alpha's estate as set forth in Alpha's petition. The Debtors submit that no other or further notice need be provided.

No Prior Request

24. 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: May 22, 2009
New York, New York

Respectfully submitted,

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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.*, : Case No. 09-50002 (AJG)
Debtors. : (Jointly Administered)
-----X

-----X
In re : Chapter 11
Alpha Holding LP, : Case No. 09-50025 (AJG)
Debtor. :
-----X

**ORDER, PURSUANT TO SECTION 105(a) OF THE
BANKRUPTCY CODE, GRANTING RELIEF IN CONNECTION WITH THE
COMMENCEMENT OF CHAPTER 11 CASE BY ALPHA HOLDING LP**

This matter coming before the Court on the Motion of Debtors and Debtors in Possession for an Order, Pursuant to Section 105(a) of the Bankruptcy Code, Granting Relief in Connection with the Commencement of Chapter 11 Case by Alpha Holding LP (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 having considered the statements of counsel 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)(2) and (iii) notice of the

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

Motion and the Hearing was sufficient under the circumstances; and the Court having determined that the legal and factual bases set forth in the Motion and at the Hearing establish just cause for the relief granted herein;

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED as set forth herein.
2. Effective as of the Alpha Petition Date, Alpha's chapter 11 case shall be consolidated for procedural purposes only, and jointly administered, with the Original Debtors' cases in accordance with the Joint Administration Order. Consistent with the Joint Administration Order, parties in interest are authorized to and directed to use the consolidated caption referring to the chapter 11 cases of "Chrysler LLC *et. al.*" for all pleadings relating to Alpha's chapter 11 case.
3. The Prior Orders entered in the jointly administered chapter 11 cases of Chrysler LLC, *et al.* (Case No. 09-50002 (AJG)) are hereby made applicable to Alpha, *nunc pro tunc* to the Alpha Petition Date, as if Alpha was a "Debtor" referred to in these Prior Orders to the extent such relief is applicable to Alpha and has not been vacated by the court.
4. Any New Orders shall apply to Alpha as of the date of entry of such New Orders to the extent that such relief is applicable to Alpha.
5. The Court shall retain jurisdiction to hear and determine all matters arising from or related to the implementation of this Order.

Dated: New York, New York
_____, 2009

UNITED STATES BANKRUPTCY JUDGE