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2 On behalf of the Debtors:

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On behalf of Trelleborg Corporation:

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On behalf of ABC Plastics, Inc.:

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1 P R O C E E D I N G S

2 MR. HUTCHINSON: My name is Joe
3 Hutchinson, I'm with Baker Hostetler, we
4 represent the debtors in this case. With
5 me is Tom Wearsch from Baker Hostetler
6 and Tucker Marshall from the debtor
7 company.

8 On October 16th of this year we
9 filed a motion to sell the 16 Vandalia
10 Ossberger machines that are located at
11 Vandalia and we had a hearing on November
12 8th of this year before the bankruptcy
13 judge, and at that hearing the judge
14 approved the stalking horse bidding
15 procedures that we had requested the
16 judge to approve.

17 Trelleborg is listed as the
18 stalking horse bidder with a bid of a
19 million eight-fifty and a \$35,000
20 break-up fee was approved.

21 The bids had to be in -- to be
22 qualified bidder, the bids had to be in
23 by November 13th at 5:00 with proof of
24 financial ability. Confidentiality
25 agreements have been requested, marked-up

1 APAs, hundred thousand dollar deposit,
2 and a statement agreeing to be bound by
3 the procedures. We have received those
4 items from two additional bidders and
5 they are here today.

6 I'll have you identify yourselves,
7 that might be easiest. We'll start with
8 you.

9 MR. ILLION: Brian Illion from ABC
10 Plastics, Inc.

11 MR. HUTCHINSON: Okay. And ABC
12 Plastics, Inc., submitted a bid for 1.950
13 and a dollar; is that correct?

14 MR. ILLION: Yes.

15 MR. HUTCHINSON. I'll tell you
16 right now, that dollar doesn't really
17 matter.

18 MR. ILLION: No, no.

19 MR. HUTCHINSON: Tom couldn't even
20 get his Starbucks coffee for that dollar,
21 okay.

22 Jim, would you like to identify
23 your client, or would you like to have
24 your client do that?

25 MR. LAWNICZAK: I'll identify

1 myself, James Lawniczak with Calfee,
2 Halter & Griswold, representing
3 ContiTech, and with me is --

4 DR. DENGER: Denger.

5 MR. LAWNICZAK: -- Andre Bogacz.

6 MR. HUTCHINSON: We received a bid,
7 timely, with everything complied with
8 from our viewpoint, for a million
9 nine-fifty. That met the overbid of a
10 hundred thousand dollars over the
11 Trelleborg bid.

12 Would you identify yourself, sir?

13 MR. BLOOMENSTEIN: I'm Adam
14 Bloomenstein, representing Trelleborg
15 Corporation.

16 MR. HUTCHINSON: Okay. And other
17 than the court reporter, whose name I
18 don't know, I've identified everyone in
19 the room.

20 Well, thank you for coming and
21 agreeing to participate. Two of the
22 three bids, in our view, were equal and,
23 I mean, the process that we, I think,
24 need to agree to amongst ourselves is in
25 addition to what the Court has already

1 approved, more of the detailed process.

2 The Court approved a hundred
3 thousand dollar overbid. Bids have to be
4 in at least \$25,000 increments, okay.
5 The break-up fee is not going to be
6 included, you cannot bid your break-up
7 fee, you're aware of that, that's also in
8 the Order.

9 We will give some period of time
10 between bids, if we have any more bids,
11 we may not, I want to discuss that in a
12 minute, but if we have any more bids we
13 will give each of you, whether you bid or
14 not, time to consider additional bids.
15 This isn't, we're not selling cattle, so
16 we will give you time to consider what
17 you want to do, even though I assume you
18 probably have a pretty good idea of what
19 you want to do at this point. But we
20 will still give you time to consider what
21 you want to do, make calls to others if
22 you'd like and that sort of thing, if you
23 want to do that. We're not going to rush
24 this through, there's too much money
25 involved and it's too important for that.

1 One of the things that I want to
2 make certain of, though, is that
3 everybody here is satisfied with the
4 process, what we're doing. We're on the
5 record and I want to make sure that
6 everybody understands that I don't want
7 later somebody claiming that this wasn't
8 fair.

9 I think this is about as fair and
10 open an auction as you can possibly have,
11 but I want to make certain that if any of
12 you think we're not doing something
13 right, or if you have an issue with how
14 things are proceeding, that you let us
15 know so we can address it now in the best
16 possible way we think we can do it, so we
17 don't have to worry about having
18 litigation over how the process went.

19 The main thing here is to get the
20 highest and best bid, what we think is
21 the highest and best bid. Issues about
22 closing, the Order, we believe, provides
23 you what you need. It authorizes us to
24 provide you with a bill of sale and it
25 says, "Without further order of this

1 Court, the debtor is authorized to sell
2 the presses." So there will not be any
3 at this sale, in this order today, there
4 will not be any additional order, for
5 instance, approving the sale, approving
6 what we did.

7 So if that process is satisfactory
8 to everyone, you have the Order from the
9 Federal Bankruptcy judge that says we can
10 sell the presses in the method we're
11 selling them today, you will have that,
12 and you will have a bill of sale from us
13 that the Court authorizes us to give you.
14 Does anybody have a problem with that
15 process?

16 MR. LAWNICZAK: I just had a
17 question. The sale would be free and
18 clear of liens, is that in the Order?

19 MR. HUTCHINSON: Yes, it is.

20 MR. LAWNICZAK: Are we going to
21 need UCC liens, UCC filed on these
22 presses?

23 MR. HUTCHINSON: Yes, probably.

24 MR. LAWNICZAK: I'd like to get a
25 lien release so the record reflects

1 reality.

2 MR. HUTCHINSON: Right. If that's
3 what you want us to do, we can certainly
4 attempt to do that, or we can get an
5 order that they are released.

6 MR. LAWNICZAK: I would assume that
7 creditors are going to get the proceeds.

8 MR. HUTCHINSON: Yes.

9 MR. LAWNICZAK: They ought to be
10 willing to sign a UCC termination.

11 MR. HUTCHINSON: That is not a
12 condition to this. The Order
13 specifically says that they are free and
14 clear. We will certainly attempt to get
15 the lien released to tie loose ends, if
16 you want to do it that way. Procedurally
17 we don't have to give you that, but we
18 will certainly endeavor to do that.

19 With that, then, what I want to say
20 is that we have now an offer for a
21 million eight-fifty, the stalking horse
22 bid, and we have two bids for what we
23 believe to be a million nine-fifty. If
24 we don't get any more bids, we will go
25 out in the hallway and make a

1 determination in our view which of those
2 is the best bid. That will be, frankly,
3 a difficult issue, because they both are
4 equal, but we will make a determination
5 as to which is the highest and best bid
6 and proceed that way and make it our
7 decision and go forward.

8 However, I will entertain at this
9 point, and we can start the auction now,
10 will there be any higher bids? Is there
11 a higher bid? It has to be at least a
12 million nine seventy-five.

13 MR. BLOOMENSTEIN: Trelleborg will
14 bid a million nine seventy-five.

15 MR. HUTCHINSON: Okay. So we now
16 have a bid of a million nine
17 seventy-five. Would the other potential
18 bidders like to take some time to
19 consider what you would like to do, or
20 would you like to continue to proceed?
21 We can go --

22 DR. DENGER: \$2 million.

23 MR. HUTCHINSON: Can you identify
24 yourself?

25 MR. LAWNICZAK: ContiTech.

1 MR. HUTCHINSON: We now have a bid
2 of \$2 million. Next, of course, would be
3 two million twenty-five U.S. dollars.
4 Would the rest of the bidders like to
5 take some time, or would you like to
6 continue?

7 MR. ILLION: ABC Plastics, Inc.,
8 will bid \$2,025,000.

9 I had a quick question. One of the
10 items which was previously canvassed had
11 to do with the date of taking possession
12 of the assets.

13 MR. HUTCHINSON: I'll mention that.
14 I'm glad you said that, even though we're
15 in the middle of the bidding. Taking
16 possession of the assets, we would prefer
17 it by November 30th, but December 15th
18 still works for us, okay. But we do want
19 everything out, we want to close this and
20 get our money as soon as possible, in the
21 next day or two, but as far as actually
22 removing the equipment, November 30th we
23 would prefer, but December 15th is
24 acceptable. Is that okay with everybody?

25 MR. ILLION: Yes, ABC is prepared

1 to.

2 MR. HUTCHINSON: ABC is okay with
3 that. And ContiTech?

4 DR. DENGER: Yes.

5 MR. BLOOMENSTEIN: Trelleborg is
6 okay.

7 MR. HUTCHINSON: We are now at, we
8 have a bid from ABC for \$2.025 million.
9 Would people like to take some time, or
10 do you want to continue bidding?

11 DR. DENGER: 2,050,000.

12 MR. HUTCHINSON: \$2.050 million is
13 bid by ContiTech, correct? I'll ask
14 again, would Trelleborg and ABC like to
15 take some time, or do you want to
16 continue?

17 MR. BLOOMENSTEIN: Trelleborg will
18 bid 2.0750 -- 2,075,000.

19 MR. HUTCHINSON: Do you want to
20 take time, ContiTech and ABC?

21 DR. DENGER: 2,100,000.

22 MR. HUTCHINSON: ContiTech bids
23 2,100,000. Maybe this is like selling
24 cattle, I don't know.

25 DR. DENGER: Yes, it is like

1 selling cattle, countryside.

2 MR. HUTCHINSON: We do that
3 sometimes with entire facilities and
4 businesses and that sort of thing, and
5 terms and conditions can be more
6 complicated than in this particular
7 transaction.

8 So ContiTech has bid \$2.1 million.
9 If you want, I'll do it this way, if you
10 would like to take some time to make a
11 call after a bid, just raise your right
12 hand and let me know, we'll take some
13 time. ContiTech, \$2.1 million.

14 MR. ILLION: ABC will bid 2.125.

15 MR. HUTCHINSON: 2.125, ABC, the
16 highest bid so far.

17 DR. DENGER: We'll go 2.150.

18 MR. HUTCHINSON: 2.150 from
19 ContiTech is now the highest bid.

20 MR. BLOOMENSTEIN: Trelleborg bids
21 2.175.

22 MR. HUTCHINSON: Trelleborg is now
23 the highest bid at 2.175.

24 DR. DENGER: Can we take a break,
25 please?

1 MR. HUTCHINSON: Certainly.

2 ContiTech is requesting a break, it is
3 now 10:42, how much time do you need,
4 sir?

5 DR. DENGER: Five to ten minutes.

6 MR. HUTCHINSON: Why don't we just
7 say five minutes to 11 we will reconvene,
8 is that satisfactory?

9 Just to restate, Trelleborg at
10 2.175 is the leading bid at this point.
11 Thank you.

12 - - -

13 (Recess had.)

14 - - -

15 MR. HUTCHINSON: Now, we're back on
16 the record, everyone who was in the room
17 before is back in the room.

18 The last bid was from Trelleborg
19 for \$2.175 million.

20 DR. DENGER: 2.3.

21 MR. HUTCHINSON: Pardon?

22 DR. DENGER: 2.300,000.

23 MR. HUTCHINSON: ContiTech bid 2.3.
24 You went up 125, okay. 2.3, is that what
25 you meant to do, 2.3?

1 DR. DENGER: Yeah.

2 MR. HUTCHINSON: Anyone want to
3 take a break?

4 (No audible response.)

5 MR. HUTCHINSON: Any further bids
6 from anyone?

7 MR. ILLION: ABC will bid 2.325.

8 MR. HUTCHINSON: ABC has bid 2.325.

9 DR. DENGER: Conti, 2350.

10 MR. HUTCHINSON: ContiTech, \$2.350
11 million U.S. dollars. Again, if you want
12 to take a break, just let me know, or if
13 you have any questions.

14 MR. BLOOMENSTEIN: Give me about
15 five minutes.

16 MR. HUTCHINSON: Absolutely. It is
17 now five minutes to 11, can we restart at
18 around 11?

19 MR. BLOOMENSTEIN: Yeah, that's
20 good.

21 MR. HUTCHINSON: Okay. Last bid is
22 from ContiTech at 2.350, we'll go off the
23 record now. Thank you.

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(Recess had.)

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MR. HUTCHINSON: Thank you. Well, it's 11:00 and we're back on the record. Everyone who was in the room has returned.

The last bid from five minutes ago from ContiTech, 2.350, is the highest bid. Are there any additional bids at this point?

MR. BLOOMENSTEIN: Trelleborg, 2.375.

MR. HUTCHINSON: Trelleborg, 2.375.

DR. DENGER: Conti, 2.4 million.

MR. HUTCHINSON: ContiTech has bid \$2.4 million, U.S. cash. Anybody have any questions? Want to take a break? We can do that or we can proceed.

MR. ILLION: ABC bids 2.425.

MR. HUTCHINSON: ABC has bid 2.425.

DR. DENGER: Conti, 2.45.

MR. HUTCHINSON: Conti, 2.450, the highest bid at this point.

MR. BLOOMENSTEIN: Give me another couple minutes.

MR. HUTCHINSON: Absolutely. It is

1 now 11:01, how much time do you need?

2 MR. BLOOMENSTEIN: Two, three
3 minutes.

4 MR. HUTCHINSON: We'll go back on
5 at 11:05.

6 - - -

7 (Recess had.)

8 - - -

9 MR. HUTCHINSON: It is now 11:06
10 and everyone is back in the room. The
11 last bid was from Conti for 2.450.

12 DR. DENGER: I would like to raise
13 my bid, 2.5 million U.S. dollars.

14 MR. HUTCHINSON: You're raising
15 your own bid?

16 DR. DENGER: Yes.

17 MR. HUTCHINSON: You can keep doing
18 that, if you like. I don't know that
19 I've seen anybody do that before, but
20 that's fine. Well, 2.5, again, would
21 anybody like to take a break or continue
22 on?

23 MR. BLOOMENSTEIN: I'm sitting at
24 the moment.

25 MR. ILLION: ABC, 2.525.

1 MR. HUTCHINSON: ABC has bid \$2.525
2 million.

3 DR. DENGER: I would like to have a
4 break.

5 MR. HUTCHINSON: You may do so. It
6 is 11:08, how much time?

7 DR. DENGER: Quarter of an hour,
8 perhaps.

9 MR. HUTCHINSON: How about 11, is
10 that enough time for you?

11 DR. DENGER: Yes.

12 MR. HUTCHINSON: Are you sure?

13 DR. DENGER: Yes. Last bid is from
14 ABC for 2.525 million U.S. dollars.

15 - - -

16 (Recess had.)

17 - - -

18 MR. HUTCHINSON: We are back, we're
19 back early, it is 11:13 by my watch. We
20 are back on the record, everyone is back
21 in the room.

22 ABC has the last bid of \$2.525
23 million.

24 DR. DENGER: I wanted to raise it
25 to 2.550.

1 MR. HUTCHINSON: Conti raises to
2 2.550 million U.S. dollars.

3 MR. BLOOMENSTEIN: Passing.

4 MR. ILLION: ABC will bid 2.575.

5 MR. HUTCHINSON: ABC has bid \$2.575
6 million, and we can take breaks if
7 anybody asks, we'll do that.

8 (No audible response.)

9 MR. HUTCHINSON: I'm getting close
10 to doing "Going, going, gone" here.

11 MR. BLOOMENSTEIN: Give me one
12 minute.

13 MR. HUTCHINSON: Absolutely. It's
14 11:15, we'll start up again at 11:20.
15 Off the record. Last bid was ABC, \$2.575
16 million.

17 - - -

18 (Recess had.)

19 - - -

20 MR. HUTCHINSON: All right, we will
21 now go back on the record. It is 11:18,
22 everyone is back in the room.

23 Last bid was ABC at 2.575 U.S.
24 dollars, million dollars. Is there any
25 other bid?

1 MR. HUTCHINSON: Back on the
2 record. I want to say that what we have
3 to do is confer with the lender and
4 that's what we're going to do, make
5 certain that we complied with what we're
6 supposed to do under the Order, and we
7 will then come back on the record in a
8 few minutes.

9 MR. BLOOMENSTEIN: That's fine.

10 - - -

11 (Recess had.)

12 - - -

13 MR. HUTCHINSON: We're now going to
14 go back on the record, and to no one's
15 surprise, I'm sure, that the debtor
16 declares ABC's bid of 2.575 million U.S.
17 dollars as the successful bid.
18 Successful bidder will be ABC under the
19 Order, so we would like to talk to you
20 after this auction is concluded, which I
21 will conclude after asking this question:
22 Does anybody have any issues with the way
23 this was done or the way this was
24 conducted, any problems with it? Any
25 concerns about the way it was done?

1 MR. BLOOMENSTEIN: No. I do have,
2 I guess, two questions somewhat specific,
3 I think, to us as the stalking horse.
4 Timing for return of the deposit and
5 payment of the break-up fee?

6 MR. HUTCHINSON: The timing is in
7 the Order itself, so we will get -- as
8 soon as we get the funds from ABC, you
9 get your deposit back, plus you'll get
10 your break-up fee of \$35,000, and you'll
11 get your deposit back.

12 Conti is declared to be the second-
13 best bidder under the Order. You
14 understand what that means, so that if
15 for some reason they don't close, then
16 you will be the success, next higher.

17 MR. WEARSCH: Should be closed in
18 two days.

19 MR. HUTCHINSON: We will be closing
20 this very quickly, within the next couple
21 days. You're available?

22 MR. ILLION: Yeah, I'll make sure.

23 MR. HUTCHINSON: Does anybody have
24 any questions or issues, otherwise, I'm
25 going to close this auction process right

1 now. Off the record.

2 Thank you all for participating, I
3 appreciate it.

4 MR. BLOOMENSTEIN: Thank you.

5 DR. DENGER: Thank you.

6 - - -

7 (Matter concluded at 11:22 a.m.)

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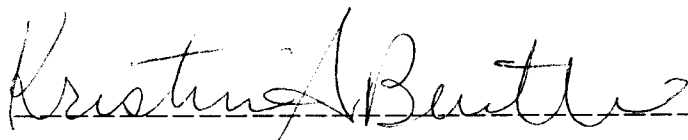
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C E R T I F I C A T E

I, Kristin A. Beutler, a Registered Professional Reporter, do hereby certify that the aforementioned is a true and correct transcript of my stenotype notes in their entirety.



Kristin A. Beutler, RPR and Notary Public. My Commission expires October 8, 2011.