

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11
: THE SINGER COMPANY N.V., et Case Nos.: 99-**10578**
al., : through 99-**10605**
Debtors. : (Jointly Administered)
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ORDER PURSUANT TO 11 U.S.C. § 105
APPOINTING EVAN D. FLASCHEN AND RICHARD A. GITLIN
AS JOINT FOREIGN REPRESENTATIVES AND SETTING
THE RESPONSIBILITIES OF THE FOREIGN REPRESENTATIVES

Upon the emergency application of the Debtors dated September 13, 1999 (the "Application") seeking the appointment of Evan D. Flaschen and Richard A. Gitlin as Joint Foreign Representatives (the "Foreign Representatives"); and it appearing that the appointment of Foreign Representatives with special credentials, experience and background in the field of cross-border insolvency is in the best interests of the estate and its creditors; and upon the emergency nature of the circumstances as more particularly described in the Application and as observed by this Court; and after due deliberation, it is hereby:

FOUND THAT:

A. The debtors and debtors-in-possession (the "Debtors") included in these consolidated cases are listed on Exhibit A to this order.

B. The Debtors are part of a global group of companies (the "Singer Group") engaged in business under the trademarks of "Singer" and "Pfaff". Certain of the Debtors are incorporated, domiciled or have a principal place of business outside the United States.

C. Given the international identities and operations of the Debtors and the other members of the Singer Group, maximizing the value of the Debtors' businesses and assets for the benefit of all stakeholders wherever located in the world will be facilitated by coordinating the Singer Group's activities on a global basis such that (1) the core businesses within the Singer Group can be reorganized on a consistent global basis, and (2) the non-continuing businesses within the Singer Group can be liquidated on an organized basis, rather than piecemeal.

D. In situations where the Debtors and other members of the Singer Group are subject to insolvency proceedings outside the United States ("Relevant Foreign Proceedings"), such value maximization will be best achieved through cooperation and coordination of the within chapter 11 proceedings with the Relevant Foreign Proceedings.

E. Pursuant to section 101(24) of title 11 of the United States Code (the “US Bankruptcy Code”), a “foreign representative” is recognized in United States insolvency proceedings as constituting the “duly selected trustee, administrator, or other representative of an estate in a foreign proceeding.” Consistent with applicable United States laws, policies and traditions, this Court, the other bankruptcy judges in this District, many other bankruptcy judges in the United States routinely recognize and accord appropriate status and respect to “foreign representatives” of insolvency proceedings opened or commenced outside the United States. It has also been the experience of this Court and many others that foreign courts and foreign office holders often desire cooperation and harmonization with United States insolvency proceedings.

F. This Court also makes note of the work of the United Nations Commission on International Trade Law (UNCITRAL) in promulgating the “UNCITRAL Model Law on Cross-Border Insolvency” (the “Model Law”).¹ The Model Law, which UNCITRAL has recommended for adoption to the countries of the world, also recognizes the concept of a foreign representative and the desirability for a foreign representative to be recognized and accorded due respect in foreign jurisdictions in cross-border insolvency situations. This Court also makes note of the

¹ See UNCITRAL Model Law on Cross-Border Insolvency with Guide to Enactment, U.N. Pub. Sales No. E.99.V.3.

pioneering work in this field by INSOL International and Committee J of the International Bar Association, as well as the participants in the continuing series of International Judicial Colloquia on Cross-Border Insolvency .

G. Pursuant to United States law and jurisprudence, prepetition management of a debtor remains in place as postpetition management of the debtor in possession, except under rare circumstances not present here. Consistent with the foregoing, it is this Court's preference and desire that foreign courts and office holders accord recognition to debtors in possession in United States chapter 11 proceedings as the duly-authorized representatives of the debtors' estates.

H. Notwithstanding the foregoing, it is the collective experience and learning of this Court and the other bankruptcy judges in this District and elsewhere that some foreign jurisdictions and foreign courts are not necessarily accustomed to the concept of prepetition management remaining in place as management of the postpetition debtor in possession. As a result, some foreign jurisdictions and courts, and some foreign office holders, by law or by custom, may be reluctant to recognize a debtor in possession as the representative of a US debtor's estate.

I. In light of the foregoing, and without derogating the importance of the debtor in possession concept in the United States or the role of Skadden, Arps, Slate, Meagher & Flom LLP and law practice affiliates as the Debtors' lead counsel, both domestically and internationally, this Court is appointing the Foreign Representatives

with the desire that, in foreign situations where there may be some reluctance to recognize a debtor in possession, the Foreign Representatives be recognized as the official representatives of the Debtors' estates.

J. This Court is familiar with both individuals proposed as Foreign Representative and considers both of them to possess the special credentials, experience and background in the field of cross-border insolvencies necessary to fill the role of Foreign Representatives and to act as this Court's emissaries in seeking cooperation and harmonization with Relevant Foreign Proceedings. Therefore, it is

ORDERED, ADJUDGED AND DECREED THAT:

1. Evan D. Flaschen and Richard A. Gitlin are hereby appointed as the Foreign Representatives of the Debtors' estates. This is a joint and several appointment, such that each Foreign Representative shall individually be entitled to perform any and all of the duties of the Foreign Representatives described below.

2. The general mandate of the Foreign Representatives is to serve as the official United States representatives of the Debtors' estates in other countries and as this Court's emissaries to other courts in order to seek to coordinate and harmonize any Relevant Foreign Proceedings that may now or hereafter be opened or commenced with respect to any of the Debtors or any other members of the Singer Group.

3. In furtherance of the foregoing general mandate, the Foreign Representatives are, jointly and severally, appointed and instructed to:

a. act as the representatives of the Debtors' estates, and to seek formal recognition as such, in Relevant Foreign Proceedings;

b. where appropriate under the circumstances, act in the name of the Debtors in Relevant Foreign Proceedings and speak and sign pleadings and documents in the name of, and binding upon, the Debtors;

c. serve as this Court's emissaries to the courts in which Relevant Foreign Proceedings are proceeding, in order to convey to such courts the orders entered by this Court and any requests that this Court may wish to direct to such courts;

d. seek and promote wherever possible the coordination and harmonization of the within chapter 11 proceedings with Relevant Foreign Proceedings involving the Debtors' core businesses with the objective of preserving and continuing the relevant members of the Singer Group as going concerns in order to maximize their value for the benefit of all stakeholders wherever located;

e. seek and promote wherever possible the coordination of the within chapter 11 proceedings with Relevant Foreign Proceedings involving the Debtors' non-continuing businesses with the objective of

maximizing their disposal or liquidation value for the benefit of all stakeholders wherever located;

f. canvas, determine and identify the issues and impediments that must be resolved internationally in order to facilitate reorganization of the core businesses within the Singer Group;

g. work with the representatives and other office holders appointed in Relevant Foreign Proceedings in respect of the foregoing matters; and

h. act as a facilitators in respect of all of the foregoing matters.

4. The duties of the Foreign Representatives in their capacity as such are limited as set forth above, provided that the Foreign Representatives shall have such additional functions as the Court may hereafter direct after notice and a hearing.

5. It is the intention of this Court that the appointment of the Foreign Representatives and the duties assigned to them herein be automatically extended to any other members of the Singer Group that subsequently commence chapter 11 cases and have their cases procedurally consolidated with the within cases, and the Debtors shall be entitled without further notice to present to this Court one or

more revised Orders to reflect the appointment of the Joint Representatives in such additional chapter 11 cases on the same terms as set forth herein.

Dated: New York, New York
September 13, 1999

/s/ **Burton R. Lifland**
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT A

The Singer Company, N.V.
Alencon Manufacturing Corporation
Amedo Sewing Machines (Jordan)
Limited
Hopetown Ltd.
Industrial Sewing Products
Distribution Corporation
International Piecework Controls,
Inc.
Madrina (Austria) Holdings B.V.
Madrina (Italy) Holdings B.V.
Madrina (Scandinavia) Holdings B.V.
Madrina (Spain) Holdings B.V.
Sewing Equipment Specialists Corp.
Singer II B.V.
Singer III B.V.
Singer IV B.V.
Singer V B.V.
Singer VII B.V.
Singer VIII B.V.
Singer IX B.V.
Singer X B.V.
Singer XI B.V.
Singer XII B.V.
Singer XVI Limited
Singer Australia Limited
Singer do Brasil Industria e
Comercio Ltda.
Singer Electrogerate
Vertriebsgesellschaft, mbh
Singer Export Limited
Singer Furniture Company
Singer Industrial Sewing Products
Company
Singer Italia Spa
Singer Limited
Singer Sewing Company

Singer Sewing Machine Company
Singer Sewing Machine Company of
Canada
Singer (Shanghai) B.V.
Singer Spezialnadelfabrik, GmbH
Sinmak Dikis Makinalari Sanayi
Anonim Sirketi
SSMC Beteiligungsgesellschaft mbh
SSMC Inc. II N.V.
SSMC Inc. IV N.V.
SSMC Inc. VI N.V.
Star Nation International Limited
The Singer Company
The Singer Company, B.V.
The Singer Company Limited
The Singer Company (Proprietary)
Limited
Zenaida Investment Company N.V.