

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE EASTERN DISTRICT OF VIRGINIA
RICHMOND DIVISION**

In re:) Case No. 08-36642-DOT
)
CANAL CORPORATION, *et al.*,) Chapter 11
)
Debtors.¹) (Jointly Administered)
)

PROPOSED AGENDA
AUGUST 1, 2012, AT 12:00 P.M. PREVAILING EASTERN TIME

I. INTRODUCTION

Set forth below is a proposed agenda for the hearing scheduled for **August 1, 2012**, beginning at **12:00 p.m.** (the "Proposed Agenda").

The information contained in the Proposed Agenda reflects documents received in our offices as of the date hereof. Counsel to the Debtors has served a copy of this Proposed Agenda in accordance with the Order Establishing Certain Notice, Case Management and Administrative Procedures (entered on December 30, 2008, at Docket No. 43) (the "Case Management Order").

The matters set for hearing are divided into the following categories for the purposes of this Proposed Agenda:

- I. Introduction
- II. Uncontested, Agreed or Settled Matters ([1] Matters)
- III. Continued or Adjourned Matters ([2] Matters)
- IV. Contested Matters ([0] Matters)

¹ The Debtors whose chapter 11 cases have not been closed and the last four digits of their respective taxpayer identification numbers are as follows: Canal Corporation (f/k/a/ Chesapeake Corporation) (6880), Canal NC Company (f/k/a Chesapeake Printing and Packaging Company) (9208), Canal NY Company, Inc. (f/k/a Chesapeake Pharmaceutical Packaging Company, Inc.) (0010), and WTM I Company (1080).

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Attorneys for Debtors



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II. UNCONTESTED, AGREED OR SETTLED MATTERS

1. Motion for (I) Approval of Policy Buyback and Release Agreement With Chartis Specialty Insurance Company; (II) Approval of Sale of Interests in Insurance Policy and Release of Claims Thereunder; and (III) Injunction of Claims Against Chartis Under Such Policy and Channeling of Claims Against Such Policy [Docket No. 1768].

Responses Filed: None.

Replies Filed: None.

Related Filings: Notice of Motion and Hearing [Docket No. 1769];
Affidavit of Service [Docket No. 1770];
Supplemental Affidavit of Service [Docket No. 1775]; and
Supplemental Affidavit of Service [Docket No. 1776].

Status: The Debtor has received informal comments from the United States Department of Justice, which have been resolved through modifications to the proposed order. A redline comparison depicting the modifications made to the proposed order is attached hereto as Exhibit A.

III. CONTINUED OR ADJOURNED MATTERS

1. Plan Debtors' Thirty-Second Omnibus Objection to Claims and Motion to Estimate (Claims Asserted By Federal Insurance Company, Century Indemnity Company and Pacific Employers Insurance Company) [Docket No. 1451].

Responses Filed: Informal response by Claimants.

Replies Filed: None.

Related Filings: Affidavit of Service [Docket No. 1461]; and
Order Granting Plan Debtors' Thirty-Second Omnibus Objection to Claims and Motion to Estimate With Respect to Claims Asserted By Federal Insurance Company [Docket No. 1558].

Status: This matter will be continued to the hearing scheduled to be held on September 5, 2012, with respect to Claim No. 760 filed by Century and PEIC.

2. Plan Debtors' Thirty-Fifth Omnibus Objection to Claims (Late Filed Claims) [Docket No. 1478].

Responses Filed: Response of Wachovia Bank, National Association n/k/a Wells Fargo Bank, National Association as Trustee of Chesapeake Corporation Plan Trust to Debtor's Thirty-Fifth Omnibus Objection To Claims [Docket No. 1541].

Replies Filed: None.

Related Filings: Affidavit of Service [Docket No. 1482]; and
Order Granting Plan Debtors' Thirty-Fifth Omnibus Objection to Claims (Late Filed Claims) [Docket No. 1561].

Status: This matter will be continued to the hearing scheduled for September 5, 2012, with respect to Claim No. 1027 filed by Wachovia Bank, National Association n/k/a Wells Fargo Bank, National Association as Trustee of Chesapeake Corporation Plan Trust.

IV. CONTESTED MATTERS

There are no contested matters at this time.

Dated: July 30, 2012
Richmond, Virginia

HUNTON & WILLIAMS LLP

/s/ Jason W. Harbour
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Exhibit A

**IN THE UNITED STATES BANKRUPTCY COURT
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In re:) Case No. 08-36642-DOT
)
CANAL CORPORATION, *et al.*,) Chapter 11
)
Debtors.¹) (Jointly Administered)
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**ORDER (I) APPROVING BUYBACK AGREEMENT WITH CHARTIS
SPECIALTY INSURANCE COMPANY; (II) APPROVING SALE OF INTERESTS
IN INSURANCE POLICY AND RELEASE OF CLAIMS THEREUNDER; AND
(III) ENJOINING CLAIMS AGAINST CHARTIS UNDER SUCH POLICY AND
CHANNELING CLAIMS AGAINST SUCH POLICY**

Upon the motion (the "Motion")² of WTM I Company ("WTM") and Canal Corporation (f/k/a Chesapeake Corporation) ("Canal") for the entry of an order approving WTM's and Canal's entry into and performance under the Buyback Agreement the sale of the Policy and the release of claims thereunder, and enjoining claims against Chartis under the Policy and channeling any such claims to the Payment Amount, pursuant to sections 105 and 363 of the Bankruptcy Code and Bankruptcy Rule 9019, the Court finds that: (a) it has jurisdiction over the matters raised in the Motion pursuant to 28 U.S.C. §§ 157 and 1334(b); (b) this is a core proceeding pursuant to 28 U.S.C. § 157(b)(2); (c) resolution of the disputes with Chartis as set

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Attorneys for Remaining Debtors

forth in the Buyback Agreement is (i) fair and reasonable, (ii) a reasonable exercise of WTM's and Canal's sound business judgment and (iii) in the best interests of the parties and WTM's and Canal's creditors; (d) Chartis is a good faith purchaser within the meaning of Bankruptcy Code section 363(m); (e) proper and adequate notice of the Motion and the hearing thereon has been given and no other or further notice is necessary; and (f) upon the record herein after due deliberation thereon, good and sufficient cause exists for the granting of the relief as set forth herein. Therefore,

IT IS HEREBY ORDERED THAT:

1. The Motion is GRANTED.
2. Pursuant to sections 105 and 363 of the Bankruptcy Code, and Bankruptcy Rules 6004 and 9019, WTM and Canal are authorized to enter into the Buyback Agreement and to take all actions necessary to effectuate all of the terms of the Buyback Agreement and the relief granted pursuant to this Order.
3. Upon the Effective Date of the Buyback Agreement and WTM's receipt of the Payment Amount, WTM and Canal shall be deemed to have sold, conveyed, assigned, transferred, and delivered to Chartis, and Chartis shall be deemed to have purchased from WTM and Canal, all of WTM's and Canal's rights, title, and interests in an under the Policy, free and clear of all liens, encumbrances, claims and/or interests of any person of any kind or nature whatsoever.
4. All claims and interests that were, could have been or may in the future be asserted under or against the Policy shall be released against Chartis and all related parties as provided in the Buyback Agreement, but shall otherwise survive, and be channeled solely and

²

Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Motion.

exclusively to the Payment Amount, which shall be distributed solely in accordance with orders of this Court concerning the Fox River Defense Account or subsequent orders of this Court; **provided however, that \$925,000 of the Payment Amount shall be reserved for settlement of claims, or payment of allowed claims, if any, for Clean-Up Costs or Natural Resource Liability, as those terms are defined in the Policy, and shall be available for other use as provided in a further order of the Court if no settlement has been reached and if no such claims are allowed.**

5. Pursuant to section 105(a) of the Bankruptcy Code, all persons and entities are hereby and shall be permanently and forever enjoined, barred and estopped from asserting claims against Chartis with respect to the Policy.

6. This Court retains jurisdiction with respect to all matters arising from or related to the implementation of this Order.

Dated: Richmond, Virginia
_____, 2012

United States Bankruptcy Judge

WE ASK FOR THIS:

HUNTON & WILLIAMS LLP

/s/ Jason W. Harbour

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Attorneys for Remaining Debtors

LOCAL RULE 9022-1 CERTIFICATION

I, Jason W. Harbour, hereby certify that the foregoing proposed order was served on all necessary parties.

/s/ Jason W. Harbour

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