

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

|                                     |                             |
|-------------------------------------|-----------------------------|
| -----                               | X                           |
| In re:                              | : Chapter 11                |
|                                     | :                           |
| A123 SYSTEMS, INC., <u>et al.</u> , | : Case No. 12-12859 (KJC)   |
|                                     | :                           |
| Debtors. <sup>1</sup>               | : Jointly Administered      |
|                                     | : <b>Re: Docket No. 949</b> |
| -----                               | X                           |

**DEBTORS’ MOTION TO SHORTEN NOTICE AND OBJECTION PERIODS FOR THE  
EMERGENCY MOTION PURSUANT TO 11 U.S.C. §§ 105 AND 363 FOR ORDER  
AUTHORIZING THE DEBTORS TO ENTER INTO THE TRANSITION SERVICES  
AGREEMENT WITH A123 SYSTEMS LLC**

The above-captioned debtors and debtors in possession (collectively, the “**Debtors**”) hereby request the entry of an order (i) approving the form and manner of notice of the *Emergency Motion Pursuant to 11 U.S.C. §§ 105 and 363 for Order Authorizing the Debtors to Enter into the Transition Services Agreement with A123 Systems LLC* (the “**Motion**”); (ii) allowing the Motion to be heard at the hearing scheduled for February 13, 2013 at 2:00 p.m. (ET) (the “**Hearing**”) and (iii) setting February 8, 2013 at 4:00 p.m. (ET) as the deadline by which parties must object to the Motion (the “**Objection Deadline**”). In support of this motion to shorten (the “**Motion to Shorten**”), the Debtors respectfully state as follows:

**Statutory Predicate**

1. The statutory bases for the relief requested herein are 11 U.S.C. § 105 and Rule 9006(c)(1) of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and

---

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are: A123 Systems, Inc. (3876); A123 Securities Corporation (5388); and Grid Storage Holdings LLC (N/A). The above-captioned Debtors’ mailing address is c/o A123 Systems, Inc., 200 West Street, Waltham, Massachusetts 02451.

Rule 9006-1(c) and(e) of the Local Rules for the United States Bankruptcy Court for the District of Delaware (the “**Local Rules**”).

**Relief Requested**

2. By this Motion to Shorten, the Debtors respectfully request that the Court enter an order (a) shortening notice with respect to the Motion, (b) setting the deadline by which parties may file objections to the Motion as February 8, 2013 at 4:00 p.m. (ET), (c) allowing the Motion to be heard at the Hearing, and (d) granting such other and further relief as the Court deems appropriate.

**Basis for Relief**

3. Bankruptcy Rule 2002(a)(2) provides that a movant must provide “at least 21 days’ notice by mail of” any motion seeking to use, sell or lease property of the estate other than in the ordinary course of business. Bankruptcy Rule 2002(a)(2). Bankruptcy Rule 9006(c)(1), however, provides that “when an act is required or allowed to be done at or within a specified time by these rules or by a notice given thereunder or by order of court, the court for cause shown may in its discretion with or without motion or notice order the period reduced.” *See also* Local Rule 9006-1(e) (stating that “[n]o motion will be scheduled on less notice than required by these Local Rules or the Fed. R. Bankr. P. except by order of the Court, on written motion ... specifying the exigencies justifying shortened notice.”).

4. Because the Motion seeks relief pursuant to 11 U.S.C. § 363(b), the Debtors are required to provide at least 21 days’ notice of the Motion. The Debtors respectfully submit that allowing the Motion to be considered on an expedited basis at the Hearing is reasonable and appropriate under the circumstances. The Motion seeks authority for the Debtors

to enter into the Transition Services Agreement (the “TSA”),<sup>2</sup> an agreement by and between the Debtors and the Buyer,<sup>3</sup> pursuant to which, the Buyer will provide the Debtors with various support services to conduct the process of winding-down their estates in an orderly and cost-effective manner. Specifically, in exchange for reimbursement from the Debtors, the Buyer will provide the Debtors with the following: (a) access to books, records and systems; (b) access to finance staff (including assistance with monthly reporting and the filing of any periodic reports required by the Securities and Exchange Commission); (c) access to the computers, printers, network, telephones and internet at the Waltham and Livonia facilities, (d) read-only access to bank accounts at Silicon Valley Bank; (e) assistance with the processing of accounts payable and the claims reconciliation process; (f) assistance with the process for reconciling cash collected into the Debtors’ accounts; (g) physical space and accommodations at the Waltham and Livonia facilities; (h) human resources support (including assistance with respect to benefits plans and COBRA-related issues); (i) commercial support (including assistance with respect to customer contract claims); (j) procurement support (including assistance with respect to supplier claims); and (k) legal support (including assistance with respect to all claims and the resolution thereof). The relief requested in the Motion, if granted, would provide a significant benefit to the Debtors’ estates as set forth in greater detail in the Motion.

5. The Debtors were unable to file the Motion prior to the date hereof because they have been and continue to actively negotiate the terms of the TSA, a part of the closing of the transactions under the Wanxiang APA. The closing of the transaction under the Wanxiang APA occurred on Tuesday, January 29, 2013. *See Notice of Closing of Sales of*

---

<sup>2</sup> The TSA is not yet final, and accordingly, the Debtors have attached a form of the TSA to the Motion. The Debtors will file the final TSA, as well as a blackline against the form attached to the Motion, upon completion of the negotiations over the TSA.

<sup>3</sup> Defined terms used herein but not otherwise defined shall have the meanings ascribed to them in the Motion.

*Substantially all of the Debtors' Assets to Wanxiang Clean Energy USA Acquisition LLC and Navitas Systems LLC* [Docket No. 923]. Up until the closing, the Debtors were actively engaged in meeting the conditions to close the Wanxiang APA and negotiating final terms relating to the closing of the transactions contemplated by the Wanxiang APA. While these negotiations included discussions about the final terms of the TSA, the Debtors were only able to focus on finalizing the TSA after they were confident that the transaction under the Wanxiang APA would close and such closing actually occurred. Indeed, as set forth in the Motion, the Debtors and the Buyer continue to negotiate the terms of the TSA, but they have filed the Motion prior to the finalization of the TAS in order to ensure the maximum amount of notice to parties in interest while still having the TSA approved as soon as possible. The Debtors believe that obtaining approval of the TSA on an expedited basis will enable the Debtors to operate their wind-down in an orderly and cost-effective manner as further detailed in the Motion.

6. The Debtors respectfully submit that shortening notice of the Motion will not prejudice any parties in interest. The Debtors filed the Motion 12 days in advance of the Hearing, and the Debtors seek to set the Objection Deadline for 7 days after the filing and service of the Motion. This amount of time will provide ample opportunity for parties in interest to review the Motion and raise any concerns they may have about the relief requested therein.

7. Accordingly, for the reasons set forth above, the Debtors submit that the relief requested is in their best interests and the best interests of their estates and creditors, and therefore, should be granted.

#### **NOTICE**

8. The Debtors have provided notice of this Motion to Shorten to (a) the Office of the United States Trustee for the District of Delaware, (b) counsel to the Debtors' postpetition

lender, (c) counsel to the Official Committee of Unsecured Creditors appointed in the above-captioned chapter 11 cases; (d) Navitas Systems LLC; (e) A123 Systems LLC; and (f) all parties that have requested or that are required to receive notice pursuant to Bankruptcy Rule 2002. In light of the nature of the relief requested, the Debtors submit that no further notice is required or needed under the circumstances.

WHEREFORE, the Debtors respectfully request the entry of an order, substantially in the form attached hereto as **Exhibit A**, (i) shortening notice with respect to the Motion, (ii) setting the deadline by which parties may file objections to the Motion as February 8, 2013 at 4:00 p.m. (ET), (iii) allowing the Motion to be heard at the Hearing, and (iv) granting such other and further relief as the Court deems appropriate.

Dated: February 1, 2013  
Wilmington, Delaware

/s/ Amanda R. Steele

---

Mark D. Collins (No. 2981)  
Michael J. Merchant (No. 3854)  
Marisa A. Terranova (No. 5396)  
Amanda R. Steele (No. 5530)  
RICHARDS, LAYTON & FINGER, P.A.  
One Rodney Square  
920 N. King Street  
Wilmington, Delaware 19801  
Telephone: (302) 651-7700  
Facsimile: (302) 651-7701  
Email: collins@rlf.com  
merchant@rlf.com  
terranova@rlf.com  
steele@rlf.com

– and –

D. J. Baker  
Rosalie Walker Gray  
Adam S. Ravin  
Annemarie V. Reilly  
LATHAM & WATKINS LLP  
885 Third Avenue  
New York, New York 10022-4834  
Telephone: (212) 906-1200  
Facsimile: (212) 751-4864  
Email: dj.baker@lw.com  
rosalie.gray@lw.com  
adam.ravin@lw.com

– and –

Caroline A. Reckler  
Matthew L. Warren  
LATHAM & WATKINS LLP  
Suite 5800  
233 South Wacker Drive  
Chicago, IL 60606  
Telephone: (312) 876-7700  
Facsimile: (312) 993-9767  
Email: caroline.reckler@lw.com  
matthew.warren@lw.com

Counsel for Debtors and Debtors in Possession