

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:
GRUPPO COVARRA S.A. de C.V.,
Debtor in a Foreign Proceeding.

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Case No. 05-13925 (PCB)
In an Ancillary Proceeding Under
Section 304 of the Bankruptcy Code

**NOTICE OF ENTRY OF PRELIMINARY INJUNCTION AND ORDER
PURSUANT TO SECTION 304 OF THE BANKRUPTCY CODE**

Please take notice that an order (the "Order") was entered on February 21, 2006 by the Honorable Burton R. Lifland of the United States Bankruptcy Court for the Southern District of New York specifying, among other things, that all "Covarra Creditors" as defined in the "304 Petition" are hereby:

- (a) enjoined from commencing or continuing any suit, action, enforcement process, arbitration, extra-judicial proceeding or other proceeding, at law or in equity, or claim or counterclaim or demand (collectively, a "Proceeding"), including, without limitation, the Facis US Actions (as defined in the 304 Petition), against or in respect of the Protected Parties ("Protected Parties" collectively means the "Foreign Debtor" (Gruppo Covarra S.A. de C.V. and its subsidiaries) and the "Petitioner" (Lic. Miguel Arroyo Ramirez) in his capacity as Liquidator), or any of their property wheresoever located, and whether held by the Protected Parties in whole or in part, directly or indirectly, as principal or as nominee, beneficially or otherwise and, without limiting the generality of the foregoing, any and all real property, personal property and intellectual property of the Protected Parties, and any and all securities, instruments, debentures, notes or bonds issued to, or held by or on behalf of the Protected Parties (collectively, the "Property"); and
- (b) enjoined from commencing or continuing any act to enforce a right, option or remedy arising under law or equity against the Protected Parties or any of their Property (including, without limitation, any right of dilution, registration, attornment, encumbrance, buy-out, divestiture, repudiation, rescission, forced sale, reclamation, acceleration, set-off, repossession, distress, conversion, possession, termination, suspension, modification or cancellation or right to revoke any qualification or registration) by virtue of any agreement or by any other means, including as a result of any default or non-performance by the Protected Parties, that may be exercised, enforced or asserted by any person, firm, corporation, governmental authority or other entity.

The Order also specifies, among other things, the following:

All persons, firms, corporations, governmental authorities, and other entities are enjoined from taking any action to discontinue, fail to renew, alter, interfere with or terminate any right, contract, arrangement, agreement, license or permit in favor of the Protected Parties or the Property or held by or on behalf of the Protected Parties, including as a result of any default or non-performance by the Protected Parties, the making or filing of these proceedings or any allegation contained in these proceedings.

All Covarra Creditors that have a claim of any nature or source against the Foreign Debtor and who are a party to any action or legal proceeding (including, without limitation, the Facis US Action, arbitration or any judicial, quasi-judicial, administrative or regulatory action, proceeding or process whatsoever) in which the Foreign Debtor is or was named as a party, or as a result of which a liability of the Foreign Debtor may be established, shall place the Petitioner's United States counsel (Curtis, Mallet-Prevost, Colt & Mosle LLP, 101 Park Avenue, New York, New York, 10178-0061 (Attn: Lynn P. Harrison 3rd, and Nancy E. Delaney)) on the master service list of any such action or other legal proceeding and take such other steps as may be necessary to ensure that such counsel receives (i) copies of any and all documents served by the parties to such action or other legal proceeding or issued by the court, arbitrator, administrator, regulator or similar official having jurisdiction over such action or legal proceeding, and (ii) any and all correspondence or other documents circulated to parties named in the master service list.

The Fourth District Court in the State of Morelos, Mexico shall have exclusive jurisdiction to hear and determine any suit, action, claim or proceeding, and to settle all disputes which may arise out of the administration of the Foreign Debtor's Mexican insolvency proceeding, or out of any action taken or omitted to be taken by any person or entity in connection with the administration of the Foreign Insolvency Proceeding ("Foreign Insolvency Proceeding" means a "foreign proceeding" within the meaning of sections 101(23) and 304 of the Bankruptcy Code).

Nothing in the Order is intended to limit the jurisdiction of any court of competent jurisdiction in Mexico dealing with the Foreign Debtor and any claims brought by any creditors against the Foreign Debtor or any other person or entity.

This Order shall remain in effect pending further order of the United States Bankruptcy Court for the Southern District of New York after a hearing to consider whether the injunction shall be continued and made permanent, which hearing is scheduled to be held in Room 701 of the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York, on April 26, 2006 at 10:00 a.m.

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