

COLLINS & AIKMAN CORP

Filed by
TEXTRON INC

FORM SC 13D (Statement of Beneficial Ownership)

Filed 12/28/01

Address	250 STEPHENSON HWY TROY, MI 48083
Telephone	2488242500
CIK	0000846815
SIC Code	6162 - Mortgage Bankers and Loan Correspondents
Fiscal Year	12/31

COLLINS & AIKMAN CORP

FORM SC 13D (Statement of Beneficial Ownership)

Filed 12/28/2001

Address	250 STEPHENSON HWY TROY, Michigan 48083
Telephone	248-824-2500
CIK	0000846815
Industry	Auto & Truck Parts
Sector	Consumer Cyclical
Fiscal Year	12/31

| OMB APPROVAL |

|-----|

|OMB NUMBER: 3235-0145|

UNITED STATES |EXPIRES: |

SECURITIES AND EXCHANGE COMMISSION | OCTOBER 31, 2002 |

Washington, D.C. 20549 |ESTIMATED AVERAGE |

|BURDEN HOURS |

|PER RESPONSE ...14.90|

|-----|

SCHEDULE 13D

Under the Securities Exchange Act of 1934

(Amendment No.____)*

Collins & Aikman Corporation

(Name of Issuer)

Common Stock, par value \$.01 per share

(Title of Class and Securities)

194830 10 5

(CUSIP Number)

Textron Inc.

Attn: Terrence O'Donnell

Executive Vice President and General Counsel

40 Westminster Street

Providence, Rhode Island 02903

Telephone: (401) 421-2800

(Name, Address and Telephone Number of Person Authorized
to Receive Notices and Communications)

December 20, 2001

(Date of Event which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report the acquisition that is the subject of this Schedule 13D, and is filing this schedule because of Sections 240.13d-1(e), 240.13d-1(f) or 240.13d-1(g), check the following box. []

Note: Schedules filed in paper format shall include a signed original and five copies of the schedule, including all exhibits. See Section 240.13d-7 for other parties to whom copies are to be sent.

* The remainder of this cover page shall be filled out for a reporting person's initial filing on this form with respect to the subject class of securities, and for any subsequent amendment containing information which would alter disclosures provided in a prior cover page.

The information required on the remainder of this cover page shall not be deemed to be "filed" for the purpose of Section 18 of the Securities Exchange Act of 1934 ("Act") or otherwise subject to the liabilities of that section of the Act but shall be subject to all other provisions of the Act (however, see the Notes).

SCHEDULE 13D

CUSIP No. 194830 10 5

1. NAMES OF REPORTING PERSONS

Textron Inc.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSONS (entities only)

05-0315468

2. CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP:

(a)

(b)

3. SEC USE ONLY

4. SOURCE OF FUNDS*

OO

5. CHECK BOX IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e)

6. CITIZENSHIP OR PLACE OF ORGANIZATION

Delaware

7. SOLE VOTING POWER

18,000,000

8. SHARED VOTING POWER

-0-

9. SOLE DISPOSITIVE POWER

18,000,000

10. SHARED DISPOSITIVE POWER

-0-

11. AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON

18,000,000

12. CHECK BOX IF THE AGGREGATE AMOUNT IN ROW 11 EXCLUDES CERTAIN SHARES

13. PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW 11 10.7%

14. TYPE OF REPORTING PERSON CO

Item 1. Security and Issuer.

The class of equity securities to which this Statement relates is the common stock, par value \$.01 per share (the "Common Stock"), of Collins & Aikman Corporation (the "Company"). The principal executive offices of the Company are located at 5755 New King Court, Troy, Michigan 48098.

Item 2. Identity and Background.

This Statement constitutes the initial Statement on Schedule 13D of Textron Inc. ("Textron") with respect to the acquisition by Textron Holdco Inc., an indirect wholly owned subsidiary of Textron ("Textron Holdco"), of 18,000,000 shares of Common Stock on December 20, 2001.

Textron is a Delaware corporation with its principal executive offices located at 40 Westminster Street, Providence, Rhode Island 02903. Textron is a global multi-industry company with operations in five business segments - Aircraft, Automotive, Fastening Systems, Industrial

Products and Finance. Textron's products include commercial and military helicopters, light and mid-size business jets, turboprop and piston-powered aircraft, plastic fuel tanks, golf cars and utility vehicles, turf-care equipment, industrial pumps and gears, engineered fastening systems and solutions and other industrial products. Textron also is a leading commercial finance company for select markets.

Textron Holdco is the record holder of 18,000,000 shares of Common Stock. Textron Holdco, a Rhode Island corporation, is the direct wholly owned subsidiary of McCord Corporation, a Michigan corporation ("McCord"). McCord is the direct wholly owned subsidiary of Textron Automotive Company Inc., a Delaware corporation and direct wholly owned subsidiary of Textron ("TAC"). By virtue of the foregoing, each of Textron, TAC and McCord indirectly beneficially own the 18,000,000 shares of Common Stock held by Textron Holdco. This Statement is filed by Textron on behalf of itself and each of TAC, McCord and Textron Holdco.

The name, citizenship, residence or business address and present principal occupation or employment, and the name, principal business and address of any corporation or other organization in which such employment is conducted, of each executive officer and director of Textron are set forth on Schedules A and B hereto, which schedules are hereby incorporated herein by reference in their entirety.

During the past five years, neither Textron nor, to the knowledge of Textron, any of the executive officers or directors of Textron identified on Schedules A and B hereto, has been convicted in a criminal proceeding (excluding traffic violations or similar misdemeanors).

During the past five years, neither Textron nor, to the knowledge of Textron, any of the executive officers or directors of Textron identified on Schedules A and B hereto, has been a party to a civil proceeding of a judicial or administrative body of competent jurisdiction which resulted in a judgment, decree or final order enjoining future violations of, or prohibiting or mandating activities subject to, Federal or State securities laws or finding any violations with respect to such laws.

Item 3. Source and Amount of Funds or Other Consideration.

Pursuant to a Purchase Agreement dated as of August 7, 2001, as amended and restated as of November 30, 2001 (the "Purchase Agreement"), by and among Textron, the Company and Collins & Aikman Products Co., a wholly owned subsidiary of the Company ("C&A Products"), Textron sold to the Company and its subsidiaries the exterior and interior automotive trim operations that were managed as a unit of TAC, for cash and assumed indebtedness as well as 18,000,000 shares of Common Stock and shares of preferred stock of C&A Products (the "Preferred Stock").

Item 4. Purpose of the Transaction.

Textron caused Textron Holdco to acquire the 18,000,000 shares of Common Stock for investment purposes only. Neither Textron nor, to the knowledge of Textron, any of the executive officers or directors of Textron identified on Schedules A and B hereto, has any plans or proposals which relate to or would result in any of the actions specified in clauses (a) through (j) of Item 4 of Schedule 13D, except that Textron reserves the right to sell or otherwise dispose of shares of Common Stock from time to time.

Item 5. Interest in the Securities of the Issuer.

(a) According to the Company, on December 20, 2001, there were 167,882,130 shares of Common Stock issued and outstanding. Textron, TAC and McCord indirectly beneficially own, and Textron Holdco directly beneficially owns, approximately 10.7% of such shares.

(b) The shares of Common Stock indirectly beneficially owned by Textron are held of record by Textron Holdco. However, Textron indirectly possesses the sole power to direct the voting and disposition of such shares.

(c) None of Textron, TAC, McCord or Textron Holdco has effected any transaction in the Company's Common Stock during the past sixty days.

(d) No person other than Textron has any right to receive or direct the receipt of dividends from, or the proceeds from any sale of, the shares of Common Stock beneficially owned by Textron.

Item 6. Contracts, Arrangements, Understandings or Relationships with Respect to Securities of the Issuer.

Pursuant to the Purchase Agreement, Textron is entitled, but not required, to designate one member to serve as a director (the "Textron Designee") and two representatives to serve as observers on the Board of Directors of the Company, in each case until the date upon which Textron and its affiliates cease to continuously own at least \$25 million in "assigned value" of (1) the Common Stock, having an assigned value of \$5 per share, (2) the shares of Preferred Stock issued to Textron Holdco pursuant to the Purchase Agreement, having an assigned value solely for the purposes of this calculation equal to the liquidation preference of \$1000 per share, and (3) the equity interest in Collins & Aikman Holdings (Italy) S.r.l. (formerly Textron Automotive Holdings (Italy) S.r.l.) retained by Textron and its affiliates and having an aggregate assigned value of \$23.1 million. "Value" is at all times determined by reference to the assigned values, without regard to subsequent changes in value or to the agreements as to the fair market value of the Preferred Stock at the time of issuance as set forth in the Purchase Agreement.

In connection with this right to elect a member of the Company's Board of Directors, Heartland Industrial Partners, L.P. ("HIP") has agreed to (and agreed to cause its affiliates to) vote, at a meeting or by written consent, all shares of capital stock of the Company held by HIP and its affiliates, and take all other actions necessary to ensure that, the Textron Designee (and any replacement Textron Designee) is elected to the Board of Directors of the Company within 30 days of designation by Textron. HIP has also agreed to use reasonable best efforts to cause its nominees on the Board of Directors of the Company to elect the Textron Designee (and any replacement Textron Designee) to the Company's Board.

HIP has also agreed that for so long as Textron and/or one or more of its affiliates continuously own Preferred Stock representing at least 25% of the aggregate number of shares of Preferred Stock originally issued to Textron and/or one of its affiliates pursuant to the Purchase Agreement, neither HIP nor any of its affiliates (excluding the Company and its subsidiaries and any successors to the Company) will directly or indirectly sell, transfer, encumber, distribute or dispose of any Common Stock, other than (1) in connection with a bona fide pledge to secure a financing in favor of HIP or one of its affiliates and (2) any such sale, transfer, encumbrance, distribution or disposition if, after giving effect thereto, HIP and its affiliates beneficially own at least 65% of the number of shares of Common Stock beneficially owned by HIP and its affiliates (other than the Company and its subsidiaries) as of November 30, 2001 after giving effect to all of the transactions contemplated by the Purchase Agreement, as such number may be appropriately and equitably adjusted to reflect any stock split, combination, dividend, distribution or exchange relating to the Common Stock.

In addition, in connection with the transactions contemplated by the Purchase Agreement, on December 20, 2001, Textron, Textron Holdco and the Company entered into a Registration Rights Agreement (filed as Exhibit 1 hereto) which entitles Textron and its subsidiaries to certain registration rights from the Company with respect to the shares of Common Stock. The foregoing description of the Registration Rights Agreement is qualified in its entirety by reference to Exhibit 1, which is incorporated herein by reference in its entirety.

Item 7. Material to be Filed as Exhibits.

Exhibit 1 Registration Rights Agreement by and between Textron
 Inc., Textron Holdco Inc. and Collins & Aikman
 Corporation dated as of December 20, 2001

The Index of Exhibits attached to this Statement is hereby incorporated by reference in its entirety.

SIGNATURES

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this Statement is true, complete and correct.

Dated: December 28, 2001

Textron Inc.

By: /s/ Arnold M. Friedman

Name: Arnold M. Friedman
Title: Vice President and
 Deputy General Counsel

Schedule A

TEXTRON INC. - BOARD OF DIRECTORS

(Unless otherwise indicated, each of the individuals listed below is a United States citizen.)

NAME	POSITION	BUSINESS ADDRESS
----	-----	-----
Arnelle, H. Jesse	Of Counsel	Womble, Carlyle, Sandridge & Rice 200 West Second Street Winston-Salem, NC 27102
Beck, Teresa	Former President American Stores Company	1681 South Mohawk Way Salt Lake City, UT 84108
Campbell, Lewis B.	Chairman, President and Chief Executive Officer	Textron Inc. 40 Westminster Street Providence, RI 02903
Dickson, R. Stuart	Chairman of the Executive Committee	Ruddick Corporation 301 South Tyron St.

		Suite 1800 Charlotte, NC 28202
Fish, Lawrence K.	Chairman, President and Chief Executive Officer	Citizens Financial Group, Inc. One Citizens Plaza Providence, RI 02903
Ford, Joe T.	Chairman and Chief Executive Officer	ALLTEL Corporation One Allied Drive Little Rock, AR 72202
Gagne, Paul E. (Canadian citizen)	Consultant, Corporate Strategic Planning and Acquisitions	Kruger Inc. 3285 Bedford Road Montreal Quebec H3S 1G5 Canada
Lord Powell of Bayswater KCMG (United Kingdom citizen)	Former Foreign Affairs and Defense Advisor to Prime Minister Margaret Thatcher	Sagitta Asset Management Limited Berkeley Square House, 4th Floor Berkeley Square London, W1X 5PN England
Macomber, John D.	Principal	JDM Investment Group 2806 N Street, NW Washington, DC 20007
Rowe, Brian H.	Retired Chairman, Consultant	GE Aircraft Engines General Electric Company 1 Neumann Way, N178 Cincinnati, OH 45215
Segnar, Samuel F.	Retired Chairman and Chief Executive Officer Enron Corporation	10077 Grogan's Mill Road Suite 530 The Woodlands, TX 77380
Wheeler, Thomas B.	Retired Chairman and Chief Executive Officer	Massachusetts Mutual Financial Group 1295 State Street Springfield, MA 01111
Walker, Martin D.	Principal	MORWAL Investments 24650 Center Ridge Road, Suite 110 Westlake, OH 44145

Schedule B

TEXTRON INC. - EXECUTIVE OFFICERS

(Unless otherwise indicated, each of the individuals listed below maintains his or her office at 40 Westminister Street, Providence, RI 02903.

Each of the individuals listed below is a United States citizen.)

NAME -----	POSITION/BUSINESS ADDRESS -----
Campbell, Lewis B.	Chairman, President and Chief Executive Officer
Bohlen, Kenneth C.	Executive Vice President and Chief Innovation Officer
Butler, John D.	Executive Vice President - Administration and Chief Human Resources Officer
French, Theodore R.	Executive Vice President and Chief Financial Officer
Howell, Mary L.	Executive Vice President - Government, Strategy Development and International, Communications and Investor Relations 1101 Pennsylvania Avenue, NW, Suite 400 Washington, DC 20004
O'Donnell, Terrence	Executive Vice President and General Counsel

INDEX OF EXHIBITS

Number -----	Description -----
Exhibit 1	Registration Rights Agreement by and

between Textron Inc., Textron Holdco
Inc. and Collins & Aikman Corporation
dated as of December 20, 2001

REGISTRATION RIGHTS AGREEMENT

by and between

TEXTRON INC.,

TEXTRON HOLDCO INC.

and

COLLINS & AIKMAN CORPORATION

Dated: December 20, 2001

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REGISTRATION RIGHTS AGREEMENT

REGISTRATION RIGHTS AGREEMENT, dated December 20, 2001, by and between Collins & Aikman Corporation, a Delaware corporation (the "Company"), Textron Inc., a Delaware corporation ("Parent"), and Textron Holdco Inc., a Rhode Island corporation ("Textron Holdco").

WHEREAS, pursuant to a Purchase Agreement, dated August 7, 2001, as amended and restated as of November 30, 2001 (the "Purchase Agreement"), by and among the Company, Parent and Collins & Aikman Products Co., Textron Holdco will receive an aggregate of 18,000,000 shares of common stock, par value \$0.01 per share (the "Common Stock"), of the Company; and

WHEREAS, in order to induce Parent to cause Textron Holdco to acquire, and Textron Holdco to acquire, shares of Common Stock as provided in the Purchase Agreement, the Company has agreed to grant registration rights with respect to the Registrable Securities (as hereinafter defined) as set forth in this Agreement.

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth herein and for good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

1.1 Definitions. As used in this Agreement, and unless the context requires a different meaning, the following terms have the meanings indicated:

"Affiliate" has the meaning specified in the Purchase Agreement.

"Agreement" means this Agreement as the same may be amended, supplemented or modified in accordance with the terms hereof.

"Approved Underwriter" has the meaning set forth in Section 3.6.

"Becker Investors" has the meaning set forth in the Second Rights Agreement as such term is defined therein on the date of the Purchase Agreement.

"Blackstone Holders" has the meaning set forth in the Existing Registration Rights Agreement as such term is defined therein on the date of the Purchase Agreement.

"Board of Directors" means the Board of Directors of the Company.

"Business Day" means any day other than a Saturday, Sunday or other day on which commercial banks in the State of New York are authorized or required by law or executive order to close.

"Commission" means the Securities and Exchange Commission or any similar agency then having jurisdiction to enforce the Securities Act.

"Common Stock" has the meaning set forth in the preamble to this Agreement or any other capital stock of the Company into which such stock is reclassified or reconstituted and any other common stock of the Company.

"Company" has the meaning set forth in the preamble to this Agreement and shall mean any successor thereto that has issued securities in exchange for any Common Stock in connection with any merger or consolidation in which securities of the Company is converted or exchanged, in whole or in part, into such securities.

"Company Offering" has the meaning set forth in Section 4.1.

"Company Underwriter" has the meaning set forth in Section 4.1.

"day" means any calendar day.

"Demand Registration" has the meaning set forth in Section 3.1.

"Designated Holder" means Parent and Textron Holdco and any transferee thereof to whom Registrable Securities have been transferred in accordance with Section 9.5, other than a transferee to whom Registrable Securities have been transferred pursuant to a Registration Statement under the Securities Act or Rule 144 under the Securities Act (or any successor rule thereto).

"Exchange Act" means the United States Securities Exchange Act of 1934, as amended, and the rules and regulations of the Commission thereunder.

"Existing Registration Rights Agreement" means the Registration Rights Agreement dated February 23, 2001 among Blackstone Capital Company II, L.L.C., Heartland Industrial Partners, L.P. and the other named Heartland Entities, Wasserstein/C&A Holdings, L.L.C. and the Company, as amended, modified or supplemented in accordance with its terms to the extent any such amendment, modification or supplement does not affect the rights or priorities of Parent hereunder in an adverse manner.

"Holders' Counsel" has the meaning set forth in Section 6.1(a).

"Incidental Registration" has the meaning set forth in Section 4.1.

"Indemnified Party" has the meaning set forth in Section 7.3.

"Indemnifying Party" has the meaning set forth in Section 7.3.

"Initiating Holders" has the meaning set forth in Section 3.1.

"Inspector" has the meaning set forth in Section 6.1(g).

"Investors" means, collectively, Parent and Textron Holdco and any transferee thereof to whom Registrable Securities are transferred in accordance with Section 9.5 of this Agreement.

"Joan Investors" has the meaning set forth in the Second Rights Agreement as such term is defined therein on the date of the Purchase Agreement (other than immaterial changes to related persons, such as trusts and family members, made prior to the date hereof, in the "Permitted Transferee" definition).

"Liability" has the meaning set forth in Section 7.1.

"Majority of Designated Holders" means the Designated Holders holding a majority of the Registrable Securities held by all Designated Holders.

"Majority of Investors" means Investors holding a majority of all Registrable Securities held by all Investors.

"NASD" means the National Association of Securities Dealers, Inc.

"New Private Equity Holders" means those Persons purchasing Common Stock to finance, in part, the transactions contemplated by the Purchase Agreement.

"Non-Designated Stockholder" has the meaning set forth in Section 4.1.

"Non-Designated Stockholder Offering" has the meaning set forth in Section 4.1.

"Parent" has the meaning set forth in the preamble to this Agreement.

"Person" means any individual, firm, corporation, partnership, trust, incorporated or unincorporated association, joint venture, joint stock company, limited liability company, government (or an agency or political subdivision thereof) or other entity of any kind, and shall include any successor (by merger or otherwise) of such entity.

"Purchase Agreement" has the meaning set forth in the preamble to this Agreement.

"Records" has the meaning set forth in Section 6.1(g).

"Registrable Securities" means, subject to Section 2.2, each of the following: (a) any and all shares of Common Stock acquired by an Investor pursuant to the Purchase Agreement and (b) any securities of the Company issued or issuable to any Investor with respect to the Registrable Securities by way of stock dividend or stock split or in connection with a combination of shares, recapitalization, merger, consolidation or other reorganization or otherwise and any securities issuable upon conversion, exercise or exchange thereof.

"Registration Expenses" has the meaning set forth in Section 6.4.

"Registration Statement" means a registration statement filed pursuant to the Securities Act.

"Second Rights Agreement" means the Registration Rights Agreement dated July 3, 2001 among the Becker Investors, the Joan Investors and the Company, as amended, modified or supplemented in accordance with its terms to the extent any such amendment, modification or supplement does not affect the rights or priorities of Parent hereunder in an adverse manner.

"Securities Act" means the United States Securities Act of 1933, as amended, and the rules and regulations of the Commission promulgated thereunder.

"Shares" means shares of Common Stock.

"Valid Business Reason" has the meaning set forth in Section 3.1.

"Wasserstein Holders" has the meaning set forth in the Existing Registration Rights Agreement as such term is defined therein on the date of the Purchase Agreement.

ARTICLE II

GENERAL; SECURITIES SUBJECT TO THIS AGREEMENT

2.1 Grant of Rights. The Company hereby grants registration rights to the Designated Holders upon the terms and conditions set forth in this Agreement.

2.2 Registrable Securities. For the purposes of this Agreement, Registrable Securities will cease to be Registrable Securities, when (i) a Registration Statement covering such securities has been declared effective under the Securities Act by the Commission and such securities have been disposed of pursuant to such effective Registration Statement or (ii) with respect to an Investor, the entire amount of such Investor's Registrable Securities may be sold in a single sale, in the opinion of counsel reasonably satisfactory to the Company and such Investor, each in their reasonable judgment, without any limitation as to volume pursuant to Rule 144 (or any successor provision then in effect) under the Securities Act. Notwithstanding the foregoing clause (ii), to the extent Parent or any of its Affiliates becomes an "affiliate" (as such term is used under Rule 144) of the Company by reason of the exercise of remedies due to the occurrence of a "Voting Rights Triggering Event" (as defined under the Certificate of Designation (as defined in the Purchase Agreement and amended from time to time) relating to the Redeemable Preferred Stock), any securities continuously and solely beneficially owned by Parent (and/or its Affiliates) since the closing date of the acquisition under the Purchase Agreement that would not be Registrable Securities by reason of the preceding clause (ii) will regain their status as Registrable Securities until the provisions of such clause (ii) would again apply (if at all).

2.3 Holders of Registrable Securities. A Person is deemed to be a holder of Registrable Securities whenever such Person owns of record Registrable Securities, or holds an option to purchase, or a security convertible into or exercisable or exchangeable for, Registrable Securities whether or not such acquisition or conversion has actually been effected. If the Company receives conflicting instructions, notices or elections from two or more Persons with respect to the same Registrable Securities, the Company may act upon the basis of the instructions, notice or election received from the registered owner of such Registrable Securities. Registrable Securities issuable upon exercise of an option or upon conversion of another security shall be deemed outstanding for the purposes of this Agreement.

ARTICLE III

DEMAND REGISTRATION

3.1 Request for Demand Registration. (a) A Majority of Designated Holders (the "Initiating Holders") may each make a written request to the Company to register, and the Company shall register, under the Securities Act (other than pursuant to a Registration Statement on Form S-4 or S-8 or any successor thereto) (a "Demand Registration"), the number of Registrable Securities stated in such request; provided, however, that (1) the Company shall not be obligated to effect more than two (2) such Demand Registrations and (2) the Company shall not be obligated to proceed with a Demand Registration at any time prior to October 1, 2002. For purposes of the preceding sentence, two or more Registration Statements filed in response to one demand shall be counted as one Demand Registration; provided, however, that, except as otherwise provided herein, any such Registration Statement filed at the request of an Initiating Holder and subsequently withdrawn at the request of that Initiating Holder shall be counted as a Demand Registration with respect to such Initiating Holder unless the withdrawing Initiating Holder pays the expenses associated with such Registration Statement, in which case such Demand Registration shall not be so counted.

(b) Notwithstanding anything to the contrary contained herein, no Demand Registration need be effected by the Company within (1) six (6) months after the effectiveness of any Registration Statement pursuant to a Demand Registration hereunder or (2) within (x) six (6) months after the effectiveness of any Registration Statement pursuant to a "demand registration" under the Existing Registration Rights Agreement or the Second Rights Agreement, in each case to the extent such demand registrations are provided for on the date of the Purchase Agreement or under any other existing or future Common Stock registration rights agreements granted in favor of the New Private Equity Holders or any Registration Statement for any Company Offering, if such demand registration becomes effective on or prior to the second anniversary of the date hereof, or (y) 90 days after the effectiveness of any such Registration Statement referred to in the preceding clause (x), if such demand registration becomes effective after the second anniversary of the date hereof. The Company shall not be obliged to include more than (1) 10 million shares in a Registration Statement declared effective on or prior to the second anniversary of the date hereof or (2) 20 million shares in the case of a Registration Statement declared effective after the second anniversary of the date hereof but on or prior to the fourth anniversary of the date hereof (in each case, as such numbers are equitably adjusted for stock splits, stock combinations and similar events occurring after the date hereof) of Common Stock in any Registration Statement pursuant to a Demand Registration, inclusive of any Shares to be included pursuant to any incidental or piggy-back rights under this Agreement, the Existing Registration Rights Agreement, the Second Rights Agreement or any other existing or future Common Stock registration rights agreements granted in favor of the New Private Equity Holders. If the Board of Directors, in its good faith judgment, determines that any registration of Registrable Securities should not be made or continued because it would materially interfere with any financing, acquisition, corporate reorganization or merger or other transaction involving the Company or any of its Subsidiaries which is material to the Company (a "Valid Business Reason"), the Company may (x) postpone filing a Registration Statement relating to a Demand Registration until such Valid Business Reason no longer exists, but in no event for more than 105 days, and (y) in case a Registration Statement has been filed relating to a Demand Registration, if the Valid Business Reason has not resulted

from actions taken by the Company, the Company, upon the approval of a majority of the Board of Directors, may cause such Registration Statement to be withdrawn and its effectiveness terminated or may postpone amending or supplementing such Registration Statement. For the purposes of certainty, the parties acknowledge that in the event a Registration Statement is so withdrawn, it shall not count as having been a Demand Registration for purposes of the limit on the number of Demand Registrations set forth above. The Company shall give written notice of its determination to postpone or withdraw a Registration Statement and of the fact that the Valid Business Reason for such postponement or withdrawal no longer exists, in each case, promptly after the occurrence thereof. Notwithstanding anything to the contrary contained herein, the Company may not postpone or withdraw a filing under this Section 3.1 for more than 105 days once in any twelve (12) month period. Each request for a Demand Registration by the Initiating Holders shall state the number of the Registrable Securities proposed to be sold and the intended method of disposition thereof.

3.2 Incidental or "Piggy-Back" Rights with Respect to a Demand Registration. Each of the Designated Holders (other than Initiating Holders which have requested a registration under Section 3.1) may offer its Registrable Securities in connection with any Demand Registration pursuant to this Section 3.2. Within five (5) Business Days after the receipt of a request for a Demand Registration from an Initiating Holder, the Company shall (i) give written notice thereof to all of the Designated Holders (other than Initiating Holders which have requested a registration under Section 3.1) and (ii) subject to Section 3.5, include in such registration all of the Registrable Securities held by such Designated Holders from whom the Company has received a written request for inclusion therein within ten (10) days of the receipt by such Designated Holders of such written notice referred to in clause (i) above. Each such request by such Designated Holders shall specify the number of Registrable Securities proposed to be registered. The failure of any such Designated Holder to respond within such 10-day period referred to in clause (ii) above shall be deemed to be a waiver of such Designated Holder's rights under this Article III with respect to such Demand Registration. Any such Designated Holder may waive its rights under this Article III prior to the expiration of such 10-day period by giving written notice to the Company, with a copy to the Initiating Holders. If a Designated Holder sends the Company a written request for inclusion of part or all of such Designated Holder's Registrable Securities in a Demand Registration, such Designated Holder shall not be entitled to withdraw or revoke such request without the prior written consent of the Company in its sole discretion unless (A) in the case of the Initiating Holders only, the Company will not include in a Registration Statement filed in accordance with these provisions 75% or more of the Registrable Securities the Initiating Holders included in its request for a Demand Registration or (B) as a result of facts or circumstances arising after the date on which such request was made relating to the Company or any of its Subsidiaries or to market conditions, such Designated Holder reasonably determines that participation in such registration would have a material adverse effect on such Designated Holder.

3.3 Effective Demand Registration. Subject to Section 3.1, the Company shall use its reasonable best efforts to cause any such Demand Registration to become effective not later than 60 days after it receives a request under Section 3.1. A registration shall not constitute a Demand Registration until it has become effective and remains continuously effective for the shorter of (i) 60 days and (ii) the period during which all Registrable Securities registered in the Demand Registration are sold; provided, however, that a registration shall not constitute a Demand Registration if (v) the Company has breached any of its material obligations under this Agreement in any material respect, (w) after such Demand Registration has become effective, such registration or the related offer, sale or distribution of Registrable Securities thereunder is interfered with by any stop order, injunction or other order or requirement of the Commission or other governmental agency or court for any reason not attributable to the Initiating Holders and such interference is not thereafter eliminated, (x) the conditions specified in the underwriting agreement, if any, entered into in connection with such Demand Registration are not satisfied or waived for any reason other than a breach by the Initiating Holder or any other Designated Holder or (y) the Company exercises its rights of postponement, termination or withdrawal under Section 3.1 or (z) as provided in the last sentence of Section 3.5.

3.4 Expenses. The Company shall pay all Registration Expenses in connection with the registration of Registrable Securities under this Article III, whether or not the Registration Statement therefor becomes effective, except as otherwise provided herein.

3.5 Underwriting Procedures. If the Company or the Initiating Holders holding a majority of the Registrable Securities held by all of the Initiating Holders so elect, the Company shall use its reasonable best efforts to cause such Demand Registration to be in the form of a firm commitment underwritten offering and the managing underwriter or underwriters selected for such offering shall be the Approved Underwriter selected in accordance with Section 3.6. In connection with any Demand Registration under this Article III involving an underwritten offering, none of the Registrable Securities held by any Designated Holder making a request for inclusion of such Registrable Securities pursuant to Section 3.2 hereof shall be included in such underwritten offering unless such holder accepts the terms of the offering as agreed upon by the Company, the Initiating Holders and the Approved Underwriter (including execution of an escrow agreement and/or a power of attorney with respect to the disposition of the Registrable Securities), and then only in such quantity as will not, in the opinion of the Approved Underwriter, jeopardize the success of such offering by the Initiating Holders. If the Approved Underwriter advises the Company that the aggregate amount of such Registrable Securities requested to be included in such offering is sufficiently large to have a material adverse effect on the success of such offering, then the Company shall include in such registration only the aggregate amount of Registrable Securities that the Approved Underwriter believes may be sold without any such material adverse effect and shall reduce the amount of Registrable Securities to be included in such registration to the extent of the amount of Registrable Securities that the Approved Underwriter believes may be sold without causing such material adverse effect. In such case Registrable Securities shall be included in the following order of priority: (1) first, any securities to be sold for the account of the Blackstone Holders and Wasserstein Holders, as required by the Existing Registration Rights Agreement (as such requirements are in effect on the date of the Purchase Agreement); (2) second, any Registrable Securities and other shares of Common Stock to be sold for the account of the Initiating Holders and any other Designated Holders (if any), pro rata based upon the number of Registrable Securities and other than shares of Common Stock then owned by them; and (3) third, any securities to be sold by the Company or any other Person exercising incidental or piggy-back registration rights. If, by reason of the application of clause (1) or by reason of the share limitation set forth in Section 3.1(b) or if less than 75% of the Registrable Securities which the Initiating Holders of the subject Demand Registration requested be registered are included in such registration, the registration shall not count as one of the two Demand Registrations to which such Initiating Holders are entitled.

3.6 Selection of Underwriters. If any Demand Registration of Registrable Securities is in the form of an underwritten offering, the Company shall select and obtain an investment banking firm of national reputation to act as the managing underwriter of the offering (the "Approved Underwriter"); provided that (I) the Approved Underwriter shall, in any case, also be approved by a Majority of Initiating Holders, such approval not to be unreasonably withheld, and (ii) if only securities of Investors are included in the registration, the Initiating Holders shall have the right to select the Approved Underwriter with the Company having the right to approve of such selection, such approval not to be unreasonably withheld.

3.7 Company Preemption Right; Existing Registration Rights Agreement. Notwithstanding anything herein to the contrary, to the extent that a Valid Business Reason exists for deferring, postponing or suspending a Demand Registration, the Company shall be entitled to elect to pursue a Company Offering (as hereinafter defined) in furtherance of such Valid Business Reason and to thereby preempt the Demand Registration and defer, postpone or suspend the Demand Registration, in which case the applicable demand shall not count as a Demand Registration. In the event of a conflict between the provisions of this Agreement and the provisions of the Existing Registration Rights Agreement that provide for priority and cut-back in a registered offering of securities (as such provisions are in effect on the date of the Purchase Agreement), the provisions of the Existing Registration Rights Agreement (as such provisions are in effect on the date of the Purchase Agreement) will govern.

ARTICLE IV

INCIDENTAL OR "PIGGY-BACK" REGISTRATION

4.1 Request for Incidental Registration. If the Company proposes to file a Registration Statement under the Securities Act with respect to an offering of Common Stock by the Company for its own account (other than a Registration Statement on Form S-4 or S-8 or any successor thereto or in connection with an offering made exclusively to stockholders of the Company generally) (a "Company Offering") or for the account of any stockholder of the Company other than one in which all Investors are participating under Article III (each such Stockholder, a "Non-Designated Stockholder" and such offering a "Non-Designated Stockholder Offering"), then the Company shall give written notice of such proposed filing to each of the Investors at least ten (10) Business Days before the anticipated filing date, and such notice shall describe the proposed registration and distribution and offer such Investors the opportunity to register the number of Registrable Securities held by such Investor as each such Investors may request (an "Incidental Registration"). The Company shall use its reasonable best efforts to cause the managing underwriter or underwriters in the case of a proposed underwritten offering (the "Company Underwriter") to permit each of the Investors who have requested in writing to participate in the Incidental Registration to include its Registrable Securities in such offering on the same terms and conditions as the securities of the Company or the securities of such Non-Designated Stockholders, as the case may be, included therein. In connection with any Incidental Registration under this Section 4.1 involving an underwritten offering, the Company shall not be required to include any Registrable Securities in such underwritten offering unless the Investors thereof accept the terms of the underwritten offering as agreed upon between the Company, such Non-Designated Stockholders, if any, and the Company Underwriter (including execution of an escrow agreement and/or a power of attorney with respect to the disposition of the Registrable Securities), and then, subject to this Section 4.1, only in such quantity as the Company Underwriter believes will not jeopardize the success of such offering. If the Company Underwriter determines that the registration of all or part of the Registrable Securities which the Investors have requested to be included would materially adversely affect the success of such offering, then the Company shall be required to include in such Incidental Registration the Registrable Securities only to the extent of the amount of Registrable Securities that the Company Underwriter believes may be sold without causing such material adverse effect, (i) in the case of a Company Offering: first, all of the securities to be offered for the account of the Company; second, any securities to be offered for the account of Blackstone Holders and Wasserstein Holders as required by the Existing Registration Rights Agreement (as such requirements are in effect on the date of the Purchase Agreement), pro rata based on the number of securities then owned by each; third, any securities to be offered for the account of the Investors or the Becker Investors or the Joan Investors, pro rata based on the number of securities then owned by each; and fourth, any securities to be offered for the account of any other Person; and (ii) in the case of a Non-Designated Stockholder Offering: first, the securities to be offered for the account of Blackstone Holders and Wasserstein Holders pro rata based on the number of Registrable Securities owned by each as required by Section 4.1 of the Existing Registration Rights Agreement (as in effect on the date of the Purchase Agreement); second, all of the securities to be offered by such Persons as are exercising demand registration rights (other than Heartland Industrial Partners, L.P., the New Equity Holders and their respective Affiliates) and all of the securities of the Investors in respect of their rights, if any, as "Priority Holders" under the Second Rights Agreement pro rata based on the number of securities owned by each of them; third, all of the securities to be offered for the account of the Company; fourth, any Registrable Securities and other securities requested to be included in such offering by the Investors or the Becker Investors or the Joan Investors pro rata based on the number of Registrable Securities and other securities then owned by each of them; and fifth, any shares of Common Stock owned by Heartland Industrial Partners, L.P. and its Affiliates and the New Private Equity Holders pro rata based on the number of shares of Common Stock then owned by each. Nothing in this Section 4.1 shall create any liability on the part of the Company or any other Person to the Investors if the Company, for any reason, decides not to file a Registration Statement proposed to be filed pursuant to this Section 4.1 or to withdraw such Registration Statement subsequent to its filing, regardless of any action whatsoever that an Investor may have taken, whether as a result of the issuance by the Company of any notice under this Section 4.1 or otherwise.

4.2 Expenses. The Company shall bear all Registration Expenses in connection with any Incidental Registration pursuant to this Article IV, whether or not such Incidental Registration becomes effective.

ARTICLE V

HOLDBACK AGREEMENTS

5.1 Restrictions on Public Sale by Designated Holders. To the extent requested (A) by the Company, in the case of a non-underwritten public offering and (B) by the Approved Underwriter or the Company Underwriter, as the case may be, in the case of an underwritten public offering, each Investor agrees (x) not to make any request for a Demand Registration under this Agreement for the period referred to in Section 3.1(b) and (y) not to effect any sale or distribution of any Common Stock or of any securities convertible into or exchangeable or exercisable for Common Stock, including a sale pursuant to Rule 144 under the Securities Act, or offer to sell, contract to sell (including without limitation any short sale), grant any option to purchase or enter into any hedging or similar transaction with the same economic effect as a sale of Common Stock during the 120-day or, following the second anniversary of the date hereof, 90 day period (or such shorter period, if any, agreed to by the requesting party) beginning on the effective date of any Registration Statement for such underwritten public offering (except as part of such registration); provided the provisions of clause (y) shall terminate with respect to any Registration Statement in which the Investor is not a selling stockholder to the extent the Investors own less than 5% of the outstanding shares of Common Stock of the Company. The Investors shall be relieved from any obligation provided for in this Section to the extent that the Company or any holder of 5% or more of the outstanding shares of Common Stock of the Company (or any person within the common control of any such person or a family member of any such person) subject to a registration rights agreement with the Company shall be released from any obligation similar to the foregoing.

5.2 Restrictions on Public Sale by the Company. The Company agrees (a) not to effect any sale or distribution of any Common Stock, or any securities convertible into or exchangeable or exercisable for Common Stock (except pursuant to registrations on Form S-4 or S-8 or any successor thereto), during the period beginning on the effective date of any Registration Statement in which the Investors are participating and ending on (x) the date on which all Registrable Securities registered on such Registration Statement are sold (except as part of such registration) or (y) in the case of an underwritten offering, on the 90th day (or such shorter period as may be agreed to by the Investors or by the managing underwriter) after the effective date of any such Registration Statement relating to a Demand Registration; provided that the Company shall be relieved of any such obligation to the extent the Investors or any other holder of 5% or more of the outstanding shares of Common Stock is relieved of any such obligation and (b) to use commercially reasonable efforts to cause its directors, executive officers and each beneficial owner of 5% or more of the outstanding shares of Common Stock of the Company (other than the Blackstone Investors or the Wasserstein Investors) to agree not to effect any public sale or distribution of any Common Stock (or securities convertible or exchangeable therefor) of the Company owned or controlled by them or their respective family members at a time when the Company is restricted under the preceding clause (a), except under such Registration Statement.

ARTICLE VI

REGISTRATION PROCEDURES

6.1 Obligations of the Company. Whenever registration of Registrable Securities has been requested pursuant to Article III or Article IV of this Agreement, the Company shall use its reasonable best efforts to effect the registration and sale of such Registrable Securities in accordance with the intended method of distribution thereof as quickly as practicable, and in connection with any such request, the Company shall, as expeditiously as possible:

(a) prepare and file with the Commission a Registration Statement on any form for which the Company then qualifies or which counsel for the Company shall deem appropriate and which form shall be available for the sale of such Registrable Securities in accordance with the intended method of distribution thereof, and use its reasonable best efforts to cause such Registration Statement to become effective; provided, however, that (x) before filing a Registration Statement or prospectus or any amendments or supplements thereto, the Company shall provide counsel selected by the Investors holding a majority of the Registrable Securities being registered in such registration ("Holders' Counsel") and any other Inspector with a reasonably adequate and appropriate opportunity to review and comment on such Registration Statement and each prospectus included therein (and each amendment or supplement thereto) to be filed with the Commission, subject to such documents being under the Company's control, and (y) the Company shall notify the Holders' Counsel and each seller of Registrable Securities of any stop order issued or threatened by the Commission and take all action required to prevent the entry of such stop order or to remove it if entered;

(b) prepare and file with the Commission such amendments and supplements to such Registration Statement and the prospectus used in connection therewith as may be necessary to keep such Registration Statement effective for the lesser of (x) 90 days and (y) such shorter period which will terminate when all Registrable Securities covered by such Registration Statement have been sold, and comply with the provisions of the Securities Act with respect to the disposition of all securities covered by such Registration Statement during such period in accordance with the intended methods of disposition by the sellers thereof set forth in such Registration Statement;

(c) furnish to each seller of Registrable Securities, prior to filing a Registration Statement, at least one copy of such Registration Statement as is proposed to be filed, and thereafter such number of copies of such Registration Statement, each amendment and supplement thereto (in each case including all exhibits thereto), and the prospectus included in such Registration Statement (including each preliminary prospectus) and any prospectus filed under Rule 424 under the Securities Act as each such seller may reasonably request in order to facilitate the disposition of the Registrable Securities owned by such seller;

(d) register or qualify such Registrable Securities under such other securities or "blue sky" laws of such jurisdictions as any seller of Registrable Securities may reasonably request, and to continue such qualification in effect in such jurisdiction for as long as required pursuant to the laws of such jurisdiction, or for as long as any such seller reasonably requests or until all of such Registrable Securities are sold, whichever is shortest, and do any and all other acts and things which may be reasonably necessary or advisable to enable any such seller to consummate the disposition in such jurisdictions of the Registrable Securities owned by such seller; provided, however, that the Company shall not be required to (x) qualify generally to do business in any jurisdiction where it would not otherwise be required to qualify but for this Section 6.1(d), (y) subject itself to taxation in any such jurisdiction or (z) consent to general service of process in any such jurisdiction;

(e) notify each seller of Registrable Securities at any time when a prospectus relating thereto is required to be delivered under the Securities Act, upon discovery that, or upon the happening of any event as a result of which, the prospectus included in such Registration Statement contains an untrue statement of a material fact or omits to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Company shall promptly prepare a supplement or amendment to such prospectus and furnish to each seller of Registrable Securities a reasonable number of copies of such supplement to or an amendment of such prospectus as may be necessary so that, after delivery to the purchasers of such Registrable Securities, such prospectus shall not contain an untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(f) enter into and perform customary agreements (including an underwriting agreement in customary form with the Approved Underwriter or Company Underwriter, if any, selected as provided in Article III or Article IV, as the case may be) and take such other actions as are prudent and reasonably required in order to expedite or facilitate the disposition of such Registrable Securities;

(g) make available at reasonable times for inspection by any seller of Registrable Securities, any managing underwriter participating in any disposition of such Registrable Securities pursuant to a Registration Statement, Holders' Counsel and any attorney, accountant or other agent retained by any such seller or any managing underwriter (each, an "Inspector" and collectively, the "Inspectors"), all financial and other records, pertinent corporate documents and properties of the Company and its subsidiaries (collectively, the "Records") as shall be reasonably necessary to enable them to exercise their due diligence responsibility, and cause the Company's and its subsidiaries' officers, directors and employees, and the independent public accountants of the Company, to supply all information reasonably requested by any such Inspector in connection with such Registration Statement. Records that the Company determines, in good faith, to be confidential and which it notifies the Inspectors are confidential shall not be disclosed by the Inspectors (and the Inspectors shall confirm their agreement in writing in advance to the Company if the Company shall so request) unless (x) the disclosure of such Records is necessary, in the Company's judgment, to avoid or correct a misstatement or omission in the Registration Statement, (y) the release of such Records is ordered pursuant to a subpoena or other order from a court of competent jurisdiction after exhaustion of all appeals therefrom or (z) the information in such Records was known to the Inspectors on a non-confidential basis prior to its disclosure by the Company or has been made generally available to the public. Each seller of Registrable Securities agrees that it shall, upon learning that disclosure of such Records is sought in a court of competent jurisdiction, give notice to the Company and allow the Company, at the Company's expense, to undertake appropriate action to prevent disclosure of the Records deemed confidential;

(h) if such sale is pursuant to an underwritten offering, cause to be delivered "cold comfort" letters dated the effective date of the Registration Statement and the date of the closing under the underwriting agreement from the Company's independent public accountants in customary form and covering such matters of the type customarily covered by "cold comfort" letters as Holders' Counsel or the managing underwriter reasonably requests;

(i) if such sale is pursuant to an underwritten offering, cause to be furnished, at the request of any seller of Registrable Securities on the date such securities are delivered to the underwriters for sale pursuant to such registration or, if such securities are not being sold through underwriters, on the date the Registration Statement with respect to such securities becomes effective, an opinion, dated such date, of counsel representing the Company for the purposes of such registration, addressed to the underwriters, if any, and to the seller making such request, covering such legal matters with respect to the registration in respect of which such opinion is being given as the underwriters, if any, and such seller may reasonably request and are customarily included in such opinions;

(j) comply with all applicable rules and regulations of the Commission, and make available to its security holders, as soon as reasonably practicable but no later than fifteen (15) months after the effective date of the Registration Statement, an earnings statement covering a period of twelve (12) months beginning after the effective date of the Registration Statement, in a manner which satisfies the provisions of Section 11 (a) of the Securities Act and Rule 158 thereunder;

(k) cause all such Registrable Securities to be listed on each securities exchange on which similar securities issued by the Company are then listed, provided that the applicable listing requirements are satisfied;

(l) keep Holders' Counsel advised in writing as to the initiation and progress of any registration under Article III or Article IV hereunder;

(m) cooperate with each seller of Registrable Securities and each underwriter participating in the disposition of such Registrable Securities and their respective counsel in connection with any filings required to be made with the NASD;

(n) make executive officers available to participate in customary road shows and other informational meetings as reasonably requested by any Approved Underwriter or Company Underwriter; and

(o) take all other steps reasonably necessary to effect the registration of the Registrable Securities contemplated hereby.

6.2 Seller Information. (a) It shall be a condition precedent to the obligation of the Company to include any Registrable Securities of any Investor in a Registration Statement pursuant to this Agreement that the Investor shall furnish to the Company such information regarding itself, the Registrable Securities held by it, any other securities of the Company held by it, and the intended method of disposition of such Registrable Securities as shall be required to effect the registration of the Registrable Securities held by such Investor, including, without limitation, all information required to be disclosed in order to make the information previously furnished to the Company by such Investor not materially misleading or necessary to cause such Registration Statement not to omit a material fact with respect to such Investor necessary in

order to make the statements therein not misleading. Any such Information shall be provided to the Company within any reasonable time period requested by the Company.

(b) Each Investor shall notify the Company, at any time when a prospectus is required to be delivered under applicable law, of the happening of any event as a result of which the prospectus included in the applicable Registration Statement, as then in effect, in each case only with respect to information provided by such Holder, includes an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances then existing. Such Investor shall immediately upon the happening of any such event cease using such prospectus.

6.3 Notice to Discontinue. Each Investor agrees that, upon receipt of any notice from the Company of the happening of any event of the kind described in Section 6.1(e) or 6.2(b), such Investor shall forthwith discontinue disposition of Registrable Securities pursuant to the Registration Statement covering such Registrable Securities until such Investor's receipt of the copies of the supplemented or amended prospectus contemplated by Section 6.1(e) and, if so directed by the Company, such Investor shall deliver to the Company (at the Company's expense) all copies, other than permanent file copies then in such Investor's possession, of the prospectus covering such Registrable Securities which is current at the time of receipt of such notice. If the Company shall give any such notice, the Company shall extend the period during which such Registration Statement shall be maintained effective pursuant to this Agreement (including, without limitation, the period referred to in Section 6.1(b)) by the number of days during the period from and including the date of the giving of such notice pursuant to Section 6.1(e) to and including the date when sellers of such Registrable Securities under such Registration Statement shall have received the copies of the supplemented or amended prospectus contemplated by and meeting the requirements of Section 6.1(e).

6.4 Registration Expenses. The Company shall pay all expenses arising from or incident to its performance of, or compliance with, this Agreement, including, without limitation, (i) Commission, stock exchange and NASD registration and filing fees, (ii) all fees and expenses incurred in complying with securities or "blue sky" laws (including reasonable fees, charges and disbursements of counsel to any underwriter incurred in connection with "blue sky" qualifications of the Registrable Securities as may be set forth in any underwriting agreement), (iii) all printing, messenger and delivery expenses, (iv) the fees, charges and disbursements of counsel to the Company and of its independent public accountants and any other accounting fees, charges and expenses incurred by the Company (including, without limitation, any expenses arising from any "cold comfort" letters or any special audits incident to or required by any registration or qualification), (v) the reasonable fees, charges and disbursements of Holders' Counsel not to exceed \$35,000 in respect of any one registration and (vi) any liability insurance or other premiums for insurance obtained in connection with any Demand Registration or piggy-back registration thereon or Incidental Registration pursuant to the terms of this Agreement, regardless of whether such Registration Statement is declared effective. All of the expenses described in the preceding sentence of this Section 6.4 are referred to herein as "Registration Expenses." Investors holding Registrable Securities sold pursuant to a Registration Statement shall bear the expense of any broker's commission, underwriter's discount or commission or transfer taxes relating to registration and sale of such Investor's Registrable Securities and, subject to clause (v) above, shall bear the fees and expenses of their own counsel.

ARTICLE VII

INDEMNIFICATION; CONTRIBUTION

7.1 Indemnification by the Company. The Company agrees to indemnify and hold harmless each Investor, its partners, directors, officers, Affiliates and each Person who controls (within the meaning of Section 15 of the Securities Act) such Investor from and against any and all losses, claims, damages, liabilities and expenses (including reasonable costs of investigation) (each, a "Liability" and collectively, "Liabilities"), arising out of or based upon (x) any untrue, or allegedly untrue, statement of a material fact contained in any Registration Statement (as amended) or based upon any omission or alleged omission to state therein a material fact required to be stated therein or (y) any untrue, or allegedly untrue, statement of a material fact contained in any prospectus or preliminary prospectus (as amended or supplemented) or arising out of or based upon any omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading in light of the circumstances under which such statements were made or (z) arising out of a violation or alleged violation by the Company of the Securities Act, the Exchange Act, any federal or state securities law or any rule or regulation promulgated under any such legislation, except insofar as such Liability (i) arises out of or is based upon any untrue statement or alleged untrue statement or omission or alleged omission contained in such Registration Statement, preliminary prospectus or final prospectus in reliance and in conformity with information concerning such Investor furnished in writing to the Company by such Investor expressly for use therein or (ii) is caused by any failure by the Investor to deliver a prospectus or preliminary prospectus (or amendment or supplement thereto) as and when required under the Securities Act after copies of such prospectus have been timely furnished by the Company to the Investors in accordance with the provisions hereof. The Company shall also provide customary indemnities to any underwriters of the Registrable Securities, their officers, directors and employees and each Person who controls such underwriters (within the meaning of Section 15 of the Securities Act) to the same extent as provided above with respect to the indemnification of the Investors.

7.2 Indemnification by Investors. Each Investor agrees to indemnify and hold harmless the Company, the other Investors, any underwriter retained by the Company, each of their respective officers, directors and Affiliates and each Person who controls the Company, the other Investors or such underwriter (within the meaning of Section 15 of the Securities Act) to the same extent as the foregoing indemnity from the Company to the Investors, but only if such statement or alleged statement or omission or alleged omission was made in reliance upon and in conformity with information with respect to such Investor furnished in writing to the Company by such Investor expressly for use in such Registration Statement or prospectus to the extent that the Liability results from the statement, alleged statement, omission or alleged omission so made in reliance upon and in conformity with such information; provided, however, that the total amount to be indemnified by such Investor

pursuant to Section 6.2 shall be limited to the net proceeds received by such Investor in the offering to which the Registration Statement or prospectus relates.

7.3 Conduct of Indemnification Proceedings. Any Person entitled to indemnification hereunder (the "Indemnified Party") agrees to give prompt written notice to the indemnifying party (the "Indemnifying Party") after the receipt by the Indemnified Party of any written notice of the commencement of any action, suit, proceeding or investigation or threat thereof made in writing to the Indemnified Party for which the Indemnified Party intends to claim indemnification or contribution pursuant to this Agreement; provided, however, that the failure so to notify the Indemnifying Party shall not relieve the Indemnifying Party of any Liability that it may have to the Indemnified Party hereunder (except to the extent that the Indemnifying Party is materially prejudiced or otherwise forfeits substantive rights or defenses by reason of such failure). If notice of commencement of any such action is given to the Indemnifying Party as above provided, the Indemnifying Party shall be entitled to participate in and, to the extent it may wish, jointly with any other Indemnifying Party similarly notified, to assume the defense of such action at its own expense, with counsel chosen by it and reasonably satisfactory to such Indemnified Party. The Indemnified Party shall have the right to employ separate counsel in any such action and participate in the defense thereof, but the fees and expenses of such counsel shall be paid by the Indemnified Party unless (i) the Indemnifying Party agrees to pay the same, (ii) the Indemnifying Party fails to assume the defense of such action with counsel reasonably satisfactory to the Indemnified Party or (iii) the named parties to any such action (including any impleaded parties) include both the Indemnifying Party and the Indemnified Party and such parties have been advised by such counsel that either (x) representation of such Indemnified Party and the Indemnifying Party by the same counsel would be inappropriate under applicable standards of professional conduct or (y) there may be one or more legal defenses available to the Indemnified Party which are different from or additional to those available to the Indemnifying Party. In any of such cases, the Indemnifying Party shall not have the right to assume the defense of such action on behalf of such Indemnified Party, it being understood, however, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of attorneys (in addition to any local counsel) for all Indemnified Parties. No Indemnifying Party shall be liable for any settlement entered into without its written consent, which consent shall not be unreasonably withheld. No Indemnifying Party shall, without the consent of such Indemnified Party, which consent shall not be unreasonably withheld, effect any settlement of any pending or threatened proceeding in respect of which such Indemnified Party is a party and indemnity has been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Party from all Liability for claims that are the subject matter of such proceeding.

7.4 Contribution. If the indemnification provided for in this Article VII from the Indemnifying Party is unavailable to an Indemnified Party hereunder in respect of any Liabilities referred to herein, then the Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Liabilities in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions which resulted in such Liabilities, as well as any other relevant equitable considerations. The relative faults of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission to state a material fact, has been made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action. The amount paid or payable by a party as a result of the Liabilities referred to above shall be deemed to include, subject to the limitations set forth in Sections 7.1, 7.2 and 7.3, any legal or other fees, charges or expenses reasonably incurred by such party in connection with any investigation or proceeding; provided that the total amount to be contributed by such Investor shall be limited to the net proceeds received by such Investor in the offering.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 7.4 were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to in the immediately preceding paragraph. No Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

ARTICLE VIII

COVENANTS

8.1 Rule 144. The Company covenants that it shall (a) file any reports required to be filed by it under the Exchange Act and (b) take such further action as each Investor of Registrable Securities may reasonably request (including providing any information necessary to comply with Rule 144 under the Securities Act), all to the extent required from time to time to enable such Investor to sell Registrable Securities without registration under the Securities Act within the limitation of the exemptions provided by (i) Rule 144 under the Securities Act, as such rule may be amended from time to time, or Regulation S under the Securities Act or (ii) any similar rules or regulations hereafter adopted by the Commission. The Company shall, upon the request of any Investor holding Registrable Securities, deliver to such Investor a written statement as to whether it has complied with such requirements.

8.2 Wasserstein and Blackstone Priority of Sale. Notwithstanding anything to the contrary set forth in this Agreement, in the event of any registered public offering of Common Stock in which Blackstone Holders and/or Wasserstein Holders, on the one hand, and any other stockholder of the Company (including, without limitation, any Investor), on the other hand, desire or intend to sell Common Stock, Blackstone Holders and Wasserstein Holders, pro rata based on the number of shares of Common Stock then owned by each, shall have an absolute right to sell prior to any other such holder in such offering.

ARTICLE IX

MISCELLANEOUS

9.1 Recapitalizations, Exchanges, etc. The provisions of this Agreement shall apply to the full extent set forth herein with respect to (i) the shares of Common Stock, (ii) any and all shares of common stock of the Company into which the shares of Common Stock are converted, exchanged or substituted in any recapitalization or other capital reorganization by the Company and (iii) any and all equity securities of the Company or any successor or assign of the Company (whether by merger, consolidation, sale of assets or otherwise) which may be issued in respect of, in conversion of, in exchange for or in substitution of, the shares of Common Stock and shall be appropriately adjusted for any stock dividends, splits, reverse splits, combinations, recapitalizations and the like occurring after the date hereof. The Company shall cause any successor or assign (whether by merger, consolidation, sale of assets or otherwise) to assume this Agreement with the Investors on terms substantially the same as this Agreement as a condition of any such transaction.

9.2 No Inconsistent Agreements. (a) The Company represents and warrants that it has not granted to any Person, other than pursuant to the Existing Registration Rights Agreement and the Second Rights Agreement, the right to request or require the Company to register any securities issued by the Company, other than the rights granted to the Investors herein.

(b) The Company represents and warrants that the rights granted to Persons pursuant to the Existing Registration Rights Agreement and the Second Rights Agreement are not inconsistent with the rights granted to Persons in this Agreement in any material respect. Further, it is the Company's interpretation that in the event of an exercise by more than one party of a right to a "Demand Registration" under Section 3.1 of any of the Existing Registration Rights Agreement, the Second Rights Agreement or this Agreement, only the party or group that is first in time to exercise such demand will be considered by the Company to have made a "demand registration" under the applicable agreement and all others will be considered by the Company to be exercising incidental or piggy-back registration rights (except as contemplated by Section 3.2 of any such agreement as such section is in effect on the date of the Purchase Agreement). The Company also agrees that its right of priority as between itself and the applicable Investors are governed by Sections 3.5 and 4.1 of this Agreement and not by those sections of the Existing Registration Rights Agreement or the Second Rights Agreement. The Company shall not enter into any agreement or modification, amendment or supplement to any existing agreement that is inconsistent with the rights granted in this Agreement or grant any additional rights to any Person with respect to securities of the Company inconsistent with the rights granted in this Agreement in any material respect. True and correct copies of the Existing Registration Rights Agreement and the Second Rights Agreement as in effect on the date hereof have been provided to Parent. The Company acknowledges and agrees that Parent is relying upon the Existing Registration Rights Agreement and the Second Rights Agreement as in effect on the date of the Purchase Agreement and Parent is aware that the Joan Investors have not yet signed the Second Rights Agreement. The Company agrees that, without the consent of Parent, neither the Existing Registration Rights Agreement nor the Second Rights Agreement will be amended or modified, including in negotiations to finalize the Second Rights Agreement with the Joan Investors in a manner which is adverse to Parent, including without limitation with respect to increasing the number of demand registrations, changing the first date upon which a demand registration may be made and eliminating or reducing holdback arrangements in a manner adverse to an offering by Parent pursuant to the terms hereof.

9.3 Remedies. The Investors, in addition to being entitled to exercise all rights granted by law, including recovery of damages, shall be entitled to specific performance of their rights under this Agreement. The Company agrees that monetary damages would not be adequate compensation for any loss incurred by reason of a breach by it of the provisions of this Agreement and hereby agrees to waive in any action for specific performance the defense that a remedy at law would be adequate.

9.4 Notices. All notices, demands and other communications provided for or permitted hereunder shall be made in writing and shall be made by telecopier, courier service or personal delivery:

(a) if to the Company:

Collins & Aikman Corporation 5755 New King Court Troy, Michigan 48098 Fax: (248) 824-1512 Attn: Thomas E. Evans, CEO Fax: (248) 824-1882 Attn: Ronald T. Lindsay, Esq., General Counsel

with a copy to:

Cahill Gordon & Reindel 80 Pine Street 17th Floor
New York, New York 10005 Fax: (212) 269-5420 Attn: W. Leslie Duffy, Esq.

Jonathan A. Schaffzin, Esq.

(b) if to the Investors:

Textron Inc. 40 Westminster Street Providence, RI 02903 Attention: Terrance O'Donnell Executive Vice President and General Counsel
(401) 457-2555 (telephone)
(401) 457-2418 (facsimile)

with a copy to:

Skadden, Arps, Slate, Meagher & Flom LLP One Boston Street Boston, MA 02108 Attention: Louis A. Goodman, Esq.
(617) 573-4800 (telephone)
(617) 573-4822 (facsimile)

All such notices, demands and other communications shall be deemed to have been duly given when delivered by hand, if personally delivered; when delivered by courier, if delivered by commercial courier service; the next Business Day after being deposited in the mail, postage prepaid, if mailed; and when receipt is mechanically acknowledged, if telecopied. Any party may by notice given in accordance with this Section 9.4 designate another address or Person for receipt of notices hereunder, and the Company shall update its record books accordingly.

9.5 Successors and Assigns; Third Party Beneficiaries. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of the parties hereto as hereinafter provided. All rights under and the benefit of this Agreement, including without limitation the Demand Registration rights contained in Article III hereof, shall be with respect to any Registrable Security that is transferred to an Affiliate of Parent, automatically transferred to such transferee who agrees in writing to be bound hereby. All rights under and benefits of this Agreement, including without limitation each of the two Demand Registration Rights, may be assigned in writing to a transferee to whom Parent and/or its Affiliates transfer Registrable Securities constituting 25% or more of the number of shares of Common Stock (approximately adjusted for stock splits, subdivisions and similar events) originally issued pursuant to the Purchase Agreement, provided such transferee agrees in writing to be bound hereby and such writing specifies the assignment (it being agreed that if there are two such transferees, one of the two Demand Registration Rights may be assigned to each such transferee). Except as set forth in this Section 9.5, Demand Registration rights and related rights are not assignable to any Person. The incidental or "piggy-back" registration rights of the Investors contained in Article IV hereof and the related provisions and benefits, with respect to any Registrable Security, automatically transferred to any Person who is the transferee of such Registrable Security. All of the obligations of the Company hereunder shall survive any such transfer. Any assignment in violation of this Agreement shall be null and void. Except as provided in Article VII, no Person other than the parties hereto and their successors and permitted assigns is intended to be a beneficiary of this Agreement.

9.6 Amendments and Waivers. Except as otherwise provided herein, the provisions of this Agreement may not be amended, modified or supplemented, and waivers or consents to departures from the provisions hereof may not be given, unless consented to in writing by (i) the Company and (ii) a Majority of the Investors; provided, however, that consent need not be obtained from an Investor in the case of any amendment, modification, supplement, waiver or consent that does not affect such Investor. Any such written consent (or amendment, modification, supplement, consent or waiver for which written consent of a party is not required in accordance with this Section 9.6) shall be binding upon the Company and all of the Investors.

9.7 Counterparts. This Agreement may be executed in any number of counterparts and by the parties hereto in separate counterparts, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same agreement.

9.8 Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

9.9 GOVERNING LAW. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO THE PRINCIPLES OF CONFLICTS OF LAW THEREOF.

9.10 Severability. If any one or more of the provisions contained herein, or the application thereof in any circumstance, is held invalid, illegal or unenforceable in any respect for any reason, the validity, legality and enforceability of any such provision in every other respect and of the remaining provisions hereof shall not be in any way impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining provisions hereof.

9.11 Rules of Construction. Unless the context otherwise requires, references to sections or subsections refer to sections or subsections of this Agreement.

9.12 Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. There are no restrictions, promises, representations, warranties or undertakings, other than those set forth or referred to herein. This Agreement supersedes all prior agreements and understandings among the parties with respect to such subject matter.

9.13 Further Assurances. Each of the parties shall, and shall cause their respective Affiliates to, execute such documents and perform such further acts as may be reasonably required or desirable to carry out or to perform the provisions of this Agreement.

9.14 Other Agreements. Nothing contained in this Agreement shall be deemed to be a waiver of, or release from, any obligations any party hereto may have under, or any restrictions on the transfer of Registrable Securities or other securities of the Company imposed by, any other agreement including, but not limited to, the Purchase Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the undersigned have executed, or have caused to be executed, this Agreement on the date first written above.

COLLINS & AIKMAN CORPORATION

By:

Name:

Title:

TEXTRON INC.

By:

Name:

Title:

TEXTRON HOLDCO INC.

By:

Name:

Title:

End of Filing

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