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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK
Case No. 09-13412 (MG)

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In the Matter of:

OLDCO M CORPORATION
(f/k/a/ METALDYNE CORPORATION), et al.,

Debtors.

- - - - -x

U.S. Bankruptcy Court
One Bowling Green
New York, New York

October 27, 2010
11:00 AM

B E F O R E:
HON. MARTIN GLENN
U.S. BANKRUPTCY JUDGE

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HEARING re Application for Final Professional Compensation for
Huron Consulting Services LLC [Docket No. 1567]

HEARING re Second and Final Fee Application of Lazard Freres &
Co. LLC, Debtors Investment Banker for Allowance of
Compensation and for the Reimbursement of Actual and Necessary
Expense Incurred for the Period from May 27, 2009 through
October 16, 2009 [Docket No. 1575]

Transcribed by: Linda Ferrara

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24 BY: ROBERT D. KATZ
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P R O C E E D I N G S

THE COURT: Please be seated. All right, we're here in Oldco M Corporation, number 09-13412.

Mr. Silverschotz?

MR. SILVERSCHOTZ: Good morning, Your Honor. Mark Silverschotz, Reed Smith for the Oldco M Corporation reorganization trust. With me in court today Robert Katz, who is our trustee.

In addition on the agenda today are two carryover fee applications from the prior hearing; those for Huron and Lazard. I believe those are the only two matters on the agenda, although Mr. Katz can give you an update. And Ms. Lawson is on the phone from Wilmington where if the Court has any questions with respect to the claims objections which have been carried to the next omnibus date on November 17, she will be available to address any of the Court's questions.

THE COURT: Okay. Let me just add, Mr. Zipes I see you're here but you're not on the appearance list. So why don't you make your appearance.

MR. ZIPES: Yes, Greg Zipes from the US Trustee's Office.

THE COURT: Okay. Is there anyone else appearing whose name is not on the appearance list?

(No response.)

THE COURT: Okay. Go ahead, Mr. Silverschotz.

1 MR. SILVERSCHOTZ: Your Honor, the US Trustee has
2 consulted with both Lazard and Huron since the last hearing.
3 The only modification of note is that Huron -- and after
4 consulting with Mr. Schwartzberg at the US Trustee's Office has
5 voluntarily agreed to reduce its expense request for 303.29
6 dollars which comports with the US Trustee's calculation of
7 what precise adherence to the local guidelines would produce.
8 And that's an argument that I think no one wanted to get into.
9 And so that's the voluntary reduction.

10 I'm not planning on making a formal presentation. I
11 know Your Honor had -- we had a service issue with respect to
12 the parties the last time. We wanted to make sure that the US
13 Trustee had a second chance to review the expenses on the Huron
14 side. That's what that resulted in on the Lazard side. I know
15 Your Honor had questions for Lazard and we have -- both counsel
16 to Lazard and Lazard's representative here in court today and I
17 would ask Your Honor if I might, if you have any questions for
18 Huron, otherwise I think we would probably move over to the
19 Lazard application.

20 THE COURT: Well let me hear from Mr. Zipes, whether
21 he had any inquiries.

22 MR. ZIPES: Good morning, Your Honor. Greg Zipes from
23 the US Trustee's Office. My office has reviewed the further
24 submissions of Huron and Lazard and we have no further
25 objections, other than what was already stated on the record.

1 Lazard has filed a declaration in support of its final
2 fee application. It sets -- Lazard's arrangement was half hour
3 increments and there is arrangement with my office in the past
4 where the time records were adequate from our perspective but
5 certainly further clarification by the Court is appropriate and
6 necessary at times.

7 THE COURT: Okay. Thank you. All right. With
8 respect to the Huron application, there is one entry in January
9 2010 that -- for three and a half hours which I don't have the
10 precise date of it, where it is a lumped or block-billed entry;
11 perform variance analysis between the original and revised
12 forecast, Alix prepared for Oldco M, review of documents
13 distributed by Reed Smith for weekly committee call and various
14 others, three and a half hours. So what I'm going -- and the
15 total amount for that entry is 1,452.50 dollars.

16 I'm making a 250 dollar reduction which is less than
17 twenty percent from that one entry. Otherwise, Huron's
18 application for fees and expenses, the third interim
19 application and final application for allowance of fees and
20 expenses is approved.

21 MR. SILVERSCHOTZ: Thank you, Your Honor.

22 THE COURT: So you just have to revise the order to
23 deduct 250 dollars.

24 MR. SILVERSCHOTZ: We'll prepare a second order for
25 Huron and Lazard, combine the --

1 THE COURT: That's fine.

2 MR. SILVERSCHOTZ: -- grants there. I do have and
 3 I'll hand up after the hearing, a clean, revised version from
 4 -- for all of the other applications and we went -- we spent
 5 the last month basically going through. We -- I don't want to
 6 see the billing records for the revisions of that order, Your
 7 Honor, but it -- we went through with each case professional
 8 the language and the numbers and everybody including the
 9 trustee is satisfied.

10 THE COURT: Okay. With respect to the Lazard, I have
 11 one question on expenses and it's for an entry of July 19,
 12 2009. The description is Makakenja (ph.) Berlin JFK ORD
 13 business/coach 4,003.83 dollars. So my question is that for a
 14 -- which appears to be a business class ticket which is fine if
 15 Lazard wants to pay for it but not for the Court to pay for it.
 16 Somebody -- only one of you need to speak to it but --

17 MR. WEINTRAUB: Yes, good morning, Your Honor. Phil
 18 Weintraub of Paul, Weiss here on behalf of Lazard. Eric
 19 Mendelsohn from Lazard is here to answer any questions.

20 THE COURT: Okay.

21 MR. WEINTRAUB: I am not familiar with the specific --

22 THE COURT: Mr. Mendelsohn, can you answer the
 23 question about this entry? Probably not but --

24 MR. MENDELSON: My recollection is that Mr. Makakenja
 25 was in Europe and got called back on sort of emergency basis to

1 attend a hearing if I remember right. It is our practice to
2 bill the Court only for coach, irrespective of whether business
3 class is taken. So I would have to double check with my
4 billing office to confirm that we indeed billed coach. But we
5 -- it is our practice to bill the Court or the estate for
6 coach.

7 THE COURT: Because the entry is business/coach. I
8 don't -- I can't decipher and -- business class may have been
9 put -- might have been more expensive than four thousand. I
10 don't know. You'll need to check that.

11 MR. MENDELSON: I apologize, standing here right now
12 I don't know.

13 THE COURT: All right. With that one -- Mr. Zipes, do
14 you have anything on the Lazard application?

15 MR. ZIPES: We don't, except I would just say that
16 perhaps Lazard can check and to the extent that it is coach,
17 that would be reflected in their final fee application.

18 THE COURT: Yes, if it's coach, fine. Then, you know,
19 it will be reflected in the order, if no adjustment's going to
20 be necessary. If it's a business class ticket, just make the
21 adjustments but when you submit the final order, Mr.
22 Silverschotz, I'm going to accept whatever is there as being
23 the accurate figure for it; okay?

24 MR. SILVERSCHOTZ: We'll work out the mechanics of it.

25 THE COURT: Okay. All right. So the Lazard

1 application is likewise approved.

2 So let's have an update.

3 MR. SILVERSCHOTZ: Update.

4 THE COURT: Mr. Katz?

5 MR. SILVERSCHOTZ: Mr. Katz?

6 MR. KATZ: Thank you, Your Honor. Rob Katz, Executive
7 Sounding Board Associates, as distribution trustee for Oldco M.

8 I am happy to report that we sold Farmington Hills.
9 It settled yesterday. The gross price was a million 250,
10 netted down to approximately 1.033 million and the 250 thousand
11 dollar delta consists primarily of back taxes of approximately
12 123 thousand where claims were filed. And the brokerage
13 commissions which was approximately 75 thousand dollars.

14 We have New Castle -- hopefully we have that under a
15 tentative agreement and we hope to close that, you know, in the
16 next week or two. Everything seems to be in order. We'll have
17 some issues, I think settling the tax effect but again the
18 buyer is -- has signed the appropriate paperwork. We're
19 waiting for paperwork from the title.

20 We filed a motion with the Canadian bankruptcy court
21 to wind down the Canadian entity, as well which wasn't under
22 bankruptcy formally here because the only two assets were the
23 cash in the bank of approximately 1.9 million and some -- and a
24 building which has a market value of about 1.7 million but has
25 the remote issue of being in a remote area of Canada and

1 there's an underfunded pension liability of five million
2 dollars. And on the recommendation of Goodman's (ph.) which is
3 our Canadian counsel, and Reed Smith, it was best to go through
4 a formal proceeding in the wind down.

5 We have an intercompany claim which wasn't part of the
6 feasibility analysis which we're hoping to realize in our mind,
7 a couple of hundred thousand dollars on. Preference actions to
8 date, Duane Morris, Larry Kotler, have been pursuing them.
9 We've collected probably around 275 thousand dollars to date.
10 We have until May to, you know, I guess settle and file all of
11 the claims and we're moving proactively with regards to that.

12 Claim reconciliations are going somewhere between okay
13 and well because of the volume and again the additional detail
14 that we're doing, it's taking a little bit longer but again,
15 that seems to be moving along well. The large claims -- the
16 bulk of the large ones are reconciled or being close to that.

17 Termination of domestic pension plans winding down,
18 getting proceeds back to the appropriate parties and
19 individuals. We're in the process of doing that, too and we
20 have -- hope to have formal paperwork completed in the next
21 thirty to forty-five days. All domestic tax returns for the
22 year ended 3/27/10 are due on December 15. We've hired
23 domestically RS (ph.) and McGladrey to file -- to prepare the
24 federal -- all the state and city returns and we expect to file
25 those on time with the appropriate extensions. A couple of the

1 states are due in January but we don't anticipate needing --
2 missing any deadlines.

3 We then, unfortunately, since settlement was on the
4 30th of March, 31st, we then have to file a -- basically a
5 three day stub return which I've tried desperately to get out
6 of and I've been told there's not a chance to do that. So
7 we're winding that down again timely.

8 And we're also winding -- there are some foreign
9 entities in Barbados, Netherlands, and points out there which
10 again there are no assets, so we're going through the paperwork
11 and there's a cost, you know, probably between the Barbados,
12 the Netherlands, there's one in South America, that will
13 probably cause the estate thirty to fifty thousand and again,
14 I've been advised since part of the order is to wind it down
15 regardless of whether assets were going through that.

16 And the one thing, too which we'll file a motion for
17 the next hearing is the approximate cash in the bank is
18 approximately fourteen million dollars and because of the --
19 where it needs to be invested under the order, we're getting
20 like zero return. So what I've been told is if we can go to --
21 I think the cutoff, I want to say is like 500 billion dollars
22 of equity, if we can drop down to something less but it's
23 federally insured, and we have to be at three month or shorter
24 increments, if we can go out to six months, we can probably get
25 a half a point which, you know, could be a lot of money. So

1 we'll lay that out -- sorry -- more formally for the Court to
 2 consider.

3 THE COURT: Right. Talk to the US Trustee's Office
 4 first.

5 MR. KATZ: Okay. And we'll do that. We -- it's not
 6 -- you know, it's not an option of the oversight committee, so
 7 we'll clearly talk to the US Trustee's Office first about where
 8 and the parameters for that. And I think that's the update.

9 THE COURT: Okay.

10 MR. KATZ: We also -- one other thing, too. We've had
 11 a meeting last week with representative of MDI investors from
 12 Carlisle and Solaris just to again bring them up. We spent
 13 about an hour and a half going over the cash flow, the
 14 feasibility, where things are at their request, just so they're
 15 updated, as well.

16 THE COURT: Thank you very much, Mr. Katz.

17 MR. KATZ: You're welcome.

18 THE COURT: Mr. Silverschotz?

19 MR. SILVERSCHOTZ: Your Honor, that is pretty much it.
 20 I noticed that Mr. Katz, referring to preference claims
 21 mentioned the amount of cash in the door thus far. That's
 22 entirely as a result of demand letters and discussions. We
 23 haven't --

24 THE COURT: You haven't file any?

25 MR. SILVERSCHOTZ: We haven't filed any and our

1 intention is to avoid burdening the Court and also burdening
2 the estate with filing fees for causes of action that are not
3 viable and we're fortunate, I think, that the case went through
4 as quickly as it has and Mr. Katz and Mr. Kotler at Duane
5 Morris have been as aggressive as they have been in doing the
6 evaluation and the analysis and moving forward, so that by the
7 time we're within arms' length of the expiring of the statute
8 of limitations, we'll be well in hand and ready to file only
9 those actions which are appropriate.

10 Other than that, Your Honor, I have the disk and a
11 hard copy.

12 THE COURT: And with -- what's the status of the
13 claims objections that have gotten pushed forward. They're on
14 for -- I don't remember what the date is.

15 MR. SILVERSCHOTZ: Many of them, we are, as Your Honor
16 would hope, close to resolution and the idea always is to the
17 extent that we think we can secure a resolution, we'll kick it
18 for thirty days and see if that can bear fruit.

19 There are other actions in which we have separate
20 scheduling orders and we extracted those matters from the
21 agenda if there was an independent basis for informing the
22 Court of where things stood.

23 THE COURT: Right.

24 MR. SILVERSCHOTZ: So that's how that works out. I
25 have nothing else, Your Honor.

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THE COURT: Does anybody else want to be heard?

(No response.)

THE COURT: All right. We're adjourned. Thank you
very much.

MR. SILVERSCHOTZ: Thank you, Your Honor.

(Whereupon these proceedings were concluded at 11:17 a.m.)

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I N D E X

R U L I N G S

DESCRIPTION	PAGE	LINE
Application for Final Professional Compensation for Huron Consulting Services LLC, approved.	7	17
Third and Final Fee Application of Lazard Freres & Co. LLC, Debtors Investment Banker for Allowance of Compensation and for the Reimbursement of Actual and Necessary Expense, approved.	9	25

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C E R T I F I C A T I O N

I, Linda Ferrara, certify that the foregoing transcript is a true and accurate record of the proceedings.

Linda Ferrara

Digitally signed by Linda Ferrara
DN: cn=Linda Ferrara, c=US, o=Veritext
Reason: I am the author of this document
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Date: October 28, 2010