

Objection Deadline: August 18, 2011 at 4:00 p.m. (ET)
Hearing Date: August 25, 2011 at 10:00 a.m. (ET)

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Counsel to the Oldco M Distribution Trust

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re : Chapter 11
Oldco M Corporation :
(f/k/a Metaldyne Corporation), *et al.*, : Case No. 09-13412 (MG)
Debtors. : (Jointly Administered)
-----X

**NOTICE OF HEARING ON OMNIBUS OBJECTION OF OLDSCO M DISTRIBUTION
TRUST SEEKING TO DISALLOW, REDUCE, LIQUIDATE, EXPUNGE AND
RECLASSIFY CERTAIN CLAIMS (OMNIBUS OBJECTION NO. 27)**

**TO THE CLAIMANTS IDENTIFIED ON THE ATTACHED EXHIBITS AND SUBJECT
TO THE ATTACHED OBJECTION:**

PLEASE TAKE NOTICE OF THE FOLLOWING:

1. The Oldco M Distribution Trust (the “Trust”), as successor to Oldco M Corporation (f/k/a Metaldyne Corporation), has filed an objection (the “Objection”) to the claim you filed against the bankruptcy estate of Oldco M Corporation or one or more of its 30 domestic direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”). That Objection is appended to this Notice and is titled “Omnibus Objection of Oldco M Distribution Trust Seeking to Disallow, Reduce, Liquidate, Expunge and Reclassify Certain Claims (Omnibus Objection No. 27).”
2. Your claim may be disallowed and/or otherwise affected as a result of the Objection. Therefore, you should read this Notice and the attached Objection carefully. Moreover, you should locate your name and claim on Exhibits 1 through 5 attached to the Objection.
3. On **August 25, 2011 at 10:00 a.m., prevailing Eastern Time**, a hearing (the “Hearing”) on the Objection will be held before the Honorable Martin Glenn, United States Bankruptcy Judge, in Courtroom 501 at the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004-1408.
4. If you disagree with the Objection, you or your attorney **must**: (a) file a written response (a “Response”) to the Objection with the Clerk of the United States Bankruptcy Court for the Southern District of New York, Alexander Hamilton Custom House, One Bowling Green, New York, New York 10004-1408 **no later than August 18, 2011 at 4:00 p.m., prevailing Eastern Time**; and (b) serve copies of your response so as to be **actually received** no later than **August 18, 2010 at 4:00 p.m., prevailing Eastern Time**, by the following parties: (i) Oldco M Distribution Trust, c/o Executive Sounding Board Associates, Inc., 2 Penn Center, 1500 JFK Blvd., Suite 1730, Philadelphia, Pennsylvania 19102 (Attn: Robert D. Katz); (ii) Reed Smith LLP, 599 Lexington Ave., New York, New York 10022 (Attn: Mark D. Silverschotz, Esq.); (iii) Reed Smith LLP, 1201 Market Street, Suite 1500, Wilmington, Delaware 19801 (Attn: Kimberly E. C. Lawson, Esq.); and (iv) the parties on the Special Service List in these cases, established under the Administrative Order, Pursuant to Bankruptcy Rule 1015(c), Establishing Case Management and Scheduling Procedures in these cases (Docket No. 133) (as it may be amended, the “Case Management Order”).
5. Any Response should contain the following:
 - ◆ The approved case caption (including the hearing date in the upper right-hand corner) and the title of the Objection to which the Response is directed;
 - ◆ The name of the claimant and description of the bases for the amount and priority of the underlying claim;
 - ◆ A concise statement setting forth the reasons why the Court should not sustain the Objection, including, but not limited to, the specific factual and legal bases upon which the Claimant will rely in opposing the Objection;

- ◆ A copy of any documentation or other evidence of the claim upon which the claimant will rely in opposing the Objection at the Hearing, potentially including a declaration of a person with personal knowledge, to the extent that such documentation or evidence is not included with the claimant's proof of claim; and
 - ◆ The name(s), address(es), telephone number(s), facsimile number(s) and e-mail address(es) of the person(s) (who may be the claimant and/or the claimant's legal representative) to whom the Trust's attorneys should serve any reply to the Response.
6. To facilitate a resolution of the Objection, you are encouraged to provide in your Response the name(s), address(es), telephone number(s), facsimile number(s) and e-mail address(es) of the person(s) who possess the authority to reconcile, settle or otherwise resolve the Objection on your behalf.
 7. If you or your designated attorney or representative do not timely file and serve the Response in accordance with the above-referenced procedures, the Court may enter an order granting the relief requested in the Objection. If you or your designated representative or attorney do file a Response and the matter is not otherwise resolved or adjourned, it will be presented to the Court at the Hearing. Only those Responses made in accordance with the above-referenced requirements and timely filed and received by the Court and the Debtors' attorneys will be considered by the Court at the Hearing. **If you fail to respond in accordance with this Notice, the Court may grant the relief requested in the Objection without further notice or hearing.**
 8. Additional copies of the Objection and copies of the Case Management Order and the Special Service List may be obtained from the Court's website at <http://ecf.nysb.uscourts.gov> or, free of charge, at www.bmcgroup.com/metaldyne.

Dated: July 26, 2011
New York, New York

Respectfully submitted,

/s/ Mark D. Silverschotz

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**UNITED STATES BANKRUPTCY COURT
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In re : Chapter 11
Oldco M Corporation :
(f/k/a Metaldyne Corporation), *et al.*, : Case No. 09-13412 (MG)
Debtors. : (Jointly Administered)
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**OMNIBUS OBJECTION OF OLDSCO M DISTRIBUTION TRUST
SEEKING TO DISALLOW, REDUCE, LIQUIDATE, EXPUNGE
AND RECLASSIFY CERTAIN CLAIMS (OMNIBUS OBJECTION NO. 27)**

**CLAIMANTS RECEIVING THIS OBJECTION SHOULD
LOCATE THEIR NAME AND CLAIM(S) ON THE ATTACHED EXHIBITS.**

TO THE HONORABLE MARTIN GLENN
UNITED STATES BANKRUPTCY JUDGE:

The Oldco M Distribution Trust (the “Trust”) respectfully represents as follows:

Background

1. On May 27, 2009 (the “Petition Date”), Oldco M Corporation (f/k/a Metaldyne Corporation) and 30 of its domestic direct and indirect subsidiaries, as debtors and debtors in possession (collectively, the “Debtors”), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”). By an order entered on May 29, 2009, the Debtors’ chapter 11 cases were consolidated for procedural purposes and thereafter were jointly administered (Docket No. 65).

2. Oldco M Corporation was a wholly-owned subsidiary of Metaldyne Holdings LLC (“Metaldyne Holdings”), which, in turn, was a wholly-owned subsidiary of Asahi Tec Corporation (“Asahi Tee”), a Japanese corporation. Oldco M Corporation was the direct or indirect parent of each of the other Debtors and each of the Debtors’ non-debtor subsidiaries (collectively, the “Oldco M Companies”). As of the Petition Date, the Oldco M Companies were leading global manufacturers of highly engineered metal components for the global light vehicle market and among the 50 largest auto parts suppliers in North America.

3. Shortly after the Petition Date, the Debtors filed motions (Docket Nos. 214 and 323) to sell a majority of their assets and to establish an auction process or processes and bid procedures to consummate these sales, and also began the process of marketing their other business units for sale. On August 5, 2009 and August 6, 2009, the Debtors held an auction, pursuant to which MD Investors Corporation (“MD Investors”) presented a bid for the assets, which included a cash component, a credit bid component and other consideration. On August 12, 2009, the Court entered an Order (Docket No. 674) (the “Sale Order”) authorizing the sale to MD Investors of substantially all of the Debtors’ assets free and clear of all liens, claims,

interests and encumbrances (the “MD Investors Transaction”). The MD Investors Transaction closed on October 16, 2009.

4. On January 11, 2010, the Debtors filed their Second Amended Joint Plan of Liquidation of Debtors and Debtors in Possession (Docket No. 1180) (the “Plan”) and the related Disclosure Statement. On February 23, 2010, the Court entered an Order confirming the Plan and substantively consolidating these bankruptcy cases (Docket No. 1384), and on March 30, 2010, the Plan became effective (the “Effective Date”). As of the Effective Date, the Debtors were dissolved and the Oldco M Distribution Trust was created in order to liquidate the Debtors’ remaining assets (including any claims and causes of action possessed by the Debtors), litigate and resolve claims filed against the Debtors’ estates, make distributions to creditors and take other actions permitted by Section III.C of the Plan.

Background Regarding the Claims Process

5. On July 7, 2009, the Debtors filed their respective schedules of assets and liabilities and statements of financial affairs (Docket Nos. 361-391) (collectively, the “Schedules”). By an Order entered on July 7, 2009 (Docket No. 394) (the “Bar Date Order”), the Court established August 14, 2009 as the general bar date applicable for most creditor for the filing of proofs of claim asserting prepetition liabilities against the Debtors (the “General Bar Date”). The Bar Date Order, among other things, also established bar dates for: (a) the filing of proofs of claim in response to any amendments to the Schedules; (b) claims for damages arising from the rejection of executory contracts and unexpired leases; and (c) a bar date for governmental units (collectively with the General Bar Date, the “Bar Dates”).

6. After the entry of the Bar Date Order, the Debtors provided notice of the Bar Dates to all known creditors and potential creditors in accordance with the requirements of the Bar Date Order. Over 3,600 proofs of claim have been filed in these cases to date.

Approximately 1,000 additional claims were deemed filed pursuant to section 1111(a) of the Bankruptcy Code due to their identification in the Schedules.

7. On October 9, 2010, the Debtors filed the Motion of the Debtors and Debtors in Possession for an Order, Pursuant to Section 105(a) of the Bankruptcy Code and Bankruptcy Rule 3007, Authorizing the Filing of Omnibus Objections (the “Rule 3007 Motion”) (Docket No. 850). On October 30, 2009, the Court entered an Order granting the Rule 3007 Motion (the “Rule 3007 Order”) (Docket No. 930). Pursuant to the Rule 3007 Order, the Court authorized the filing of omnibus objections seeking to reduce, reclassify and/or disallow claims on the additional grounds set forth in the Rule 3007 Motion that are not enumerated in Bankruptcy Rule 3007(d). These additional grounds include, without limitation,: (a) claims asserted in an amount that contradicts the Debtors’ books and records; and (b) claims incorrectly classified as administrative, secured or priority claim.

Jurisdiction

8. This Court has subject matter jurisdiction to consider this matter pursuant to 28 U.S.C. § 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

Requested Relief

9. Pursuant to sections 105 and 502 of the Bankruptcy Code and Rule 3007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Trust hereby seeks the entry of an order disallowing, reducing, liquidating, expunging or reclassifying each of the claims identified on the attached Exhibits 1 through 5¹ for the reasons set forth below.

¹ Nothing in the Exhibits should be construed as an admission of the validity or priority of any claim included thereon.

Specifically, the Trust seeks the entry of an order: (a) reducing or liquidating each of the claims identified on Exhibit 1 attached hereto (collectively, the “Overstated Claims”) because the Overstated Claims assert liabilities in excess of the amounts actually owed by the Debtors; (b) disallowing claims on Exhibit 2 attached hereto (collectively, the “No Liability Claims”) because they are not valid liabilities of the Debtors; (c) reclassifying each of the claims identified on Exhibit 3 attached hereto (collectively, the “Improperly Classified Claims”) because the Improperly Classified Claims improperly assert that the underlying liabilities are entitled, in whole or in part, to priority or are secured under the Bankruptcy Code; (d) reclassifying and also reducing each of the claims identified on Exhibit 4 attached hereto (collectively, the “Improperly Classified and Overstated Claims”) because the Improperly Classified and Overstated Claims improperly assert that the underlying liabilities are entitled, in whole or in part, to priority or are secured under the Bankruptcy Code and to the extent that they assert liabilities in excess of the amounts actually owed by the Debtors; and (e) reclassifying and also disallowing claims on Exhibit 5 attached hereto (collectively, the “Improperly Classified and No Liability Claims”) because the Improperly Classified and No Liability Claims improperly assert that the underlying liabilities are entitled, in whole or in part, to priority or are secured under the Bankruptcy Code and they are not valid liabilities of the Debtors.

10. The Trust reserves any and all rights to file additional, or further objections to the claims that are the subject of the Objection. In support of this Objection, the Trust submits the Declaration of William MacDonald in Support of Omnibus Objection of Oldco M Distribution Trust Seeking to Disallow, Reduce, Liquidate, Expunge and Reclassify Certain Claims (Omnibus Objection No. 27) (the “MacDonald Declaration”) attached hereto as Exhibit 6 and incorporated herein by reference.

Request to Disallow, Reduce, Liquidate, Expunge or Reclassify the Claims

11. This Objection seeks to disallow, reduce, liquidate, expunge or reclassify the Claims on the following grounds: (a) classification objections that seek, in whole or in part, to reclassify the asserted statutory priority and secured status of a Claim for any reason, including (i) the claimant's failure to provide appropriate documentation in support of the proposed classification or (ii) the failure to meet the necessary legal or factual standards for allowance of the claim with the asserted statutory priority or security; and (b) books and records objections that seek to reduce or disallow claims to reconcile differences between the asserted Claims and the Debtors' books and records for any reason, including that: (i) the Claim is asserted in an improper amount based on arithmetical errors or other errors; (ii) the amount of the Claim conflicts with the supporting documentation; (iii) the Claim otherwise includes amounts that are not liabilities of the Debtors; or (iv) the claim otherwise includes amounts that are not liabilities of the Debtors because such amounts are different than what is shown on the Debtors' books and records.

12. Pursuant to Section 101 of the Bankruptcy Code, a creditor holds a claim against a bankruptcy estate only to the extent that it has a "right to payment" for the asserted liability. See 11 U.S.C. §§ 101(5), 101(10).

13. Section 502(a) of the Bankruptcy Code provides that "[a] claim or interest, proof of which is filed under section 501 of this title, is deemed allowed, unless a party in interest . . . objects." The burden of proof on determining the validity of claims therefore rests on different parties depending on whether an objection has been filed. Initially, the claimant must allege facts sufficient to support the claim. If the claim meets the standards of sufficiency in Bankruptcy Rule 3001(f), it is prima facie valid. To establish a prima facie valid claim, the

claimant is required to attach documentation supporting the claim. Bankruptcy Rule 3001(c). “Failure to attach the documentation required by Rule 3001 will result in the loss of the *prima facie* validity of the claim.” See In re Kerman J. Minbatiwalla, 424 B.R. 104, 112 (Bankr. S.D.N.Y. 2010) (citing In re Lundberg, No. 02-34542 (LMW), 2008 WL 4829846, at *2 (Bankr.D.Conn.2008)). The burden then shifts to the objector to produce evidence sufficient to negate the prima facie validity of the claim. See In re Minbatiwalla, 424 B.R. at 111. Once the prima facie claim is rebutted, “it is for the claimant to prove his claim, not for the objector to disprove it.” In re Kahn, 114 B.R. 40, 44 (Bankr. S.D.N.Y. 1990) (citations omitted).

A. *The Overstated Claims*

14. The Trust has reviewed the Overstated Claims and determined that each of the Overstated Claims either (a) asserts a liability in excess of the amount currently reflected in the Debtors’ books and records with respect to the underlying obligation, (b) the Overstated Claim is asserted in an improper amount based on arithmetical errors or other errors; (c) the amount of the Overstated Claim conflicts with the supporting documentation; or (d) the Claim otherwise includes amounts that are not liabilities of the Debtors.

15. As a result, the amounts asserted in the Overstated Claims, as identified under the column entitled “Reclassified Amount*/Claim Class**” on Exhibit 1 (collectively, the “Claim Amounts”), either (a) assert a liability in excess of the amount currently reflected in the Debtors’ books and records with respect to the underlying obligation, (b) assert an improper amount based on arithmetical errors or other errors; (c) the amount conflicts with the supporting documentation; or (d) otherwise includes amounts that are not liabilities of the Debtors.

16. Based upon the Trust’s review of the Debtors’ books and records, the Trust has determined that the Overstated Amount of each Overstated Claim is improperly

asserted for one or more of the following reasons: (a) the Overstated Amount has been included in the Overstated Claim in error due to a miscalculation, and the Trust is unable to ascertain the valid liability associated with the Overstated Amount; (b) the Overstated Amount represents an alleged obligation that is not a valid liability of the Debtors or their estates or otherwise that is due and owing; (c) the Overstated Claim does not liquidate or identify a fixed amount for such claim in a manner consistent with the Debtors' books and records or analysis of such claim; or (d) the amount set forth in the Overstated Claim is inconsistent with the documentation attached to the Overstated Claim.

17. Accretive Solutions-Detroit, Inc. ("Accretive"), which has been retained in these cases to assist with, among other things, the claims administration process, reviewed the Overstated Claims listed on Exhibit 1 attached hereto and determined that each of the Overstated Claims either (a) asserts a liability in excess of the amount currently reflected in the Debtors' books and records with respect to the underlying obligation; (b) asserts an alleged obligation that is not a valid liability of the Debtors or their estates or otherwise that is due and owing; (c) is inconsistent with the documentation attached to the Overstated Claim; or (d) the amount is overstated due to a mathematical or clerical error.

18. Accretive obtained a complete Excel report of all open invoices in the Debtors' accounts payable system (the "AP Ledger") and reviewed each of the Overstated Claims and compared it to the AP Ledger. Accretive investigated and obtained information from the Debtors' books and records regarding the amount of each of the Overstated Claims. In addition, if invoices attached to a Claim could not be located in the AP Ledger, Accretive requested that MD Investor conduct a further investigation. Such investigation involved manually searching the accounts payable system by invoice number and/or claimant name. If

the invoices could not be found in the accounts payable system, a search was conducted of all invoices that were processed by the accounts payable department. The invoices were searched by supplier code, invoice number, invoice date, purchase order number and dollar amount either separately or in combination. If this search did not result in the location of any information on an invoice, Accretive called the claimant to obtain any relevant documentation, including copies of the purchase orders, invoices and proof of shipment. In addition, on December 27, 2010, Accretive sent letters to each of the claimants requesting information and documentation regarding the Overstated Claim. As of July 25, 2011, no responses were received by Accretive.

19. Accordingly, the Trust has determined that the Claim Amount for each applicable Overstated Claim should be reduced to the applicable amount identified in the row entitled “Reclassified Amount*/Claim Class**” on Exhibit 1 (collectively, the “Adjusted Amount”).

20. Because the Trust has determined that the Claimants holding Overstated Claims have no right to payment as to any amounts that exceed the Adjusted Amounts, the Overstated Claims should be reduced, liquidated or otherwise adjusted accordingly. If the Overstated Claims are not adjusted as requested herein, each of the Claimants holding an Overstated Claim may receive a disproportionately large distribution in these cases in contravention of the provisions and policies of the Bankruptcy Code and to the direct detriment of the Debtors’ estate and creditors.

B. The No Liability Claims

21. The Trust has reviewed the No Liability Claims filed by the Claimants identified on Exhibit 2 and has determined that the No Liability Claims are not valid liabilities of the Debtors or their estates.

22. Specifically, the Trust has determined that each of the No Liability Claims asserts a liability that is not a valid liability of the Debtors or their estates or otherwise is not due and owing.

23. Pursuant to Section 101 of the Bankruptcy Code, a creditor holds a claim against a bankruptcy estate only to the extent that it has a “right to payment” for the asserted liability. See 11 U.S.C. §§ 101(5), 101(10). Because the Trust has determined that the Claimants have no right to payment on account of the No Liability Claims, the No Liability Claims should be disallowed and expunged either in whole or in part as set forth on Exhibit 2.

24. On December 27, 2010, Accretive sent letters to each of the claimants requesting information and documentation regarding the Overstated Claim. As of July 25, 2011, no responses were received by Accretive.

25. If the No Liability Claims are not adjusted as requested herein, each of the Claimants holding a No Liability Claim may receive a disproportionately large distribution in these cases in contravention of the provisions and policies of the Bankruptcy Code and to the direct detriment of the Debtors’ estate and creditors.

C. The Improperly Classified Claims

26. Accretive and the Trust have reviewed the Improperly Classified Claims listed on Exhibit 3 attached hereto and determined that each of the Improperly Classified Claims improperly asserts that some or all of the underlying liabilities are entitled to one or more of: (a) priority pursuant to Section 507 of the Bankruptcy Code; or (b) a security interest under applicable law.

27. Accretive reviewed each of the Improperly Classified Claims and compared it to the AP Ledger. Accretive investigated and obtained information from the

Debtors' books and records. In addition, if invoices or other documentation supporting the priority or security asserted attached to a Claim could not be located in the AP Ledger, Accretive requested that MD Investor conduct a further investigation. Such investigation involved manually searching the accounts payable system by invoice number and/or claimant name. If the invoices could not be found in the accounts payable system, a search was conducted of all invoices that were processed by the accounts payable department. The invoices were searched by supplier code, invoice number, invoice date, purchase order number and dollar amount either separately or in combination. If this search did not result in the location of any information on an invoice, Accretive called the claimant to obtain any relevant documentation, including proof of a security interest, copies of the purchase orders, invoices and proof of shipment. In addition, on December 27, 2011, Accretive sent letters to each of the claimants requesting information and documentation regarding the Improperly Classified Claim. As of July 26, 2011, Accretive received several responses, which are set forth in the MacDonald Declaration.

28. Based upon the Trust's review of the Debtors' books and records and its analysis of the underlying liabilities, the Trust has determined that the Improperly Classified Claims improperly assert such priority or security interest (either or both, an "Improper Classification") because the underlying liabilities do not meet the criteria for such status under the applicable provisions of the Bankruptcy Code and/or applicable bankruptcy and non-bankruptcy law.

29. In addition, certain claimants failed to attach any documentation to the Improperly Classified Claim and also failed to provide documentation upon both oral and written requests.

30. Accordingly, the Trust seeks to reclassify the Improperly Classified Claims, in whole or in part, to their proper classification, as set forth in the column entitled “Reclassification Amount*/Claim Class**” on Exhibit 3.

31. The Trust seeks to reclassify the Improperly Classified Claims to ensure that the Claimants holding such claims do not receive a disproportionately large distribution on account of the asserted liabilities. Without the relief requested herein, (a) the Improperly Classified Claims will be entitled to greater distributions relative to other claims in these cases and (b) such distributions will diminish the available assets to the direct detriment of the Debtors’ estates and creditors. Accordingly, the Trust request that the Improper Classifications of the Improperly Classified Claims be corrected and reclassified as indicated in Exhibit 3.

D. The Improperly Classified and Overstated Claims

32. The Trust has reviewed the Improperly Classified and Overstated Claims and determined that each of the Improperly Classified and Overstated Claims improperly asserts that the underlying liabilities are entitled, in whole or in part, to priority under the Bankruptcy Code or are secured under applicable law and assert liabilities in excess of the amounts actually owed by the Debtors.

33. Based upon the Trust’s review of the Debtors’ books and records and its analysis of the underlying liabilities, the Trust has determined that the Improperly Classified and Overstated Claims improperly assert such priority or security interest because the underlying liabilities do not meet the criteria for such status under the applicable provisions of the Bankruptcy Code and/or applicable bankruptcy and non-bankruptcy law. In addition, certain claimants failed to attach any documentation to the Improperly Classified and Overstated Claim and also failed to provide documentation upon both oral and written requests.

34. In addition, the Claim Amount asserted in the Improperly Classified and Overstated Claims, as identified under the column entitled “Reclassified Amount*/Claim Class**” on Exhibit 4, either (a) assert a liability in excess of the amount currently reflected in the Debtors’ books and records with respect to the underlying obligation, (b) assert an improper amount based on arithmetical errors or other errors; (c) the amount conflicts with the supporting documentation; or (d) otherwise includes amounts that are not liabilities of the Debtors.

35. Based upon the Trust’s review of the Debtors’ books and records, the Trust has determined that the Overstated Amount of each Improperly Classified and Overstated Claim is improperly asserted for one or more of the following reasons: (a) the Overstated Amount has been included in the Improperly Classified and Overstated Claim in error due to a miscalculation, and the Trust is unable to ascertain the valid liability associated with the Overstated Amount; (b) the Overstated Amount represents an alleged obligation that is not a valid liability of the Debtors or their estates or otherwise that is due and owing; (c) the Improperly Classified and Overstated Claim does not liquidate or identify a fixed amount for such claim in a manner consistent with the Debtors’ books and records or analysis of such claim; or (d) the amount set forth in the Improperly Classified and Overstated Claim is inconsistent with the documentation attached to the Improperly Classified and Overstated Claim.

36. Accretive reviewed the Improperly Classified and Overstated Claims listed on Exhibit 4 attached hereto and determined that each of the Improperly Classified and Overstated Claims either (a) asserts a liability in excess of the amount currently reflected in the Debtors’ books and records with respect to the underlying obligation; (b) asserts an alleged obligation that is not a valid liability of the Debtors or their estates or otherwise that is due and

owing; (c) is inconsistent with the documentation attached to the Improperly Classified and Overstated Claim; or (d) the amount is overstated due to a mathematical or clerical error.

37. Accretive obtained a complete Excel report of all open invoices in the Debtors' AP Ledger and reviewed each of the Improperly Classified and Overstated Claims and compared it to the AP Ledger. Accretive investigated and obtained information from the Debtors' books and records regarding the amount of each of the Improperly Classified and Overstated Claims. In addition, if invoices attached to a Claim could not be located in the AP Ledger, Accretive requested that MD Investor conduct a further investigation. Such investigation involved manually searching the accounts payable system by invoice number and/or claimant name. If the invoices could not be found in the accounts payable system, a search was conducted of all invoices that were processed by the accounts payable department. The invoices were searched by supplier code, invoice number, invoice date, purchase order number and dollar amount either separately or in combination. If this search did not result in the location of any information on an invoice, Accretive called the claimant to obtain any relevant documentation, including copies of the purchase orders, invoices and proof of shipment. In addition, on December 27, 2010, Accretive sent letters to each of the claimants requesting information and documentation regarding the Improperly Classified and Overstated Claim. As of July 26, 2011, Accretive received several responses, which are set forth in the MacDonald Declaration.

38. Accordingly, the Trust seeks to reclassify the Improperly Classified and Overstated Claims, in whole or in part, to their proper classification as set forth in the column entitled "Reclassified Amount*/Claim Class**" on Exhibit 4. In addition, the Trust has determined that the Claim Amount for each Improperly Classified and Overstated Claim should

be reduced to the Adjusted Amount identified in the row entitled “Reclassified Amount*/Claim Class**” on Exhibit 4.

39. Because the Trust has determined that the Claimants holding Improperly Classified and Overstated Claims have no right to payment as to any amounts that exceed the Adjusted Amounts, the Improperly Classified and Overstated Claims should be reduced, liquidated or otherwise adjusted accordingly. Also, the Trust seeks to reclassify the Improperly Classified and Overstated Claims, in whole or in part, to their proper classification, as set forth in the column entitled “Reclassification Amount*/Claim Class**” on Exhibit 4.

40. If the Improperly Classified and Overstated Claims are not adjusted as requested herein, each of the Claimants holding an Improperly Classified and Overstated Claim may receive a disproportionately large distribution in these cases in contravention of the provisions and policies of the Bankruptcy Code and to the direct detriment of the Debtors’ estate and creditors. Accordingly, the Trust request that the Improperly Classified and Overstated Claims be corrected and reclassified and reduced as indicated in Exhibit 4.

E. The Improperly Classified and No Liability Claims

41. The Trust has reviewed the Improperly Classified and No Liability Claims and determined that each of the Improperly Classified and No Liability Claims improperly asserts that the underlying liabilities are entitled, in whole or in part, to priority under the Bankruptcy Code or are secured under applicable law and assert liabilities in excess of the amounts actually owed by the Debtors. In addition, the Trust has reviewed the Improperly Classified and No Liability Claims filed by the Claimants identified on Exhibit 5 and has determined that the Improperly Classified and No Liability Claims are not valid liabilities of the Debtors or their estates.

42. Based upon the Trust's review of the Debtors' books and records and its analysis of the underlying liabilities, the Trust has determined that the Improperly Classified and No Liability Claims improperly assert such priority or security interest because the underlying liabilities do not meet the criteria for such status under the applicable provisions of the Bankruptcy Code and/or applicable bankruptcy and non-bankruptcy law. In addition, certain claimants failed to attach any documentation to the Improperly Classified and No Liability Claim and also failed to provide documentation upon both oral and written requests.

43. Pursuant to Section 101 of the Bankruptcy Code, a creditor holds a claim against a bankruptcy estate only to the extent that it has a "right to payment" for the asserted liability. See 11 U.S.C. §§ 101(5), 101(10). Because the Trust has determined that the Claimants have no right to payment on account of the Improperly Classified and No Liability Claims, the Improperly Classified and No Liability Claims should be disallowed and expunged either in whole or in part as set forth on Exhibit 5.

44. The Trust seeks to reclassify the Improperly Classified and Overstated Claims, in whole or in part, to their proper classification, as set forth in the column entitled "Reclassification Amount*/Claim Class**" on Exhibit 5 and reduce or disallow and expunge the Improperly Classified and Overstated Claims as set forth in Exhibit 5. Because the Trust has determined that the Claimants holding Improperly Classified and No Liability Claims have no right to payment on account of the Improperly Classified and Overstated Claims, the Improperly Classified and No Liability Claims should be disallowed.

45. If the Improperly Classified and No Liability Claims are not adjusted as requested herein, each of the Claimants holding an Improperly Classified and No Liability Claim may receive a disproportionately large distribution in these cases in contravention of the

provisions and policies of the Bankruptcy Code and to the direct detriment of the Debtors' estate and creditors.

Separate Contested Matters Pursuant to Fed.R.Bankr.P. 9014

46. Each of the Claims and the objections by the Trust thereto as asserted in this Objection constitutes a separate contested matter as contemplated by Fed.R.Bankr.P. 9014. Accordingly, the Trust requests that any order entered by the Court with respect to an objection asserted in this Objection shall be deemed a separate order with respect to each Claim.

Reservation of Rights

47. The Trust expressly reserve the right to amend, modify, or supplement this Objection and to file additional, or further objections to any proofs of claims filed in these cases, including, without limitation, objections as to the amounts asserted therein, or any other claims (filed or not) against the Debtors, regardless of whether such claims are subject to this Objection. Should one or more of the grounds of objection stated in this Objection be dismissed, the Trust reserve its rights to object on other stated grounds or on any other grounds that it discovers during the pendency of these cases. In addition, the Trust reserves the right to seek further reduction of any claim to the extent such claim has been paid. In addition, the Trust reserves the right to file counterclaims against the holders of any such claims.

Notice

48. Pursuant to the Administrative Order, Pursuant to Rule 1015(c) of the Federal Rules of Bankruptcy Procedure, Establishing Case Management and Scheduling Procedures (the "Case Management Order") (Docket No. 133), entered on June 5, 2009, notice of this Objection has been given to the parties identified on the Special Service List, the General Service List (as such terms are defined in the Case Management Order) and the Claimants on the

attached Exhibits 1 through 5. The Trust submits that no other or further notice need be provided under the circumstances.

No Prior Request

49. No prior request for the relief sought in this Objection has been made to this or any other court in connection with these chapter 11 cases.

WHEREFORE, the Trust respectfully requests that the Court (a) enter an order, substantially in the form attached hereto as Exhibit 7, disallowing, reducing, liquidating, expunging or reclassifying the Claims; and (b) grant such other and further relief as the Court may deem proper.

Dated: July 26, 2011
New York, New York

Respectfully submitted,

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