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Hearing Date: October 11, 2011
Time: 3:00 p.m. ET

Opposition Date: October 4, 2011 at 4:00 p.m. ET

Counsel for the individual trustees Gary Conley, Richard Davis, Douglas Guerdat, and Nora Quinn and the Proposed Auto Retiree VEBA Trust (Ohio, Michigan, and Wisconsin)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

DECLARATION OF DEAN GLOSTER IN SUPPORT OF MOTION FOR ORDER ESTABLISHING A VOLUNTARY EMPLOYEE BENEFIT ASSOCIATION TO OFFER RETIREE GROUP BENEFITS ELIGIBLE FOR THE HCTC

I, Dean M. Gloster, hereby declare:

1. I am a partner at the law firm of Farella Braun + Martel LLP, and I represent the individual trustees Gary Conley, Richard Davis, Douglas Guerdat, and Nora Quinn and the Proposed Auto Retiree VEBA Trust (Ohio, Michigan, and Wisconsin.) Except as otherwise specifically stated below, I have personal knowledge of the facts set forth herein and, if called as a witness, I would testify thereto.

2. My practice includes extensive representation of employee groups, retiree organizations, and retiree committees appointed under Bankruptcy Code Section 1114 in large

bankruptcies. I am currently representing most of the city workers in the Chapter 9 municipal bankruptcy of Vallejo, California. Other recent engagements include representing the General Motors Retiree Association in the General Motors bankruptcy; the Official Committee of Non-Pilot Retirees in the Delta Air Lines bankruptcy; DP3 Inc., an organization of retired Delta Air Lines pilots, in the Delta Air Lines bankruptcy in setting up a Voluntary Employee Benefit Association ("VEBA"); the Official Committee of Salaried Retirees in the Delphi Corporation bankruptcy; the Nortel US Retirement Protection Committee in the Nortel bankruptcy; and the Association of Flight Attendants, AFA-CWA in setting up a VEBA in the Chapter 11 bankruptcy case of another airline.

3. Attached to this Declaration as Exhibit A is a true and correct copy of the Trust Agreement for the Auto Retiree VEBA Trust (Ohio, Michigan, and Wisconsin) (the "Trust Agreement.") The Trust Agreement provides that the Trust is to be qualified as an Internal Revenue Code section 501(c)(9) tax-exempt Voluntary Employee Benefit Association, to provide group health and related benefits to retirees of Metaldyne and other similar companies in the auto parts industry headquartered in Ohio, Michigan or Wisconsin who have had their pensions terminated and trusteed by the Pension Benefit Guaranty Corporation ("PBGC"). Section 7.2 of Trust Agreement limits the compensation of trustees to a maximum of $9,000 per year (adjusted for changes in the consumer price index) and Section 10.1 of the Trust Agreement prohibits trustees from changing that cap on compensation.

4. The initial trustees for the Auto Retiree VEBA Trust (Ohio, Michigan, and Wisconsin) are: (A) Gary Conley a retiree who worked for Motor Wheel, Hayes Wheels, Hayes Lemmerz and Metaldyne, for a total of over 40 years employment in the automotive component industry. Mr. Conley was a member of the official salaried retiree committee appointed under Bankruptcy Code section 1114 in the Hayes Lemmerz auto parts company bankruptcy case and

served as a trustee for the HLI VEBA set up in that case. (That HLI VEBA did not offer benefits qualified for the Health Coverage Tax Credit, but did provide retiree benefits.) (B) Richard Davis, chairperson. Mr. Davis is a retiree from General Motors and Delphi Corporation, where he had extensive health benefits experience, and a former trustee of the VEBA formed by order of the bankruptcy court in the Delphi Corporation bankruptcy case to provide HCTC-eligible benefits for Delphi retirees. He was also a member of the board of the Delphi Salaried Retiree Association. (C) Douglas Guerdat, who recently retired from Accenture, where he was Health Plan Liaison in charge of their work with the IRS-HCTC Program as an outside contractor. Prior to his work at Accenture, Mr. Guerdat had experience working in and with major health insurance companies. (D) Nora Quinn, an administrative law judge for the California Unemployment Insurance Appeals Board. Ms. Quinn was the former director and board member of the Disability Rights Legal Center of Loyola Law School, and is currently also on the Equity Oversight Panel for the Los Angeles County Sheriff’s Department, appointed by the Board of Supervisors to hear employee complaints, including unlawful discrimination.

5. Under Section 12.2 of the Trust Agreement, future trustees will be elected by beneficiaries who enroll in the benefits offered by the Trust, and the current trustees may not change those election procedures.

6. The trustees of the Auto Retiree VEBA Trust (Ohio, Michigan, and Wisconsin) expect to engage Marsh as a third party administrator of the group benefit plans offered by the trust. They have engaged my firm, Farella, Braun & Martel LLP as counsel, and have engaged Cone Insurance as insurance brokers to obtain fully-insured group health, prescription, drug, and vision care benefits from third party vendors like Aetna, Met Life, and Cigna. We have worked with the outside vendors in some cases for over a year to get them to commit to competitive benefit pricing for eligible retirees from Metaldyne (and other companies in the auto parts

industry) without any census or claims data. That is critical, because many of the retirees may not be enrolled in benefits through their former employer, and it will allow the trust to provide the benefits without obtaining information from the Debtors or their successor by purchase. Because the program is designed to be launched and priced without claims or census data from former employers, there should be no future effort or cost incurred by either the liquidating trust or the successor asset purchaser from the Reorganized Debtor going forward.

7. The professionals involved have previously successfully rolled out HCTC-eligible retiree benefits from VEBAs authorized by orders of bankruptcy courts, including for Delphi Corporation and for the pilots of Delta Air Lines. My firm is essentially doing this work on a contingency fee basis, and we will only be paid if we get the VEBA's formation authorized and it actually rolls out a health benefit that retirees enroll in. In that event, we will be paid by the insurance broker out of funds they receive for their broker's commission, at substantially the same rate they negotiated separately at arms' length with the Association of Flight Attendants AFA-CWA in one other case, and the Delta Retired Pilots organization DP3, Inc. in another case. As with other engagements, we expect to work closely with the IRS HCTC program staff to maximize retiree beneficiary participation in the IRS early payment program that pays the HCTC subsidy on a monthly basis.

8. When established, the benefit program would be self-funding, as the cost of insurance would be paid by the combination of premiums paid by those enrolled and by the HCTC subsidy. Typically, the trustees would also include a small administrative fee in the cost of the benefit premiums to pay any operating costs of the trust (including for accounting services in preparing required financial filings and to cover insurance for the trustees.)

9. Prior to filing the motion, I provided an advanced copy of the motion and proposed form of order to counsel for the Liquidating Trust, the Debtor, the UAW, the USW, the PBGC

and the asset purchaser from the Debtor, none of whom expressed an objection other than a concern we addressed verbally and by email with counsel for the Liquidating Trust that we would not cause it to incur costs in the future. The PBGC, through counsel, stated they did not oppose the motion or the relief sought in the order.

I declare under penalty of perjury pursuant to 28 U.S.C. § 1746 that the foregoing is true and correct to the best of my knowledge, information and belief and that this Declaration was executed in San Francisco, California on September 12, 2011.

/s/ Dean M. Gloster
Dean M. Gloster