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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	:	Case No. 09-13412 (MG)
(f/k/a Metaldyne Corporation), <i>et al.</i> ,	:	
	:	(Jointly Administered)
Debtors.	:	
	:	
-----X	:	

OLDCO M DISTRIBUTION TRUST'S STATUS REPORT ON THE ACE LITIGATION

Pursuant to the request of the Court, Executive Sounding Board Associates, LLC, trustee of the Oldco M Distribution Trust (the "Trustee"), hereby respectfully submits this status report on the ACE related litigation.

1. On June 1 2012, the Trustee commenced Adversary Proceeding No. 12-01688 against ACE American Insurance Company, et al. (collectively referred to as the "Defendants")

by filing the Complaint for Turnover of Estate Property Pursuant to 11 U.S.C. § 542 (“Complaint”) [Adversary Docket No. 1].

2. On that same date, the Trustee also filed the Motion of the Oldco M Distribution Trust for Entry of an Order Establishing Estimation Procedures and Estimating the Claims of the Ace Companies, Disallowing Certain Claims, and Granting Certain Related Relief (“Estimation Motion”) [Docket No. 2243].

3. On September 14, 2012 the Defendants filed Objection of ACE American Insurance Company, Illinois Union Insurance Company, Indemnity Insurance Company of North America, Pacific Employers Insurance company and ESIS, Inc. to Motion of the Oldco M Distribution Trust for Entry of an Order Establishing Estimation Procedures and Estimating the Claims of the ACE Companies, Disallowing Certain Claims, and Granting Related Relief [Docket No. 2271].

4. The Defendants also filed the Motion of ACE American Insurance Company, Illinois Union Insurance Company, Indemnity Insurance Company of North America, Pacific Employers Insurance Company and ESIS, Inc. to Compel Arbitration and to Dismiss or Stay Certain Litigation; Brief in Support of Requests to Compel Arbitration and to Dismiss or Stay Certain Litigation; and Affidavit of Edward A. Mungiole, Jr. In Support of Brief [Adversary Docket No. 9] on the same day.

5. As the Complaint and Estimation Motion involve third parties including, but not limited to, MD Investors Corporation (“MD Investors”), the purchaser of substantially all of the Debtors’ assets, the Trustee’s settlement negotiations involved several parties (the “Third Parties”).

6. The Trustee, Defendants and Third Parties reached a settlement of the Complaint and Estimation Motion in principle and have been extensively negotiating the specific terms of the settlement agreement.

7. The parties are close to reaching an agreement on the specific terms of the settlement agreement. Upon final documentation of the settlement, the Trustee will file a motion to approve the settlement.

Dated: October 13, 2014
New York, New York

Respectfully submitted,

/s/ Mark D. Silverschotz

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