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Attorneys for Debtors
and Debtors in Possession

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

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	:	
In re	:	Chapter 11
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Metaldyne Corporation, <i>et al.</i> ,	:	Case No. 09-13412 (MG)
	:	
Debtors.	:	(Jointly Administered)
	:	
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**DISCLOSURE OF JONES DAY WITH RESPECT TO
RECONCILIATION OF PREPETITION FEES AND EXPENSES**

TO THE HONORABLE MARTIN GLENN,
UNITED STATES BANKRUPTCY JUDGE:

Jones Day, counsel to the above-captioned debtors and debtors in possession (collectively, the "Debtors"), hereby submits its reconciliation of the legal fees and expenses actually incurred in connection with its representation of the Debtors prior to the commencement of these chapter 11 cases. In support of this Disclosure, Jones Day respectfully represents as follows:

Background

1. On May 27, 2009 (the "Petition Date"), 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 have been consolidated for procedural purposes only and are being jointly administered. The Debtors are authorized to continue to operate their businesses and manage their properties as debtors in possession, pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

2. On June 4, 2009, pursuant to section 1102 of the Bankruptcy Code, the United States Trustee appointed an official committee of unsecured creditors (Docket No. 129) (the "Creditors' Committee").

3. Metaldyne Corporation ("Metaldyne") is a wholly-owned subsidiary of Metaldyne Holdings LLC ("Metaldyne Holdings"), which, in turn, is a wholly-owned subsidiary of Asahi Tec Corporation ("Asahi Tec"), a Japanese corporation. RHJ International S.A. ("RHJI"), a corporation formed under the laws of Belgium and listed on the Euronext exchange, presently holds approximately 60.1% of the outstanding capital stock of Asahi Tec. Debtor MD Products Corp. ("MD Products") is a New York corporation. Metaldyne is the direct or indirect

parent of MD Products, each of the other Debtors and each of the Debtors' nondebtor subsidiaries (collectively, the "Metaldyne Companies").

4. The Metaldyne Companies are leading global manufacturers of highly engineered metal components for the global light vehicle market, are market leaders for many of the products they sell and are among the 50 largest auto parts suppliers in North America. The Metaldyne Companies operate through two business units, the Powertrain segment and the Chassis segment. The Metaldyne Companies' products are used in cars, vans, sport-utility vehicles, light trucks, heavy trucks and other vehicles. The Metaldyne companies provide content for the majority of the light vehicles manufactured in North America. The Metaldyne companies provide content for the majority of the light vehicles manufactured in North America.

5. Prior to the Petition Date, after exploring a number of restructuring alternatives, the Debtors received interest from various parties in a purchase of certain of the assets of their Chassis segment and interest from other parties in a purchase of the majority of the assets of their Powertrain segment. Shortly after the Petition Date, the Debtors filed motions (Docket Nos. 214 and 323) to sell their powertrain and chassis assets and to establish an auction process or processes and bid procedures to consummate these sales and began the process of marketing their Balance Shaft Modules and Tubular business units for sale (collectively, the "Sale Processes"). The Sale Processes generated substantial interest in the Debtors' assets throughout June and July of 2009 and, ultimately, more than 10 parties submitted indications of interest and proposed asset purchase agreements for one or more of the Debtors' business units.

6. On August 5, 2009 and August 6, 2009, the Debtors held an auction (the "Auction"), pursuant to which MD Investors Corporation (the "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 (the "MD Investors Transaction") of substantially all of the Debtors' assets free and clear of all liens, claims, interests and encumbrances. The MD Investors Transaction closed on October 16, 2009. The Debtors presently are to develop and implement a plan to liquidate their remaining assets.

7. For the fiscal year ended March 29, 2009, the Metaldyne Companies recorded annual revenue of approximately \$1.32 billion, of which approximately \$782 million was from sales of the Debtors. As of March 29, 2009, utilizing book values, the Metaldyne Companies had assets of approximately \$977 million and liabilities of approximately \$927 million. As of the Petition Date, the Metaldyne Companies have approximately 4,450 employees, of which approximately 2,500 are employees of the Debtors.

8. On March 28, 2009, the Debtors filed the Application of Debtors and Debtors in Possession, Pursuant to Sections 327(a), 328(a) and 329(a) of the Bankruptcy Code, Bankruptcy Rules 2014(a) and 2016(b) and Local Bankruptcy Rules 2014-1 and 2016-1, for an Orders Authorizing Them to Retain and Employ Jones Day as Counsel, Nunc Pro Tunc as of the Petition Date (Doc. No. 44) (the "Retention Application"),¹ by which the Debtors sought authority to retain and employ Jones Day as their counsel in these chapter 11 cases. The Court entered an order authorizing Jones Day's retention, nunc pro tunc as of the Petition Date, on June 22, 2009 (Doc. No. 269) (the "Retention Order").

Reconciliation Disclosure

9. As described in the Retention Application, prior to the Petition Date, on or about March 9, 2009, the Debtors provided Jones Day with an advance payment of \$225,000

¹ Capitalized terms not otherwise defined herein have the meanings given to them in the Application.

(the "Initial Deposit") to establish a retainer (the "Retainer") to pay for legal services to be rendered by Jones Day in connection with the Debtors' preparation for the commencement of these chapter 11 cases and for Non-Bankruptcy Services, which Initial Deposit was replenished from time to time prior to the Petition Date. From time to time, Jones Day applied the Retainer proceeds to actual fees and expenses and, in one instance immediately prior to the Petition Date, to estimated fees and expenses (collectively, the "Prepetition Draws"). Pursuant to the Engagement Letter, the Debtors periodically replenished and maintained the Initial Deposit through subsequent replenishing deposits (collectively, the "Prepetition Deposits"). As of the Petition Date, \$66,898.33 of the Retainer remained unapplied.

10. Because \$200,000.00 of the Prepetition Draws related to estimated, rather than actual, fees and expenses, Jones Day disclosed in the Retention Application that it would complete a reconciliation of its actual prepetition fees and expenses and make a corresponding adjustment to the application of the Retainer. In particular, paragraph 4 of the Retention Order authorized Jones Day to (a) complete its reconciliation of prepetition fees and expenses actually incurred through March 27, 2009 no later than the date of filing of Jones Day's first interim fee application and (b) make a corresponding adjustment to the amount and application of the Retainer, as described in paragraph 33 and footnote 11 of the Retention Application, on or about that date.

11. In accordance with the Retention Order, Jones Day has completed its reconciliation of prepetition fees and expenses actually incurred and made a corresponding adjustment to the Retainer. The results of this reconciliation are as follows:

- (a) Jones Day's billed fees and expenses for the 2009 Bankruptcy Services and Non-Bankruptcy Services through and including May 26, 2009 are

\$2,700,165.00 (collectively, the "Reconciled Fees and Expenses").² As set forth in the Retention Application, this amount was previously estimated to total \$2,633,266.67, including the \$200,000 estimated Prepetition Draw (the "Estimated Draw").

- (b) In light of the foregoing, Jones Day has applied the entire amount of the Estimated Draw and the entire amount of the Retainer to the payment of the Reconciled Fees and Expenses. After applying these amounts, Jones Day is not owed any money for prepetition fees and expenses and the Retainer has been fully exhausted.

Dated: October 26, 2009
New York, New York

Respectfully submitted,

/s/ Ryan T. Routh
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ATTORNEYS FOR DEBTORS AND
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² The Reconciled Fees and Expenses takes into account various write-offs of prepetition fees and expenses, including a write-off of \$92,814.55 for the final prepetition bill.