

## **Confirmation of the Old Chrysler Bankruptcy Plan**

**April 21, 2010**

**New York**

**Judge Gonzalez Presiding**

A hearing was held to approve of the plan to liquidate the assets of the Old Chrysler. This hearing was delayed several times to work out objections resulting in the April 21<sup>st</sup> hearing.

There was strong approval of the plan by the creditor classes and the Federal Government. Approximately 98% of the claimants voted to approve the bankruptcy plan, leading to its approval by the judge.

NCRO sent legal representation to the hearing. Trent Cornell, who was our attorney throughout the bankruptcy proceedings, traveled to New York on behalf of NCRO. The importance of having NCRO counsel at the hearing is to make the court and Old Chrysler Attorneys aware of our continued presence, vigilance and interest. Much of the benefit of having Mr. Cornell at the hearings results from discussions between him and Jones Day Attorneys outside of the courtroom. Jones Day represents the Old Chrysler. We were also looking for any opportunity to get some claim consideration wherever possible within the bankruptcy law. Since retirees are unsecured creditors their claims are paid after secured claims are honored.

Here are the highlights of the proceedings:

- There is no intent, for the moment, to contest unsecured claims filed by retirees, such as loss of healthcare benefits, life insurance and SRP payments, unless there is a recovery from Daimler. Creditors are suing Daimler claiming they sold assets in anticipation of bankruptcy. The unsecured creditors would share any amount recovered over \$25 million.
- A Litigation Manager was named. NCRO counsel will follow up with him the week of 4/25/10, and on a continuing basis thereafter.
- Old Co and the Unsecured Creditors Committee were reminded of the \$7.4B Cerberus purchase payment for Chrysler. Did this happen? Should this be investigated?
- It was again suggested that claims be handled on class basis to reduce handling costs rather than on an individual basis. For example, all individual claims for lost health care would be handled as one.
- Since the secured creditors are receiving a fraction of claims, unsecured claims are not likely to receive anything unless a substantial recovery from Daimler is realized.
- It will likely take years to settle all recovery from asserts and litigations.
- NCRO's counsel, Trent Cornell, suggested that Old and New Chrysler establish communications with the NCRO as an advocate organization. Counsel for Chrysler responded positively.

Our attorney will continue to monitor the proceedings. He receives emails whenever there is a docket filing. He will only review those filings in detail where there may be an interest by NCRO.

We have a legal team composed of Chris Dyrda, Mike Kane, Dana Oliver and Stan Hurst. Our Legal Team works with Mr. Trent Cornell. This ensures he has clear direction and this also enables us to efficiently deal with issues and legal requests. If you have questions or comments please direct them to the NCRO blog and we will try to gather similar comments and answer them quickly.