

From: Morris Karen <Morris.Karen@pbgc.gov>
Sent: Wednesday, July 15, 2009 10:57 AM
To: 'MStone@KelleyDrye.com'; 'JFrohman@KelleyDrye.com'; 'CWolfe@KelleyDrye.com'
Cc: Menke John <Menke.John@pbgc.gov>; Owen Wayne <Owen.Wayne@PBGC.GOV>
Subject: FW: Treasury/GM Counter -- Delphi status
Attach: Waterfall Proposals Compared.pdf

Current settlement numbers

From: Menke John
Sent: Tuesday, July 14, 2009 5:17 PM
To: Morris Karen
Subject: FW: Treasury/GM Counter -- Delphi status

Karen: Though you probably cannot see this on your Eberry, suffice it to say that the Treasury counter is a fairly minor tweak of the waterfall proposal that Greenhill sent over yesterday afternoon. We get the \$70 million cash up front and then participate in the waterfall at slightly lower percentages, with a net loss of \$50 to \$70 million depending where the final recoverable value ends up years down the road. Terry, Joe and Greenhill seem inclined to tell Feldman that this does it for us; Terry is taking it up to Board reps meeting this afternoon and expecting to get a head nod, which he will then have Greenhill convey to Treasury. Feldman will then take it to GM and get their approval, which will either be a rubber stamp or one last chance to nick us on the deal.

I've just call Ron, who is meeting with Jack at 5:30 Eastern time to get a yes or no on our request to extend ballot and objection deadlines so this deal can get firmed up before we have to respond officially to the POR modifications. I have to leave here at 5:30 to go to my wife's birthday dinner (her birthday is today), and I must make that deadline. I've left my cell number for Ron to call me when he knows and I will then call you to fill you in. At worst, it seems that we may simply not vote our claim, which is better than having to vote "no", if there is no extension.

From: Deneen Terrence
Sent: Tuesday, July 14, 2009 4:40 PM
To: Rae Michael; Menke John
Subject: FW: Treasury/GM Counter

Here it is

From: David Burns [mailto:dburns@greenhill.com]
Sent: Tuesday, July 14, 2009 3:49 PM
To: House Joseph; Deneen Terrence; Cann Dana
Subject: FW: Treasury/GM Counter

Joe,

Brad asked me to send over the attached, which compares the counter-proposal Treasury sent over a little while ago to our proposal of Sunday.

Please let us know when you are free to discuss.

Thanks,

David E. Burns
Greenhill & Co.
300 Park Avenue (between East 49th and East 50th)
New York, New York 10022
(212) 369-1493 (T)
(212) 369-1693 (F)

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Thank you.
Greenhill & Co. LLC.

From: House Joseph <House.Joseph@pbgc.gov>
Sent: Wednesday, July 8, 2009 6:23 PM
To: Deneen Terrence <Deneen.Terrence@pbgc.gov>; Morris Karen <Morris.Karen@pbgc.gov>; 'brobins@greenhill.com'
Cc: Cann Dana <Cann.Dana@pbgc.gov>; Menke John <Menke.John@pbgc.gov>; 'dburns@greenhill.com'; Rae Michael <Rae.Michael@PBGC.GOV>
Subject: UPDATE ON COORD w/UST

Just spoke with Matt Feldman. He apologized for being out of touch most of the day, attributing the radio-silence entirely to GM bankruptcy-case issues. He reported that he has made progress discussing our proposal with a number of key folks in Treasury and at White House, but he has not yet wrapped up his coordination. He indicated that there is an 8 am call tomorrow that he'll use to close the communication-loop, and he's confident he'll have a fully-vetted Treasury view after that call.

As such, I'll be forwarding an e-mail later this evening with a couple different times for a possible call between PBGC and Treasury on which Matt will share UST's reaction to our proposal. I'll circulate that message as soon as I receive it...

Sent from my BlackBerry Wireless Handheld

From: House Joseph <House.Joseph@pbgc.gov>
Sent: Thursday, April 2, 2009 5:43 PM
To: Morris Karen <Morris.Karen@pbgc.gov>; Rae Michael <Rae.Michael@PBGC.GOV>
Subject: Re: Delphi update

Not to be glib, but the agenda is everything -- lead off with Chrysler, then we'll get into GM/Delphi. Vince will take the lead and then probably look to us to fill in blanks. We're going to be in question-asking mode as much as possible.

Sent from my BlackBerry Wireless Handheld

From: Morris Karen
To: Rae Michael; House Joseph
Sent: Thu Apr 02 17:24:18 2009
Subject: FW: Delphi update

We'll probably get invited to the Monday meeting at tomorrow's meeting. What is our agenda for tomorrow?

From: Cann Dana
Sent: Thursday, April 02, 2009 1:10 PM
To: Morris Karen; House Joseph; Archeval Kristina; Rae Michael
Cc: Goldowitz Israel; Menke John; Landy Ralph; Owen Wayne
Subject: RE: Delphi update
Sensitivity: Confidential

I'd think we'd absolutely so desire--some combination of OCC and Greenhill.

From: Morris Karen
Sent: Thursday, April 02, 2009 12:52 PM
To: House Joseph; Cann Dana; Archeval Kristina; Rae Michael
Cc: Goldowitz Israel; Menke John; Landy Ralph; Owen Wayne
Subject: Delphi update
Sensitivity: Confidential

This just in from John (John, correct/add as warranted):

Hearings on the DIP accommodation agreement and various other filings have been continued to allow the parties—with a focus on GM/Delphi and Treasury—to hammer out a global resolution for Delphi. There is now a window until 4/17 for this to happen, with talks kicking off on Monday at Treasury—to include pension issues. The goal is for everyone to agree to a term sheet by 4/17 resolving all outstanding issues. If that happens, the term sheet will be presented to Delphi's DIP lenders who will have 3 business days in which to affirmatively accept the agreement. The proximate reason for this timing is the omnibus hearing on 4/23, preceded by a committee meeting on 4/22. If there is no term sheet, or the lenders decline to accept the term sheet that emerges, the lenders will initiate foreclosure by 4/24, spoken of as the "kill date."

Jack Butler introduced John to John Rapisardi, who offered to include PBGC in the Monday meeting if we so desire.

From: House Joseph <House.Joseph@pbgc.gov>
Sent: Friday, April 3, 2009 3:21 PM
To: Morris Karen <Morris.Karen@pbgc.gov>; Menke John
<Menke.John@pbgc.gov>
Subject: Re: NO DELPHI MTG Monday

Treasury

Sent from my BlackBerry Wireless Handheld

----- Original Message -----

From: Morris Karen
To: House Joseph; Menke John
Sent: Fri Apr 03 15:19:51 2009
Subject: RE: NO DELPHI MTG Monday
Who uninvited us?

-----Original Message-----

From: House Joseph
Sent: Friday, April 03, 2009 3:18 PM
To: Morris Karen; Menke John
Subject: NO DELPHI MTG Monday
We've been disinvited. It's for the best

Sent from my BlackBerry Wireless Handheld

From: House Joseph <House.Joseph@pbgc.gov>
Sent: Thursday, April 16, 2009 2:46 PM
To: Deneen Terrence <Deneen.Terrence@pbgc.gov>; Rae Michael
<Rae.Michael@PBGC.GOV>
Subject: FW: 30-second follow up

FYI, Task Force is officially on notice

From: Matthew.Feldman@do.treas.gov [mailto:Matthew.Feldman@do.treas.gov]
Sent: Thursday, April 16, 2009 2:33 PM
To: House Joseph
Cc: Harry.Wilson@do.treas.gov
Subject: Re: 30-second follow up

Understood. You should do what you need to.

----- Original Message -----

From: House Joseph <House.Joseph@pbgc.gov>
To: Feldman, Matthew
Sent: Thu Apr 16 13:02:16 2009
Subject: 30-second follow up

Matt:

I left you a VM a short while ago. Could you let me know when you have a minute for a very brief follow-up on our chat this morning? To ensure that we're acting responsibly/protective in advance of the 4/24 "kill date," we've initiated our internal process here which includes communications to designated reps at our Board agencies (Labor, Commerce, Treasury). Relatedly, that process contemplates newspaper publication of agency action, which we're tentatively scheduling for end of next week. Don't want anyone on the auto-team to be caught flat-footed behind any of this. I can give you 60 seconds of color when you have a moment. Thanks.

Best,

Joe
Joseph R. House
Director, Corporate Finance and Restructuring Group
Pension Benefit Guaranty Corporation
1200 K Street, N.W., Suite 270
Washington, D.C. 20005-4026
house.joseph@pbgc.gov
direct: 202-326-4070 ext. 3516

From: Rae Michael
Sent: Monday, April 20, 2009 4:27:03 PM
To: Archeval Kristina; Cann Dana; Ranade Neela; Ranade Neela; Morris Karen; Finke Charles; Menke John; Eggeman James
Subject: FW: CONFIDENTIAL - Auto update - action soon

Attachments: Upcoming PBGC Action in Auto Cases 04.20.2009.pdf

fyi

From: Snowbarger Vince
Sent: Monday, April 20, 2009 4:24 PM
To: David Beede; Eric Berger; Hilary Duke; jane.molloy@esa.doc.gov; Phillip Quinn
Cc: Starr Judith; Deneen Terrence; Rae Michael; House Joseph; Goldowitz Israef; Chestnut Melody
Subject: CONFIDENTIAL - Auto update - action soon

As we mentioned last week, there are many moving parts in our dealings with the auto sector, and some are moving very quickly. I've attached a memo that talks about activities in the Delphi and Chrysler cases. Please focus your attention on the Delphi portion. We anticipate taking action to file for termination in both their salaried and hourly plans before the week is out. Given publication deadlines, this means action as soon as tomorrow. Other actions in the bankruptcy are in motion that could put certain assets beyond PBGC's reach, to the detriment of the participants and PBGC. The action we are contemplating will preserve our position against those assets while the decisions about Delphi's future are being decided. The auto team at Treasury is aware of this potential and have indicated we should do what we need to do. Nothing we do now is irreversible, but the consequences of inaction would be. Forgive this late notice. Over the weekend, negotiations affecting Delphi broke down, and I asked that this memo be put together to address your request from last week that you be informed of major actions like this. Let me know if you have questions. Please be cautious about sharing this information.

Vince Snowbarger
Acting Director
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Washington, DC 20005-4026
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Facsimile (202) 326-4016