

STATEMENT OF MATTHEW FELDMAN
TO
SUBCOMMITTEE ON TARP, FINANCIAL SERVICES AND BAILOUTS OF PUBLIC
AND PRIVATE PROGRAMS
UNITED STATES HOUSE OF REPRESENTATIVES

July 10, 2012

Mr. Chairman and Members of the Subcommittee, I understand that I have been requested to appear before you today to discuss my role with the Treasury Department's Auto Team, which I joined in March 2009 as Chief Legal Advisor and on which I served until August 2009. The Treasury Department recruited me to join the Auto Team from my career as an attorney in private practice, where I specialize in reorganizing and restructuring large businesses not unlike the American automobile manufacturers that were in significant financial distress at that time. I believe that the work of the Auto Team contributed to a successful effort to avert disastrous consequences to both the American automobile industry and the American economy as a whole. I am fiercely proud of my service and I am prepared today to assist the Subcommittee in reaching a complete understanding of the Auto Team's work during what was a difficult time and an unprecedented challenge for all involved.

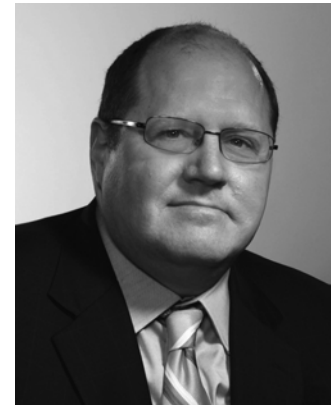
Although it is wonderful to see the dramatic recovery of the automobile manufacturers, and the thousands of American jobs that were saved as a result of our work, I am mindful that the restructurings that the Auto Team worked on required many Americans to make great personal sacrifices. As a result of the Delphi Corporation bankruptcy, for example, Delphi and the Pension Benefit Guarantee Corporation were forced to terminate Delphi's pension plans, which means there are Delphi retirees who unfortunately will collect less than their full pension benefits. Delphi had underfunded its hourly pension plan, and later its salaried pension plan as

well, prior to filing for bankruptcy protection, a situation that ultimately threatened General Motors' future success as it exited from its own bankruptcy. Because General Motors viewed a well-motivated workforce at its largest supplier as critical to ensuring an uninterrupted supply chain, General Motors made the commercially reasonable and necessary decision to honor "top-up" agreements it entered into in 1999 with the United Auto Workers and other unions when Delphi was spun off from General Motors. Sadly, many of Delphi's employees did not have top-up agreements with General Motors, and some of those employees will face a shortfall in their pension payments as the PBGC assumes responsibility for their pension plans.

The Auto Team agreed that honoring the top-up agreements was a prudent business decision, and we believed that doing so would protect both General Motors and the American taxpayers' collective investment in the company. We supported General Motors' decision, and I remain convinced today that it was the best course of action available at the time. While I am pleased that General Motors and other American automobile manufacturers have become successful, profitable contributors to our economy, I recognize that the restructuring process imposed painful but necessary sacrifices on many of Delphi's stakeholders. As a bankruptcy practitioner and restructuring specialist, I have seen similar circumstances all too often; it is without a doubt one of the most difficult, disheartening aspects of my job, and I have only the deepest sympathies for everyone affected.

Prior to my invitation to testify here today, I received a request from the office of the Special Inspector General for the Troubled Asset Relief Program that I participate in an interview. I attempted to determine what further information SIGTARP believed it required to complete its audit because my memory concerning specific details was considerably better in July 2009, when I gave a lengthy deposition in connection with the Delphi chapter 11

proceedings that covered many topics concerning my role on the Auto Team. It was my hope that the transcript of that deposition, along with the extensive documentary record SIGTARP has undoubtedly assembled, would be sufficient to meet SIGTARP's needs. After several requests, SIGTARP provided a list of six topics on which it desired further information, but it appears that SIGTARP contacted the Subcommittee before I had an opportunity to respond. In any event, I am here today prepared to answer any questions the Subcommittee has concerning my role on the Auto Team.



ATTORNEY BIOGRAPHY

PRACTICE

Matthew A. Feldman is a partner and Co-Chair of the Business Reorganization and Restructuring Department of Willkie Farr & Gallagher LLP in New York and serves on the firm's Executive Committee. His clients include debtors, creditors, investors, lenders, governmental agencies, and committees.

In March 2009, Mr. Feldman was recruited to serve as Chief Legal Advisor to the Obama administration's Task Force on the Auto Industry. This cabinet-level Treasury Department task force was assembled to help develop the overall strategy to restructure and recapitalize General Motors Corporation and Chrysler LLC, a strategy which resulted in the groundbreaking legal proceedings that implemented a comprehensive financial solution for both companies. The Auto Team conducted complex negotiations with all major constituents of both companies, including Fiat SpA (which now runs Chrysler), the United Auto Workers and major creditors of both auto makers under a compressed timeline set by President Obama.

Mr. Feldman has been significantly involved in numerous complex chapter 11 cases and non-judicial restructurings, both US and cross-border matters. He regularly represents hedge funds, such as Centerbridge Capital, Silver Point Capital, Angelo, Gordon & Co. and Twin Haven Capital, in all aspects of judicial and non-judicial restructurings. He also regularly represents investors seeking to acquire assets or businesses from companies operating in chapter 11.

Mr. Feldman was included on the *Financial Times* "US Innovative Lawyers of 2010" report and profiled among its 10 featured attorneys. *Turnaround & Workouts* named him one of its "Outstanding Restructuring Lawyers" for 2009 and in that same year was named "Dealmaker of the Year" by *The American Lawyer*, and since 2003 he has been recognized by *Chambers and Partners* as one of the leading restructuring attorneys internationally and in the U.S. In addition, Mr. Feldman was listed in the 2010 *Lawdragon 500 Leading Lawyers in America* and has been listed in the International and Domestic *Who's Who Legal*, and is recognized in *The Best Lawyers in America*.

MATTHEW A. FELDMAN

New York
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EDUCATION

New York University
JD, 1988
Tufts University
BA, 1985

HONORS

In recognition of his efforts and sacrifices in connection with his service to the Obama administration’s Task Force on the Auto Industry, Mr. Feldman received the “Secretary’s Honor Award,” presented to him by Treasury Secretary Timothy Geithner for his “distinguished service to the American people as the Chief Legal Advisor to the Department of Treasury Auto Team.”

SELECTED PROFESSIONAL AND BUSINESS ACTIVITIES

Mr. Feldman was elected Fellow of the American College of Bankruptcy. He is also a member of the Connecticut Bar Association, the American Bar Association, and the American Bankruptcy Institute.

NOT FOR PROFIT ACTIVITIES

Mr. Feldman also serves as a board member for a number of not-for-profit organizations, including in Motion, a provider of legal services to woman and children in New York City; Blythedale Children’s Hospital, a rehabilitative care provider for children in the tri-state area; and the Institute for Policy Integrity at New York University School of Law.

BAR ADMISSIONS

Mr. Feldman is admitted to the Bars of New York, Connecticut, and Massachusetts, as well as the United States District Courts for the Southern and Northern Districts of New York and the District of Massachusetts.

EDUCATION

Mr. Feldman received a J.D. from New York University School of Law in 1988 and a B.A. (*magna cum laude*) from Tufts University in 1985.

SELECTED SIGNIFICANT MATTERS

Mr. Feldman has played significant roles in many complex chapter 11 cases and non-judicial restructurings, including:

- Hostess (commercial baker)
- YRC (trucking)
- PlayPower (playgrounds and docking systems)
- Fiat (auto manufacturer)

SELECTED SIGNIFICANT MATTERS, Continued

- EchoStar and DISH Network (telecommunications and entertainment)
- Greatwide Logistics Services Inc. (trucking and warehousing)
- Big V Supermarkets, Inc. (supermarket retailer)
- Heilig Meyers Corp. (largest furniture retailer in U.S.)
- Safelite Glass Corporation (largest supplier and installer of auto glass in North America)
- Livent Inc. (well-known Canadian and U.S. based live theatre company)
- The Hechinger Company (retailer)
- Medical Resources, Inc. (medical imaging company)
- Transcare Corp. (medical transport company)
- Alliance Entertainment Corp. (largest distributor of pre-recorded music in U.S.)
- Concord Records, Inc. (jazz record producer)
- Woodward & Lothrop/John Wanamaker, Philadelphia (retailer).

Mr. Feldman has also represented creditors, lenders, landlords, governmental agencies and bank committees in various chapter 11 cases.

Committee on Oversight and Government Reform
Witness Disclosure Requirement – “Truth in Testimony”
Required by House Rule XI, Clause 2(g)(5)

Name: Matthew Feldman

1. Please list any federal grants or contracts (including subgrants or subcontracts) you have received since October 1, 2010. Include the source and amount of each grant or contract.

N/A

2. Please list any entity you are testifying on behalf of and briefly describe your relationship with these entities.

N/A

3. Please list any federal grants or contracts (including subgrants or subcontracts) received since October 1, 2010, by the entity(ies) you listed above. Include the source and amount of each grant or contract.

N/A

I certify that the above information is true and correct.
Signature:

Date:

6/28/12
