Exhibit 1

IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF MICHIGAN SOUTHERN DIVISION

Dennis Black, et al.,

Plaintiffs,

v.

Pension Benefit Guaranty Corporation, et al.,

Defendants.

Case No. 2:09-cv-13616 Hon. Arthur J. Tarnow Magistrate Judge Donald A. Scheer

DECLARATION OF MICHAEL N. KHALIL

Pursuant to 28 U.S.C. § 1746, I, Michael N. Khalil, declare under penalty of perjury as follows:

- 1. I am an attorney with Miller Chevalier Chartered, and I am a counsel to Dennis Black, Chuck Cunningham, Ken Hollis, and the Delphi Salaried Retiree Association, individuals and an association who are plaintiffs in this case. As such, I am fully familiar with this matter.
- I have reviewed the motion of defendants U.S. Department of the Treasury, Presidential Task Force on the Auto Industry, Timothy F. Geithner, Steven L. Rattner, and Ron A. Bloom (collectively the "Treasury Defendants") to dismiss or, in the alternative, for summary judgment.
- After reviewing the Treasury Defendants' Dispositive Motion, I have identified the following disputed material facts:
 - Plaintiffs allege, and the Treasury Defendants deny, that the Treasury Defendants were ultimately responsible for New GM's decision to extend supplemental pension benefits to certain Delphi retirees, but not to others.

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- Plaintiffs allege, and the Treasury Defendants deny, that these decisions were made for political reasons.
- Based on conversations with representatives of the Treasury Department, I believe that Defendants have in their possession documents that bear upon these disputed material facts.
- 5. On September 16, 2009, Carol H. Gruenburg, Director of Library Services at Miller and Chevalier Chartered, submitted a request for information to the Treasury Department under the Freedom of Information Act. See Ex. 1 to this declaration. This request sought information related to the disputed material facts cited above.
- 6. As of August 5, 2010, the Treasury Department has yet to respond to Ms. Gruenburg's request. However, Michael Bell, of the Treasury Department, has informed me in telephone conversations that he has personally identified over 300 pages of documents which would be responsive to Ms. Gruenburg's request.
- 7. To date, Plaintiffs have not yet been afforded an opportunity to conduct any discovery regarding these issues of disputed material fact. Plaintiffs require the opportunity to conduct discovery to effectively respond to the Treasury Defendants' motion for relief for summary judgment.

Dated: August 6, 2010

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Michael N. Khalil



Carol H. Gruenburg Director of Library Services (202) 626-6094 cgruenburg@milchev.com

September 16, 2009

VIA FACSIMILE: 202-622-3895

FOIA Request Department of the Treasury Washington, DC 20220

Re: Freedom of Information Act Request

Dear Sirs:

Please provide me with copies of the following materials under the Freedom of Information Act and your agency's implementing regulations:

All background, administrative and legal materials, including but not limited to internal Treasury documents, memoranda, analyses, etc., underlying the recent decision reached between the Treasury Department, employee organizations representing Delphi employees and General Motors regarding the disposition of the pensions and health care benefits for Delphi workers and retirees. (See highlighted sections of attached news releases.).

The negotiations between the Treasury Department, the Delphi employee organizations, and General Motors, including both the "New General Motors" and the Motors Liquidation Company (or, "Old GM"), are believed to have initiated beginning in September 2008. This FOIA request encompasses all materials available from the beginning of September 2008 to the present.

If for any reason you determine that portions of the requested information are exempt from disclosure under FOIA, please delete the allegedly exempt material, inform me of the basis for the claimed exemption, and furnish me with copies of those portions of the document that you determine not to be exempt. My consent to such deletion at this time is designed to facilitate your prompt response and in no way waives my right to appeal any determination that you may make regarding the applicability of any FOIA exemptions to the requested documents and information.

In compliance with applicable regulations under "Commercial Use Requester," we promise to pay reasonable charges for search, copying and review costs.



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We authorize fees for this request up to a maximum of \$500.00. Please inform me if the estimated fees will exceed this limit before processing my request.

If you have any questions about this request, I may be reached at: (202) 626-6094. I look forward to your response within twenty days, or earlier if possible. Thank you.

Sincerely,

Carol H. Gruenburg

Attachments (2)



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Attachment 1

IUE-CWA Reaches Agreement on GM Health Care, Delphi Pensions

September 1, 2009

DAYTON – IUE-CWA has reached a tentative agreement with the New General Motors to provide baseline security for retirees who are facing the loss of health care and pensions.

Under the agreement, pre-65 retirees covered by General Motors insurance will be offered an <u>improved</u> <u>package</u> with an extra \$50 million in payments, on the high-deductible coverage originally presented. Post-65 retirees will retain a \$1 billion claim with old GM, now known as Motors Liquidation Co.

The agreement also secures a "top-up" from New General Motors for Delphi retirees whose pension was surrendered to the Pension Benefit Guaranty Corporation. Because of that action the former Delphi workers stood to lose half of their income without this agreement.

"We were faced with very difficult decisions," said IUE-CWA President Jim Clark. "Everyday we hear from severely ill retirees who would literally face a death sentence with the loss of health care and from retirees who would face bankruptcy if their pensions were slashed.

"Though this package falls short of what our retirees worked years to gain, under these circumstances with two major employers in bankruptcy we are pleased in what we were able to accomplish," Clark continued. "This was the best we could get in a dreadful situation."

With the accord, New GM will honor its 1999 Benefit Guarantee and the 2007 tri-partite Memorandum of Understanding to ensure that eligible retirees at Delphi are made whole if the PBGC reduces their pensions. Reductions could be made because the PBGC is not required to pay early retirement supplements or benefit increases made within the last five years.

The top-up also covers Delphi retirees in the process of growing into a pension benefit from a mutual retirement or the special pre-retirement package offered in the 2007 MOU.

GM had originally offered \$417 million to provide health care coverage to eligible non-United Auto Worker pre-65 retirees and their dependents – and wanted to keep any unused money due to attrition for itself. Union negotiators won an additional \$50 million during the bargaining with GM and the U.S. Treasury, including a commitment that the entire amount will be spent on health care for union retirees.

The current health care plan, including dental and vision benefits, remains in effect for all current participants until Dec. 31, 2009. Eligible pre-65 retirees will start to receive information on the cost of the modified-high deductible plan and forms to elect whether they want to take it in early fall. IUE-CWA intends to offer a one-time buy-out option for those pre-65 retirees who opt not to take the plan. Once retirees reach 65, and for those already over 65, GM-provided coverage will be eliminated.

Those over 65 or otherwise Medicare eligible could receive benefits or proceeds from a \$1 billion claim that will remain against Motors Liquidation Co. in the bankruptcy court. The amount and timing of any liquidation are impossible to estimate. IUE-CWA will remain on the unsecured creditors' committee to maximize recovery for those retirees.



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The \$467 million and the \$1 billion claim are monies that cover not just IUE-CWA retirees, but all of the union retirees who were excluded in the UAW-GM deal.

"We deliberately proceeded in these talks with a goal of being inclusive of those in other unions. We believe we had a moral obligation not to leave those brothers and sisters out in the cold," said Clark. "Whatever slim leverage we had, they had little or none. Our talks were the only way to win some measure of health care coverage for those retirees."

Other union retirees who could receive health care benefits under the deal include the Electrical Workers, Operating Engineers, Machinists, Teamsters, Carpenters and Steelworkers. The USW was a partner with IUE-CWA in the negotiations.

The agreement also provides \$10,000 life insurance coverage that does not reduce with age.

Further, the agreement also provides that new GM will assume IUE-CWA Local 798's closing agreement for the Moraine Truck and Bus plant and fulfill obligations for buy-out payments. In order to secure movement of the agreement to new GM, the company insisted that IUE-CWA accept the UAW concession to cut supplemental unemployment benefits in half the second year.

Clark stated that the union will continue to pressure the government to improve the health care coverage of the GM and Delphi retirees.

"These workers earned high quality health care coverage and the government has now allowed for it to be taken away," he stated. "There is nothing in this agreement that precludes the Treasury Department and the Obama Administration from recognizing the injustice they have caused and correcting the situation – either on their own or as directed through congressional action. We will continue to pursue justice through every avenue available to us."

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Attachment 2

APRIL 20, 2009

AUTO RETIREES PRESS CASE

By ALEX P. KELLOGG

Representatives of some 200,000 white collar retirees of the Big Three auto makers are expected to meet with the Obama administration's auto task force later this week, a person familiar with the matter said.

The meeting is part of an effort by salaried retirees to press the case for preserving their retirement benefits amid the restructuring of Detroit. Unlike union workers and retirees, salaried retirees are often vulnerable in restructurings because their benefit packages are not governed by union contracts and companies often can change terms without consulting their former employees.

Representatives of salaried retirees from General Motors Corp., Chrysler LLC, Ford Motor Corp. and supplier Delphi Corp. have been pushing for weeks to get a meeting with the auto task force, which is overseeing the restructuring of GM and Chrysler.

At the meeting, they plan to outline the hardships retirees will suffer if GM and Chrysler are allowed to slash pensions, health care coverage and other retirement benefits.

"Some people think that we're the fat cat execs," said Chuck Austin, president of the National Chrysler Retirement Organization and an engineer who retired a month shy of 40 years. "That's not true at all."

GM and Chrysler both face the possibility of filing for bankruptcy protection, and have already begun cutting back on some benefits to white collar retirees.

The task force has made no guarantees to the groups involved, the person familiar with the matter said. But emails sent to leadership indicate the task force may be receptive to their concerns.

Many retirees began advocating in recent months due to worry their benefits are vulnerable if GM or Chrysler go under. Retirees at Delphi, which has been stuck in bankruptcy court for more than three years, have faced many of the same issues. Earlier this year Delphi cut their health care coverage.

White collar workers include salesmen, marketers, administrators and others in middle management ranks.

Write to Alex P. Kellogg at alex.kellogg@wsj.com

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