

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

ACCURIDE CORPORATION, *et al.*,

Debtors.

Chapter 11

Case No. 09-13449 (BLS)

(Jointly Administered)

Related to Docket No. 596

**SUPPLEMENTAL VERIFIED STATEMENT OF MILBANK, TWEED,
HADLEY & M^cCLOY LLP AND PACHULSKI STANG ZIEHL & JONES LLP
PURSUANT TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2019(a)**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “FRBP”) Milbank, Tweed, Hadley & M^cCloy LLP (“Milbank”) and Pachulski Stang Ziehl & Jones LLP (“Pachulski”) and in light of the recent order of the Court compelling the *Ad Hoc* Noteholder Group to comply with Rule 2019 [Docket No. 633] (the “2019 Order”), hereby supplements the Rule 2019 Statement filed with the Court on January 19, 2010 [Docket No. 596] and state as follows:

1. The Ad Hoc Noteholder Group

Pursuant to that certain indenture, dated as of January 31, 2005, between Accuride Corp. (“Accuride”) and certain guarantors named therein, and The Bank of New York Trust Company, N.A., as trustee, Accuride issued certain 8-1/2% Senior Subordinated Notes due 2015 in the outstanding, aggregate principal amount of \$275,000,000 (the “Senior Subordinated Notes”). Milbank and Pachulski represent an informal group of holders of and/or the investment advisors or managers for the beneficial owners having the power to vote and dispose of such Senior Subordinated Notes on behalf of such beneficial owners (collectively, the “Ad Hoc Noteholder Group”) in connection with the above-referenced jointly administered

chapter 11 bankruptcy cases (the “Chapter 11 Cases”).

2. Names And Addresses of Members of Group

As of the date hereof,¹ the respective names and addresses of the members of the Group (the “Members”) are:

- a. BlackRock Financial Management, Inc.
40 East 52nd St., 4th Flr.
New York, NY 10022
- b. Brigade Capital Management, LLC
399 Park Avenue
New York, NY 10022
- c. Canyon Capital Advisors LLC
2000 Avenue of the Stars
11th Floor
Los Angeles, CA 90067-4700
- d. Sankaty Advisors, LLC
111 Huntington Avenue
Boston, MA 02199
- e. Tincum Incorporated
800 Third Avenue, 40th Floor
New York, NY 10022

3. Nature and Amount of Claims Held by Members of the Ad Hoc Noteholder Group

As of October 8, 2009 (the “Petition Date”), the original six Members of the *Ad Hoc* Noteholder Group held in the aggregate 70.1% of the Senior Subordinated Notes or approximately \$193,000,000 (at par); and of that amount approximately \$140,000,000 was owned for more than a year before the Petition Date. Such aggregate holding was disclosed on the Petition Date. Due to the purchase and/or sale of Senior Subordinated Notes subsequent to the Petition Date, the actual holdings of the Members has changed from the amounts held on

¹ On December 10, 2009, Principal Global Investors, 191 N Wacker Drive – Suite 1601, Chicago, IL 60606 resigned from the *Ad Hoc* Noteholder Group.

the Petition Date. As of the date hereof, the aggregate holdings of Senior Subordinated Notes of the current members of the Group is approximately \$45,690,000 (at par); and of that amount approximately \$43,500,000 was owned more than a year prior to the Petition Date. Such holdings represent approximately 16.6% of the total outstanding Senior Subordinated Notes. The changes in ownership of Senior Subordinated Notes occurred during the pendency of the Chapter 11 Case and were permitted under the terms of the Noteholder Plan Support Agreement (as defined below). Further, pursuant to the terms of the Noteholder Plan Support Agreement and related documents, the Debtors were notified in writing of post-petition trades of Senior Subordinated Notes subject to the Noteholder Plan Support Agreement. The percentage of Senior Subordinated Notes held by the *Ad Hoc* Noteholder Group has also been affected by the resignation of one member of the Group subsequent to the Petition Date.

The *Ad Hoc* Noteholder Group does not purport to represent the interests of any third party or parties, including beneficial owners of, or holders of investment authority with respect to, outstanding Senior Subordinated Notes other than the Members' interests in the Senior Subordinated Notes and as set forth herein.

4. Facts and Circumstances of Counsel's Engagement

The *Ad Hoc* Noteholder Group was formed prior to the commencement of these Chapter 11 Cases. Prepetition, Milbank represented the *Ad Hoc* Noteholder Group in connection with the negotiation and documentation of that certain Restructuring Support Agreement, dated October 7, 2009 (the "Noteholder Plan Support Agreement") by and among the Debtors and the Members.

In addition, prepetition, Milbank represented a subset of the *Ad Hoc* Noteholder Group, Sankaty Advisors, LLC ("Sankaty"), BlackRock Financial Management, Inc. ("BlackRock"), Tincum Incorporated ("Tincum") and Brigade Capital Management LLC

(“Brigade”), and their affiliates (collectively, the “Last Out DIP Lenders”) in connection with negotiation and documentation of the Last Out DIP Lenders in that certain debtor-in-possession financing agreement dated October 9, 2009 (the “DIP Credit Agreement”) by and among the Debtors and the DIP Lenders (as defined in the DIP Credit Agreement) which the Court ultimately approved on both an interim and a final basis. The Last Out DIP Lenders’ participation in the DIP Credit Agreement was disclosed on the Petition Date. The identity of the Last Out DIP Lenders (including affiliates and funds) is set forth in Exhibit “A” to the *“Debtors’ Motion for Interim and Final Orders Pursuant to Sections 361, 362, 363 and 364 of the Bankruptcy Code and Rule 4001 of the Federal Rules of Bankruptcy Procedures (A) Authorizing the Debtors to (I) Use Cash Collateral of the Prepetition Secured Parties, (II) Obtain Post-Petition Financing and (III) Provide Adequate Protection to the Prepetition Secured Parties, and (B) Providing Notice and Scheduling Final Hearing,”* dated October 8, 2009 Docket No. 20 (the “DIP Financing Motion”).

Under the Final DIP Order and DIP Credit Agreement, the Last Out DIP Lenders provided the Debtors with an aggregate of \$25,000,000 in Advances (as defined in the DIP Credit Agreement) on a first in/last out, substantially silent basis and subordinated to the right of payment to the payment in full of the First Out Obligations (as defined in the DIP Credit Agreement). *See* Final DIP Order, fn. 3 and DIP Credit Agreement, Section 2.20. A schedule of the Last Out DIP Lenders’ individual allocated participations in the \$25,000,000 Advances is attached as Schedule “A.” The Last Out DIP Lenders’ yield enhancement letter under the DIP Credit Agreement has been filed under seal pursuant to order of this Court [Docket No. 49].

Further, prepetition, Milbank also represented a subset of the Members of the *Ad Hoc* Noteholder Group, Sankaty, BlackRock, Tincum and Brigade and their affiliates (collectively, the “Backstop Investors”) in negotiation and documentation of a Convertible Note Commitment Agreement by and among the Debtors and the Backstop Investors, dated October 7, 2009 (the “Commitment Agreement”), pursuant to which, *inter alia*, the Backstop Investors agreed to backstop a \$140 million rights offering the Debtors are pursuing in the Chapter 11 Cases in connection with the Debtors’ plan of reorganization (the “Plan”). The Backstop Investors’ claims under and interests in the Commitment Agreement were disclosed on October 9, 2009. The specific percentage obligations under the Commitment Agreement of each Backstop Investor are annexed hereto as Exhibit “B.” The Backstop Investors percentage obligations under the Commitment Agreement have not changed since the Commitment Agreement was executed.

Each of the former and current Members of the *Ad Hoc* Noteholder Group asked Milbank and Pachulski to serve as its legal representative in these Chapter 11 Cases as a signatory to the Noteholder Plan Support Agreement, a Last Out DIP Lender and/or a Backstop Investor, as applicable. Milbank and Pachulski have represented the Members in the Chapter 11 Cases since the Petition Date.

5. Claims or Interests of Counsel

Neither Milbank nor Pachulski holds any claims against or interests in the Debtors or any of its affiliated debtors and debtors in possession; except to the extent that Milbank and/or Pachulski have claims for services rendered or fees incurred in connection with their representation of the *Ad Hoc* Noteholder Group which, under the DIP Credit Agreement (and the final order approving same) and the Commitment Agreement (and the final order approving same) are obligations of the Debtors, subject to certain restrictions on

reasonableness. In addition, under the Noteholder Plan Support Agreement, the Debtors are similarly obligated to pay the legal fees and expenses of the *Ad Hoc* Noteholder Group, which such obligations are, in addition to the aforementioned agreements and orders, also set forth in the Debtors' Plan.

6. Reservation of Rights

Each of the undersigned certifies that this Statement is true and correct to the best of his or her knowledge and belief. Milbank and Pachulski reserve the right to revise, modify or supplement this statement as necessary. A further supplemental statement shall be filed promptly if, to our knowledge, there are any material changes in the facts set forth herein. Moreover, no statement contained herein is intended to be nor should be construed as a waiver of any procedural rights or remedies at law or equity of any Member of the *Ad Hoc* Noteholder Group, the *Ad Hoc* Noteholder Group or the undersigned in connection with or in response to the entry of the 2019 Order, including, but not limited to, the right of the *Ad Hoc* Noteholder Group to appeal the 2019 Order, seek a stay of the 2019 Order pending appeal and/or to seek to file any information under seal or otherwise preserve confidential information. To the contrary, all such rights and remedies are expressly reserved.

Dated: January 29, 2010

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Timothy P. Cairns
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919 North Market Street, 17th Floor
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-and-

MILBANK, TWEED, HADLEY & M^CCLOY LLP

/s/ Robert C. Shenfeld

Paul S. Aronzon

Robert C. Shenfeld (*admitted pro hac vice*)

Daniel M. Perry (*admitted pro hac vice*)

601 S. Figueroa Street, 30th Fl

Los Angeles, California 90017

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Schedule "A"

Last Out DIP Loan Participation

\$25,000,000 First-In Last-Out Tranche

Managed Account Series: High Income Portfolio	92,000
BlackRock Strategic Bond Trust	36,000
BlackRock High Yield Trust	28,000
BlackRock Limited Duration Income Trust	279,000
BlackRock High Yield Bond Portfolio	1,457,000
California State Teachers' Retirement System	492,000
BlackRock Corporate High Yield Fund, Inc.	169,000
BlackRock Corporate High Yield Fund III, Inc.	182,000
BlackRock High Income Shares	112,000
BlackRock Corporate High Yield Fund VI, Inc.	284,000
BlackRock Corporate High Yield Fund V, Inc.	269,000
MIST BlackRock High Yield Portfolio	236,000
Brigade Leveraged Capital Structures Fund, LTD.	10,714,000
Sankaty Dip Opportunities, L.P.	7,702,000
Tinicum Capital Partners II, L.P.	2,924,000
Tinicum Capital Partners II Parallel Fund, L.P.	15,000
Tinicum Capital Partners II Executive Fund L.L.C.	9,000
	<hr/>
	\$ 25,000,000

Schedule "B"

Allocation of Unsubscribed Notes under the Commitment Agreement

Brigade Capital Management, LLC on behalf of:		
Brigade Leveraged Capital Structures Fund, Ltd.	42.857%	\$60,000,000
Tinicum Lantern II L.L.C. on behalf of:	11.792%	\$16,508,000
Tinicum Capital Partners II, L.P.		
Tinicum Capital Partners II Executive Fund, L.L.C.		
Tinicum Capital Partners II Parallel Fund, L.P.		
BlackRock Financial Management, Inc. on behalf of:	14.543%	\$20,360,000
BlackRock High Yield Bond Portfolio		
California State Teachers' Retirement System		
BlackRock Corporate High Yield Fund VI, Inc.		
BlackRock Limited Duration Income Trust		
BlackRock Corporate High Yield Fund V, Inc.		
MIST BlackRock High Yield Portfolio		
BlackRock Corporate High Yield Fund III, Inc.		
BlackRock Corporate High Yield Fund, Inc.		
BlackRock High Income Shares		
Managed Account Series: High Income Portfolio		
BlackRock Core Bond Trust		
BlackRock Strategic Bond Trust		
BlackRock High Yield Trust		
Sankaty Advisors, LLC	30.808%	\$43,131,000
Total:	100.000%	\$140,000,000