

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:

Chrysler LLC, *et al.*,

Debtors.

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Chapter 11

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Case No. 09-50002 (AJG)

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(Jointly Administered)  
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**AFFIDAVIT OF JOEL H. LEVITIN IN SUPPORT OF APPLICATION OF DEBTORS  
AND DEBTORS IN POSSESSION, PURSUANT TO SECTIONS 327(e) AND 1107(b) OF  
THE BANKRUPTCY CODE, BANKRUPTCY RULE 2014(a), AND LOCAL  
BANKRUPTCY RULE 2014-1, FOR ENTRY OF AN ORDER AUTHORIZING THE  
RETENTION AND EMPLOYMENT OF CAHILL GORDON & REINDEL LLP AS  
SPECIAL COUNSEL TO THREE MEMBERS OF THE BOARD OF MANAGERS OF  
DEBTOR CHRYSLER LLC, NUNC PRO TUNC TO THE PETITION DATE**

STATE OF NEW YORK                    )  
  )       ss:  
COUNTY OF NEW YORK                )

BEFORE ME, the undersigned authority, PERSONALLY APPEARED Joel H.  
Levitin, who, after being duly sworn, stated and deposed as follows:

1.       My name is Joel H. Levitin. I am over 21 years of age, of sound mind, in all  
respects qualified to make this affidavit, and have personal knowledge of the facts stated herein.  
I am a partner at the law firm of Cahill Gordon & Reindel LLP ("Cahill" or the "Firm") and  
practice in its offices located at Eighty Pine Street, New York, New York 10005.

2.       This affidavit is submitted this 20<sup>th</sup> day of May, 2009, pursuant to Bankruptcy  
Rule 2014(a) in support of the application (the "Application")<sup>1</sup> of the above-captioned debtors

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<sup>1</sup> Capitalized terms not otherwise defined herein shall have the meanings ascribed to them  
in the Application.

and debtors-in-possession (collectively, the "Debtors") for authority to retain and employ Cahill as special counsel to three members of the board of managers of one of the Debtors, Chrysler LLC (the "Independent Managers"), and in compliance with the requirements of Bankruptcy Code §§ 327(e) and 1107(b), Bankruptcy Rule 2014(a), and Local Bankruptcy Rule 2014-1.

3. The Cahill attorneys who may work on matters related to these cases will conduct themselves in accordance with the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules, and the known customs and procedures of the Court, to the extent applicable. I believe that Cahill is competent to represent the interests of the Independent Managers in those proceedings now pending or which reasonably may be expected in these cases that the Independent Managers may request Cahill's assistance with respect to.

4. Based on the searches conducted to date by Cahill of the list of parties-in-interest and their relationships to the Debtors attached to the application of Jones Day filed in these cases and attached as Schedule 1 hereto (collectively, the "Parties-in-Interest") (which, upon information and belief, included review by members of Cahill's managing attorney's office, files and records department, accounting department, and corporate library), to the best of my knowledge, information, and belief, neither I, the Firm, nor any member of the Firm holds or represents any interest adverse to the estates of the Debtors on matters on which the Firm is proposed to be retained, except as disclosed and described below.

5. Cahill and certain of its partners, associates, and employees may have in the past represented, may currently represent, and likely in the future will represent creditors of the Debtors and other parties-in-interest involved in these cases in connection with matters unrelated to the Debtors and these cases and unrelated to the matters upon which Cahill would be retained.

To the best of my knowledge, information, and belief, Cahill has not and will not represent any such parties in any matter on which the Firm is proposed to be retained in these cases.

6. Although not necessarily relevant in concluding that Cahill does not hold any adverse interest, and although not required under Bankruptcy Code § 327(e), in an abundance of caution, listed below are the material results of Cahill's searches of the Parties-in-Interest. This information may have changed without my knowledge and may change during the course of these cases. I or another member of the Firm will update this affidavit as necessary if and when I become aware of any new material information.

A. Debtors

7. Cahill has represented the Debtors in corporate matters and one of their predecessors, Daimler Chrysler, in litigation matters. Cahill has represented the Independent Managers since December 2008.

8. To the best of my knowledge, information, and belief, other than the Independent Managers, Cahill has not represented any current or former directors or officers of the Debtors or any current senior employees of the Debtors.

B. Potential Creditors and Parties-in-Interest

9. Cahill has represented and may continue to represent certain of the Parties-in-Interest in matters unrelated to these cases and the matters upon which the Firm seeks to be retained, as detailed below.

a. In litigation and antitrust matters unrelated to these cases, Cahill may have represented 3M Company, one of the Debtors' major fleet customers.

b. In insurance and litigation matters unrelated to these cases, Cahill may have represented Allstate Insurance Company, one of the Debtors' major fleet customers.

- c. In insurance, litigation, and corporate matters unrelated to these cases, Cahill may have and may continue to represent American International Group and several of its affiliates. American International Group is one of the Debtors' insurers.
- d. In litigation matters unrelated to these cases, Cahill may have and may continue to represent Arch Insurance Company and several of its affiliates. Arch Insurance Company is one of the Debtors' insurers.
- e. In corporate and litigation matters unrelated to these cases, Cahill may have represented Avis and several of its affiliates. Avis is one of the Debtors' major fleet customers.
- f. In corporate and financing matters unrelated to these cases, Cahill may have and may continue to represent Bank of America, N.A., and several of its affiliates. Bank of America, N.A., is one of the Debtors' depository and disbursement banks, and Banc of America Leasing & Capital, LLC, is a party to a license agreement with debtors.
- g. In corporate and financing matters unrelated to these cases, Cahill may have and may continue to represent Barclays Bank PLC and several of its affiliates. Barclays Bank PLC is a counterparty to certain of the Debtors' derivative agreements.
- h. In corporate and financing matters unrelated to these cases, Cahill may have and may continue to represent Citibank N.A. and several of its affiliates. Citibank N.A. is one of the Debtors' depository and disbursement banks, as well as a counterparty to certain of the Debtors' derivative agreements, and Citibank N.A. – N.Y. is one of the Debtors' lenders.
- i. In corporate, litigation, and regulatory matters unrelated to these cases, Cahill may have represented Collins & Aikman Products Co. and several of its affiliates. Collins & Aikman Products Co. is one of the Debtors' suppliers.
- j. In corporate matters unrelated to these cases, Cahill may have represented Cummins Engine Company Inc. and several of its affiliates. Cummins Engine Company Inc. is one of the Debtors' suppliers and a member of the Official Committee of Unsecured Creditors.
- k. In corporate and financing matters unrelated to these cases, Cahill may have and may continue to represent Credit Suisse and several of its affiliates. Credit Suisse Candlewood SS Mt and Credit Suisse Candlewood Pr are among the Debtors' lenders.

- l. In corporate matters unrelated to these cases, Cahill may have and may continue to represent Cyrus and several of its affiliates. Cyrus Opportunities Master Fund II Ltd. is one of the Debtors' lenders.
- m. In corporate and financing matters unrelated to these cases, Cahill may have and may continue to represent Deutsche Bank and several of its affiliates. Deutsche Bank Securities, Inc., is a business affiliate of Chrysler LLC's directors and managers, and Deutsche Bank – New York and Deutsche Bank Trust Co. America are among the Debtors' lenders.
- n. In tax, litigation, financing, and corporate matters unrelated to these cases, Cahill may have and may continue to represent Ford Motor Company and several of its affiliates. Ford Motor Company is one of the Debtors' competitors.
- o. In tax, financing, and corporate matters unrelated to these cases, Cahill may have and may continue to represent General Electric Company and several of its affiliates. General Electric Company is one of the Debtors' major fleet customers.
- p. In litigation matters unrelated to these cases, Cahill may have represented General Motors and several of its affiliates. General Motors is one of the Debtors' competitors.
- q. In financing and corporate matters unrelated to these cases, Cahill may have and may continue to represent Goldman Sachs & Co. and several of its affiliates. Goldman Sachs Lending Partners is one of the Debtors' lenders, and The Goldman Sachs Group, Inc., is a counterparty to certain of the Debtors' derivative agreements.
- r. In antitrust, litigation, and corporate matters unrelated to these cases, Cahill may have represented Goodyear Tire & Rubber and several of its affiliates. Goodyear Tire & Rubber is one of the Debtors' suppliers.
- s. In corporate matters unrelated to these cases, Cahill may have represented Halliburton Company and several of its affiliates. Reams – Halliburton Company is one of the Debtors' lenders.
- t. In corporate matters unrelated to these cases, Cahill may have represented Hitachi Capital America Corporation (f/k/a Hitachi Credit America Corporation), a lessor of the Debtors.
- u. In insurance and corporate matters unrelated to these cases, Cahill may have and may continue to represent Ironshore Insurance and several of its affiliates. Ironshore Insurance is one of the Debtors' insurers.

v. In corporate and financing matters unrelated to these cases, Cahill may have and may continue to represent JPMorgan Chase Bank, N.A., Administrative Agent for the first lien lenders, and several of its affiliates. JPMorgan is one of the Debtors' lenders, and JPMorgan Chase Bank, N.A. (f/k/a Bank One), is one of the Debtors' depository and disbursement banks, an issuer of the Debtors' letters of credit, and a counterparty to certain of the Debtors' derivative agreements.

w. In corporate, litigation, and regulatory matters unrelated to these cases, Cahill may have represented KPMG LLP, a professional employed by the Debtors.

x. In intellectual property matters unrelated to these cases, Cahill may have represented Kraft Foods, Inc. Reams – Kraft Foods Master Ret is one of the Debtors' lenders.

y. In corporate and insurance matters unrelated to these cases, Cahill may have and may continue to represent Marsh & McLennan Companies, Inc., and several of its affiliates. Marsh & McLennan Companies, Inc., is one of the Debtors' insurers and brokers.

z. In corporate and financing matters unrelated to these cases, Cahill may have and may continue to represent Merrill Lynch and several of its affiliates. Merrill Lynch Credit Products LLC is one of the Debtors' lenders.

aa. In corporate, financing, and real estate matters unrelated to these cases, Cahill may have and may continue to represent Metaldyne Corporation, one of the Debtors' suppliers.

bb. In corporate, antitrust, and litigation matters unrelated to these cases, Cahill may have and may continue to represent Mitsubishi Corporation and several of its affiliates. Mitsubishi Motors Manufacturing of America, Inc., and Mitsubishi Motors North America Inc. are parties to a joint venture and strategic alliance with the Debtors, and Mitsubishi Electric Auto America is one of the Debtors' suppliers.

cc. In corporate and financing matters unrelated to these cases, Cahill may have and may continue to represent Morgan Stanley & Co. Incorporated and several of its affiliates. Morgan Stanley Senior Fund Inc. is one of the Debtors' lenders.

dd. In corporate matters unrelated to these cases, Cahill may have represented National Australia Bank, Ltd., one of the Debtors' depository and disbursement banks.

ee. In corporate matters unrelated to these cases, Cahill may have represented National City, one of the Debtors' depository and disbursement banks.

ff. In corporate matters unrelated to these cases, Cahill may have represented NCR Corporation, one of the Debtors' major fleet customers.

gg. In corporate matters unrelated to these cases, Cahill may have and may continue to represent Oppenheimer & Co. Inc. and several of its affiliates. Oppenheimer Master Loan Fund LLC and Oppenheimer Senior Floating Rate Fund are among the Debtors' lenders.

hh. In regulatory, insurance, and corporate matters unrelated to these cases, Cahill may have represented Pepsico, Inc., and several of its affiliates. Pepsico, Inc., is one of the Debtors' major fleet customers.

ii. In litigation matters unrelated to these cases, Cahill may have represented Philip Morris USA and several of its affiliates. Philip Morris USA is one of Debtors' major fleet customers.

jj. In litigation matters unrelated to these cases, Cahill may have represented Pricewaterhouse Coopers and several of its affiliates. Pricewaterhouse Coopers is a professional employed by the Debtors.

kk. In corporate matters unrelated to these cases, Cahill may have represented Royal Bank of Canada. Royal Bank of Canada is the one of the Debtors' depository and disbursement banks, an issuer of letters of credit, and a counterparty to certain of the Debtors' derivative agreements.

ll. In corporate and financing matters unrelated to these cases, Cahill may have and may continue to represent Royal Bank of Scotland Plc. and several of its affiliates. Royal Bank of Scotland Plc. is one of the Debtors' lenders.

mm. In corporate matters unrelated to these cases, Cahill may have and may continue to represent Scottish Re and several of its affiliates. Scottish Re is a business affiliate of Chrysler LLC's directors and managers.

nn. In intellectual property matters unrelated to these cases, Cahill may have represented Sedgwick Claims Management Services, Inc., and several of its affiliates. Sedgwick Claims Management Services, Inc., is one of the Debtors' benefits administrators.

oo. In insurance matters unrelated to these cases, Cahill may have represented Shell Oil Products U.S. and several of its affiliates. Shell Oil Products U.S. is one of the Debtors' 50 largest unsecured creditors.

pp. In corporate matters unrelated to these cases, Cahill may have represented Standard Bank PLC and several of its affiliates. Standard Bank PLC is a counterparty to certain of the Debtors' derivative agreements.

qq. In corporate, insurance, and litigation matters unrelated to these cases, Cahill may have and may continue to represent Swiss Re and several of its affiliates. Swiss Re is one of the Debtors' insurers.

rr. In corporate matters unrelated to these cases, Cahill may have represented Tenneco, Inc., and several of its affiliates. Tenneco, Inc., is one of the Debtors' suppliers.

ss. In litigation, financing, corporate, and intellectual property matters unrelated to these cases, Cahill may have represented Varity Kelsey-Hayes and several of its affiliates. Varity Kelsey-Hayes is one of the Debtors' 50 largest unsecured creditors.

tt. In corporate and financing matters unrelated to these cases, Cahill may have represented WIT, Inc., and several of its affiliates. WIT, Inc., is a party to a license agreement with the Debtors.

uu. In corporate and insurance matters unrelated to these cases, Cahill may have and may continue to represent XL Insurance Company Ltd. and several of its affiliates. XL Insurance Company Ltd. is one of the Debtors' insurers.

vv. In litigation matters unrelated to these cases, Cahill may have and may continue to represent Yale University, one of the Debtors' lenders.

ww. In insurance, litigation, and corporate matters unrelated to these cases, Cahill may have and may continue to represent Zurich Financial Services and several of its affiliates. Zurich Financial Services is one of the Debtors' insurers.

10. In addition to actual representations by Cahill, Cahill has been involved in deals, cases, and other matters unrelated to these cases with certain other of the Parties-in-Interest (or related entities and/or their professionals), including Abbott Laboratories; AK Steel Corporation; Blue Cross-Blue Shield; Cadwalader, Wickersham & Taft; Canadian National; Chubb Group of Insurance Companies; Contech Construction Products; Deloitte & Touche; GMAC; Eaton



Corporation; Enterprise Rent-A-Car; Exxon Mobil; General Motors Corporation; IBM; Ikon Office Solutions, Inc.; Jones Day; Microsoft Corporation; National Union Insurance Corporation; Philips Electronics; PNC; Prudential Insurance Company; Ryder System, Inc.; Schulte Roth & Zabel LLP; Takota Corporation; TCW; Textron Inc.; Union Pacific Railroad Co.; Volkswagen; and Xerox, but Cahill did not represent such parties in any such deals, cases, or other matters.

11. Cahill may have represented in the past, may currently represent, and may in the future represent or have other relationships with others parties-in-interest or be involved in transactions, cases, and matters involving other potential creditors and parties-in-interest of the Debtors; however, Cahill does not represent and will not represent any such creditors or related parties in connection with matters on which it is proposed to be retained.

C. The Bankruptcy Court, the District Court and the Office of the United States Trustee

12. William T. Lifland, a retired Cahill partner, is the cousin of the Honorable Burton R. Lifland, United States Bankruptcy Judge for the Southern District of New York; Thomas Kavalier, a Cahill partner, is the husband of the Honorable Loretta Preska, United States District Judge for the Southern District of New York; and David Owen, a Cahill Partner, is the son of the Honorable Richard Owen, United States District Judge for the Southern District of New York. To the best of my knowledge, information, and belief, no other partner, associate, or employee of Cahill is related to any current United States Bankruptcy Judge or District Judge in the Southern District of New York.

13. To the best of my knowledge, information, and belief, no partner, associate, or employee of Cahill is related to any employee of the United States Trustee's office serving the Southern District of New York.

D. Professional Compensation

14. Subject to the Court's approval of the Application, Cahill intends (a) to charge for its legal services on an hourly basis in accordance with the ordinary and customary hourly rates applicable to this matter in effect on the date services are rendered and (b) to seek reimbursement of actual and necessary out-of-pocket expenses.

15. The current hourly rates that Cahill intends to charge the Debtors for the legal services of its professionals are between \$368 and \$888 for attorneys and between \$184 and \$296 for paraprofessionals. Cahill's hourly rates may change from time to time in accordance with Cahill's established billing practices and procedures. I believe that Cahill's hourly rates are comparable to those charged by attorneys of similar experience and expertise for engagements of scope and complexity similar to these chapter 11 cases.

16. Cahill intends to maintain detailed, contemporaneous time records and apply to the Court for allowance of compensation and reimbursement of expenses in accordance with applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, the Local Bankruptcy Rules and any additional procedures that may be established by the Court in these chapter 11 cases.

17. Cahill has not entered into any payment sharing agreements in connection with its representation of the Debtors.

/s/ Joel H. Levitin  
Joel H. Levitin

/s/ Samantha Lamboy  
Notary Public  
Commission Expires March 14, 2010