



May 29, 2009

## Supplier Visteon files for reorganization

*BY JEWEL GOPWANI  
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Visteon Corp., long believed to be on bankruptcy's doorstep, finally filed for Chapter 11 protection Thursday under crushing auto sales declines that left the Van Buren Township-based supplier with more debt than it could carry.

Visteon said it plans to reorganize and has secured at least part of its bankruptcy loan from its former parent, Ford Motor Co., which risked a severe disruption to its production in a disorderly Visteon bankruptcy.

Visteon joins several suppliers in bankruptcy, including the other major supplier spun off from a Detroit-area automaker, Delphi Corp., which was spawned by General Motors Corp.

Delphi filed for bankruptcy in October 2005 and has been struggling to emerge. On Thursday, the company won more time to reach a deal with its lenders, GM and the U.S. Treasury to leave bankruptcy. Delphi could file changes to its bankruptcy plan this weekend.

Visteon's filing comes one day after Plymouth-based Metaldyne also filed for Chapter 11 protection. Auto experts say more filings will come as the industry works through a massive restructuring that will take center stage Monday, when GM is expected to file for Chapter 11.

Visteon, which has operated with losses for the last eight years, filed for bankruptcy two days before a waiver, temporarily forgiving a loan default, was set to expire. Visteon's lenders waived a default triggered when the company's auditor questioned the company's future as a going concern.

Visteon lists the Pension Benefit Guaranty Corp., a government agency that oversees pensions, as its second-largest creditor. The agency says Visteon owes more than \$600 million into its pension funds.

Visteon expects to operate using its cash and a bankruptcy loan. The company has not disclosed the size of that loan, but said Ford will provide a portion of it.

Ford agreed to contribute money to Visteon's reorganization on the condition that other customers also provide bankruptcy money to the supplier. Visteon said it is in talks with its other customers.

"The question is: Do the other customers have the money, do they want to do it?" said restructuring expert Van Conway, with Birmingham-based turnaround consulting firm CM&D.

*Free Press business writer Brent Snavelly contributed to this report.*

Additional Facts  
Visteon Corp.

**Headquarters:** Van Buren Township

**Employees in Michigan:** 2,200

**Products:** Vehicle interiors, heating and cooling systems and electronics