

## For Immediate Release

September 30, 2010

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### **Katten Wins Complete Dismissal of Shareholder Class Action on Behalf of Former Officers and Directors of Metaldyne Corporation**

**CHICAGO – Katten Muchin Rosenman LLP** is pleased to have obtained dismissal of a federal securities action brought against its clients, former officers, directors and majority shareholders of Metaldyne Corporation, a leading designer and manufacturer of metal automotive components. The shareholder class action was brought by former employees of MascoTech Inc., the company that merged with Riverside Company LLC in 2000 to form Metaldyne. Metaldyne filed for bankruptcy in 2009 and was dismissed from the case on February 12, 2010.

The complaint alleged that former employees who previously held MacsoTech restricted stock were issued “substitute” awards of Metaldyne restricted stock in order to facilitate the merger with Riverside. The first installment of the “substitute” awards vested on November 28, 2000, with the remaining installments vesting on January 14, 2002, 2003 and 2004. Before each of these dates, the putative class members could elect to receive the installment in cash, stock or a combination of the two. The plaintiffs claimed that if the defendants had adequately disclosed certain information about a monitoring agreement between Metaldyne and Heartland, a private equity firm that owned a controlling interest in Metaldyne, they would have taken cash instead of stock for the years in question.

The plaintiffs alleged six causes of action against Heartland Industrial Partners LP, Heartland Industrial Associates LLC, Gary M. Banks, Charles E. Becker, Cynthia Hess, Timothy Leuliette, Jeffrey Stafeil, David A. Stockman, Daniel P. Tredwell and Samuel Valenti III, including violation of Section 10(b) of the Exchange Act and Rule 10b-5, violations of Section 20(a) of the Exchange Act, breach of fiduciary duty, unjust enrichment, silent fraud and conversion. In a ruling this week, Hon. John Corbett O’Meara of the U.S. District Court for the Eastern District of Michigan granted Katten’s motion to dismiss the case on all counts on behalf of all defendants.

In dismissing the Section 10(b) claim, the court found that the disclosures were, in fact, adequate, and specifically rejected the plaintiffs’ argument that the disclosures were “buried” in the public documents. The court also dismissed the Section 20(a) claim for failure to state an underlying Section 10(b) violation. It further found that the plaintiffs’ claims of breach of fiduciary duty and unjust enrichment were derivative in nature and that, because the plaintiffs were no longer shareholders, they lacked standing to make such claims.

“We are pleased to have achieved such a complete victory on behalf of our clients,” said David H. Kistenbroker, lead counsel in the case and co-chair of Katten’s Securities Litigation Practice. “The

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plaintiffs' case was without merit and we are gratified that after thoughtfully considering all of the arguments, Judge O'Meara ruled in our clients' favor."

In addition to Mr. Kistenbroker, the defendants were represented by partner Joni S. Jacobsen. Other Katten attorneys involved included associates David F. Benson, Emily J. Prentice and Blake M. Mills. The case is *Anthony Ziebron and James Vrana v. Metaldyne Corporation, et al.*

Katten's Securities Litigation Practice defends corporations and their directors and officers in complex securities, director-and-officer and merger cases, and in related regulatory actions, including SEC enforcement actions and criminal prosecutions by the United States Attorneys Offices. Its attorneys have defended over 250 major securities cases in both federal and state courts across the country, and are nationally recognized for their record of success. Among its experienced securities litigators are former Assistant United States Attorneys, former SEC Enforcement Attorneys, and former Department of Justice Associate Attorneys General.

*Katten Muchin Rosenman LLP is a full-service law firm with more than 600 attorneys in locations across the United States and an affiliate in London. The firm's business-savvy professionals provide clients in numerous industries with sophisticated, high-value legal services, with a focus on corporate, financial services, litigation, real estate, commercial finance, intellectual property and trusts and estates. Among our clients are a wide range of public and private companies, including a third of the Fortune 100, as well as a number of government and nonprofit organizations and individuals. For additional information, visit [www.kattenlaw.com](http://www.kattenlaw.com).*

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