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DELPHI CORP
Form SC 13D/A
August 29, 2006

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

SCHEDULE 13D/A

(Amendment No. 2)

UNDER THE SECURITIES EXCHANGE ACT OF 1934

DELPHI CORPORATION

(Name of Issuer)

Common Stock, \$0.01 Par Value Per Share

(Title of Class of Securities)

247126105

(CUSIP Number)

Kenneth Maiman
Appaloosa Management L.P.
26 Main Street, First Floor
Chatham, NJ 07928
(973) 701-7000

(Name, Address and Telephone Number of Person Authorized to Receive Notices
and Communications)

August 25, 2006
(Date of Event Which Requires Filing of this Statement)

If the filing person has previously filed a statement on Schedule 13G to report
the acquisition which is the subject of this Schedule 13D, and is filing this
schedule because of Rule 13d-1(e), 13d-1(f) or 13d-1(g), check the following box
[].

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SCHEDULE 13D

CUSIP No. 247126105

1 NAME OF REPORTING PERSONS
Appaloosa Investment Limited Partnership I

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY)

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22-3220838

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) []
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS
OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

NUMBER OF SHARES 7 SOLE VOTING POWER
BENEFICIALLY OWNED BY 0
EACH REPORTING PERSON WITH -----
8 SHARED VOTING POWER
27,716,000

9 SOLE DISPOSITIVE POWER
0

10 SHARED DISPOSITIVE POWER
27,716,000

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
27,716,000

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
4.93%

14 TYPE OF REPORTING PERSON
PN

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SCHEDULE 13D

CUSIP No. 247126105

1 NAME OF REPORTING PERSONS
Palomino Fund Ltd.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY)
98-0150431

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) []
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS

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OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO
ITEMS 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION
British Virgin Islands

| | | |
|----------------------------|-------|--------------------------|
| NUMBER OF SHARES | 7 | SOLE VOTING POWER |
| BENEFICIALLY OWNED BY EACH | | 0 |
| REPORTING PERSON WITH | ----- | ----- |
| | 8 | SHARED VOTING POWER |
| | | 24,284,000 |
| | ----- | ----- |
| | 9 | SOLE DISPOSITIVE POWER |
| | | 0 |
| | ----- | ----- |
| | 10 | SHARED DISPOSITIVE POWER |
| | | 24,284,000 |
| | ----- | ----- |

11 AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON
24,284,000

12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
4.32%

14 TYPE OF REPORTING PERSON
CO

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SCHEDULE 13D

CUSIP No. 247126105

1 NAME OF REPORTING PERSONS
Appaloosa Management L.P.

I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY)
22-3220835

2 CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP (a) []
(b) [X]

3 SEC USE ONLY

4 SOURCE OF FUNDS
OO

5 CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED
PURSUANT TO ITEMS 2(d) or 2(e) []

6 CITIZENSHIP OR PLACE OF ORGANIZATION
Delaware

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| | | | |
|---|--|--------------------------|------------|
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER | 0 |
| | 8 | SHARED VOTING POWER | 52,000,000 |
| | 9 | SOLE DISPOSITIVE POWER | 0 |
| | 10 | SHARED DISPOSITIVE POWER | 52,000,000 |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON 52,000,000 | | |
| 12 | CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES | | [] |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) 9.25% | | |
| 14 | TYPE OF REPORTING PERSON PN | | |

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SCHEDULE 13D

CUSIP No. 247126105

| | | | |
|---|---|---------------------|------------|
| 1 | NAME OF REPORTING PERSONS Appaloosa Partners Inc. | | |
| | I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY) 22-3220833 | | |
| 2 | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP | (a) | [] |
| | | (b) | [X] |
| 3 | SEC USE ONLY | | |
| 4 | SOURCE OF FUNDS OO | | |
| 5 | CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) | | [] |
| 6 | CITIZENSHIP OR PLACE OF ORGANIZATION Delaware | | |
| NUMBER OF SHARES BENEFICIALLY OWNED BY EACH REPORTING PERSON WITH | 7 | SOLE VOTING POWER | 0 |
| | 8 | SHARED VOTING POWER | 52,000,000 |

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| | | | |
|-------|---|--------------------------|-----|
| | 9 | SOLE DISPOSITIVE POWER | |
| | | 0 | |
| ----- | | | |
| | 10 | SHARED DISPOSITIVE POWER | |
| | | 52,000,000 | |
| ----- | | | |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON | | |
| | 52,000,000 | | |
| ----- | | | |
| 12 | CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES CERTAIN SHARES | | [] |
| ----- | | | |
| 13 | PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11) | | |
| | 9.25% | | |
| ----- | | | |
| 14 | TYPE OF REPORTING PERSON | | |
| | CO | | |
| ----- | | | |

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SCHEDULE 13D

 CUSIP No. 247126105

| | | | |
|-------|---|--|--------------------|
| | | NAME OF REPORTING PERSONS | |
| 1 | | David A. Tepper | |
| | | I.R.S. IDENTIFICATION NOS. OF ABOVE PERSON (ENTITIES ONLY) | |
| ----- | | | |
| 2 | | CHECK THE APPROPRIATE BOX IF A MEMBER OF A GROUP | (a) [] (b) [X] |
| ----- | | | |
| 3 | SEC USE ONLY | | |
| ----- | | | |
| 4 | SOURCE OF FUNDS | | |
| | OO | | |
| ----- | | | |
| 5 | CHECK IF DISCLOSURE OF LEGAL PROCEEDINGS IS REQUIRED PURSUANT TO ITEMS 2(d) or 2(e) | | [] |
| ----- | | | |
| 6 | CITIZENSHIP OR PLACE OF ORGANIZATION | | |
| | United States of America | | |
| ----- | | | |
| | 7 | SOLE VOTING POWER | |
| | | 0 | |
| ----- | | | |
| | 8 | SHARED VOTING POWER | |
| | | 52,000,000 | |
| ----- | | | |
| | 9 | SOLE DISPOSITIVE POWER | |
| | | 0 | |
| ----- | | | |
| | 10 | SHARED DISPOSITIVE POWER | |
| | | 52,000,000 | |
| ----- | | | |
| 11 | AGGREGATE AMOUNT BENEFICIALLY OWNED BY EACH REPORTING PERSON | | |
| | 52,000,000 | | |

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12 CHECK IF THE AGGREGATE AMOUNT IN ROW (11) EXCLUDES
CERTAIN SHARES []

13 PERCENT OF CLASS REPRESENTED BY AMOUNT IN ROW (11)
9.25%

14 TYPE OF REPORTING PERSON
IN

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This Amendment No. 2 (this "Amendment") to the Schedule 13D filed on March 16, 2006 by the Reporting Persons (the "Schedule 13D") relates to the common stock, \$0.01 par value per share (the "Common Stock"), of Delphi Corporation, a Delaware corporation (the "Issuer"), and is being filed to amend the Schedule 13D as specifically set forth below.

The information set forth in the Exhibit to this Amendment is hereby expressly incorporated herein by reference, and the responses to each item of this Amendment are qualified in their entirety by the provisions of such Exhibit. Unless otherwise indicated, all capitalized terms shall have the meanings ascribed to them in the Schedule 13D, and unless otherwise amended hereby, all information previously filed remains in effect.

Item 4 is amended and restated as follows:

The acquisition of the shares of Common Stock beneficially owned by the Reporting Persons was for investment purposes. On March 15, 2006, in its capacity as a stockholder, Appaloosa Management L.P. ("Appaloosa") sent a letter to the Issuer's board of directors expressing concerns over the current management of the Issuer in connection with the commencement and prosecution of the Issuer's case under chapter 11 of the Bankruptcy Code (the "March 15th Letter"). As described below, Appaloosa has withdrawn this letter.

On July 31, 2006, Appaloosa and the Issuer entered into a Confidential Information, Standstill and Nondisclosure Agreement (the "Confidentiality Agreement"). Pursuant to the terms of the Confidentiality Agreement, the Issuer may furnish to Appaloosa certain non-public, confidential and/or proprietary information pertaining to the Issuer which is reasonably necessary in order for Appaloosa to evaluate a possible negotiated business arrangement involving the Issuer in its reorganization case under chapter 11 of the Bankruptcy Code. Subject to customary exceptions, Appaloosa agrees to keep the Evaluation Material (as defined in the Confidentiality Agreement) strictly confidential. Prior to the Release Date (as defined in the Confidentiality Agreement), unless otherwise agreed to by the Issuer in writing, Appaloosa agrees to engage in discussions and negotiate exclusively with the Issuer and its legal and financial advisors with respect to a possible negotiated business arrangement involving the Issuer. In addition, in accordance with the Confidentiality Agreement, Appaloosa has withdrawn the March 15th Letter and agreed not to take certain other actions, as more fully described in the Confidentiality Agreement.

On August 25, 2006, Appaloosa and the Issuer entered into an amendment to the Confidentiality Agreement (the "Amendment"), a copy of which is attached hereto as Exhibit 6. Pursuant to the Amendment, in connection with certain confidential information produced and designated as "confidential" or "highly confidential" by the Debtors under various stipulations and protective orders entered into in the Issuer's reorganization case under chapter 11 of the Bankruptcy Code, that has been furnished and may continue to be furnished to certain representatives of Appaloosa (the "Litigation Material"), Appaloosa may

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use the Litigation Material for a Permitted Purpose (as defined in the Amendment), and the Litigation Material so used will be deemed Evaluation Material (as defined in the Confidentiality Agreement).

Appaloosa has had conversations, and plans to have additional conversations, with representatives of the Issuer with respect to a possible negotiated business arrangement involving

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the Issuer and other matters. No assurances can be given that any possible negotiated business arrangement involving the Issuer will be proposed, or if proposed, consummated.

On July 31, 2006, Appaloosa engaged UBS Securities LLC ("UBS") as lead financial adviser and lead capital markets provider and engaged Merrill Lynch & Co. ("Merrill Lynch") as an additional financial adviser, in each case in connection with any potential restructuring, acquisition or other transaction involving the Issuer. Pursuant to the engagement letters, the financial advisers are to be given an opportunity to participate in any debt or equity financing transaction involving the Issuer that is sponsored by Appaloosa and not financed by Appaloosa.

Except as described in this Item 4 or otherwise described in this Statement, the Reporting Persons currently have no plans or proposals which relate to or would result in any transaction, event or action enumerated in paragraphs (a) through (j) of Item 4 of the form of Schedule 13D promulgated under the Securities Exchange Act of 1934, as amended. Each of the Reporting Persons reserves the right, in light of its or his ongoing evaluation of the Issuer's financial condition, business, operations and prospects, the market price of the Common Stock, conditions in the securities markets generally, general economic and industry conditions, its or his business objectives and other relevant factors, to change its or his plans and intentions at any time, as it or he deems appropriate. In particular, and without limiting the generality of the foregoing (but subject to the terms of the Confidentiality Agreement), any one or more of the Reporting Persons (and their respective affiliates) reserves the right, in each case subject to any applicable limitations imposed on the sale of any of their Common Stock by the Securities Act of 1933, as amended, or other applicable law, to (i) purchase additional shares of Common Stock or other securities of the Issuer, (ii) sell or transfer shares of Common Stock or other securities beneficially owned by them from time to time in public or private transactions and (iii) cause any of the Reporting Persons to distribute in kind to their respective stockholders, partners or members, as the case may be, shares of Common Stock or other securities owned by such Reporting Persons.

Item 6 is amended and restated as follows:

On July 31, 2006, Appaloosa and the Issuer entered into a Confidential Information, Standstill and Nondisclosure Agreement. Harbinger Capital Partners Master Fund I, Ltd. ("Harbinger") is also a party to the Confidentiality Agreement.

On July 31, 2006, Appaloosa engaged UBS as lead financial adviser and lead capital markets provider and engaged Merrill Lynch as an additional financial adviser, in each case in connection with any potential restructuring, acquisition or other transaction involving the Issuer. Pursuant to the engagement letters, the financial advisers are to be given an opportunity to participate in any debt or equity financing transaction involving the Issuer that is sponsored by Appaloosa and not financed by Appaloosa. Harbinger is also a party to these engagement letters.

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On August 25, 2006, Appaloosa and the Issuer entered into an amendment to the Confidential Information, Standstill and Nondisclosure Agreement, a copy of which is attached hereto as Exhibit 6. Harbinger is also a party to such amendment.

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The Reporting Persons disclaim membership in a "group" (within the meaning of Section 13(d) of the Securities Exchange Act of 1934) with any of the other parties to the agreements described above.

Other than as described in this Statement, to the best knowledge of the Reporting Persons there are no contracts, arrangements, understandings or relationships (legal or otherwise) among the Reporting Persons, and between any such persons and any other person, with respect to any securities of the Issuer, including but not limited to, transfer and voting of any of the securities, finder's fees, joint ventures, loan or option arrangements, puts or calls, guarantees of profits, division of profits or loss, or the giving or withholding of proxies, or a pledge or contingency the occurrence of which would give another person voting power or investment power over the securities of the Issuer.

Item 7 is amended to add the following exhibits:

| Exhibit No. | Description |
|-------------|--|
| 6 | Amended Confidential Information, Standstill and Nondisclosure Agreement, by and among Appaloosa Management L.P., Harbinger Capital Partners Master Fund I, Ltd. and Delphi Corporation, dated August 25, 2006 |

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SIGNATURE

After reasonable inquiry and to the best of my knowledge and belief, I certify that the information set forth in this statement is true, complete and correct.

Dated: August 29, 2006

APPALOOSA INVESTMENT LIMITED
PARTNERSHIP I

By: APPALOOSA MANAGEMENT L.P.,
Its General Partner

By: APPALOOSA PARTNERS INC.,
Its General Partner

By: /s/ David A. Tepper

Name: David A. Tepper
Title: President

PALOMINO FUND LTD.

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By: APPALOOSA MANAGEMENT L.P.,
Its Investment Adviser

By: APPALOOSA PARTNERS INC.,
Its General Partner

By: /s/ David A. Tepper

Name: David A. Tepper
Title: President

APPALOOSA MANAGEMENT L.P.

By: APPALOOSA PARTNERS INC.,
Its General Partner

By: /s/ David A. Tepper

Name: David A. Tepper
Title: President

APPALOOSA PARTNERS INC.

By: /s/ David A. Tepper

Name: David A. Tepper
Title: President

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/s/ David A. Tepper

David A. Tepper

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