

DANA HOLDING CORP
Form S-3
September 02, 2009

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**As filed with the Securities and Exchange Commission on September 1, 2009.
Registration No. 333-**

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

**FORM S-3
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933**

DANA HOLDING CORPORATION
(Exact name of registrant as specified in its charter)

Delaware
*(State or other jurisdiction of
incorporation or organization)*

26-1531856
(I.R.S. Employer Identification No.)

**3939 Technology Drive, Maumee, OH 43697
(419) 887-3000**
*(Address, including zip code, and telephone number,
including area code, of registrant's principal executive
offices)*

Marc S. Levin, Esq.
Senior Vice President, General Counsel & Secretary
**3939 Technology Drive, Maumee, OH 43697
(419) 887-5440**
*(Name, address, including zip code, and telephone
number,
including area code, of agent for service)*

Copies to:

Tarun M. Stewart, Esq.
David S. Huntington, Esq.
Paul, Weiss, Rifkind, Wharton & Garrison LLP
1285 Avenue of the Americas
New York, New York 10019-6064
(212) 373-3000

Approximate date of commencement of proposed sale to the public: From time to time after the effective date of this Registration Statement.

If the only securities being registered on this Form are to be offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are being offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

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If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer Smaller reporting company
 (Do not check if a smaller reporting company)

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to be Registered	Aggregate Amount to be Registered(1)	Proposed Maximum Offering Price per Unit(2)	Proposed Maximum Aggregate Offering Price(2)(3)	Amount of Registration Fee
Common Stock(4)				
Preferred Stock(4)				
Debt Securities				
Depository Shares				
Warrants				
Rights				
Purchase Contracts				
Units				
Total			\$500,000,000	\$27,900

(1) The amount to be registered is not specified as to each class of securities to be registered pursuant to General Instruction II.D. An indeterminate aggregate initial offering price or number of shares of common stock, shares of preferred stock, debt securities, depository shares, warrants, rights, purchase contracts and units of Dana Holding Corporation is being registered as may from time to time be issued at currently indeterminable prices. Securities registered hereunder may be sold separately or together with other securities registered hereunder.

(2) The proposed maximum offering price per security will be determined from time to time by the registrant in connection with the issuance of the securities registered by this registration statement. Prices, when determined, may be in U.S. dollars or the equivalent thereof in one or more foreign currencies, foreign currency units or composite currencies. If any debt securities or preferred stock are issued at an original issue discount, then the amount registered will include the principal or liquidation amount of such securities measured by the initial

offering price thereof.

- (3) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457(a) under the Securities Act of 1933, as amended.
 - (4) Including an indeterminate number of shares of common stock and preferred stock as may from time to time be issued upon conversion or exchange of debt securities or preferred stock, or upon the exercise of warrants, rights or purchase contracts, as the case may be.
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The information in this prospectus is not complete and may be changed. We may not sell these securities until the registration statement filed with the Securities and Exchange Commission is effective. This prospectus is not an offer to sell these securities and it is not soliciting an offer to buy these securities in any state where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED SEPTEMBER 1, 2009

PROSPECTUS

DANA HOLDING CORPORATION

\$500,000,000

**Common Stock
Preferred Stock
Debt Securities
Depositary Shares
Warrants
Rights
Purchase Contracts
Units**

We may offer and sell from time to time shares of our common stock, shares of our preferred stock, debt securities, depositary shares, warrants, rights, purchase contracts or units, or any combination thereof, in one or more offerings in amounts, at prices and on terms that we determine at the time of the offering, with an aggregate initial offering price of up to \$500,000,000 (or its equivalent in foreign currencies, currency units or composite currencies). Each time we offer securities, we will provide a prospectus supplement containing more information about the particular offering together with this prospectus. The prospectus supplement also may add, update or change information contained in this prospectus. This prospectus may not be used to offer and sell securities without a prospectus supplement.

Our common stock is traded on the New York Stock Exchange under the symbol DAN.

Investing in these securities involves significant risks. We strongly recommend that you read carefully the risks we describe in this prospectus as well as in any accompanying prospectus supplement and the risk factors that are incorporated by reference into this prospectus from our filings made with the Securities and Exchange Commission. See Risk Factors beginning on page 3 of this prospectus.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

The date of this prospectus is _____, 2009

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ABOUT THIS PROSPECTUS

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission, or the SEC, using a shelf registration process. Under this shelf registration process, we may offer and sell from time to time shares of our common stock, shares of our preferred stock, debt securities, depositary shares, warrants, rights, purchase contracts or units, or any combination thereof, in one or more offerings in amounts, at prices and on terms that we determine at the time of the offering, with an aggregate initial offering price of up to \$500,000,000 (or its equivalent in foreign currencies, currency units or composite currencies). This prospectus provides you with a general description of the securities. Each time we offer the securities, we will provide a prospectus supplement that describes the terms of the offering. The prospectus supplement also may add, update or change information contained in this prospectus. Before making an investment decision, you should read carefully both this prospectus and any prospectus supplement together with the documents incorporated by reference into this prospectus as described below under the heading **Incorporation by Reference**.

The registration statement that contains this prospectus, including the exhibits to the registration statement and the information incorporated by reference, provides additional information about us and our securities. That registration statement can be read at the SEC web site (www.sec.gov) or at the SEC public reference room as discussed below under the heading **Where You Can Find More Information**.

You should rely only on the information provided in the registration statement, this prospectus and in any prospectus supplement, including the information incorporated by reference. We have not authorized anyone to provide you with different information. You should not assume that the information in this prospectus or any supplement to this prospectus is accurate at any date other than the date indicated on the cover page of these documents. We are not making an offer to sell the securities in any jurisdiction where the offer or sale is not permitted.

We may sell the securities to or through underwriters, dealers or agents or directly to purchasers. The securities may be sold for U.S. dollars, foreign-denominated currency, currency units or composite currencies. Amounts payable with respect to any securities may be payable in U.S. dollars or foreign-denominated currency, currency units or composite currencies as specified in the applicable prospectus supplement. We and our agents reserve the

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sole right to accept or reject in whole or in part any proposed purchase of the securities. The prospectus supplement, which we will provide each time we offer the securities, will set forth the names of any underwriters, dealers or agents involved in the sale of the securities, and any related fee, commission or discount arrangements. See Plan of Distribution.

The prospectus supplement may also contain information about any material U.S. federal income tax considerations relating to the securities covered by the prospectus supplement.

In this prospectus, the terms Dana, we, us and our refer to Dana Holding Corporation.

DANA HOLDING CORPORATION

We are a world leader in the supply of axles, driveshafts and structural, sealing and thermal-management products, as well as genuine service parts. Our customer base includes virtually every major vehicle manufacturer in the global automotive, commercial vehicle and off-highway markets. Headquartered in Maumee, Ohio, Dana was incorporated in Delaware in 2007. As of June 30, 2009, we employed approximately 22,500 people and operated 112 major facilities in 26 countries.

For a description of our business, financial condition, results of operations and other important information regarding Dana, we refer you to our filings with the SEC incorporated by reference into this prospectus. For instructions on how to find copies of these documents, see Where You Can Find More Information. More information about us is also available through our website at www.dana.com. The information on our website is not incorporated by reference into this prospectus or any accompanying prospectus supplement.

Our principal executive offices are located at 3939 Technology Drive, Maumee, Ohio 43697, telephone (419) 887-3000.

FORWARD-LOOKING STATEMENTS

This prospectus and the documents incorporated by reference include forward-looking statements as defined in the Private Securities Litigation Reform Act of 1995. In addition, Dana may make other written and oral communications from time to time that contain such statements. All statements regarding Dana's expected financial position, strategies and growth prospects and general economic conditions Dana expects to exist in the future are forward-looking statements. The words anticipates, believes, feels, expects, estimates, seeks, strives, plans, intends, position, target, mission, assume, achievable, potential, strategy, goal, aspiration, outcome, continue, maintain, trend, objective and variations of such words and similar expressions, or future or conditional verbs such as will, would, should, could, might, can, may or similar expressions, as they relate to Dana or its management, are intended to identify forward-looking statements.

Dana cautions that forward-looking statements are subject to numerous assumptions, risks and uncertainties, which change over time. A forward-looking statement speaks only as of the date the statement is made, and Dana does not undertake to update forward-looking statements to reflect facts, circumstances, assumptions or events that occur after the date the forward-looking statements are made. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance. Among other factors, the risk factors mentioned elsewhere in this prospectus or previously disclosed in Dana's SEC reports (accessible on the SEC's website at www.sec.gov or on Dana's website at www.dana.com) could cause actual results to differ materially from forward-looking statements and from historical performance. Dana does not have any intention or obligation to update forward-looking statements after it distributes this prospectus or any prospectus supplement.

All future written and oral forward-looking statements attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to above. New risks and uncertainties arise from time to time, and it is impossible for us to predict these events or how they may affect us. We assume no obligation to update any forward-looking statements as a result of new information, future events or developments, except as required by federal securities laws. In addition, it is our policy generally not to make any specific projections as to future earnings, and we do not endorse any projections regarding future performance that may be made by third parties.

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Investing in our securities involves risk. You should carefully consider the specific risks discussed or incorporated by reference into the applicable prospectus supplement, together with all the other information contained in the prospectus supplement or incorporated by reference into this prospectus and the applicable prospectus supplement. You should also consider the risks, uncertainties and assumptions discussed under the caption "Risk Factors" included in our Annual Report on Form 10-K for the year ended December 31, 2008, which is incorporated by reference into this prospectus. These risk factors may be amended, supplemented or superseded from time to time by other reports we file with the SEC in the future.

USE OF PROCEEDS

Unless we specify another use in the applicable prospectus supplement, we will use the net proceeds from the sale of the securities offered by us for general corporate purposes, which may include, among other things:

debt repayment;

working capital; and/or

capital expenditures.

We may also use such proceeds to fund acquisitions of businesses, technologies or product lines that complement our current business. We may set forth additional information on the use of net proceeds from the sale of the securities we offer under this prospectus in a prospectus supplement related to a specific offering.

RATIO OF EARNINGS TO FIXED CHARGES

Our ratios of earnings to fixed charges and earnings to fixed charges and preferred dividends are shown in the table below. For purposes of calculating these ratios, earnings consist of income before taxes, plus fixed charges, plus amortization of capitalized interest, less interest capitalized during the period. Fixed charges include interest expense (whether expensed or capitalized), amortization of debt issuance cost, and the portion of rental expense representative of the interest factor. Interest expense does not include amounts accrued in connection with tax obligations recognized under FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes," as such amounts have been recorded as part of income tax expense. Preferred dividends include pre-tax amounts required to pay dividends in respect of our Series A Preferred Stock and Series B Preferred Stock.

	Dana(1)		Prior Dana(1)			
	Six Months Ended	Eleven Months Ended	One Month Ended			
	June 30, 2009	December 31, 2008	Year Ended December 31, 2007 2006 2005 2004			
Ratio of earnings to fixed charges(2)			85.1			
Ratio of earnings to fixed charges and preferred dividends(3)						

- (1) As a result of our emergence from operating under Chapter 11 of the United States Bankruptcy Code on January 31, 2008, Dana is the successor registrant to Dana Corporation, or Prior Dana, pursuant to Rule 12g-3 under the Securities Exchange Act of 1934, as amended. The eleven months ended December 31, 2008 and the one month ended January 31, 2008 are distinct reporting periods, and the information shown for Prior Dana is not comparable to the information shown for Dana.
- (2) Earnings were insufficient to cover fixed charges by \$188 million in the six months ended June 30, 2009, by \$537 million in the eleven months ended December 31, 2008, and by \$385, \$568, \$283 and \$165 million in the years ended December 31, 2007, 2006, 2005 and 2004, respectively.
- (3) Our Series A Preferred Stock and Series B Preferred Stock were issued in connection with our emergence from bankruptcy on January 31, 2008. Earnings were insufficient to cover fixed charges and preferred dividends by \$204 million in the six months ended June 30, 2009 and by \$566 million in the eleven months ended December 31, 2008.

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DESCRIPTION OF CAPITAL STOCK

General

The following description of our capital stock summarizes certain terms and provisions of our common stock and preferred stock, par value \$0.01 per share, to which any prospectus supplement may relate. This section also summarizes relevant provisions of Delaware law. The following description of our common stock and preferred stock does not purport to be complete and is subject to, and is qualified in its entirety by reference to, the applicable provisions of Delaware law and our Restated Certificate of Incorporation, Bylaws and Shareholders Agreement (as defined below), copies of which have been filed with the SEC as exhibits to the registration statement of which this prospectus forms a part.

Capital Stock

As of the date of this prospectus, we have authorized capital stock in the amount of 500,000,000 shares, consisting of 450,000,000 shares of common stock, par value \$0.01 per share, and 50,000,000 shares of preferred stock, par value \$0.01 per share.

Of the 50,000,000 authorized shares of preferred stock, 2,500,000 shares are designated as 4.0% Series A Convertible Preferred Stock, par value \$0.01 per share (the *Series A Preferred Stock*), and 5,400,000 shares are designated as 4.0% Series B Convertible Preferred Stock, par value \$0.01 per share (the *Series B Preferred Stock* and, together with the Series A Preferred Stock, the *Preferred Stock*).

As of the date of this prospectus, we had 100,162,013 outstanding shares of common stock, excluding the following shares of common stock:

59,893,859 shares of common stock currently issuable upon conversion of our outstanding Preferred Stock;

11,359,034 shares of common stock issuable upon the exercise of or lapse of restrictions on equity awards outstanding as of the date of this prospectus; and

4,730,966 shares of common stock reserved for future awards under our equity award plans.

As of the date of this prospectus, we had 7,900,000 shares of Preferred Stock outstanding, of which 2,500,000 were shares of Series A Preferred Stock and 5,400,000 were shares of Series B Preferred Stock.

As of the date of this prospectus, there were approximately 6,133 holders of record of our common stock and 87 holders of record of our Preferred Stock.

Common Stock

Holders of our common stock are entitled to such dividends as may be declared from time to time by our board of directors out of funds legally available therefor. Each holder of common stock is entitled to one vote for each share owned by such holder on all matters submitted to a vote of our stockholders, except for the election of directors to be elected by the holders of Series A Preferred Stock pursuant to the terms of the Series A Preferred Stock. Holders of our common stock are not entitled to cumulative voting rights. In the event of a liquidation, dissolution or winding up of Dana, holders of our common stock will be entitled to share equally and ratably in any assets remaining after the payment of all debt and liabilities, subject to the prior rights of holders of any outstanding preferred stock. Holders of

our common stock have no preemptive or other subscription or conversion rights. The common stock is not subject to redemption.

Preferred Stock

Issuance. We issued the Preferred Stock pursuant to the Third Amended Joint Plan of Reorganization (the *Plan*) of Dana Corporation and its subsidiaries, as approved by the United States Bankruptcy Court for the Southern District of New York on December 26, 2007, in connection with our emergence from bankruptcy protection on January 31, 2008. We issued \$250 million in aggregate liquidation preference of the Series A Preferred Stock to certain affiliates of the private equity firm Centerbridge Partners, L.P. (collectively, *Centerbridge*), in consideration

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for Centerbridge's investment in Dana pursuant to the Plan. We also issued to certain qualified investors \$540 million in aggregate liquidation preference of the Series B Preferred Stock in consideration for their investment in Dana pursuant to the Plan. In connection with the issuance of the Series A Preferred Stock, we entered into a Shareholders Agreement (as defined below) with Centerbridge, which granted Centerbridge certain rights with respect to the selection of board members and approval of significant transactions, and imposed certain restrictions on Centerbridge's ability to acquire additional shares of our common stock. See *Shareholders Agreement* below.

Liquidation Preference and Conversion Rights. The Preferred Stock has a liquidation preference of \$100 per share and is convertible into common stock at a current conversion price of \$13.19 per share of common stock. Shares of Series A Preferred Stock having an aggregate liquidation preference of not more than \$125 million are convertible at any time at the option of the applicable holder, and the remaining shares of Series A Preferred Stock are convertible after January 31, 2011. The Series B Preferred Stock is convertible at any time at the option of the applicable holder. In addition, in the event that the per share closing sales price of our common stock exceeds \$22.24 for at least 20 consecutive trading days beginning on or after January 31, 2013, we will be able to cause the conversion of all, but not less than all, of the Preferred Stock. The price at which the Preferred Stock is convertible is subject to adjustment in certain customary circumstances, including as a result of stock splits and combinations, dividends and distributions, and also as a result of certain issuances of common stock or common stock derivatives.

Dividends. The Preferred Stock is entitled to dividends at an annual rate of 4.0%, payable quarterly in cash as approved by our board of directors. The payment of dividends on the Preferred Stock was suspended in November 2008 under the terms of our amended senior secured term loan credit facility and may resume when our total leverage ratio as of the end of the previous fiscal quarter is less than or equal to 3.25:1.00.

Voting Rights and Ranking. The shares of Preferred Stock have equal voting rights and vote together as a single class with the common stock on an as-converted basis, except that the Series A Preferred Stock is entitled to vote as a separate class to elect three directors as described in the following paragraph. For purposes of liquidation, dissolution or winding up of Dana, the Preferred Stock ranks senior to any other class or series of our capital stock, the terms of which are not expressly senior to or *pari passu* with the Preferred Stock.

Right to Select Board Members. Pursuant to the Shareholders Agreement and our Restated Certificate of Incorporation, for as long as Centerbridge, the initial holder of the Series A Preferred Stock, owns at least \$125 million of the Series A Preferred Stock, our board of directors will be comprised of nine members, as follows: (i) three directors (one of whom must be independent) designated by Centerbridge and elected by holders of the Series A Preferred Stock, (ii) one independent director nominated by a special purpose nominating committee comprised of two designees of Centerbridge and one other board member, and (iii) five directors nominated by our board. With the exception of the three directors elected by holders of the Series A Preferred Stock, the remaining directors are elected by holders of our common stock and any other class of capital stock entitled to vote in the election of directors (including the Preferred Stock), voting together as a single class at each meeting of stockholders held for the purpose of electing directors. Holders of the Preferred Stock also have the right to elect two additional directors in the event that six quarterly dividends on the Preferred Stock are accrued but unpaid, unless at such time the holders of Series A Preferred Stock continue to have the right to elect three directors as described in this paragraph.

Approval Rights. Until January 31, 2011, so long as Centerbridge owns Series A Preferred Stock having a liquidation preference of at least \$125 million, Centerbridge will have certain approval rights, which are described below under *Shareholders Agreement*.

Additional Preferred Stock. Our Restated Certificate of Incorporation authorizes the issuance of up to 50,000,000 shares of preferred stock, including the Preferred Stock described above. Our board of directors is

authorized to provide for the issuance of shares of preferred stock, in one or more series, and to fix for each series voting rights, if any, designation, preferences and relative, participating, optional or other special rights and such qualifications, limitations, or restrictions as provided in a resolution or resolutions adopted by the board.

The purpose of authorizing the board to issue preferred stock and determine its rights and preferences is to eliminate delays associated with a stockholder vote on specific issuances. The issuance of preferred stock, while providing flexibility in connection with possible acquisitions, future financings and other corporate purposes, may

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have the effect of making it more difficult for a third party to acquire, or could discourage a third party from seeking to acquire, a majority of our outstanding voting stock. Shares of preferred stock may also be reissued by Dana following redemption of such shares by us or conversion of such shares by the holder, as applicable.

Shareholders Agreement

Dana is a party to a shareholders agreement, dated January 31, 2008 (the *Shareholders Agreement*), with Centerbridge. Among other things, the Shareholders Agreement provides for certain rights and restrictions that could make the acquisition of Dana by means of a tender offer, a proxy contest or otherwise more difficult. Centerbridge currently owns 100% of our Series A Preferred Stock.

Centerbridge is limited until January 31, 2018 in its ability to acquire additional shares of Dana common stock or other Dana voting securities if it would own more than 30% of our voting securities after such acquisition. Centerbridge is also limited until such time in its ability to take other actions to control Dana without the consent of a majority of our board of directors (excluding the three directors elected by holders of the Series A Preferred Stock and the one director nominated by the special purpose nominating committee), including publicly proposing or announcing, or otherwise disclosing an intent to propose, causing Dana to disclose, or entering into an agreement with any person for, (i) any form of business combination, acquisition or other transaction relating to Dana or any of its subsidiaries, (ii) any form of restructuring, recapitalization or similar transaction with respect to Dana or any of its subsidiaries, or (iii) any demand to amend, waive or terminate the standstill provision in the Shareholders Agreement. In addition, Centerbridge is prohibited from otherwise acting, alone or in concert with others, to seek or to offer to control or influence the management, board of directors or policies of Dana or its subsidiaries.

Until such time as Centerbridge no longer beneficially owns at least 50% of the outstanding shares of Series A Preferred Stock, holders of the Preferred Stock have preemptive rights sufficient to prevent dilution of their ownership interests with respect to issuances of new shares of our capital stock (other than shares of common stock if at the time of issuance the common stock is listed on a national securities exchange, certain issuances to employees, directors or consultants of ours or in connection with certain business acquisitions). Such preemptive rights require that we must offer the holders of Preferred Stock new shares of capital stock having the same terms and purchase price as the new shares of capital stock to which such rights relate.

Until January 31, 2011, so long as Centerbridge owns Series A Preferred Stock having a liquidation preference of at least \$125 million, Centerbridge's approval will be required for Dana to do any of the following:

enter into material transactions with directors, officers or 10% stockholders (other than officer and director compensation arrangements);

issue debt or equity securities senior to or *pari passu* with the Series A Preferred Stock other than in connection with certain refinancings;

issue equity at a price below fair market value;

amend our Bylaws in a manner that materially changes the rights of Centerbridge or stockholders generally or amend the Restated Certificate of Incorporation;

subject to certain limitations, take any actions that would result in share repurchases or redemptions involving cash payments in excess of \$10 million in any 12-month period;

effect a company sale, meaning a merger or similar transaction that results in the transfer of 50% or more of the outstanding voting power of Dana, a sale of all or substantially all of Dana's assets or any other form of corporate reorganization in which 50% or more of the outstanding shares of any class or series of capital stock of Dana is exchanged for or converted into cash, securities or property of another business organization;

voluntarily or involuntarily liquidate Dana; or

pay cash dividends on account of our common stock or any other stock that ranks junior to or *pari passu* with the Series A Preferred Stock, including the Series B Preferred Stock (other than the stated 4.0% dividend on the Series B Preferred Stock).

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Centerbridge's approval rights above are subject to override by a vote of two-thirds of Dana's voting securities not held by Centerbridge. Centerbridge's approval rights above with respect to dividends and the issuance of senior or *pari passu* securities may end earlier than stated above if certain financial ratios are met.

In the event that Centerbridge at any time owns in excess of 40% of the issued and outstanding voting securities of Dana, on an as-converted basis, all voting securities owned by Centerbridge in excess of the 40% threshold will be voted on any proposal in the same proportion that Dana's other stockholders vote their voting securities with respect to such proposal. Centerbridge may not receive any premium, payment or fee from any person in connection with voting in favor of or transferring any Dana voting securities in connection with a company sale unless such amount is shared with or payable to all Dana stockholders on a pro rata basis.

Certain Anti-Takeover Effects

Certain provisions of our Restated Certificate of Incorporation and Bylaws, as well as the General Corporation Law of the State of Delaware, may have the effect of delaying, deferring or preventing a change in control of Dana. Such provisions, including those regulating the nomination of directors, limiting who may call special stockholders meetings and eliminating stockholder action by written consent, together with the terms of the Preferred Stock, may make it more difficult for other persons, without the approval of our board of directors, to make a tender offer or otherwise acquire substantial amounts of common stock or to launch other takeover attempts that a stockholder might consider to be in such stockholder's best interest.

We are subject to the provisions of Section 203 of the Delaware General Corporation Law regulating corporate takeovers. This section prevents certain Delaware corporations, under certain circumstances, from engaging in a business combination with (i) a stockholder who owns 15% or more of our outstanding voting stock, otherwise known as an interested stockholder, (ii) an affiliate of an interested stockholder, or (iii) an associate of an interested stockholder, for three years following the date that the stockholder became an interested stockholder.

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DESCRIPTION OF THE DEBT SECURITIES

General

The following description of the terms of our senior debt securities and subordinated debt securities (together, the *debt securities*) sets forth certain general terms and provisions of the debt securities to which any prospectus supplement may relate. Unless otherwise noted, the general terms and provisions of our debt securities discussed below apply to both our senior debt securities and our subordinated debt securities. Our debt securities may be issued from time to time in one or more series. The particular terms of any series of debt securities and the extent to which the general provisions may apply to a particular series of debt securities will be described in the prospectus supplement relating to that series.

The senior debt securities will be issued under an indenture between us and U.S. Bank National Association, as Senior Indenture Trustee (the *senior indenture*). The subordinated debt securities will be issued under an indenture between us and U.S. Bank National Association, as Subordinated Indenture Trustee (the *subordinated indenture* and, together with the senior indenture, the *indentures*). The Senior Indenture Trustee and the Subordinated Indenture Trustee are both referred to, individually, as the Trustee. The senior debt securities will constitute our unsecured and unsubordinated obligations and the subordinated debt securities will constitute our unsecured and subordinated obligations. A detailed description of the subordination provisions is provided below under the caption **Ranking and Subordination** Subordination. In general, however, if we declare bankruptcy, holders of the senior debt securities will be paid in full before the holders of subordinated debt securities will receive anything.

The statements set forth below are brief summaries of certain provisions contained in the indentures, which summaries do not purport to be complete and are qualified in their entirety by reference to the indentures, which are incorporated by reference as exhibits or filed as exhibits to the registration statement of which this prospectus forms a part. Terms used herein that are otherwise not defined shall have the meanings given to them in the indentures. Such defined terms shall be incorporated herein by reference.

The indentures will not limit the amount of debt securities that may be issued under the applicable indenture and debt securities may be issued under the applicable indenture up to the aggregate principal amount that may be authorized from time to time by us. Any such limit applicable to a particular series will be specified in the prospectus supplement relating to that series.

The prospectus supplement relating to any series of debt securities in respect to which this prospectus is being delivered will contain the following terms, among others, for each such series of debt securities:

the designation and issue date of the debt securities;

the date or dates on which the principal of the debt securities is payable;

the rate or rates (or manner of calculation thereof), if any, per annum at which the debt securities will bear interest, if any, the date or dates from which interest will accrue and the interest payment date or dates for the debt securities;

any limit upon the aggregate principal amount of the debt securities which may be authenticated and delivered under the applicable indenture;

the period or periods within which, the redemption price or prices or the repayment price or prices, as the case may be, at which, and the terms and conditions upon which, the debt securities may be redeemed at Dana's option or the option of the holder of such debt securities;

the obligation, if any, of Dana to purchase the debt securities pursuant to any sinking fund or analogous provisions or at the option of the holder of such debt securities and the period or periods within which, the price or prices at which and the terms and conditions upon which such debt securities will be purchased, in whole or in part, pursuant to such obligation;

if other than denominations of \$1,000 and any integral multiple thereof, the denominations in which the debt securities will be issuable;

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provisions, if any, with regard to the conversion or exchange of the debt securities, at the option of the holder of such debt securities or Dana, as the case may be, for or into new securities of a different series, Dana's common stock or other securities;

if other than U.S. dollars, the currency or currencies or units based on or related to currencies in which the debt securities will be denominated and in which payments of principal of, and any premium and interest on, such debt securities shall or may be payable;

if the principal of (and premium, if any) or interest, if any, on the debt securities are to be payable, at the election of Dana or the holder of such debt securities, in a currency (including a composite currency) other than that in which such debt securities are stated to be payable, the period or periods within which, and the terms and conditions upon which, such election may be made;

if the amount of payments of principal of (and premium, if any) or interest, if any, on the debt securities may be determined with reference to an index based on a currency (including a composite currency) other than that in which such debt securities are stated to be payable, the manner in which such amounts shall be determined;

provisions, if any, related to the exchange of the debt securities, at the option of the holder of such debt securities, for other securities of the same series of the same aggregate principal amount or of a different authorized series or different authorized denomination or denominations, or both;

the portion of the principal amount of the debt securities, if other than the principal amount thereof, which shall be payable upon declaration of acceleration of the maturity thereof as more fully described under the section Events of Default, Notice and Waiver below;

whether the debt securities will be issued in the form of global securities and, if so, the identity of the depositary with respect to such global securities;

if the debt securities will be guaranteed, the terms and conditions of such guarantees and provisions for the accession of the guarantors to certain obligations under the applicable indenture;

with respect to subordinated debt securities only, the amendment or modification of the subordination provisions in the subordinated indenture with respect to the debt securities; and

any other specific terms.

We may issue debt securities of any series at various times and we may reopen any series for further issuances from time to time without notice to existing holders of securities of that series.

Some of the debt securities may be issued as original issue discount debt securities. Original issue discount debt securities bear no interest or bear interest at below-market rates. These are sold at a discount below their stated principal amount. If we issue these securities, the prospectus supplement relating to such series of debt securities will describe any special tax, accounting or other information which we think is important. We encourage you to consult with your own competent tax and financial advisors on these important matters.

Unless we specify otherwise in the applicable prospectus supplement relating to such series of debt securities, the covenants contained in the indentures will not provide special protection to holders of debt securities if we enter into a highly leveraged transaction, recapitalization or restructuring.

Unless otherwise set forth in the prospectus supplement relating to such series of debt securities, interest on outstanding debt securities will be paid to holders of record on the date that is 15 days prior to the date such interest is to be paid or, if not a business day, the next preceding business day. Unless otherwise specified in the prospectus supplement, debt securities will be issued in fully registered form only. Unless otherwise specified in the prospectus supplement, the principal amount of the debt securities will be payable at the corporate trust office of the Trustee in New York, New York. The debt securities may be presented for transfer or exchange at such office unless otherwise specified in the prospectus supplement, subject to the limitations provided in the applicable indenture, without any service charge, but we may require payment of a sum sufficient to cover any tax or other governmental charges payable in connection therewith.

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Guarantees

Our payment obligations under any series of the debt securities may be guaranteed by one or more of our subsidiaries or other persons; however, we have not registered any such guarantees with the SEC and, in order to provide such guarantees, we would be required to file a separate registration statement with respect to such guarantees. If a series of debt securities is so guaranteed by any of our subsidiaries, such subsidiaries will execute a supplemental indenture or notation of guarantee as further evidence of their guarantee. The applicable prospectus supplement will describe the terms of any guarantee by our subsidiaries or any other persons.

The obligations of each guarantor under its guarantee may be limited to the maximum amount that will not result in such guarantee obligations constituting a fraudulent conveyance or fraudulent transfer under federal or state law, after giving effect to all other contingent and fixed liabilities of that subsidiary and any collections from or payments made by or on behalf of any other guarantor in respect to its obligations under its guarantee.

Ranking and Subordination