

Hearing Date/Time: October 21, 2010, 9:45 a.m.

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UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re:	: Chapter 11 Case
	: :
MOTORS LIQUIDATION COMPANY, <i>et al.</i> ,	: Case No. 09-50026 (REG)
	: :
Debtors,	: (Jointly Administered)
	: :
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	: :
OFFICIAL COMMITTEE OF UNSECURED	: Adversary Proceeding
CREDITORS OF MOTORS LIQUIDATION COMPANY	: :
f/k/a GENERAL MOTORS CORPORATION,	: Case No. 09-00504 (REG)
	: :
Plaintiff,	: :
	: :
vs.	: :
	: :
JPMORGAN CHASE BANK, N.A., <i>et al.</i> ,	: :
	: :
Defendants.	: :
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**STATEMENT OF THE UNITED STATES OF AMERICA WITH RESPECT TO  
CROSS-MOTIONS FOR SUMMARY JUDGMENT**

1. The United States of America, by its attorney Preet Bharara, United States Attorney for the Southern District of New York, respectfully submits this statement with respect to the parties' cross-motions for summary judgment in the above-captioned adversary proceeding.

2. This submission expresses no position with respect to the parties' contentions on the merits of this matter, in which plaintiff seeks relief in the form of avoidance of a lien and/or of certain transfers, as well as the "recover[y] for the Debtors' estates [of] the proceeds or value of" the transfers at issue. Complaint, July 31, 2009, at ¶ 452, see generally id. ¶¶ 438-464 (claims for relief seeking avoidance and/or return of funds to the estates); see also id. at 55-56 ("pray[ers] for judgment" seeking relief in form of avoidance and restoration of funds "for the benefit of the estates pursuant to 11 U.S.C. § 551").

3. The United States nevertheless makes this brief submission to ensure that the resolution of these motions does not prematurely determine any person or entity's entitlements with respect to the ultimate distribution of any funds that are recovered in the event that plaintiff prevails. As the Complaint properly recognizes, section 551 of the Bankruptcy Code provides, "Any transfer avoided under section 522, 544, 545, 547, 548, 549, or 724(a) of this title, or any lien void under section 506(d) of this title, is preserved for the benefit of the estate but only with respect to property of the estate." 11 U.S.C. § 551. Accordingly, the proper relief, should plaintiff prevail, must be entered "for the benefit of the estate," id., and not for any particular creditor(s) or class of creditors. The Court therefore need not, and should not, adjudicate any party's ultimate entitlement to any funds recovered through this adversary proceeding; rather, that question is properly reserved for determination through the plan confirmation process.

4. Plaintiff's prayers for relief in both the Complaint and their motion papers do not appear to seek relief beyond that authorized in section 551, and appear not to constitute a request for an order directing the ultimate disposition of any proceeds of this action. The United States nevertheless, in an abundance of caution, makes this filing to ensure that the ultimate distribution of any proceeds recovered through this adversary proceeding will not be decided in this

adversary proceeding, but instead will remain reserved for determination by the Court through the plan confirmation process.

New York, New York  
August 26, 2010

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