

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11 Case No.  
: :  
MOTORS LIQUIDATION COMPANY, *et al.*, : 09-50026 (REG)  
f/k/a General Motors Corp., *et al.* :  
Debtors. : (Jointly Administered)  
: :  
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**REPORT BY AP SERVICES, LLC  
OF COMPENSATION EARNED AND EXPENSES INCURRED  
FOR THE PERIOD FROM DECEMBER 1, 2010 THROUGH MARCH 31, 2011**

Exhibit A – Summary of Compensation and Expenses

Exhibit B – Summary of Professionals and Fees

Exhibit C – Summary of Expenses

Exhibit D – Summary of Services

Dated: June 22, 2011

**AP Services, LLC**

By: /s/ Albert A. Koch  
Albert A. Koch  
Authorized Representative  
AP Services, LLC  
2000 Town Center, Suite 2400  
Southfield, MI 48075

AP Services, LLC  
 Summary of Compensation<sup>1</sup> and Expenses – Motors Liquidation Company, et al.  
 f/k/a General Motors Corp., et al.  
 December 1, 2010 through March 31, 2011

		<b>North America</b>		
<b>Period</b>		<b>Fees</b>	<b>Expenses</b>	<b>TOTAL</b>
December 1, 2010	to December 31, 2010	\$2,392,812.00	\$97,789.73	\$2,490,601.73
January 1, 2011	to January 31, 2011	\$2,992,034.25	\$112,449.54	\$3,104,483.79
February 1, 2011	to February 28, 2011	\$3,214,675.50	\$136,576.32	\$3,351,251.82
March 1, 2011	to March 31, 2011	\$3,125,237.25	\$120,497.13	\$3,245,734.38
<b>Total Accrued</b>		<b>\$11,724,759.00</b>	<b>\$467,312.72</b>	<b>\$12,192,071.72</b>
Less: Travel (50%)		(503,277.00)	-	(503,277.00)
<b>Total Invoiced</b>		<b>\$11,221,482.00</b>	<b>\$467,312.72</b>	<b>\$11,688,794.72</b>

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<sup>1</sup> Under the terms of the First Amendment to the Engagement Letter, APS agreed to reduce its hourly fees from and after July 10, 2009, the effective date of the sale of Debtors' primary assets to General Motors Company. Pursuant to the Third Amendment to the Engagement Letter, which was approved by this Court on September 17, 2010, the hourly rates were increased to APS' standard hourly rates retroactive to July 10, 2009. As of August 1, 2010, this Quarterly Fee Report reflects the standard hourly rates approved.

AP Services, LLC  
 Summary of Professional Fees<sup>2</sup> – Motors Liquidation Company, et al.  
 f/k/a General Motors Corp., et al.  
 December 1, 2010 through March 31, 2011

North America									
Temporary Staff Officer and Director Positions									
Name of Professional	Position Title	2010 Standard Rate	2011 Standard Rate	Dec-10	Jan-11	Feb-11	Mar-11	Total Hours	Total Compensation
Albert A Koch	President and CEO	\$835.00	\$895.00	62.90	74.10	107.40	70.40	314.80	\$181,849.00
Edward J Stenger	Executive Vice President	\$835.00	\$895.00	176.70	124.20	215.20	139.30	655.40	\$383,377.00
David F. Head	Vice President	\$710.00	\$740.00	131.60	168.40	235.10	205.20	740.30	\$369,900.00
Tom A. Morrow	Vice President	\$710.00	\$740.00	91.80	102.40	195.60	217.90	607.70	\$302,200.00
Carianne J M Basler	Vice President	\$710.00	\$740.00	145.30	201.60	172.20	184.40	703.50	\$388,803.00
James M. Redwine	Vice President	\$670.00	\$695.00	167.10	186.10	215.30	193.40	761.90	\$375,709.50
Kyle A. Braden	Vice President, Secretary and CRO	\$580.00	\$600.00	176.30	188.10	271.40	237.90	873.70	\$357,854.00
James Selzer	Vice President and Treasurer	\$580.00	\$645.00	181.20	215.30	311.30	220.50	928.30	\$386,187.00
Sub-Total				1,132.90	1,260.20	1,723.50	1,469.00	5,585.60	\$2,745,879.50

Temporary Staff									
Name of Professional	APS Position Title	2010 Standard Rate	2011 Standard Rate	Dec-10	Jan-11	Feb-11	Mar-11	Total Hours	Total Compensation
Susan A. Brown	Director	\$670.00	\$695.00	141.00	144.20	171.20	231.80	688.20	\$355,790.00
Paul Borrusch	Director	\$695.00	\$695.00	-	-	-	0.80	0.80	\$556.00
Timothy Yost	Director	\$620.00	\$645.00	18.00	3.00	6.60	33.75	61.35	\$34,863.75
Michael P. Deighan	Director	\$620.00	\$645.00	173.00	215.20	207.10	211.70	807.00	\$382,610.50
Sean Renshaw	Director	\$620.00	\$645.00	7.00	1.60	-	-	8.60	\$5,372.00
Bryan Gaston	Director	\$580.00	\$600.00	172.90	210.20	233.70	216.40	833.20	\$356,242.00
Susan G. Budd	Director	\$580.00	\$600.00	-	2.80	2.10	-	4.90	\$1,680.00
Drew Lockard	Director	\$580.00	\$645.00	50.90	43.50	4.40	-	98.80	\$57,579.50
John Franks	Director	\$580.00	\$600.00	28.80	22.50	26.50	37.60	115.40	\$52,764.00
Scott R. Hamilton	Director	\$530.00	\$560.00	172.10	245.10	196.70	248.30	862.20	\$367,517.00
Scott Haeger	Director	\$530.00	\$560.00	169.20	184.00	222.40	207.20	782.80	\$308,748.00
Leewai Wacek	Director	\$560.00	\$560.00	-	-	-	32.90	32.90	\$18,424.00
Michelle R. Smith	Director	\$530.00	\$600.00	118.70	202.70	196.60	200.30	718.30	\$304,711.00
John Niesen	Director	\$450.00	\$470.00	0.50	-	-	43.10	43.60	\$20,482.00

<sup>2</sup> AP Services, LLC (“APS”) may determine, from time to time, to augment its professional staff with independent contractors (each an “Independent Contractor”) in these chapter 11 cases. APS’ standard practice is to charge for an Independent Contractor’s services at the rate equal to the compensation provided by APS to such Independent Contractor. APS did not bill time for Independent Contractors during this Staffing Period.

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December 1, 2010 through March 31, 2011

Temporary Staff									
Name of Professional	APS Position Title	2010 Standard Rate	2011 Standard Rate	Dec-10	Jan-11	Feb-11	Mar-11	Total Hours	Total Compensation
Bill Nowicke	Vice President	\$500.00	-	46.30	-	-	-	46.30	\$23,150.00
Patrick Healy	Vice President	\$500.00	\$540.00	170.30	203.90	197.00	168.80	740.00	\$286,408.00
Robert Losier	Vice President	\$500.00	\$540.00	158.30	194.70	126.00	9.00	488.00	\$189,148.00
Shannon Outland	Vice President	\$490.00	\$490.00	-	-	-	2.60	2.60	\$1,274.00
Scott Jarrell	Vice President	\$470.00	\$490.00	19.80	69.70	21.80	8.90	120.20	\$47,820.00
Brett Roberson	Vice President	\$470.00	\$490.00	12.00	17.70	-	1.50	31.20	\$15,048.00
Evelyn Ni	Vice President	\$470.00	\$490.00	117.50	163.80	165.00	173.50	619.80	\$220,502.00
Vishal H. Vakharia	Vice President	\$470.00	-	17.25	-	-	-	17.25	\$8,107.50
J. Timothy Neis	Vice President	\$470.00	\$490.00	174.60	196.10	199.70	220.20	790.60	\$286,049.00
Toby A. Deligtisch	Vice President	\$470.00	\$560.00	0.40	3.40	10.30	9.00	23.10	\$7,132.00
Brian Huffman	Vice President	\$470.00	\$490.00	173.30	163.10	222.10	237.20	795.70	\$277,598.00
Kimberly Cote*	Vice President	\$280.00	\$415.00	-	21.50	8.30	37.60	67.40	\$24,526.50
Brian Rosenthal	Vice President	\$395.00	\$490.00	143.60	185.80	185.30	251.70	766.40	\$271,097.00
Tony Muzzin	Associate	\$360.00	\$395.00	141.90	217.90	231.00	200.50	791.30	\$216,352.00
James Hogarth	Associate	\$360.00	\$395.00	135.90	227.30	244.10	152.30	759.60	\$198,866.00
Matthew Roling	Associate	\$360.00	\$395.00	105.60	168.10	158.10	203.40	635.20	\$184,758.50
Juan C Menendez	Associate	\$320.00	-	6.50	-	-	-	6.50	\$2,080.00
Josiah Tubbs	Associate	\$320.00	\$335.00	62.40	7.80	37.20	-	107.40	\$22,581.00
Patrick N. Clark	Associate	\$280.00	\$335.00	182.30	185.90	190.80	180.10	739.10	\$173,654.00
Wally Li*	Associate	\$230.00	\$310.00	-	92.30	4.00	30.90	127.20	\$38,192.00
Stanley Washington <sup>3</sup>	Associate	\$230.00	\$310.00	-	4.20	2.80	6.70	13.70	\$3,379.00
Nick Madurkar	Associate	\$230.00	\$310.00	-	-	2.60	11.20	13.80	\$3,472.00
Bobbie J. Phillips*	Associate	\$245.00	\$295.00	-	187.80	156.80	136.40	481.00	\$95,639.00
Reid Cuming	Associate	\$260.00	\$295.00	-	180.50	212.50	234.00	627.00	\$122,277.50
Dipes Patel	Associate	\$280.00	\$295.00	185.80	209.40	175.20	214.80	785.20	\$177,163.00
Kimberly Cote	Associate	\$280.00	-	14.50	-	-	-	14.50	\$4,060.00
Kristina Borkowski	Associate	-	\$295.00	-	-	1.60	10.30	11.90	\$3,038.50
Ben Barr*	Associate	\$245.00	\$295.00	-	235.00	216.90	203.60	655.50	\$129,387.00
Alexandra Griffin*	Associate	\$260.00	\$295.00	-	45.90	20.50	42.80	109.20	\$26,166.50
Sibly Tonkin	Associate	-	\$295.00	-	0.25	-	-	0.25	\$73.75
Erika De Leon	Associate	-	\$295.00	-	-	-	9.60	9.60	\$2,832.00
Alexandra Griffin	Analyst	\$260.00	\$295.00	39.60	-	-	-	39.60	\$10,296.00
Brittany M. Teal	Analyst	\$260.00	-	18.80	-	-	-	18.80	\$4,888.00
Reid Cuming	Analyst	\$260.00	\$295.00	189.50	-	-	-	189.50	\$49,270.00
Bobbie J. Phillips	Analyst	\$245.00	\$295.00	132.80	-	-	-	132.80	\$32,536.00
Barbara Ferguson	Analyst	\$245.00	\$200.00	61.70	-	-	-	61.70	\$15,116.50
Jeff Ivester	Analyst	\$245.00	\$260.00	29.40	9.20	1.40	-	40.00	\$9,595.00
Latonya Jones-Callav	Analyst	-	\$260.00	-	-	-	4.30	4.30	\$1,118.00

AP Services, LLC  
 Summary of Professional Fees<sup>2</sup> – Motors Liquidation Company, et al.  
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 December 1, 2010 through March 31, 2011

<b>Temporary Staff</b>									
Name of Professional	APS Position Title	2010 Standard Rate	2011 Standard Rate	Dec-10	Jan-11	Feb-11	Mar-11	Total Hours	Total Compensation
Chris Watts	Analyst	\$245.00	\$260.00	101.60	71.40	51.40	101.90	326.30	\$69,950.00
Ben Barr	Analyst	\$245.00	\$295.00	171.90	-	-	-	171.90	\$42,115.50
Sam Davenport†	Analyst	-	\$260.00	-	-	-	12.20	12.20	\$3,172.00
Tom M. Walz	Analyst	\$245.00	\$260.00	-	-	19.40	35.10	54.50	\$9,126.00
Lawrence Allison	Analyst	\$230.00	\$250.00	28.25	4.50	-	-	32.75	\$7,622.50
Wally Li	Analyst	\$230.00	\$310.00	17.40	-	-	-	17.40	\$4,002.00
Stanley Washington	Analyst	\$230.00	\$310.00	1.80	-	-	-	1.80	\$414.00
Nick Madurkar	Analyst	\$230.00	\$310.00	1.10	-	-	-	1.10	\$253.00
Trevor Wick	Analyst	\$225.00	\$260.00	8.60	-	1.30	10.70	20.60	\$4,717.00
Barbara Ferguson**	Paraprofessional	\$245.00	\$200.00	-	28.00	30.50	3.30	61.80	\$6,260.00
Cara Schmidt	Paraprofessional	\$190.00	\$200.00	85.30	121.10	34.20	61.20	301.80	\$52,667.00
Stephen Tucker	Paraprofessional	\$190.00	\$220.00	23.50	25.20	27.30	28.80	104.80	\$16,345.00
Julia Gutierrez	Paraprofessional	-	\$220.00	-	2.20	-	-	2.20	\$484.00
Travis Haber	Paraprofessional	\$190.00	\$220.00	-	47.60	34.00	-	81.60	\$10,472.00
Lori Hawkins	Paraprofessional	\$190.00	\$220.00	-	-	-	4.10	4.10	\$902.00
Susanna E Kim	Paraprofessional	\$190.00	\$200.00	112.30	126.30	70.50	58.60	367.70	\$58,317.00
Natalie P. Meuche	Paraprofessional	\$190.00	\$200.00	45.20	4.50	-	25.50	75.20	\$14,588.00
Mary B Betik	Paraprofessional	\$190.00	\$220.00	2.80	43.00	18.30	3.70	67.80	\$10,806.00
Sub-Total				3,991.90	4,739.85	4,345.20	4,569.85	17,646.80	\$5,764,204.00
<b>GRAND TOTAL</b>				<b>5,124.80</b>	<b>6,000.05</b>	<b>6,068.70</b>	<b>6,038.85</b>	<b>23,232.40</b>	<b>\$8,510,083.50</b>

\*Indicates 2011 promotion

\*\*Title and rate change

†New

AP Services, LLC  
Summary of Expenses – Motors Liquidation Company, et al.  
f/k/a General Motors Corp., et al.  
December 1, 2010 through March 31, 2011

North America					
Expense Categories	Dec-10	Jan-11	Feb-11	Mar-11	TOTAL
Airfare	\$39,347.60	\$60,005.70	\$73,532.16	\$65,263.49	\$238,148.95
Cab Fare / Ground Transportation	10,535.54	10,422.67	13,729.61	9,972.47	44,660.29
Client Contact Meetings	370.27	-	325.14	690.57	1,385.98
Client Meals & Entertainment	92.83	-	-	-	92.83
Computer Supplies/Support	-	-	664.01	1,507.84	2,171.85
Conference Calls	2,153.36	913.29	816.44	1,681.36	5,564.45
Lodging	32,326.00	26,166.75	26,392.44	22,691.49	107,576.68
Long Distance Calls	-	1,214.84	613.42	607.42	2,435.68
Meals & Tips	2,785.41	2,801.30	4,310.71	3,273.07	13,170.49
Meals Engagement Team	1,925.79	1,873.60	3,585.08	3,062.61	10,447.08
Meeting Expenses	91.82	-	-	-	91.82
Mileage	2,118.80	442.46	1,977.78	2,386.29	6,925.33
Gas/Fuel	234.80	122.96	205.90	356.67	920.33
Public Transportation	26.00	-	22.50	15.00	63.50
Other	(242.00)	-	-	-	(242.00)
Postage/Messenger/Courier	81.14	628.72	492.27	871.12	2,073.25
Parking & Tolls	730.45	1,002.01	777.30	656.60	3,166.36
Phone - Internet Access	-	45.50	-	-	45.50
Research	190.96	-	-	2.95	193.91
Rental Car	4,847.79	6,769.33	8,994.86	7,328.53	27,940.51
Storage	20.65	20.65	20.65	-	61.95
Supplies	147.17	19.76	113.55	-	280.48
Train	5.35	-	2.50	129.65	137.50
<b>TOTAL</b>	<b>\$ 97,789.73</b>	<b>\$ 112,449.54</b>	<b>\$ 136,576.32</b>	<b>\$ 120,497.13</b>	<b>\$ 467,312.72</b>

AP Services, LLC  
Summary of Services – Motors Liquidation Company, et al., f/k/a  
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December 1, 2010 through March 31, 2011

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The following summary of services includes services performed by AP Services, LLC (“APS”) on behalf of the Debtors during the time period December 1, 2010 through March 31, 2011.

- The Bankruptcy Advisory and Bankruptcy Management Support teams:
  - Lead the implementation of the Plan of Liquidation (“POL”) including:
    - Negotiating changes to the disclosure statement and General Unsecured Creditors Trust agreement.
    - Developed timeline for POL process including court hearings and constituent negotiations.
    - Conducted meetings with the United States Department of Labor, Creditors’ Committee and other constituents regarding progress on the POL.
    - Developed and implemented distribution procedures for New GM securities.
    - Reviewed secured, administrative, and priority (“SAP”) claims and develop appropriate reserves.
  - Facilitated transition of Motors Liquidation Company (“MLC”) to Revitalizing Auto Communities Environmental Response (“RACER”) Trust and GUC Trust:
    - Negotiated Transition Services Agreement (“TSA”) with MLC to cover accounting and securities costs.
    - Participated in negotiating tax private letter request and procedures to minimize tax obligations to GUC Trust.
    - Completed analysis and creation of MLC Contract, Permit, Purchase Order, and key contract synopsis, intended to serve as important documents for the transition and assumption of contracts into the trust.
    - Assisted RACER Trust with evaluation and decision analysis for contracts which were assigned to the trust upon emergence from bankruptcy.
    - Assisted RACER Trust with noticing of environmental regulatory agencies related to bankruptcy emergence, permit, and order matters.

AP Services, LLC  
Summary of Services – Motors Liquidation Company, et al.,  
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December 1, 2010 through March 31, 2011

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- Developed reconciliation process to ensure MLC invoices incurred prior to emergence would be paid in a timely and accurate fashion.
- Worked with environmental vendors and stakeholders to understand bankruptcy emergence and trust transition issues.
- Identified finance and accounting requirements of the Environmental Response Trust, prepared preliminary transition planning of Treasury and Accounting function, and reviewed with Administrative Trustee.
- Designed and created general ledger, fixed asset ledger, and implemented accounting system software for the Environmental Response Trust and the GUC Trust.
- Developed web-site for GUC Trust to post key information and documents for constituents; developed functionality to facilitate processing of distributions in coordination with Wilmington Trust Company.
- Negotiated settlement and finalized recovery of \$9 million with Deutsche Bank related to derivative contract settlement and set-off claims.
- Continued management of splinter union issues including:
  - Implemented strategy for resolving status of 70 non-settling retirees.
  - Managed communications, including termination of benefits, to non-settling retirees.
- Developed the processes necessary to create the GUC Trust:
  - Managed development of claim recovery model.
  - Developed procedures to account for fractional shares resulting from distributions.
  - Planned for the accounting, reporting and claims settlement organization needed to fulfill GUC obligations.
  - Planned for the distribution of approximately 300 million shares of New GM securities in the initial distribution.



AP Services, LLC  
Summary of Services – Motors Liquidation Company, et al.,  
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- Developed quarterly budget for the GUC trust and gain approval from debtor-in-possession (“DIP”) lenders.
- Developed planning for Securities Exchange Commission (“SEC”) reporting requirements under no-action letter negotiations.
- Participated in negotiating tax private letter request and procedures to minimize tax obligations to GUC trust.
- Coordinated direct payment in New GM securities to Asbestos Trust.
- Negotiate Transition Services Agreement (“TSA”) with MLC to cover accounting and securities costs.
- Efforts related to Tax Claims:
  - Received 34 additional tax proofs of claim for a total to date of 1,120 claims for a filed amount totaling \$3.50 billion. Evaluated the additional claims and objected to or resolved them as appropriate.
  - Successfully persuaded a number of claimants to withdraw, or allow to be expunged, their claims which had been previously objected to as the liability of New GM per the Master Sale and Purchase Agreement (“MSPA”). Claimants included the IRS, and the states of Ohio and Michigan, and municipalities such as New York City and San Francisco.
  - Maintained the consensual resolution strategy for priority and secured tax claims consistent with the MSPA previously developed with New GM.
  - Expunged by bankruptcy court order or negotiated consensual withdrawals for 70 claims totaling \$116.05 million.
  - Continued efforts to resolve the remaining 12 claims totaling \$3.21 million.
- Efforts related to Accounts Payable claims:
  - Continued efforts to resolve accounts payable claims, totaling \$465.9 million in filed claims, of which \$292.9 million were expunged in previous reporting periods. In the current period, \$18.3 million were ordered expunged and \$89.5 million have been identified for objection, leaving claims with an aggregate

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value of \$65.2 million – the majority of which will be included on future objections.

- Coordinated efforts with New GM and some of their key vendors (e.g. Delphi) with regards to resolving and reducing high dollar claims.
- Efforts related to Contracts and Leases:
  - Continued to collect information for, analyzed, and tracked rejected contracts, interfacing between New GM management, Debtors' counsel and claimants.
  - Continued to estimate damages for all rejected contracts to prepare reconciliation of estimates to filed rejection damage claims.
    - Collected and reviewed rejected contracts for termination clauses, minimum financial obligations and other key factors for estimating potential damage claims
    - Interfaced with counsel and New GM managers to understand and assess damages on more complex rejected contracts.
  - Prepared analyses of major supplier and joint venture contract claims, in furtherance of settlement negotiations
    - Validated bases of initial claim, requesting and analyzing supporting documentation where required.
    - Collaborated with New GM managers for historical perspective.
    - Created baseline settlement negotiation stance and work with bankruptcy counsel to finalize negotiation positions and settlement targets.
  - Together with Debtors' counsel, analyzed and continued negotiating settlement agreements for multi-million dollar dealer claims.
  - Performed analysis on contracts remaining with MLC for rejection and assumption in advance of POL confirmation.

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- Efforts related to Debt and Equity interest claims:
  - Received orders to expunge 9,169 totaling \$2.7 billion, of which 6,643 claims totaling \$2.5 billion related to Deutsche Bank Eurobond beneficial bondholders, 1,141 claims totaling \$37.7 million related to Wilmington Trust beneficial bondholders, and 1,385 claims totaling \$144.8 million related to unknown bondholders.
  - Executed stipulation to fix and allow the claim amounts of the Industrial Revenue Bonds totaling \$179.7 million in allowed general unsecured claims.
  - Finalized fixed claim amount for Credit Suisse as paying agency for Foreign Interest Payment Bonds 1986ff for \$15.7 million.
  - Received orders to reclassify 1,600 claims totaling \$30.5 million as Class 6 Equity Interests.
- Efforts related to Environmental claims:
  - Received 27 additional environmental proofs of claim for a total to date of 509 claims for a filed amount totaling \$7.78 billion. Researched claims and began resolution approaches as appropriate.
  - Obtained Court orders to expunge, or negotiated the withdrawal, of 115 claims with a filed amount totaling \$1.14 billion.
  - Prepared and filed 502(e)(1)(B) objection motions for 105 claims with filed amounts totaling \$1.22 billion in order to expunge or reduce their claims to past costs only. Successfully reduced this pool of claims by \$715.0 million.
  - Completed initial settlement discussions with the Federal Government resulting in settlement of most of the environmental sites in their \$2.05 billion claim for \$42.4 million. As part of the settlement, the Federal Government is allowed to file a new claim for the unresolved sites for approximately \$250 million.
  - Resolved the Michigan Department of Environmental Quality claim totaling \$401.2 million for \$16.7 million.

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- Resolved the New Jersey Department of Environmental Protection claim totaling \$106.0 million for \$4.4 million.
- Resolved an additional 33 claims totaling \$47.3 million for a settlement amount of \$11.9 million.
- Continued researching claims for omnibus objection approaches and identified and objected to additional claims. The current pool of these claims stands at 20 claims with a filed amount of \$142.5 million, down from 95 claims with a filed amount of \$719.4 million, a reduction of \$576.9 million.
- Efforts related to Employee claims:
  - Completed review of 2,400 remaining unsecured employee claims:
    - Identified claimants' possible union affiliation, current status, and appropriate pay status (salaried/hourly).
    - Summarized claimants' basis and description of supporting documentation to identify those who need further review and need to provide more information.
    - Filed additional omnibus objections to over 2000 claims representing \$220 million of total amounts.
  - Expunged over 2,800 claims through omnibus objections representing approximately \$638.5 million.
- Efforts related to Asbestos claims:
  - Prepared claimant name and address information as well as exhibits for pending Notice of Treatment of Class 5 Asbestos Personal Injury Claims to be sent to law firms and individual claimants.
- Other efforts related to claims:
  - Coordinated with counsel to resolve claims adjourned from previous omnibus objections.
  - Managed and reconciled transfers of claim ownership interests received from the Debtors' claims agent.

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- Coordinated with counsel to consensually resolve certain high dollar secured, administrative expense and priority claims with claimants in lieu of filing individual or omnibus objections.
- The Litigation Claims team
  - At the start of the reporting period, there were 2,778 litigation claims totaling \$4.6 billion, including products liability, personal injury and wrongful death claims; class action claims; and indemnification and subrogation claims. As of March 31, 2011, the total amount of outstanding litigation claims was approximately \$3.6 billion -- a reduction of \$1 billion from the start of the reporting period. To achieve this reduction, the Litigation Claims team:
    - Continued to execute Alternative Dispute Resolution Procedures (“ADR”) approved by the Bankruptcy Court on February 23, 2010 for the 65 matters designated in the previous quarters not yet resolved as of December 1, 2010.
    - Settled 69 claims related to 25 matters during offer exchange, which resulted in a reduction in claims of nearly \$304 million from capped amounts of \$319 million. Original filed claims amounts related to these matters totaled approximately \$570 million and were reduced as a result of accepted cap offers as reported and recognized during previous reporting periods. In total, the ADR process resulted in a reduction of the filed claims amount by 97%.
    - Worked with defense counsel to prepare mediation statements and formulate negotiation strategy for nearly 42 ADR matters designated for mediation during the period.
    - Successfully mediated 18 matters with the help of Debtors’ counsel and defense counsel. Settlement reached during mediation resulted in allowed claims of \$33 million versus a capped amount of over \$374 million. Original filed claims amounts related to these matters totaled approximately \$613 million. An additional 21 matters are scheduled for mediation during the next quarter.
    - Drafted executive summaries of all matters included in third round of ADR and coordinated with defense counsel on preparation of these matters for mediation.
    - Created memorandums and analyses of the matters included in the third round of ADR process to assist in internal evaluation of

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- claims and for dissemination of certain items to various audiences, including the Creditors' Committee and the Debtors' Board of Directors.
- Formulated settlement offers for matters selected for third round of ADR, and provided notice of these offers (where required) to the Creditors' Committee.
  - Prepared and disseminated ADR notices and settlement offers to claimants selected for third round of ADR.
  - Evaluated and responded to counteroffers received as needed, and disseminated revised settlement offers to claimants.
  - Managed the Debtors' litigation database and coordinating transfer of information between the database and claims register, which required daily updates to the database, interaction with New GM's legal department, the Debtors' defense counsel, and the claims processing team.
  - Continued to identify claims for objection and request withdrawals of duplicate and invalid claims.
  - Continued to evaluate unliquidated claims, solicited liquidated amounts and formulated appropriate reserved for remaining unliquidated claims.
- The Communications team:
- Managed the Debtors' call center which received over 3,094 inquiries via voicemail, email and written correspondence during the reporting period. To that end, members of the Communications team:
    - Reviewed and responded to numerous inquiries received regarding shareholder and bondholder issues (approximately 1,379 inquiries or 44.6%), including distribution timing inquiries from debt holders who were expecting future distributions of new GM stock and warrants. Provided copies of objections, the current POL and disclosure statement. Clarified for investors the difference between the securities class-action suit versus the bankruptcy proceeding. Handled requests for cost basis information and for number of common stock held requests. Responded to questions submitted from a multitude of foreign investors which required translation and other special handling procedures. Responded to questions regarding the notice to exercise stock powers to amend the certificate of incorporation.

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Additionally responded to inquiries from bondholders regarding rights if they chose not to participate in solicitation.

- Processed and returned voicemail and email inquiries from creditors, investors, litigation claimants, counsel, former employees and other parties in interest. The range of inquiries was wide and varied, including topics such as the Debtors’ solicitation voting procedures and deadlines, ballot procedures, ADR procedures and deadlines, settlement letters, and claims process and status (with these topics approximating 950 inquiries or 30.7%). Additional topics included tax inquiries, product liability claims, vendor inquiries, litigation inquiries, omnibus objections, and requests for name and address change for claim holders and other notice recipients.
  - Assisted with GUC Trust distribution letter campaign to allowed claimants, including solicitation of W-9 Form for request of Taxpayer Identification Number and Certification and Form W-8BEN to claimholders outside of U.S. for Certificate of Foreign Status and Beneficial Owner for United States Tax Withholding. Began managing and responding to inquiries directed to GUC Trust.
  - Answered questions from former employees and customers who received objections to workers compensation claims, pension claims and incorrectly classified claims, respectively.
  - Managed technical aspects of the call center, including regular retrieval of voicemail to prevent overflow of mailboxes and prompt response of timely requests. Reviewed and updated Frequently Asked Questions (“FAQs”) for call center on regular basis to ensure correct responses to callers.
- The Fee Management team:
    - Reviewed and approved monthly invoices of retained and ordinary course professionals.
    - Prepared ongoing analysis of retention and invoicing expense for retained professionals.
    - Prepared professional fee budgets.
    - Prepared APS monthly invoices.

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- Prepared APS Monthly Staffing Reports and Quarterly Fee Reports for filing with the Court.
- Interacted with retained professionals and Fee Examiner to assist parties in the evaluation of fee applications.
- The Risk Management team continued management of insurance related matters:
  - Successfully renewed property liability coverage for all owned properties.
  - Negotiated renewal of and transfer to the RACER Trust \$3 million Lansing Demolition bond.
  - Managed negotiation of Asbestos settlement and discovery requests.
  - Renew and extend MLC Directors & Officers (“D&O”) insurance including extending reporting period and reducing premium cost.
  - Negotiate GUC trust D&O coverage.
  - Prepare documentation required to terminate environmental insurance and recover \$20 million collateral for DIP lenders.
  - Prepare documents required to terminate surety bonds and recover \$30 million collateral.
  - Prepare documents required to terminate letter of credit and recover \$13 million collateral.
- The Environmental Management team:
  - Continued to ensure compliance with environmental laws and regulations across all MLC owned sites.
  - Received state and federal regulatory approval for June through September 2010 previously spent amounts related to environmental remediation budget.
  - In concert with New GM LLC, negotiated one-time New GM contribution to the End of Life Vehicle Solutions (ELVS) mercury switch recovery program, intended to ameliorate GM’s withdrawal from the ELVS program.
  - Responded to annual Massachusetts Department of Environmental Protection mercury switch annual compliance certification.



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- Received lead agency regulatory approval for 2011 environmental remediation budgets.
  - Received lead agency regulatory confirmation of 2010 historical environmental remediation spends.
  - Completed analysis and creation of MLC Contract, Permit, Purchase Order, and key contract synopsis, intended to serve as important documents for the transition and assumption of contracts into the trust.
  - Continued to spearhead orderly transition of MLC files from New GM to a temporary document storage facility in Pontiac, Michigan.
  - Assisted RACER Trust with evaluation and decision analysis for contracts which were assigned to the trust upon emergence from bankruptcy.
  - Assisted RACER Trust with noticing of environmental regulatory agencies related to bankruptcy emergence, permit, and order matters.
  - Developed reconciliation process to ensure MLC invoices incurred prior to emergence would be paid in a timely and accurate fashion.
  - Continued environmental support of MLC's demolition work to ensure regulatory compliance.
  - To date completed American Society for Testing and Materials ("ASTM") Phase I Environmental Site Assessments for over 30 MLC sites.
  - Worked with environmental vendors and stakeholders to understand bankruptcy emergence and trust transition issues.
  - Provided environmental support for MLC equipment auctions at Grand Rapids, Willow Run, Flint North, and the Pontiac Assembly locations.
  - Supported MLC Real Estate with creation of brownfield brochures intended to market old MLC industrial properties.
- The Asset Management and Redevelopment team:
    - Real Estate
      - Received formal State approval for sale of 6 acre parcel to City of Parma (Purchase Agreement signed, City of Parma approval already received).

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- Finalized negotiations and purchase agreement language for the sale of the Moraine Assembly property. Received formal City and State approval for the sale and executed purchase and sale agreement.
- Executed purchase and sale agreement with Purchaser of Pontiac North (includes buildings 15, 25 and Fiero warehouse) and worked to resolve title exceptions and any other due diligence requests.
- Executed purchase and sale agreement with potential Purchaser of Pontiac Centerpoint Campus (includes West, Central and Assembly buildings) and worked to resolve title exceptions and any other due diligence requests.
- Executed purchase and sale agreement with Purchaser of Grand Rapids stamping facility and worked to resolve title exceptions and any other due diligence requests.
- Actively managed constituent communications with local, state, and federal stakeholders.
- Engaged in a continuing open dialogue with the Presidential Task Force on the Auto Industry, Automotive Communities Task Force, the Environmental Protection Agency (“EPA”), the United States Treasury (“UST”) and local economic development groups to discuss potential property reuse and job creation opportunities.
- Conducted ongoing management and reduction of holding costs, including reduction in utility costs and vendor renegotiations for properties remaining with the Debtors.
- Coordinated with New GM regarding subdivision and separation sites; survey and title work for these sites is ongoing.
- Conducted ongoing weekly site management reviews for each of the 13 sites.
- Continued to work with counsel on prosecution of the adversary proceeding against MCM and resolution of MCM’s lien claims.
- Machinery and Equipment (“M&E”) Sales
  - Conducted first of 2 M&E auctions at MLC’s Flint, MI property generating gross proceeds of \$2.6 million.

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- Conducted 2<sup>nd</sup> of 3 M&E auctions at MLC's Willow Run (Ypsilanti, MI) property generating gross proceeds of \$5.8 million.
- Conducted post auction "scrap out" transaction at MLC's Livonia, MI property generating gross proceeds of \$658,000.
- Conducted second of 2 M&E auctions at MLC's Flint, MI property generating gross proceeds of \$2.1 million.
- Conducted individual private sale of M&E from MLC's Willow Run property generating gross proceeds of \$164,000
- Demolition and Site Management
  - Flint North: Demolition continued at buildings 31 and 36; bid walk for buildings 5, 10, 81 completed, bids received in January from demolition companies; recommendations presented to RACER Trust.
  - Massena: TSCA area increased 50% requiring re-bid from demolition company; submitted revised site operating plan to EPA in January; negotiated contract with demolition companies in February; received approval from EPA for site operating plan in March.
  - Oversaw and managed MLC's property portfolio including supervising and directing day to day activities of 14 full-time site managers and five additional property management companies. Ensured proper, efficient and cost effective maintenance and care of property portfolio with annual budget (excluding environmental costs) of approximately \$25 million.
  - Prepared revised site-level holding cost budget forecast for all sites to cover period from 2011 to 2025.
  - Continued ongoing site management activities, including cost reduction initiatives and weekly site management calls.
  - Worked with RACER Trust to complete assignment/termination of pre-petition and post-petition contracts.
  - Reviewed liens on MLC properties to transfer properties to the RACER Trust free and clear of liens.

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- The Finance and Accounting team:
  - Prepared weekly cash receipts and disbursements reports.
  - Prepared monthly and year-to-date actual to wind-down budget variance analysis reports.
  - Prepared variance and professional fee analyses for monthly presentations to the Creditors' Committee.
  - Developed and revised drafts of presentation materials regarding financial projections for the POL, prepared materials detailing the assumptions underlying the projections, and created schedules and analyses as requested by outside parties.
  - Managed allocation and investment of cash and cash equivalents investments portfolio.
  - Continued to consolidate bank accounts and cash management functions into the Debtors' master funding and disbursement accounts.
  - Prepared and filed Monthly Operating Reports with the Bankruptcy Court for November, December, and January.
  - Coordinated and oversaw professional fee payments to ensure compliance with applicable rules and Bankruptcy Court orders.
  - Researched and responded to multiple vendor inquiries.
  - Managed communications with creditors regarding financial information, including information about 1) financial results, 2) claims reconciliation, and 3) asset dispositions.
  - Managed quarterly internal control review and transaction testing performed by MLC's independent accountants.
  - Continued daily administrative and oversight responsibilities for Motors Holding dealerships and continued work on final dissolution of entities.
  - Continued the wind down and dissolution of the one remaining Saturn dealership, Lou Sob Saturn, identified recoveries and developed creditor plan.
  - Continued to negotiate and settle multiple numerous dealership legal issues.

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- Completed the preparation and filing of the 2009 B-period (July 11 – December 31, 2009) state & local income tax returns for MLC and its subsidiaries.
- Prepared and timely filed required property, sales, use, gross receipts tax returns, and paid associated taxes.
- Provided continued support and input in the drafting of the POL and Disclosure Statement, which should minimize tax issues and exposures when the POL is executed.
- Provided IRS supplemental information required to the Private Letter Ruling (PLR) request, which ultimately led to IRS issuing a favorable ruling on March 2, 2011. The ruling will clarify several tax issues that could otherwise complicate the POL and create tax issues / exposures for the Trusts.
- Filed property tax appeals in a number of states to preserve MLC's ability to negotiate property tax reductions for the current tax year.
- Continued negotiations with Pontiac, Michigan officials, in an effort to finalize an agreement to substantially reduce property taxes.
- Negotiated settlements with Romulus, MI, Pittsburgh, PA, and Tonawanda, NY, resulting in substantial property tax reductions.
- Supported the claims group in managing in excess of \$3.5 billion of tax claims that have been filed against the estate.
- Continued to pursue approximately \$750,000 in tax refunds from Brazilian tax agency for Vector do Brazil, which would benefit estate.
- Continued to wind-down entities, including Vector of Canada by filing a final tax return with Canadian tax authorities.
- Continued to file documentation with state agencies to withdraw numerous MLC entities from doing business and prepare for eventual dissolution.
- Continued to manage the wind-down of Vector SCM do Brazil Ltda. and Vector SCM Mexico S. de R.L. de CV and other non-debtor entities.
- Developed plans and analysis to support Debtors' proposed POL trust structure for all finance, administration, and other support activities.

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- Identified finance and accounting requirements of the Environmental Response Trust, prepared preliminary transition planning of Treasury and Accounting function, and reviewed with Administrative Trustee.
  - Continued to work with New GM and the environmental agencies to properly separate surety bonds and cash collateral in compliance with the MSPA and to reconcile the collateral amounts in each account.
  - Worked with Sureties and escrow agents to facilitate the release of collateral on the Effective Date in accordance with the Settlement Agreement and POL.
  - Prepared detailed funds flow statement for Effective Date payments and securities transfers in accordance with the POL.
  - Solicited banking and custodial account proposals from financial institutions for the Environmental Response Trust representatives, prepared comparison matrix of proposals, negotiated terms of proposals, and worked with Environmental Response Trust representatives to have accounts open on Effective date.
  - Designed and created general ledger, fixed asset ledger, and implemented accounting system software for the Environmental Response Trust and the GUC Trust.
- The Management team:
- Assisted in coordinating issue identification, risk mitigation and work plan development across all work streams and regions.
  - Led negotiations with Federal agencies.
  - Managed executive team and legal counsel in the execution of the bankruptcy.
  - Managed executive team in real estate, environmental, property management, equipment disposition, and finance and accounting in discharging operational priorities.
  - Managed public relations process including initiating press coverage, MLC press releases, responding to inquiries from local, national and international media and participation in local media events.
  - Maintained relationships with New GM executive leadership.
  - Reviewed and approved MLC commitments in purchasing, remediation, demolition and other areas.

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- Led the day to day management transition of MLC responsibilities, personnel and asset and liabilities to the RACER Trust.