

GIBSON, DUNN & CRUTCHER LLP
200 Park Avenue
New York, NY 10166-0193
(212) 351-4000
Matthew J. Williams
Keith R. Martorana

Attorneys for the Motors Liquidation Company GUC Trust

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

-----X	:	
	:	
In re	:	Chapter 11 Case No.
	:	
MOTORS LIQUIDATION COMPANY, et al.,	:	09-50026 (REG)
f/k/a General Motors Corp., et al.	:	
	:	(Jointly Administered)
Debtors.	:	
-----X		

**MOTORS LIQUIDATION COMPANY GUC TRUST
QUARTERLY GUC TRUST REPORTS AS OF MARCH 31, 2014**

The Motors Liquidation Company GUC Trust (the “**GUC Trust**”), by its undersigned counsel, pursuant to the Amended and Restated Motors Liquidation Company GUC Trust Agreement dated June 11, 2012 and between the parties thereto (as amended, the “**GUC Trust Agreement**”) and in accordance with Paragraph 31 of the order of this Court dated March 29, 2011 confirming the Debtors’ Second Amended Joint Chapter 11 Plan of liquidation dated March 18, 2011 of Motors Liquidation Company and its affiliated post-effective date debtors (the “**Confirmation Order**”), hereby files the following for the most recently ended fiscal quarter of the GUC Trust.

Financial statements required under Section 6.2(b) of the GUC Trust Agreement for the fiscal year ended March 31, 2014 are annexed hereto as Exhibit A (the “**GUC Trust Reports**”).

The GUC Trust has no officers, directors or employees. The GUC Trust and Wilmington Trust Company, solely in its capacity as trustee and trust administrator (the “**GUC Trust Administrator**”), rely solely on receiving accurate information, reports and other representations from GUC Trust professionals and other service providers to the GUC Trust. In submitting the GUC Trust Reports and executing any related documentation on behalf of the GUC Trust, the GUC Trust Administrator has relied upon the accuracy of such reports, information and representations.

Dated: New York, New York
May 23, 2014

GIBSON, DUNN & CRUTCHER LLP

By: /s/ Matthew J. Williams

Matthew J. Williams
Keith R. Martorana
200 Park Avenue
New York, NY 10166-0193
(212) 351-4000

Attorneys for the Motors Liquidation Company GUC Trust

EXHIBIT A

Motors Liquidation Company GUC Trust

Financial Statements

Year Ended March 31, 2014

Motors Liquidation Company GUC Trust

Financial Statements

Table of Contents

Report of Independent Registered Public Accounting Firm1

Financial Statements

 Statements of Net Assets in Liquidation (Liquidation Basis), March 31, 2014 and 2013..... 2

 Statements of Changes in Net Assets in Liquidation (Liquidation Basis), Years Ended March 31, 2014, 2013 and 2012..... 3

 Statements of Cash Flows (Liquidation Basis), Years Ended March 31, 2014, 2013 and 2012 4

 Notes to Financial Statements 5

Report of Independent Registered Public Accounting Firm

To the Trust Administrator, Trust Monitor,
and Trust Beneficiaries
Motors Liquidation Company GUC Trust

We have audited the accompanying statements of net assets in liquidation of the Motors Liquidation Company GUC Trust as of March 31, 2014 and 2013 and the related statements of changes in net assets in liquidation and cash flows for the years ended March 31, 2014, 2013 and 2012. These financial statements are the responsibility of the Trust Administrator of the Motors Liquidation Company GUC Trust. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Motors Liquidation Company GUC Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Motors Liquidation Company GUC Trust's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets in liquidation of the Motors Liquidation Company GUC Trust as of March 31, 2014 and 2013 and the related statements of changes in net assets in liquidation and cash flows for the years ended March 31, 2014, 2013 and 2012, in conformity with accounting principles generally accepted in the United States of America.

/s/ Plante & Moran, PLLC

Auburn Hills, Michigan
May 22, 2014

Motors Liquidation Company GUC Trust
STATEMENTS OF NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)
March 31, 2014 and 2013
(Dollars in thousands)

	<u>March 31, 2014</u>	<u>March 31, 2013</u>
ASSETS		
Cash and Cash Equivalents	\$ 14,932	\$ 1,010
Marketable Securities	44,382	76,796
Holdings of New GM Securities (Note 6)	1,114,078	1,591,110
Other Assets and Deposits	<u>1,502</u>	<u>1,815</u>
TOTAL ASSETS	1,174,894	1,670,731
LIABILITIES		
Accounts Payable and Other Liabilities	3,105	6,782
Liquidating Distributions Payable (Note 5)	42,111	16,555
Deferred Tax Liability (Note 9)	—	164,845
Reserves for Residual Wind Down Claims (Note 8)	28,698	30,855
Reserves for Expected Costs of Liquidation (Note 8)	<u>36,486</u>	<u>61,513</u>
TOTAL LIABILITIES	110,400	280,550
NET ASSETS IN LIQUIDATION (Note 4)	<u>\$ 1,064,494</u>	<u>\$ 1,390,181</u>

See Accompanying Notes to Financial Statements.

Motors Liquidation Company GUC Trust
STATEMENTS OF CHANGES IN NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)
YEARS ENDED March 31, 2014, 2013 and 2012
(Dollars in thousands)

	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012
Net Assets in Liquidation, beginning of year	\$ 1,390,181	\$ 1,369,239	\$ —
Increase (decrease) in net assets in liquidation:			
Transfer of interest in New GM Securities from Motors Liquidation Company	—	—	9,900,699
Reductions (additions) to reserves for Expected Costs of Liquidation	7,910	(17,488)	(52,993)
Incurrence of funding obligation to Avoidance Action Trust	—	—	(13,715)
Liquidating distributions (Note 5)	(1,205,764)	(29,389)	(7,883,466)
Net change in fair value of holdings of New GM Securities	702,654	123,936	(472,801)
Interest income and dividends	4,668	145	98
Income tax benefit (provision) (Note 9)	164,845	(56,262)	(108,583)
Net (decrease) increase in net assets in liquidation	<u>(325,687)</u>	<u>20,942</u>	<u>1,369,239</u>
Net Assets in Liquidation, end of year	<u>\$ 1,064,494</u>	<u>\$ 1,390,181</u>	<u>1,369,239</u>

See Accompanying Notes to Financial Statements.

Motors Liquidation Company GUC Trust
STATEMENTS OF CASH FLOWS (LIQUIDATION BASIS)
YEARS ENDED March 31, 2014, 2013 and 2012
(Dollars in thousands)

	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012
Cash flows from (used in) operating activities			
Cash receipts from interest and dividends	\$ 4,658	\$ 151	\$ 98
Cash paid for professional fees, governance costs and other administrative costs	(20,948)	(39,263)	(21,385)
Cash paid for Residual Wind-Down Claims	(1,678)	(1,387)	(1,560)
Cash paid for distributions in lieu of shares and warrants	(663)	(668)	—
Net cash flows used in operating activities	(18,631)	(41,167)	(22,847)
Cash flows from (used in) investing activities			
Cash used to purchase marketable securities	(118,162)	(187,427)	(340,828)
Cash from maturities and sales of marketable securities	150,576	185,721	265,725
Net cash flows from (used in) investing activities	32,414	(1,706)	(75,103)
Cash flows from (used in) financing activities			
Cash transfer from Motors Liquidation Company to fund Expected Costs of Liquidation	—	—	62,306
Cash transfer from Motors Liquidation Company to fund Residual Wind-Down Claims	—	—	33,807
Cash from sale of New GM Securities for Avoidance Action Trust	—	—	13,715
Cash from sale of New GM Securities to fund Expected Costs of Liquidation	—	17,969	26,518
Cash from sale of New GM Securities for distribution in lieu of shares and warrants	139	1,233	—
Cash transferred to the Avoidance Action Trust	—	(13,715)	—
Net cash flows from financing activities	139	5,487	136,346
Net increase (decrease) in cash and cash equivalents	13,922	(37,386)	38,396
Cash and cash equivalents, beginning of year	1,010	38,396	—
Cash and cash equivalents, end of year	<u>\$ 14,932</u>	<u>\$ 1,010</u>	<u>38,396</u>

The GUC Trust has not presented a reconciliation from net income to cash flow from operations. As an entity in liquidation, the GUC Trust does not have continuing operations that result in the measurement of net income as that term is used by generally accepted accounting principles to measure results of operations.

See Accompanying Notes to Financial Statements.

**Motors Liquidation Company GUC Trust
Notes to Financial Statements
March 31, 2014**

1. Purpose of Trust

The Motors Liquidation Company GUC Trust (“GUC Trust”) is a successor to Motors Liquidation Company (formerly known as General Motors Corp.) (“MLC”) within the meaning of Section 1145 of the United States Bankruptcy Code (“Bankruptcy Code”). The GUC Trust holds, administers and directs the distribution of certain assets pursuant to the terms and conditions of the Amended and Restated Motors Liquidation Company GUC Trust Agreement (the “GUC Trust Agreement”), dated as of June 11, 2012 and as amended from time to time, and pursuant to the Second Amended Joint Chapter 11 Plan (the “Plan”), dated March 18, 2011, of MLC and its debtor affiliates (collectively, along with MLC, the “Debtors”), for the benefit of holders of allowed general unsecured claims against the Debtors (“Allowed General Unsecured Claims”).

The GUC Trust was formed on March 30, 2011, as a statutory trust under the Delaware Statutory Trust Act, for the purposes of implementing the Plan and distributing the GUC Trust’s distributable assets. The Plan generally provides for the distribution of certain shares of common stock (“New GM Common Stock”) of the new General Motors Company (“New GM”) and certain warrants for the purchase of shares of such stock (the “New GM Warrants,” and, together with the New GM Common Stock, the “New GM Securities”) to holders of Allowed General Unsecured Claims *pro rata* by the amount of such claims. In addition, the Plan provides that each holder of an Allowed General Unsecured Claim will obtain, in the form of GUC Trust Units (as defined below), a contingent right to receive, on a *pro rata* basis, additional shares of New GM Common Stock and New GM Warrants (if and to the extent such New GM Common Stock and New GM Warrants are not required for the satisfaction of previously Disputed General Unsecured Claims (as defined below) or liquidation for the payment of the expenses of the GUC Trust) and cash, if any, remaining at the dissolution of the GUC Trust.

The GUC Trust is administered by Wilmington Trust Company, solely in its capacity as the trust administrator and trustee (the “GUC Trust Administrator”). Among other rights and duties, subject to the terms, conditions and limitations set forth in the GUC Trust Agreement, the GUC Trust Administrator has the power and authority to hold, manage, sell, invest and distribute the assets comprising the GUC Trust corpus, consult with and retain professionals for the administration of the GUC Trust, prosecute and resolve objections to Disputed General Unsecured Claims, take all necessary actions to administer the wind-down of the affairs of the Debtors upon their dissolution, and upon such dissolution, resolve and satisfy, to the extent allowed, the Residual Wind-Down Claims (as defined below). The activities of the GUC Trust Administrator are overseen by FTI Consulting, Inc., solely in its capacity as monitor (the “GUC Trust Monitor”).

2. Plan of Liquidation

On March 31, 2011, the date the Plan became effective (the “Effective Date”), there were approximately \$29,771 million in Allowed General Unsecured Claims. In addition, as of the Effective Date, there were approximately \$8,154 million in disputed general unsecured claims which reflects liquidated disputed claims and a Bankruptcy Court ordered distribution reserve for unliquidated disputed claims (“Disputed General Unsecured Claims”), but does not reflect potential Term Loan Avoidance Action Claims. The total aggregate amount of general unsecured claims, both allowed and disputed, asserted against the Debtors, inclusive of the potential Term Loan Avoidance Action Claims, was approximately \$39,425 million as of the Effective Date.

Pursuant to the GUC Trust Agreement, holders of Disputed General Unsecured Claims become entitled to receive a distribution of New GM Securities from the GUC Trust if, and to the extent that, such Disputed General Unsecured Claims become Allowed General Unsecured Claims. Under the GUC Trust Agreement, the GUC Trust Administrator has the authority to file objections to such Disputed General Unsecured Claims and the Bankruptcy Court has extended the time by which the GUC Trust may object to Disputed General Unsecured Claims and Administrative Expenses as defined in the Plan to September 16, 2014 (which date may be further extended by application to the Bankruptcy Court). Such claims may be prosecuted through alternative dispute resolution proceedings, including mediation and arbitration (“ADR Proceedings”), if appropriate. As of March 31, 2014, there were approximately \$79.5 million in Disputed General Unsecured Claims, which amount has been significantly reduced from approximately \$8,154 million as of the Effective Date.

To the extent that all or a portion of a Disputed General Unsecured Claim is deemed invalid—or “disallowed”—by order of the Bankruptcy Court, by order of the tribunal presiding over the ADR Proceeding (if applicable), or by settlement with the GUC Trust, such portion of the Disputed General Unsecured Claim that is disallowed is not entitled to a distribution from the GUC Trust (subject to any appeal rights of the claimant). However, to the extent that a Disputed General Unsecured Claim is fully resolved, and such resolution results in all or a portion of the original Disputed General Unsecured Claim being deemed valid—or “allowed”—by order of the Bankruptcy Court, by order of the tribunal presiding over the ADR Proceeding (if applicable), or by settlement with the GUC Trust, such portion of the Disputed General Unsecured Claim that is allowed will be considered an Allowed General Unsecured Claim on the Effective Date (such claims, “Resolved Disputed Claims”).

Only one Avoidance Action, captioned Official Committee of Unsecured Creditors of Motors Liquidation Co. v. JPMorgan Chase Bank, N.A. et al., Adv. Pro. No.09-00504 (Bankr. S.D.N.Y. July 31, 2009) (the "Term Loan Avoidance Action"), was commenced prior to the statutory deadline for commencing such actions. The Term Loan Avoidance Action was commenced by the Official Committee of Unsecured Creditors of Motors Liquidation Company (the "Committee"), and seeks the return of approximately \$1.5 billion that had been transferred by the Debtors (with funds advanced after the commencement of the Debtors' chapter 11 cases by the United States Treasury and Export Development Canada (together, the "DIP Lenders")) to a consortium of prepetition lenders pursuant to the terms of the order of the Bankruptcy Court. On December 15, 2011, in accordance with the Plan, upon the dissolution of MLC, the Term Loan Avoidance Action was transferred to the Avoidance Action Trust (as defined below). To the extent that Wilmington Trust Company, not in its individual capacity but solely in its capacity as the trustee and trust administrator of the Avoidance Action Trust (the "Avoidance Action Trust Administrator") is successful in obtaining a judgment against the defendant(s) to the Term Loan Avoidance Action, Allowed General Unsecured Claims will arise in the amount of any transfers actually avoided (that is, disgorged) pursuant thereto (such general unsecured claims "Term Loan Avoidance Action Claims," and together with Resolved Disputed Claims, the "Resolved Allowed Claims").

It is still unclear whether any amounts actually avoided pursuant to the Term Loan Avoidance Action would be for the benefit of holders of Allowed General Unsecured Claims. The Committee has taken the position that (a) the DIP Lenders are not entitled to any proceeds of the Term Loan Avoidance Action and have no interests in the trust established for the action under the Plan (the "Avoidance Action Trust") and (b) the holders of Allowed General Unsecured Claims have the exclusive right to receive any and all proceeds of the Term Loan Avoidance Action, and are the exclusive beneficiaries of the Avoidance Action Trust with respect thereto.

Litigation with respect to these issues is ongoing (with the Term Loan Avoidance Action currently pending before the U.S. Court of Appeals for the Second Circuit), and the rights to any recoveries on the Term Loan Avoidance Action are still disputed. In no event, however, will any funds reclaimed from the pre-petition lenders be transferred to or otherwise benefit the GUC Trust or be distributed to holders of GUC Trust Units.

GUC Trust Distributable Assets

Pursuant to the terms of the Plan, the Bankruptcy Court authorized the distribution of 150 million shares of New GM Common Stock issued by New GM, warrants to acquire 136,363,635 newly issued shares of New GM Stock with an exercise price set at \$10.00 per share ("New GM Series A Warrants"), and warrants to acquire 136,363,635 newly issued shares of New GM Stock with an exercise price set at \$18.33 per share ("New GM Series B Warrants"), (such securities, "New GM Securities"). Record ownership of the New GM Securities was held by MLC for the benefit of the GUC Trust until the dissolution of MLC on December 15, 2011, at which time record ownership was transferred to the GUC Trust.

Funding for GUC Trust Costs of Liquidation

The GUC Trust has incurred and will continue to incur certain costs to liquidate the trust assets and implement the Plan. On or about the Effective Date, pursuant to the Plan, MLC contributed approximately \$52.7 million to the GUC Trust to be held and maintained by the GUC Trust Administrator (as the "GUC Trust Administrative Fund") for the purpose of paying certain fees and expenses (including certain tax obligations) incurred by the GUC Trust (including fees of the GUC Trust Administrator and the GUC Trust Monitor and the fees and expenses for professionals retained by the GUC Trust), other than the Reporting Costs, as defined below ("Wind-Down Costs"). As of March 31, 2014, the remaining Administrative Fund aggregated \$11.6 million (consisting of cash and cash equivalents and marketable securities aggregating \$10.6 million and prepaid expenses of \$1.0 million). Of that amount, approximately \$8.0 million has been separately designated for the satisfaction of certain costs and liabilities of the GUC Trust (other than Reporting Costs (as defined below)) and \$3.6 million is available for other Wind-Down Costs, which funds must be exhausted prior to the use of any Other Administrative Cash (as defined below) for such purposes. Cash or investments from the GUC Trust Administrative Fund, if any, which remain at the winding up and conclusion of the GUC Trust must be returned to the DIP Lenders.

The GUC Trust Agreement authorized the GUC Trust to liquidate approximately \$5.7 million of New GM Securities (the "Initial Reporting Cash") shortly after the Effective Date for the purposes of funding certain fees and expenses of the GUC Trust (the "Reporting Costs"), including those directly or indirectly relating to (i) reports to be prepared and filed by the GUC Trust pursuant to applicable rules, regulations and interpretations of the Securities and Exchange Commission, (ii) the transfer, registration for transfer and certification of GUC Trust Units, and (iii) the application by the Committee (as defined below) to the Internal Revenue Service for a private letter ruling regarding the tax treatment of the GUC Trust and the holders of Allowed General Unsecured Claims in respect to the distribution of New GM Securities. The GUC Trust Agreement provides that the Administrative Fund may not be utilized to satisfy any Reporting Costs.

The GUC Trust Agreement provides that, if the GUC Trust Administrator determines that the Administrative Fund is not sufficient to satisfy the current or projected Wind-Down Costs or the Initial Reporting Cash is not sufficient to satisfy the current or projected Reporting Costs, the GUC Trust Administrator, with the approval of the GUC Trust Monitor, is authorized to set aside New GM

Securities from distribution for these purposes. The GUC Trust Administrator may then liquidate such “set aside” New GM Securities to fund the Wind-Down Costs and/or Reporting Costs with the required approval of the Bankruptcy Court. New GM Securities that are set aside and/or sold in this manner will not be available for distribution to the beneficiaries of GUC Trust Units, and the cash proceeds of any such sale (including related Dividend Cash) will be classified as “Other Administrative Cash” under the GUC Trust Agreement. Although any such liquidation of set aside New GM Securities will be reflected in the financial statements of the GUC Trust at the time of liquidation, the setting aside of New GM Securities, including Dividend Cash, itself is not reflected in the Statement of Net Assets in Liquidation or any of the other financial statements of the GUC Trust. Separate from this process of setting aside New GM Securities to satisfy unfunded projected costs and expenses of the GUC Trust, as a matter of financial reporting, the GUC Trust records a reserve in its Statement of Net Assets in Liquidation (the source of funding of which is not addressed therein) for all expected costs of liquidation for which there is a reasonable basis for estimation. For this reason, among others, there is not a direct relationship between the amount of such reserve reflected in the Statement of Net Assets in Liquidation and the value of any New GM Securities that are set aside for current or projected costs and expenses of the GUC Trust. Adjustments to the Reserve for Expected Costs of Liquidation as reported in the Statement of Net Assets in Liquidation are recorded only when there is a reasonable basis for estimation of the expected incurrence of additional costs or a reduction in expected costs. For more information regarding the Reserves for Expected Costs of Liquidation reflected in the Statement of Net Assets in Liquidation, see Note 8.

The Bankruptcy Court previously approved in March 2012, and December 2012, the sale of New GM Securities to fund the then current and projected costs and expenses of the GUC Trust. The March 2012, Bankruptcy Court order also authorized the sale of further New GM Securities for the purpose of funding certain fees, costs and expenses of the Avoidance Action Trust (as described below under the heading “—Funding for Avoidance Action Trust”). Through March 31, 2013, sales of New GM Securities to fund projected Reporting Costs and Wind-Down Costs through calendar year 2013 aggregated approximately \$50.2 million, including the Initial Reporting Cash (which amounts comprised part of the GUC Trust’s Other Administrative Cash). Such securities sold aggregated 902,228 shares of New GM Common Stock, 820,205 New GM Series A Warrants and 820,205 New GM Series B Warrants. There have been no subsequent sales of securities to fund Wind-Down Costs and Reporting Costs.

As of March 31, 2014, Other Administrative Cash aggregated \$13.2 million. To the extent that any of the Other Administrative Cash is not ultimately required and is held by the GUC Trust at the time of its dissolution, such remaining Other Administrative Cash will be distributed by the GUC Trust to holders of the GUC Trust Units.

As of March 31, 2014, New GM Securities with an aggregate fair market value as of that date of \$51.6 million and related Dividend Cash of \$0.2 million have been set aside for projected GUC Trust fees, costs and expenses to be incurred beyond 2014, including \$3.5 million set aside for projected income taxes on dividends received or declared on holdings of New GM common Stock as described below in “Funding for Potential Tax Liabilities on Dispositions of New GM Securities and Dividends on New GM Common Stock”. Accordingly, such New GM Securities are currently not available for distribution to the beneficiaries of the GUC Trust Units.

Funding for Potential Tax Liabilities on Dispositions of New GM Securities and Dividends on New GM Common Stock

The GUC Trust is subject to U.S. federal income tax on realized net gains from the distribution and sale of shares of New GM Common Stock and New GM Warrants (such taxes, “Taxes on Distribution”). The GUC Trust is also subject to U.S. federal income tax on dividends received on New GM Common Stock held by the GUC Trust (such taxes, “Dividend Taxes”). The GUC Trust Agreement provides that the Administrative Fund may not be utilized to satisfy any Taxes on Distribution or Dividend Taxes. As such, the GUC Trust Administrator is authorized, with the approval of the GUC Trust Monitor, to set aside from distribution certain numbers of New GM Securities, the liquidated proceeds of which, along with the related Dividend Cash, would be sufficient to satisfy any potential Taxes on Distribution or Dividend Taxes. The New GM Securities that are set aside for Dividend Taxes are included in the set-aside for Wind-Down Costs described above in “Funding for GUC Trust Costs of Liquidation”. The GUC Trust Administrator may then liquidate such “set aside” New GM Securities to fund the Taxes on Distribution or Dividend Taxes, with the approval of the GUC Trust Monitor, but, with respect to Taxes on Distributions, without the necessity of obtaining approval of the Bankruptcy Court. New GM Securities that are set aside and subsequently sold in this manner will not be available for distribution to the beneficiaries of GUC Trust Units, and the cash proceeds of any such sale, along with the related Dividend Cash, will be classified as “Other Administrative Cash” under the GUC Trust Agreement. New GM Securities that have been so set aside are included in Holdings of New GM Securities in the accompanying Statement of Net Assets in Liquidation. In the event such set-aside New GM Securities were sold to fund Taxes on Distribution or Dividend Taxes, the proceeds of such sale would be reflected in Cash and Cash Equivalents and/or Marketable Securities until expended to pay Taxes on Distribution or Dividend Taxes. While the set-aside New GM Securities and the related Dividend Cash are not available for distribution, there is no corresponding liability or reserve related to such set aside assets reflected in the Statement of Net Assets in Liquidation or any of the other financial statements of the GUC Trust.

During the year ended March 31, 2014, the GUC Trust Administrator reviewed the current and potential Taxes on Distribution. As a result of such review, the GUC Trust Administrator determined that New GM Securities with an aggregate fair market value (as of March 31, 2014) of \$536.3 million and related Dividend Cash of \$2.2 million should be set aside for potential Taxes on Distribution based on (1) the GUC Trust’s method for calculating potential net gains on distributions or sales of New GM Securities (reduced by carryforward net operating and capital

losses and future deductible expenses at March 31, 2014) and (2) the GUC Trust's method for converting the potential tax liability to the number of securities to be set aside. Such New GM Securities are not currently available for distribution to the beneficiaries of GUC Trust Units. The GUC Trust Administrator intends to continue to reevaluate the numbers of New GM Securities set aside on a quarterly basis.

As previously disclosed, during the quarter ended September 30, 2013, the GUC Trust made a determination to file its U.S. federal income tax returns taking the position that beneficial ownership for a substantial majority of New GM Securities was transferred from MLC to the GUC Trust on March 31, 2011, and that the tax basis of such New GM Securities should be determined with reference to the value of such securities on such date, instead of December 15, 2011, when record ownership of the remaining New GM Securities still held by MLC was transferred from MLC to the GUC Trust. For the remaining substantial minority of New GM Securities transferred from MLC to the GUC Trust, the GUC Trust determined that the transfer of beneficial ownership occurred on other dates for which the tax basis should be determined by reference to the value of such securities on such dates. Subsequently, the GUC Trust filed its U.S. federal income tax return for the year ended March 31, 2013 with the Internal Revenue Service using the new tax position described above. This new tax position resulted in an increased tax basis of the New GM Securities from the prior tax position and, therefore, reduced taxable gains and increased taxable losses on distributions and sales of New GM Securities since March 31, 2011. The new tax position has not been sustained on examination by the Internal Revenue Service as of the date hereof. However, the GUC Trust believes, based on the available evidence and consultation with GUC Trust professionals, that it is more likely than not that the new tax position will be sustained on examination by the Internal Revenue Service based on the technical merits of the position. Accordingly, this new tax position has been reflected in the amounts recognized in current and deferred income tax liabilities and the income tax benefit (provision) in the GUC Trust's financial statements since September 30, 2013. By contrast, as a conservative measure, the calculation of the "set aside" of New GM Securities for potential Taxes on Distribution utilizes the prior tax position rather than the new tax position. The calculation of the "set aside" of New GM Securities for potential Taxes on Distribution will not reflect the new tax position unless and until the new tax position has been sustained on examination by the Internal Revenue Service, or the liability of the GUC Trust for Taxes on Distribution otherwise has been finally determined in accordance with Section 505(b) of the Bankruptcy Code, for all applicable income tax returns, including the GUC Trust's U.S. federal income tax returns for the year ended March 31, 2014 and subsequent years.

Funding for Avoidance Action Trust

Based on an analysis of the Avoidance Action Trust and its potential funding sources, the GUC Trust Administrator, in conjunction with the Avoidance Action Trust Administrator, determined that it would be in the best interest of the holders of Allowed General Unsecured Claims to fund certain fees, costs and expenses of the Avoidance Action Trust, subject to approval of the Bankruptcy Court. In March 2012, the Bankruptcy Court approved the sale of New GM Securities aggregating approximately \$13.7 million and the transfer of the sales proceeds to the Avoidance Action Trust for such funding. The sale occurred in March 2012, comprising 269,422 shares of New GM Common Stock, 244,929 New GM Series A Warrants and 244,929 New GM Series B Warrants. The sales proceeds were transferred to the Avoidance Action Trust in May 2012.

Residual Wind-Down Claims and Costs

Upon the dissolution of the Debtors, which occurred on December 15, 2011, the GUC Trust became responsible for resolving and satisfying (to the extent allowed) all remaining disputed administrative expenses, priority tax claims, priority non-tax claims and secured claims (the "Residual Wind-Down Claims"). On December 15, 2011, under the Plan, the Debtors transferred to the GUC Trust an amount of cash necessary (the "Residual Wind-Down Assets") to satisfy the ultimate allowed amount of such Residual Wind-Down Claims (including certain litigation defense costs related to the Term Loan Avoidance Action (the "Avoidance Action Defense Costs")), as estimated by the Debtors, and the costs, fees and expenses relating to satisfying and resolving the Residual Wind-Down Claims (the "Residual Wind-Down Costs"). The Residual Wind-Down Assets initially aggregated approximately \$42.8 million (which amount consisted of approximately \$40.0 million in cash, including approximately \$1.4 million for the payment of Avoidance Action Defense Costs, and the transferred benefit of approximately \$2.8 million in prepaid expenses). Should the Residual Wind-Down Costs and the Residual Wind-Down Claims be less than the Residual Wind-Down Assets, any excess funds will be returned to the DIP Lenders. If at any time the GUC Trust Administrator determines that the Residual Wind-Down Assets are not adequate to satisfy the Residual Wind-Down Claims (including the actual amount of Avoidance Action Defense Costs) and Residual Wind-Down Costs, such costs will be satisfied by Other Administrative Cash. If there is no remaining Other Administrative Cash, the GUC Trust Administrator is authorized to, with GUC Trust Monitor approval, set aside and, with Bankruptcy Court approval, sell New GM Securities to cover the shortfall. To the extent that New GM Securities are set aside and sold to obtain funding to complete the wind-down of the Debtors, such securities will not be available for distribution to the beneficiaries of the GUC Trust. Therefore, the amount of Residual Wind-Down Claims and Residual Wind-Down Costs could reduce the assets of the GUC Trust available for distribution. Although any such sale of set aside New GM Securities would be reflected in the financial statements of the GUC Trust in the period of sale, the setting aside of New GM Securities and related Dividend Cash itself would not be reflected in the Statement of Net Assets in Liquidation or any of the other financial statements of the GUC Trust. After the GUC Trust has concluded its affairs, any funds remaining that were obtained from the sale of New GM Securities to fund the wind-down process or the resolution and satisfaction of the Residual Wind-Down Claims will be distributed to the holders of the GUC Trust Units.

The amount of Avoidance Action Defense Costs incurred to date exceeds the corresponding cash of \$1.4 million received by the GUC Trust from MLC on the Dissolution Date by approximately \$0.7 million. As a result new Residual Wind-Down Claims have arisen in the amount of such excess. It is expected that additional Avoidance Action Defense Costs will be incurred for which additional Residual Wind-Down Claims will arise to be paid from the other remaining Residual Wind-Down Assets and, following the depletion of such assets, Other Administrative Cash or the sale of New GM Securities. As of March 31, 2014, \$30.5 million in Residual Wind-Down Assets were held by the GUC Trust, which are recorded in cash and cash equivalents, marketable securities, and other assets and deposits in the accompanying Statement of Net Assets in Liquidation. By comparison, there were approximately \$13.1 million in Residual Wind-Down Claims against such assets as of March 31, 2014, subject to increase for new Residual Wind-Down Claims that are expected to arise for Avoidance Action Defense Costs.

In addition to the Residual Wind-Down Assets, the GUC Trust also received on the Dissolution Date approximately \$3.4 million in cash from MLC for the purposes of funding (1) \$1.4 million in respect of certain costs, fees and expenses payable under the Plan to the indenture trustees and fiscal and paying agents for the previously outstanding debt of MLC, or the Indenture Trustee / Fiscal and Paying Agent Costs, and (2) \$2.0 million in respect of Reporting Costs. The funds received were credited to the reserve for expected costs of liquidation. Any unused portion of the funds designated for the Indenture Trustee / Fiscal and Paying Agent Costs must be returned to the DIP Lenders and will not be available for distribution to the holders of GUC Trust Units at the winding up and conclusion of the GUC Trust. As of March 31, 2014, funds designated for the Indenture Trustee / Fiscal and Paying Agents Costs held by the GUC Trust approximated \$0.5 million and are recorded in cash and cash equivalents in the accompanying Statement of Net Assets in Liquidation.

3. Basis of Presentation and Significant Accounting Policies

Liquidation Basis of Accounting

The GUC Trust exists solely for the purposes described above in Note 1 and has a finite life. Accordingly, the GUC Trust has prepared the accompanying financial statements on the liquidation basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Under the liquidation basis of accounting as prescribed by the Financial Accounting Standards Board (FASB) Accounting Standards Codification, assets are stated at their estimated net realizable value, which is the non-discounted amount of cash into which an asset is expected to be converted during the liquidation period, while liabilities continue to be recognized at the amount required by other U.S. GAAP, and are not remeasured to reflect any anticipation that an entity will be legally released from an obligation. Additionally, under the liquidation basis of accounting, a reserve is established for estimated costs expected to be incurred during the liquidation period. Such costs are accrued when there is a reasonable basis for estimation. These estimates are periodically reviewed and adjusted as appropriate. The valuation of assets at net realizable value, reserves for residual wind-down claims and reserves for expected liquidation costs represent estimates, based on present facts and circumstances known to the GUC Trust Administrator, and are subject to change.

As described above, the beneficiaries of the GUC Trust are future and, to the extent their liquidating distributions have not yet been paid to them, current holders of Allowed General Unsecured Claims and future and current holders of GUC Trust Units ("Trust Beneficiaries"). As Disputed General Unsecured Claims are resolved and allowed and thereby become Allowed General Unsecured Claims, the holders thereof become entitled to receive liquidating distributions of New GM Securities (and the related Dividend Cash) and GUC Trust Units *pro rata* by the amount of such Claims and, upon such occurrence, the GUC Trust incurs an obligation to distribute such securities. Accordingly, liquidating distributions payable are recorded (at the fair value of such New GM Securities and the related Dividend Cash) as of the end of the period in which the Disputed General Unsecured Claims are resolved as Allowed General Unsecured Claims. Similarly, to the extent potential Term Loan Avoidance Action Claims (as defined below) were to arise (and would become allowed) in the manner described in Note 2, liquidating distributions payable would be recorded for the New GM Securities and the related Dividend Cash (at fair value) that would become distributable to holders of Term Loan Avoidance Action Claims upon such occurrence. Prior to the resolution and allowance of Disputed General Unsecured Claims (or potential Term Loan Avoidance Action Claims), liabilities are not recorded for the conditional obligations associated with Disputed General Unsecured Claims. Rather, the beneficial interests of Trust Beneficiaries in the residual assets of the GUC Trust are reflected in Net Assets in Liquidation of the GUC Trust in the accompanying financial statements.

Under the liquidation basis of accounting, the GUC Trust presents two principal financial statements: a Statement of Net Assets in Liquidation and a Statement of Changes in Net Assets in Liquidation. In addition, although not required under the liquidation basis of accounting, the GUC Trust also presents a Statement of Cash Flows, in accordance with the requirements of the GUC Trust Agreement.

Fiscal Year

The GUC Trust's fiscal year begins on April 1 and ends on the following March 31. As the GUC Trust was created on March 30, 2011 and the Effective Date of the Plan was March 31, 2011, for financial reporting purposes, the GUC Trust is assumed to have been established as of April 1, 2011 and received its initial funding on or about April 1, 2011.

Cash and Cash Equivalents

Cash and cash equivalents consist of amounts held in bank accounts or money market funds.

Marketable Securities

Marketable securities consist of short term investments in corporate commercial paper and municipal government commercial paper and variable demand notes. The GUC Trust has valued these securities at fair value based on carrying value for municipal and corporate commercial paper where carrying value approximates fair value and par value for variable demand notes where par value equals fair value.

Holdings of New GM Securities and Dividends Received on New GM Common Stock

Holdings of New GM Securities represent the GUC Trust's holdings of New GM Securities held for future distribution in respect of Allowed General Unsecured Claims and the GUC Trust Units, and include amounts set aside from distribution to fund estimated and projected Wind-Down and Reporting Costs (including projected Dividend Taxes) and potential Taxes on Distribution as described in Note 2. The securities held consist of shares of New GM Common Stock and New GM Warrants as further described in Notes 1 and 6. The GUC Trust has valued its holdings in the securities at their fair value based on quoted market prices as of the last trading day of the fiscal year.

Dividends on holdings of New GM Common Stock are recorded as received (or accrued as of the record date for any declared but unpaid dividends). Such dividends and any future declared dividends on New GM Common Stock are required to be applied to the same purpose as the New GM Common Stock to which such dividends relate. If shares of New GM Common Stock are distributed to holders of subsequently Resolved Allowed Claims and GUC Trust Units, then the dividends relating to those shares will also be distributed to such holders. If, however, shares of New GM Common Stock are sold by the GUC Trust in accordance with the GUC Trust Agreement to fund the costs and liabilities of the GUC Trust, then, in that case the dividends relating to those shares will be applied to such costs and liabilities of the GUC Trust and (just like the cash proceeds from the sale of the shares of New GM Common Stock) will be maintained in Other Administrative Cash. Because such dividends are applied to the same purpose as the New GM Common Stock, references to New GM Common Stock and New GM Securities that have been set aside from distribution, reserved or sold should be understood to include the dividends (if any) relating to such New GM Common Stock, unless expressly indicated otherwise. The amount of cash and cash equivalents held by the GUC Trust that relates to dividends received by the GUC Trust on New GM Common Stock held by the GUC Trust is referred to as Dividend Cash.

Other Assets and Deposits

Other assets and deposits consist principally of prepaid insurance, prepaid expenses and retainers for professionals.

Accounts Payable and Other Liabilities

Accounts payable and other liabilities represent amounts due to professionals, service providers, and vendors for services rendered or goods received through the end of the period.

Income Taxes

The GUC Trust is considered to be a "Disputed Ownership Fund" pursuant to Treasury Regulation Section 1.468B-9. Because all of the assets that have been transferred to the GUC Trust are passive investments, the GUC Trust is taxed as a Qualified Settlement Fund (or QSF) pursuant to Treasury Regulation Section 1.468B-9(c)(1)(ii). The QSF tax status of the GUC Trust has been approved by the Internal Revenue Service in a private letter ruling issued on March 2, 2011. In general, a QSF is considered to be a C Corporation but pays Federal income tax using trust income tax rates on its modified gross income. Modified gross income includes gross income pursuant to Internal Revenue Code Section 61 less administrative expenses, certain losses from the sale, exchange or worthlessness of property, and net operating losses. In general, a Disputed Ownership Fund taxed as a QSF does not recognize gross income on assets transferred to it; therefore, the GUC Trust has not recognized gross income on the transfer of assets from MLC.

The GUC Trust is currently expected to generate gross income in the form of interest income and dividends on New GM Common Stock and recognize gains and/or losses upon its disposition of shares of New GM Common Stock and New GM Warrants which it now holds, which will be reduced by administrative expenses and any accumulated net operating and capital losses, to compute modified gross income. During the year ended March 31, 2014, the GUC Trust made a determination to file its U.S. federal income tax returns taking the tax position that beneficial

ownership for a substantial majority of New GM Securities was transferred from MLC to the GUC Trust on March 31, 2011, and that the tax basis of such New GM Securities should be determined with reference to the value of such securities on such date instead of December 15, 2011, when record ownership of the remaining New GM Securities still held by MLC was transferred from MLC to the GUC Trust. Accordingly, the GUC Trust filed its U.S. federal income tax returns for the year ended March 31, 2013 with the Internal Revenue Service using the new tax position. Such new tax position, however, as of the date hereof, has not been sustained on examination by the Internal Revenue Service.

As the GUC Trust is taxable for Federal income tax purposes, a current income tax liability or asset, if any, is recognized for estimated taxes payable or receivable for the year. Deferred tax liabilities and assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. Deferred tax assets are reviewed for recoverability and valuation allowances are provided as necessary.

The GUC Trust is not subject to state income taxes under current law. Accordingly, no current or deferred state income tax liabilities and assets are recorded.

The GUC Trust recognizes the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position. The GUC Trust's Federal income tax returns for the years ended March 31, 2012 and 2013 are no longer subject to examination as a result of the application of Section 505(b) of the Bankruptcy Code. However, net operating and capital loss carryovers generated in the years ended March 31, 2012 and 2013, could be subject to examination by the Internal Revenue Service in subsequent years when the losses are utilized. As of March 31, 2014, there are no known items which would result in a significant accrual for uncertain tax positions.

Reserves for Residual Wind-Down Claims and Residual Wind-Down Costs

Upon the dissolution of MLC, which occurred on December 15, 2011, the GUC Trust became responsible for resolving and satisfying (to the extent allowed) all remaining Residual Wind-Down Claims. On the date of dissolution of the Debtors, the Debtors transferred to the GUC Trust cash in an amount necessary to satisfy the ultimate allowed amount of such Residual Wind-Down Claims and Residual Wind-Down Costs, as estimated by the Debtors. Should the Residual Wind-Down Claims and the Residual Wind-Down Costs be less than the cash amount transferred by the Debtors, any excess funds will be returned to the DIP Lenders.

Reserves for Expected Costs of Liquidation

Under the liquidation basis of accounting, the GUC Trust is required to estimate and accrue the costs associated with implementing the Plan and distributing the GUC Trust's distributable assets. These costs, described as Wind-Down Costs and Reporting Costs in Note 2, consist principally of professional fees, costs of governance, and other administrative expenses. These amounts may vary significantly due to, among other things, the time and effort required to complete all distributions under the Plan. The GUC Trust has recorded reserves for expected costs of liquidation that represent estimated costs to be incurred over the remaining liquidation period of the GUC Trust for which there is a reasonable basis for estimation. The amount of liquidation costs that will ultimately be incurred depends both on the period of time and on the extent of activities required for the GUC Trust to complete its functions and responsibilities under the Plan and the GUC Trust Agreement.

Significant uncertainty remains both as to that time period and as to the extent of those activities. As of March 31, 2014, such remaining liquidation period has been estimated on a probability-weighted basis, which the GUC Trust believes is the most appropriate measurement basis in the circumstances. It is reasonably possible that the GUC Trust's estimates regarding the costs and remaining liquidation period could change in the near term.

As the GUC Trust incurs such costs, the reserves are released to offset the costs incurred and a liability to the service provider is recognized as an accounts payable or accrued expense until paid.

The process of recording reserves as a matter of financial reporting is separate and distinct from the process by which New GM Securities (including related Dividend Cash) are set aside from distribution for the purposes of funding estimated and projected Wind-Down and Reporting Costs and potential Taxes on Distribution as described in Note 2.

Use of Estimates

The preparation of financial statements on a liquidation basis in conformity with U.S. GAAP requires the use of estimates and assumptions that affect reported amounts of assets and liabilities. These estimates are subject to known and unknown risks, uncertainties and other factors that could materially impact the amounts reported and disclosed in the financial statements and related footnotes. Significant estimates include the anticipated amounts and timing of future cash flows for expected liquidation costs, Residual Wind-Down Claims, fair value of marketable securities and the fair value of New GM Warrants held by MLC for the benefit of the GUC Trust on April 1, 2011. Actual results could differ from those estimates.

New Accounting Standard

In April 2013, the FASB issued Accounting Standards Update No. 2013-07, Liquidation Basis of Accounting, which amended the FASB Accounting Standards Codification and provides guidance as to when an entity should apply the liquidation basis of accounting. In addition, this guidance establishes principles for the recognition and measurement of assets and liabilities and requirements for financial statements prepared using the liquidation basis of accounting. The provisions of this Accounting Standards Update are effective beginning April 1, 2014 for the GUC Trust. Such provisions require that income or cash expected to be received over the liquidation period be estimated and accrued to the extent that a reasonable basis for estimation exists. With respect to dividends on New GM Common Stock held by the GUC Trust, such dividends have been recorded as received (or accrued as of the record date for any declared but unpaid dividends) in the accompanying financial statements. The GUC Trust has not yet determined the impact the adoption of these provisions will have on its financial statements.

4. Net Assets in Liquidation

Description

Under the GUC Trust Agreement and the Plan, as described more fully in Note 1, the beneficiaries of the GUC Trust are future and, to the extent their liquidating distributions have not yet been paid to them, current holders of Allowed General Unsecured Claims and future and current holders of GUC Trust Units (“Trust Beneficiaries”). Certain assets of the GUC Trust are reserved for funding the expected costs of liquidation and potential tax liabilities and are not available to the Trust Beneficiaries. Other assets of the GUC Trust, primarily Holdings of New GM Securities, as described in Notes 1 and 6, are available to be distributed to the Trust Beneficiaries (“GUC Trust Distributable Assets”) in accordance with the Plan. The amounts of net assets in liquidation presented in the accompanying Statements of Net Assets in Liquidation at March 31, 2014 and 2013 correspond to the amounts of GUC Trust Distributable Assets as of March 31, 2014 and 2013.

Trust Units

As described in Note 1, each holder of an Allowed General Unsecured Claim will retain a contingent right to receive, on a *pro rata* basis, additional shares of New GM Common Stock and New GM Warrants (if and to the extent such shares of New GM Common Stock and New GM Warrants are not required for the satisfaction of previously Disputed General Unsecured Claims or liquidation for the payment of the expenses or tax liabilities of the GUC Trust) and certain cash, if any, remaining at the dissolution of the GUC Trust. The GUC Trust issues units representing such contingent rights (“GUC Trust Units”) at the rate of one GUC Trust Unit per \$1,000 of Allowed General Unsecured Claims to each holder of an Allowed General Unsecured Claim, subject to rounding pursuant to the GUC Trust Agreement, in connection with the initial recognition of each Allowed General Unsecured Claim.

The GUC Trust makes quarterly liquidating distributions to holders of GUC Trust Units to the extent that certain previously Disputed General Unsecured Claims asserted against the Debtors’ estates are either disallowed or are otherwise resolved favorably to the GUC Trust (thereby reducing the amount of GUC Trust assets reserved for distribution in respect of such asserted claims) and the amount of Excess GUC Trust Distributable Assets (as defined in the GUC Trust Agreement) as of the end of the relevant quarter exceeds thresholds set forth in the GUC Trust Agreement.

The following presents the changes during the years ended March 31, 2014, 2013 and 2012 in the numbers of GUC Trust Units outstanding or for which the GUC Trust was obligated to issue:

	Year Ended March 31, 2014	Year Ended March 31, 2013	Year Ended March 31, 2012
Outstanding or issuable at beginning of year	30,227,314	30,036,945	—
Issued during the year (1)	1,644,941	274,604	29,923,831
Less: Issuable at beginning of year (2)	(28,879)	(113,114)	—
Add: Issuable at end of year (2)	10,326	28,879	113,114
Outstanding or issuable at end of year (3)	<u>31,853,702</u>	<u>30,227,314</u>	<u>30,036,945</u>

- (1) Of the 1,644,941 GUC Trust Units issued during the year ended March 31, 2014, 1,550,000 related to the Special Nova Scotia Distribution applicable to the Nova Scotia Settlement described in Note 5.
- (2) The number of GUC Trust Units issuable at any time represents GUC Trust Units issuable in respect of Allowed General Unsecured Claims that were newly allowed during the fiscal quarter.
- (3) The number of GUC Trust Units outstanding at any time represents GUC Trust Units issued in respect of Allowed General Unsecured Claims that were allowed in prior periods, including GUC Trust Units held by the GUC Trust for the benefit of (a) holders of Allowed General Unsecured Claims who had not yet supplied information required by the GUC Trust in order to effect the initial distribution to which they are entitled and (b) governmental entities that are precluded by applicable law from receiving distributions of GUC Trust Units and New GM Securities.

Allowed and Disputed Claims

The total cumulative *pro rata* liquidating distributions ultimately received by Trust Beneficiaries is dependent upon the current amount of Allowed General Unsecured Claims and final resolution of outstanding Disputed General Unsecured Claims and potential Term Loan Avoidance Action Claims (as described in Note 2). Disputed General Unsecured Claims at March 31, 2014 and 2013 reflect claim amounts at their originally filed amounts, a court ordered distribution “set aside” for certain claims filed without a claim amount and other adjustments as ordered by the court or permitted by the Plan. The Disputed General Unsecured Claims may settle at amounts that differ significantly from these amounts and at amounts that differ significantly from the historical pattern at which claims have been settled and allowed in proportion to claims resolved and disallowed. As described in Note 3, prior to the resolution and allowance of Disputed General Unsecured Claims (or potential Term Loan Avoidance Action Claims), liabilities are not recorded for the conditional obligations associated with Disputed General Unsecured Claims. Liquidating distributions payable are recorded (at the fair value of New GM Securities to be distributed) as of the end of the period in which the Disputed General Unsecured Claims are resolved as Allowed General Unsecured Claims. Similarly, to the extent potential Term Loan Avoidance Action Claims were to arise (and would become allowed) in the manner described in Note 2, liquidating distributions payable would be recorded for the New GM Securities (at fair value) that would become distributable to holders of Term Loan Avoidance Action Claims upon such occurrence.

The following table presents a summary of the Allowed and Disputed General Unsecured Claims and Term Loan Avoidance Action Claims for the years ended March 31, 2014 and 2013:

(in thousands)	Allowed General Unsecured Claims	Disputed General Unsecured Claims	Term Loan Avoidance Action Claims	Maximum Amount of Unresolved Claims (1)	Total Claim Amount (2)
Total, March 31, 2012	\$ 30,036,882	\$ 5,205,267	\$1,500,000	\$ 6,705,267	\$36,742,149
New Allowed General Unsecured Claims	190,362	—	—	—	190,362
Disputed General Unsecured Claims resolved or disallowed	—	(1,600,396)	—	(1,600,396)	(1,600,396)
Total, March 31, 2013	30,227,244	3,604,871	1,500,000	5,104,871	35,332,115
New Allowed General Unsecured Claims	1,626,386	—	—	—	1,626,386
Disputed General Unsecured Claims resolved or disallowed	—	(3,525,371)	—	(3,525,371)	(3,525,371)
Total, March 31, 2014	\$ 31,853,630	\$ 79,500	\$1,500,000	\$ 1,579,500	\$33,433,130

- (1) Maximum Amount of Unresolved Claims represents the sum of Disputed General Unsecured Claims and Term Loan Avoidance Action Claims.
- (2) Total Claim Amount represents the sum of Allowed General Unsecured Claims and Maximum Amount of Unresolved Claims.

On October 21, 2013, the Bankruptcy Court entered an order (the “Nova Scotia Order”) approving a settlement agreement (the “Nova Scotia Settlement”) relating to claims arising from the 8.375% guaranteed notes due December 7, 2015 and the 8.875% guaranteed notes due July 10, 2023, in each case issued in 2003 by General Motors Nova Scotia Finance Company (the “Nova Scotia Claims”). Pursuant to the Nova Scotia Settlement, the Nova Scotia Claims were reduced and allowed in an aggregate amount of \$1.55 billion. As a result, on or about December 2, 2013, in accordance with the Nova Scotia Settlement and the Nova Scotia Order, the GUC Trust made a distribution solely to holders of the allowed Nova Scotia Claims, consisting of, in the aggregate, 6,174,015 shares of New GM Common Stock, 5,612,741 New GM Series A Warrants, 5,612,741 New GM Series B Warrants, and 1,550,000 GUC Trust Units (the “Special Nova Scotia Distribution”). In addition, on or about December 23, 2013, in accordance with the Nova Scotia Settlement and the Nova Scotia Order, the GUC Trust made a special distribution of Excess GUC Trust Distributable Assets to all holders of GUC Trust Units, consisting of 6,735,070 shares of New GM Common Stock, 6,122,789 New GM Series A Warrants, and 6,122,789 New GM Series B Warrants (the “Special Excess Distribution”).

5. Liquidating Distributions

Liquidating distributions in the years ended March 31, 2014, 2013 and 2012 consisted of the following:

(in thousands)	2014	2013	2012
Distributions during the year	\$1,180,208	\$ 44,554	7,851,746
Less: Liquidating distributions payable at beginning of year	(16,555)	(31,720)	—
Add: Liquidating distributions payable at end of year	42,111	16,555	31,720
Total	<u>\$1,205,764</u>	<u>\$ 29,389</u>	<u>7,883,466</u>

The distributions during the year ended March 31, 2014, consisted of (1) the Special Nova Scotia Distribution, (2) the Special Excess Distribution, (3) distributions to holders of Resolved Disputed Claims (exclusive of the Nova Scotia Distribution) and (4) distributions to holders of Allowed General Unsecured Claims who previously failed to fulfill informational requirements for distribution established in accordance with the GUC Trust Agreement, but subsequently successfully fulfilled such information requirements. See Note 4 for additional information regarding the Special Nova Scotia Distribution and the Special Excess Distribution

The distributions during the year ended March 31, 2013 consisted of distributions to (1) holders of Resolved Disputed Claims and (2) holders of Allowed General Unsecured Claims who previously failed to fulfill informational requirements for distribution established in accordance with the GUC Trust Agreement, but subsequently successfully fulfilled such information requirements. The distributions during the year ended March 31, 2012 included those distributions and two distributions in respect of all outstanding GUC Trust Units.

The GUC Trust was obligated at March 31, 2014 and 2013 to distribute 575,278 and 288,600 shares, respectively, of New GM Stock, 522,865 and 262,306, respectively, of New GM Series A Warrants, and 522,865 and 262,306, respectively, of New GM Series B Warrants in the aggregate to the following: (1) holders of Resolved Disputed Claims, (2) certain holders of Allowed General Unsecured Claims who had not then satisfied certain informational requirements necessary to receive these securities and (3) excess distributions to holders of GUC Trust Units (at March 31, 2014). In addition, as of March 31, 2014 and 2013, cash of \$0.2 million and \$0.6 million, respectively, was then distributable to governmental entities which are precluded by applicable law from receiving distributions of New GM Securities, for distributions in lieu of fractional shares and warrants and for Dividend Cash associated with the New GM Common Stock that the GUC Trust was obligated to distribute at March 31, 2014.

6. Holdings of New GM Securities

At March 31, 2014 and 2013, the Holdings of New GM Securities, at fair value, consisted of the following:

	2014		2013	
	Number	Fair Value (in thousands)	Number	Fair Value (in thousands)
New GM Common Stock	15,297,307	\$ 526,533	28,714,897	\$ 798,849
New GM Series A Warrants	13,906,391	345,435	26,104,257	484,492
New GM Series B Warrants	13,906,391	242,110	26,104,257	307,769
Total		<u>\$1,114,078</u>		<u>\$1,591,110</u>

As described in Note 5, as of March 31, 2014 and 2013, the GUC Trust had accrued liquidating distributions payable of \$42.1 million and \$16.6 million, respectively, in respect of New GM Securities and cash of \$0.2 million and \$0.6 million, respectively, then distributable. As a result, the numbers of New GM Securities reflected above include shares and warrants for which liquidating distributions were then pending. As of March 31, 2014 and 2013, these securities for which distributions were then pending aggregated 575,278 and 288,600 shares of New GM Common Stock, respectively, 522,865 and 262,306 Series A Warrants, respectively, and 522,865 and 262,306 Series B Warrants, respectively.

As of March 31, 2014, the number of common stock shares and warrants in the table above also includes New GM Securities aggregating \$51.6 million (excluding related Dividend Cash) reserved, or set aside, for projected GUC Trust fees, costs and expenses to be incurred beyond 2014 (including \$3.5 million for projected Dividend Taxes) and \$536.3 million (excluding related Dividend Cash) of New GM Securities reserved, or set aside, for potential Taxes on Distribution. As of March 31, 2013, the number of common stock shares and warrants in the table above also includes New GM Securities aggregating \$41.0 million reserved, or set aside, for projected GUC Trust fees, costs and expenses to be incurred beyond 2013 and \$407.3 million of New GM Securities reserved, or set aside, for potential Taxes on Distribution. As a result, as of March 31, 2014 and 2013, the numbers of New GM Securities in the table above include an aggregate of 8,072,042 and 8,092,231 shares of New GM Common Stock, respectively, 7,338,194 and 7,356,545 New GM Series A Warrants, respectively, and 7,338,194 and 7,356,545 New GM Series B Warrants, respectively, which have been so set aside.

Set forth below are the aggregate number and fair value of all such shares and warrants which are pending distribution or are reserved, or set aside, and are not available for distribution at March 31, 2014 and 2013.

	2014		2013	
	Number	Fair Value (in thousands)	Number	Fair Value (in thousands)
New GM Common Stock	8,647,320	\$ 297,641	8,380,831	\$ 233,155
New GM Series A Warrants	7,861,059	195,269	7,618,851	141,405
New GM Series B Warrants	7,861,059	136,861	7,618,851	89,826
Total		<u>\$ 629,771</u>		<u>\$ 464,386</u>

7. Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value. The Trust's Cash Equivalents, Marketable Securities, Holdings of New GM Securities and Liquidating Distributions Payable are presented as provided by this hierarchy.

Level 1—In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets and liabilities that the GUC Trust has the ability to access.

Level 2—Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets or liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Level 3—Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability. The GUC Trust had no assets or liabilities that are measured with Level 3 inputs at March 31, 2014 and 2013.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The GUC Trust's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The GUC Trust also holds other financial instruments not measured at fair value on a recurring basis, including Accounts Payable and Other Liabilities. The fair value of these liabilities approximates the carrying amounts in the accompanying financial statements due to the short maturity of such instruments.

The following table presents information about the GUC Trust's assets and liabilities measured at fair value on a recurring basis at March 31, 2014 and 2013, and the valuation techniques used by the GUC Trust to determine those fair values.

(in thousands)	March 31, 2014			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	\$ 8,953	\$ —	\$ —	\$ 8,953
Marketable Securities:				
Municipal commercial paper and demand notes	—	18,005	—	18,005
Corporate commercial paper	—	26,377	—	26,377
Holdings of New GM Securities				
New GM Common Stock	526,533	—	—	526,533
New GM Warrants	587,545	—	—	587,545
Total Assets	<u>\$1,123,031</u>	<u>\$44,382</u>	<u>\$ —</u>	<u>\$1,167,413</u>
Liabilities:				
Liquidating distributions payable	\$ 42,111	\$ —	\$ —	\$ 42,111

(in thousands)	March 31, 2013			Total
	Level 1	Level 2	Level 3	
Assets:				
Cash equivalents:				
Money market funds	\$ 354	\$ —	\$ —	\$ 354
Marketable Securities:				
Municipal commercial paper and demand notes	—	61,006	—	61,006
Corporate commercial paper	—	15,790	—	15,790
Holdings of New GM Securities				
New GM Common Stock	798,848	—	—	798,848
New GM Warrants	792,262	—	—	792,262
Total Assets	\$1,591,464	\$76,796	\$ —	\$1,668,260
Liabilities:				
Liquidating distributions payable	\$ 16,555	\$ —	\$ —	\$ 16,555

The following are descriptions of the valuation methodologies used for assets and liabilities measured at fair value:

- Due to its short-term, liquid nature, the fair value of cash equivalents approximates its carrying value.
- Holdings of New GM Securities are valued at closing prices reported on the active market on which the securities are traded.
- Marketable securities include municipal commercial paper and variable demand notes and corporate commercial paper. Municipal variable demand notes trade daily at par value and, therefore, their fair value is equal to par value. Due to their short term maturities, the fair value of municipal and corporate commercial paper approximates their carrying value.
- Liquidating distributions payable are valued at closing prices of New GM Securities reported on the active market on which the securities are traded

The GUC Trust's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no such transfers during the years ended March 31, 2014 and 2013.

8. Reserves for Expected Costs of Liquidation and Residual Wind-Down Claims

The following is a summary of the activity in the reserves for expected costs of liquidation for the years ended March 31, 2014, 2013 and 2012:

(in thousands)	Reserve for Expected Wind-Down Costs	Reserve for Expected Reporting Costs	Reserve for Indenture Trustee/Fiscal and Paying Agent Costs	Reserve for Avoidance Action Defense Costs	Reserve for Residual Wind-Down Costs	Total Reserves for Expected Costs of Liquidation
Balance, April 1, 2011	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Plus:						
Funding for expected costs from MLC	52,734	—	1,365	1,358	7,555	63,012
Additions to reserve	32,434	20,560	—	—	—	52,994
Less liquidation costs incurred:						
Trust Professionals	(25,320)	(6,975)	—	(78)	(3,506)	(35,879)
Trust Governance	(2,866)	—	(718)	—	—	(3,584)
Other Administrative Expenses	(167)	(265)	—	—	—	(432)
Balance, March 31, 2012	56,815	13,320	647	1,280	4,049	76,111
Plus additions to reserve	5,195	12,293	—	—	—	17,488
Less liquidation costs incurred:						
Trust Professionals	(19,712)	(2,985)	—	(382)	(2,408)	(25,487)
Trust Governance	(4,191)	(1,866)	(148)	—	—	(6,205)
Other Administrative Expenses	(64)	(320)	—	—	(10)	(394)
Balance, March 31, 2013	38,043	20,442	499	898	1,631	61,513
Less reductions in reserves	(3,843)	(4,067)	—	—	—	(7,910)
Less liquidation costs incurred:						
Trust Professionals	(7,736)	(2,013)	—	(898)	(373)	(11,020)
Trust Governance	(3,888)	(1,799)	(35)	—	—	(5,722)
Other Administrative Expenses	(47)	(328)	—	—	—	(375)
Balance, March 31, 2014	<u>\$ 22,529</u>	<u>\$ 12,235</u>	<u>\$ 464</u>	<u>\$ —</u>	<u>\$ 1,258</u>	<u>\$ 36,486</u>

During the year ended March 31, 2014, estimates of expected Wind-Down Costs and estimates of expected Reporting Costs decreased by \$3.8 million and \$4.1 million, respectively. During the year ended March 31, 2013, estimates of expected Wind-Down Costs and estimates of expected Reporting Costs increased by \$5.2 million and \$12.3 million, respectively. During the year ended March 31, 2012, estimates of expected Wind-Down Costs and estimates of expected Reporting Costs increased by \$32.4 million and \$20.6 million, respectively. Such revisions in the estimates were recorded as (reductions in) additions to the reserves for expected costs of liquidation in such years. The estimates of expected Wind-Down Costs for the year ended March 31, 2013 reflect the execution of a letter agreement with the DIP Lenders providing for relief from certain restrictions on utilization of Wind-Down Assets. The GUC Trust has recorded reserves for expected costs of liquidation that represent amounts expected to be incurred over the estimated remaining liquidation period of the GUC Trust for which there was a reasonable basis for estimation.

The amount of liquidation costs that will ultimately be incurred depends both on that time period and on the extent of activities required for the GUC Trust to complete its functions and responsibilities under the Plan and the GUC Trust Agreement. Significant uncertainty remains both as to that time period and as to the extent of those activities. As of March 31, 2014, the recorded reserves for expected costs of liquidation reflect estimated costs for a remaining liquidation period extending through December 31, 2016, which has been estimated on a probability-weighted basis as permitted under U.S. GAAP and which the GUC Trust believes is the most appropriate measurement basis in the circumstances. The remaining liquidation period is dependent predominantly on the estimate of the remaining period of time for resolution of the Term Loan Avoidance Action, as well as certain additional estimated time as necessary to wind down the GUC Trust. In addition, certain liquidation costs that are expected to be prepaid by the GUC Trust upon its dissolution have also been estimated and accrued. It is reasonably possible that the GUC Trust's estimates regarding the costs and remaining liquidation period could change in the near term.

The following is a summary of the activity in the reserves for Residual Wind-Down Claims for the years ended March 31, 2014, 2013 and 2012:

(in thousands)	2014	2013	2012
Balance, beginning of year	\$30,855	\$32,247	\$ —
Plus reserves received during the year from MLC	—	—	33,807
Less claims allowed during the year	(2,157)	(1,392)	(1,560)
Balance, end of year	<u>\$28,698</u>	<u>\$30,855</u>	<u>\$32,247</u>

9. Income Tax Benefit (Provision)

The income tax benefit (provision) in the Statements of Changes in Net Assets in Liquidation for years ended March 31, 2014 and 2013 was determined by computing the deferred tax provisions using the GUC Trust's statutory tax rate of 39.6% that became effective on April 1, 2013. For the year ended March 31, 2012, the GUC Trust's statutory tax rate of 35% was applied. There was no current tax benefit or provision in any of such years due to cumulative net operating and capital losses, and no income taxes have been paid by the GUC Trust.

The components of the income tax benefit (provision) in the Statements of Changes in Net Assets in Liquidation for years ended March 31, 2014, 2013 and 2012 are as follows:

(in thousands)	2014	2013	2012
Current	\$ —	\$ —	\$ —
Deferred	164,845	(56,262)	(108,583)
Total	<u>\$164,845</u>	<u>\$(56,262)</u>	<u>\$(108,583)</u>

Deferred taxes in the accompanying Statement of Net Assets in Liquidation at March 31, 2014 and 2013, are comprised of the following components:

(in thousands)	2014	2013
Deferred tax assets:		
Reserves for expected costs of liquidation	\$ 13,414	\$ 21,983
Net operating and capital loss carryovers	106,867	18,212
Gross deferred tax assets	120,281	40,195
Less: Valuation allowance	(71,197)	—
Deferred tax asset, net of valuation allowance	49,084	40,195
Deferred tax liabilities:		
Fair value in excess of tax basis of holdings of New GM Securities	(49,084)	(205,040)
Gross deferred tax liabilities	(49,084)	(205,040)
Net deferred tax liability	<u>\$ —</u>	<u>\$(164,845)</u>

The income tax benefit of \$164.8 million for the year ended March 31, 2014, primarily resulted from a decrease in the net deferred tax liability during the year. Such decrease in the net deferred tax liability primarily resulted from a decrease in the deferred tax liability for the excess of fair value over the tax basis of holdings of New GM Securities and an increase in the deferred tax asset for net operating and capital loss carryovers, offset in part by the establishment of a valuation allowance against net deferred tax assets of \$71.2 million. Both the decrease in the deferred tax liability for the excess of fair value over the tax basis of New GM Securities and the increase in the deferred tax asset for net operating and capital loss carryovers primarily resulted from a new tax position that was taken in the GUC Trust's U.S. federal income tax returns. As previously disclosed in the GUC Trust's Form 10-Q for the quarter ended September 30, 2013, the GUC Trust made a determination to file its U.S. federal income tax returns taking the tax position that beneficial ownership for a substantial majority of New GM Securities transferred from MLC to the GUC Trust on March 31, 2011, and that the tax basis of such New GM Securities should be determined with reference to the value of such securities on such date, instead of December 15, 2011, when record ownership of the remaining New GM Securities still held by MLC was transferred from MLC to the GUC Trust. For the remaining substantial minority of New GM Securities transferred from MLC to the GUC Trust, the GUC Trust determined that transfer of beneficial ownership occurred on other dates for which the tax basis should be determined by reference to the value of such securities on such dates. This new tax position resulted in an increased tax basis of the New GM Securities from the prior tax position and, therefore, reduced taxable gains and increased taxable losses on distributions and sales of New GM Securities since March 31, 2011.

As a result, a tax benefit of \$411.6 million (net of establishment of a valuation allowance against deferred tax assets of \$103.9 million) related to the new tax position was recognized in the financial statements during the three months ended September 30, 2013. The benefit was recognized because the GUC Trust believes, based on the available evidence and consultation with GUC Trust professionals, that it is more likely than not that the new tax position in the amounts to be reflected in the GUC Trust's income tax returns, will be sustained on examination by the Internal Revenue Service, based on the technical merits of the position. Subsequently, the GUC Trust filed its U.S. federal income tax returns for the year ended March 31, 2013 with the Internal Revenue Service using the new tax position. Although the GUC Trust's U.S. federal income tax returns for the years ended March 31, 2012 and 2013 are no longer subject to examination by the Internal Revenue Service as a result of the application of Section 505(b) of

the Bankruptcy Code, such new tax position, as of the date hereof, has not been sustained on examination by the Internal Revenue Service. Accordingly, capital loss carryovers generated in the years ended March 31, 2012 and 2013, from the new tax position, could be subject to examination by the Internal Revenue Service in subsequent years when those losses are utilized.

Such income tax benefit recognized during the three months ended September 30, 2013 was partially offset during the year ended March 31, 2014, primarily by an increase in the deferred tax liability associated with an increase in the fair value of holdings of New GM Securities since March 31, 2013.

The valuation allowance against deferred tax assets referred to above of \$103.9 million that was established in the quarter ended September 30, 2013, was reversed during the quarter ended December 31, 2013. Such reversal was due to anticipated taxable gains exceeding deductible items primarily as a result of utilization of capital loss carryovers in the quarter ended December 31, 2013. Such capital loss carryovers were utilized as a result of the generation of taxable gains from the distribution of New GM Securities during the quarter. During the quarter and year ended March 31, 2014, the GUC Trust recorded a full valuation allowance against its net deferred tax assets of \$71.2 million as of March 31, 2014 due to uncertainty as to whether the deferred tax assets are realizable. Realization of the net deferred tax assets is dependent upon generation of taxable gains upon the distribution or sale of New GM Securities in the future, which is not determinable prior to occurrence, or the receipt of future dividends on New GM Common Stock held by the GUC Trust for which a reasonable basis for estimation does not exist at this time.

As of March 31, 2014, the GUC Trust has net operating loss carryforwards of \$84.5 million that begin to expire in March 2032, and capital loss carryforwards of \$185.4 million (after giving effect to the new tax position with respect to the tax basis of New GM Securities described above) that begin to expire in March 2017 resulting in a deferred tax asset of \$106.9 million in the aggregate for both carryforwards.

10. Related Party Transactions

In addition to serving as GUC Trust Administrator, Wilmington Trust Company continues to serve as trustee pursuant to the indentures for certain series of previously outstanding debt of MLC. Wilmington Trust Company has received and will continue to receive certain customary fees in amounts consistent with Wilmington Trust Company's standard rates for such service. The Bankruptcy Court previously approved the creation of a segregated fund for the purposes of funding such fees for Wilmington Trust Company, as well as the other indenture trustees and fiscal and paying agents for previously outstanding debt of MLC. There were no such fees for Wilmington Trust Company in the years ended March 31, 2014 and 2013. Fees during the year ended March 31, 2012 were \$480,000.

In addition, Wilmington Trust Company has also entered into certain arrangements with the GUC Trust pursuant to which it or its affiliates have previously received, and may in the future receive, reasonable and customary fees and commissions for services other than services in the capacity of GUC Trust Administrator. Such arrangements include the provision of custodial, investment advisory and brokerage services to the GUC Trust. The fees and commissions charged by Wilmington Trust Company and its affiliates pursuant to these arrangements are consistent with the standard fees and commissions charged by Wilmington Trust Company to unrelated third-parties in negotiated transactions. During the years ended March 31, 2014, 2013 and 2012, the total amount of such fees and commissions was approximately \$53,000, \$147,000, and \$210,000, respectively.