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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
MOTORS LIQUIDATION COMPANY, *et al.*, f/k/a GENERAL MOTORS CORP., *et al.*,	:	Case No. 09-50026 (REG)
Debtors.	:	(Jointly Administered)
JOHN MORGENSTEIN, MICHAEL JACOB, as Executor of the Estate of Doris Jacob, and **ALANTE CARPENTER** individually and on behalf of all others similarly situated,	:	
Creditor- Plaintiffs,	:	
v.	:	Adversary Proceeding No. 11-09409-reg
MOTORS LIQUIDATION COMPANY f/k/a GENERAL MOTORS CORPORATION, a Delaware Corporation,	:	
Defendant.	:	

PLAINTIFFS JOHN MORGENSTEIN, MICHAEL JACOB, AND ALANTE CARPENTERS STATEMENT/SUPPLEMENT TO CORRECTED MEMORANDUM IN OPPOSITION TO MOTORS LIQUIDATION COMPANYS AND MOTORS LIQUIDATION COMPANY GUC TRUSTS AMENDED MOTION TO DISMISS PLAINTIFFS COMPLAINT FOR REVOCATION OF DISCHARGE AND, IN THE ALTERNATIVE, MOTION TO STRIKE CLASS ALLEGATIONS

Plaintiffs John Morgenstein, Michael Jacob, as executor of the estate of Doris Jacob, and Alante Carpenter ("**Plaintiffs**"), on behalf of themselves and the other members of the Class defined in Plaintiffs' previous Opposition to Old GM's Motion to Dismiss (the "**Impala Claimants**"), file this supplement to Plaintiffs' previous Opposition to Old GM's Motion to Dismiss, dated December 26, 2011, and respectfully submits the following:

On February 24. 2011 the Court entered an order (the "**Case Management Order #2**", Docket No. 9427) directing movants in the instant Bankruptcy Case to serve and file transcripts of dictated decisions if they may be quoted in Briefs or oral argument. The same order directed movants to similarly serve and file orders entered in other cases, including a discussion of the procedural context in which it was entered.

Therefore, Plaintiffs, pursuant to Case Management Order #2, hereby notice, serve and file the attached exhibits to the Court and to Old GM's Counsel, as additional exhibits that may be referenced, cited, quoted, or otherwise discussed at Hearing and Oral Argument, currently scheduled for January 10, 2012. These documents, which were not cited previously in any of Plaintiffs' motions, include the attached Exhibits A (Dkt. No. 2649) and B (Dkt. No. 6414), and C (Dkt. No. 9764).

To the extent these requirements were not previously fulfilled with respect to orders or transcripts contained in the Docket, Plaintiffs deeply apologize, and hereby notice, serve and file the attached exhibits to the Court and to Old GM's Counsel. These documents, cited previously in Plaintiffs' Opposition to Old GM's Motion to Dismiss, include the attached Exhibits D (Dkt. No. 3940), E (Dkt. No. 5037), F (Dkt. No. 7782), G (Dkt. No. 8023), H (Dkt. No. 8043), I (Dkt. No. 8121), J (Dkt. No. 9477), K (Dkt. No. 9791), L (Dkt. No. 9836), M (Dkt. No. 9941), and N (Dkt. No. 11090-1).

For clarity, when referred to by Plaintiffs in any motion, brief, or argument, transcript or order citations will be referred by Docket Number, Title (if not confusing or duplicative), or both.

Dated: January 5, 2012

By: /s/Mark Schlachet_____

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Attorneys for John Morgenstein, Michael Jacob, and Alante Carpenter, individually and on behalf of the proposed Class

Exhibit C

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

Case No. 09-50026-reg

- -x

In the Matter of:

MOTORS LIQUIDATION COMPANY, ET AL.,

F/K/A GENERAL MOTORS CORP., ET AL.,

Debtors.

- -x

U.S. Bankruptcy Court

One Bowling Green

New York, New York

February 10, 2011

9:47 AM

B E F O R E:

HON. ROBERT E. GERBER

U.S. BANKRUPTCY JUDGE

HEARING re Debtors' Objection to Proofs of Claim Nos. 16440 and 16441

Transcribed by: Sharona Shapiro

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BY: JACOB L. NEWTON, ESQ. (TELEPHONICALLY)

P R O C E E D I N G S

THE CLERK: All rise.

THE COURT: Good morning. Have seats, please.

Okay. GM Motors Liquidation. Let me get appearances and then I have a couple of preliminary comments.

MS. ZAMBRANO: Good morning, Your Honor. Angela Zambrano with Weil Gotshal & Manges on behalf of the debtors. And with me is --

THE COURT: Okay, Ms. Zambrano. And with you, please?

MS. ZAMBRANO: Pablo Falabella.

THE COURT: Fala --

MR. FALABELLA: Falabella.

THE COURT: Falabella. Thank you.

MR. SCHWARTZ: Michael Schwartz with Horwitz ,Horwitz & Paradis on behalf of Saturn class plaintiffs.

THE COURT: Right, Mr. Schwartz.

MR. SCHWARTZ: And with me is Gina Tufaro from our office.

THE COURT: Okay, thank you.

All right. Well, make your presentations as you see fit, folks. But at the risk of stating the obvious, since the briefing on today's motion was initiated, I issued the GM apartheid decision and obviously it has great relevance to the issues that we're dealing with today.

Mr. Schwartz, I'm going to look to you to help me

understand the actual or perceived differences between the class certification motion here and the one that I denied in the apartheid matter. And although I think the issues are different vis-a-vis the 23(b)(3) predominance issues, I have concerns that the 23(b)(3) preferability of class action concerns remain of major concern to me. And the issues vis-a-vis the extent to which bankruptcy considerations are superimposed upon traditional 23(a)and (b) doctrine also are a matter of concern to me.

I do want both sides to address insofar as 23(b) predominance issues are concerned and also superiority of class action, the creation of the subclasses which are both more numerous and somewhat more technically distinct from a law perspective than they were in the apartheid but which also, at least seemingly, raise some of the main manageability concerns that I dealt with in the apartheid case.

Mr. Schwartz, let me hear from you first. And if you'd come up to the main lectern, please, I'd appreciate that.

MR. SCHWARTZ: Your Honor, obviously we're not going to revisit the issues addressed in apartheid with respect to timing. Your Honor made it very clear --

THE COURT: Pause, please, Mr. Schwartz. Can you pull the microphone closer to you? I'll try to raise the volume.

MR. SCHWARTZ: Sure. Is that better, Your Honor?

THE COURT: I have it on maximum volume. I'll be able

to tell you in a minute. Go ahead, please.

MR. SCHWARTZ: Okay, Your Honor. We are not going to address any issues that Your Honor made perfectly clear in apartheid regarding the timing of the filing of our motion. But with respect to superiority of the class action device here, we think an important point to note is Old GM has made the point that not one punitive class member has filed a claim in the bankruptcy court against the Old GM.

That begs the question if there are thousands of people who have bought these Saturn cars and incurred damages and repairs of thousands of dollars, as evidenced by the complaints made to Old GM, made to NHTSA, made on the Internet and in forums, why haven't they done so? And we believe the only reason they haven't done so is they may have known that Old GM filed for bankruptcy but they did not know that they bought a car with a defective part which caused them damage and therefore they would have no reason to file a claim in the bankruptcy court.

THE COURT: If they didn't know that they have claims, except for that number, which I don't know whether it's zero or in the thousands or in the tens of thousands, for whom the problem arose between June 9th of or 1st of 2009 -- I forgot the exact date that this case was filed -- and now, how would we know whether they're members of the class or not?

MR. SCHWARTZ: Well, through -- if the Court would

certify the class they would get notice and they would file a claim through that procedure. That information is available through different sources. People who have bought the cars, there's warranty information that the car manufacturers use that are available that can identify who these people are and they can be given the opportunity to submit information demonstrating that they purchased or leased one of the Saturn vehicles and that they incurred repairs as a result of the defect that we allege which is the broken timing chain.

THE COURT: Um-hum. Okay, continue, please.

MR. SCHWARTZ: With respect to the 23(b)(3) issues, Your Honor, we think that -- well, the aparth --

THE COURT: Excuse me.

MR. SCHWARTZ: Bless you, Your Honor. The apartheid claims obviously were tort claims which, as the Court recognized, they're very difficult to treat in a class action manner.

The claims asserted by the Saturn plaintiffs, which are breach of implied warranty of merchantability and state consumer fraud claims, those are often class because they can be dealt with on -- there's class-wide proofs regarding the legal issues and the factual issues. They're all going to center on the defective design of the vehicles. And those cases and those claims are not troublesome to class up.

THE COURT: The extent to which GM did a substandard

job in designing the timing chains, subject to Ms. Zambrano's rights to be heard, fairly plainly seems to me to present a common issue within 23(a) requirements.

The problems that I have with predominance take the alleged deficiencies in GM's design as a given. The problems I have with 23(b) as contrasted -- or 23(b)(3) predominance as contrasted to class action superiority and also as contrasted to bankruptcy concerns, are the different ways by which the problems might have manifested themselves. And if I heard you right, you recognized that by saying that some of them may not even to this day know whether or not their timing chains have caused them problems or will cause them problems or not.

But the diversity in the law that would be tacked onto the deficiencies, the uncertainties as to where the consumer is in the progression of aggravation and damage, the issue that at least some of these vehicles may have been sold, some of them have been serviced, successfully in some cases, unsuccessfully in others, as a possibility. I don't know if I have evidence as to how many hundreds or thousands of people might be in each of these various categories. Those are the matters that scratch my head. And the diversity in the applicable law, although I understand you're trying to deal with that by creation of subclasses. Can you help me with that stuff, please, Mr. Schwartz?

MR. SCHWARTZ: Sure. One issue I think the Court was

touching on, to us is really a damage issue, which I think in the apartheid decision the Court recognized that individual questions of damages would not preclude a class. The individual --

THE COURT: If they're the only concern, that's correct.

MR. SCHWARTZ: Right.

THE COURT: Or at least that's my understanding of the law.

MR. SCHWARTZ: Right. We understand, Your Honor. Whether someone has had their vehicle repaired, that's easily demonstrated by a repair record, which many of our plaintiffs have -- the ones that are repaired. Other ones may have their cars sitting there because they can't afford to repair it, but they've had it looked by mechanics.

And as our expert has testified, these vehicles rolled off the assembly line with the defect, with an oiling nozzle which would not produce enough oil to keep the timing chains properly lubricated. That's the manifestation. When -- over time, as these timing chains became brittle because of the lack of oil, and damages occurred. That's, again, demonstrated by either documentary evidence from the individual class members that they brought their cars to a mechanic and they had the timing chains repaired, replaced, or whether they had to have their whole engine replaced to the extent of damages. So

again, we think that's easily provable by documentary evidence by the individual class members.

As to the classes and the subclasses. There's -- one class would be the six individual states where we have a claim for breach of implied warranty. That should not be problematic, because again, it's each individual state. Each individual state law would apply to each of those classes. Again, common proof as to law and the facts. The other six classes are the consumer fraud acts, again, for individual states. And those, again are common, whether the state laws apply for each one of those states. We recognize it gets a little more complicated, perhaps al --

THE COURT: Well, on the fraud, I have bigger problems than I do on warranty. Your opponent is likely going to say that if they last for X thousand miles, it may be a problem but it's not -- that's what express warranties are for and that goes beyond implied warranty. But that's an issue on the merits and I will understand that.

But when you get into fraud, I have different problems. Because I gathered there's an evolution in your claims between the time that the complaint was originally filed and now vis-a-vis your reliance on what dealers may have said orally. And of course, oral representations always place great problems on class certification. But you're saying, essentially, that it's an omissions case.

MR. SCHWARTZ: Correct.

THE COURT: But this is a different kind of omissions case than a '34 Act fraud case where there are publicly available disclosures made to all and where there are duties to speak necessary to make the financial disclosures and the 10-Ks and 10-Qs nonmisleading. Am I right that you're still asserting fraud by reason of omissions if not also oral representations?

MR. SCHWARTZ: Strictly an omissions case, Your Honor. And the omissions are based --

THE COURT: You said "strictly an omissions case"?

MR. SCHWARTZ: Yes.

THE COURT: Okay.

MR. SCHWARTZ: Not a misrepresentation. The Old GM pointed some statements in the complaint regarding timing chains that Old GM made that those were all prior to the class period and those were more of a way of background than any type of statement that we allege and class members would have relied on. The omissions, Your Honor, are based on the fact that we allege Old GM knew, when they designed these vehicles and put them on the road, that they had a problem.

And we support that in the complaint with allegations that three years prior to introducing these Saturn vehicles, Old GM had a very similar problem in other vehicles where they had timing chains breaking because of lack of lubrication.

Therefore, when they designed these cars they knew that this pintle valve they put in the timing chain to restrict the flow of oil was going to cause a problem. And that's the omission.

We allege the class plaintiffs would not have bought these cars with these steel timing chains had they know that there was going to be a defect that would manifest itself during the life of the vehicle. And our experts opine that this defect would manifest during the use and the life of the vehicle.

THE COURT: In other words, you're saying that GM knew about the problem from its '98s or whatever the year exactly was -- but in the 90s. And then when it sold cars in the 2000s, it knew that it had the same problem and that it had a duty to tell the buyers of the world that there was this issue with the timing chains?

MR. SCHWARTZ: Correct, Your Honor.

THE COURT: Um-hum. Keep going.

MR. SCHWARTZ: Okay.

THE COURT: I interrupted you when you were going class-by-class.

MR. SCHWARTZ: Right.

THE COURT: And you talked about six states-worth of breach of implied warranty. And then I lost the number of states, but there were a number of states on their consumer fraud statutes under which omissions would be allegedly a

ground for a cause of action under the law of those particular states.

MR. SCHWARTZ: It would be the same six states, Your Honor.

THE COURT: Okay.

MR. SCHWARTZ: Those are the states each of the plaintiffs resided in.

THE COURT: Continue, please.

MR. SCHWARTZ: Okay. We recognize that the grouping states where we grouped states -- twenty-eight states that had similar or nearly identical breach of implied warranty laws, that could be difficult. And the Court does, obviously, have the ability to certify part of the class and not others if the Court deemed it would be too troublesome in the bankruptcy setting to deal with. And we recognize that.

And perhaps those twenty-eight states, while in a normal class action setting, would be something the Court could deal with, they are more difficult in this setting and would take much more time, because there needs to be a comparison -- which we've done -- of the laws in the twenty-eight states, to show that they're all identical or at least extremely similar; that there would be common burdens of proof, classwide.

THE COURT: Um-hum. I'm with you so far. Do you have anything further on that subject?

MR. SCHWARTZ: No, Your Honor. Nothing else that's

not in the brief.

THE COURT: Okay. Then I'll ask you if you have other points, generally?

MR. SCHWARTZ: Generally, no, Your Honor.

THE COURT: Very well.

MR. SCHWARTZ: We'll rest on our papers.

THE COURT: Okay, thank you.

I'm going to hear from Ms. Zambrano and then give you a chance to reply, Mr. Schwartz. And I'm going to give Ms. Zambrano a chance to surreply, but limited only to what you say in reply.

MR. SCHWARTZ: Thank you, Your Honor.

MS. ZAMBRANO: Good morning, Your Honor.

THE COURT: Good morning.

MS. ZAMBRANO: I'm going to turn right to Rule 23, because I think that is the Court's focus this morning. I agree with the Court that the issues with respect to Rule 23 are different here than we dealt with in Apartheid. I'm not going to spend any time with Rule 23(a), based on the Court's comments.

THE COURT: Wisely.

MS. ZAMBRANO: I will say, though, that --

THE COURT: Well --

MS. ZAMBRANO: -- there's a lot of evidence --

THE COURT: -- actually, I said "wisely" too glibly.

There is a 23(a) issue concerning -- or potentially so -- concerning the fact that some apparently meaningful number of members of the class may not know that they have claims and that the proposal is to identify them at proof of claim time in the class action meaning of proof of claim as contrasted to the bankruptcy proof of claim.

MS. ZAMBRANO: Yes.

THE COURT: But I see this as mainly a 23(b)(3) predominance in manageability, still, over 23(a).

MS. ZAMBRANO: Agreed. I was just going to say that, well, two things. First of all, I think what you just referred to is, in the case law, it's kind of a no-man's-land whether it's 23(a) or 23(b). But it's the concept of having an ascertainable class. And there are two reasons -- it's not in the text, obviously, of Rule 23, but it's been developed for the commonsense reason that if you're going to certify a class, you have to a) understand and be able to identify who's in that class; and 2) you have to make sure that the class is not too broad so that it covers people who have not been injured.

And there are both of those problems that are present here in addition to the 23(b) problems that we will talk about. First of all, with respect to the ascertainability, I think Your Honor sort of nailed it in your questioning. You can't identify who is injured here, who has had their timing chain break, short of individualized proof. And I think what

claimant's counsel said, if I heard him right, is this won't be a problem. Individuals will come forward with evidence on that. But that's exactly the problem, is that you can't just identify who the class is short of having individualized proof. And that's a problem.

We cited a case in our brief called the Sanneman case. It's a Pennsylvania federal case. It's 191 --

THE COURT: In your initial brief or your reply?

MS. ZAMBRANO: In our reply, Your Honor.

THE COURT: Give me a second, please. I want to find it in the table of cases.

MS. ZAMBRANO: Okay.

THE COURT: It sounded like Sanneman?

MS. ZAMBRANO: It is. I apologize. I'm quite ill. Sanneman, S-A-N-N-E-M-A-N.

THE COURT: Just a second, please. I see, versus Chrysler?

MS. ZAMBRANO: Correct. And the same problem was present there and it troubled the Court because you couldn't identify the class members short of having the individualized proof. Now, that also affects the 23(b) predominance analysis as well. But just focusing on ascertainability, again, that's a problem. And to be honest with you, I have struggled with determining whether their class is people who have the problem and it's latent, or is it the problem -- is it people who have

the problem and their timing chain has failed?

I thought in the complaint it was the broader group of people. In their proof of claim submissions, or at least their response to our objection, it seemed to be just the people who had the timing chain actually break. When I heard Mr. Schwartz talk today, again, I'm confused as to what class they're trying to certify. Either way, there's going to be an ascertainability problem.

The second component of ascertainability that I mentioned and that we have here that's a problem is that the class is too broad, because it includes people that have not been harmed. And I don't mean they haven't been harmed because they were the subject of the 40,000 cars that were recalled and therefore they've had their problem fixed. What I mean is that there was a large group, according to legacy GM's records, that -- and this was known in the litigation below -- that had their vehicles fixed under a warranty. And so again, they have not been damaged. The company covered those claims. So the current class definition is too broad, because it includes people that have not been harmed.

Now, the other thing I would --

THE COURT: Pause, please, Ms. Zambrano. Did the company stop replacing the chains when contractual warranties came to their term duration?

MS. ZAMBRANO: I haven't consulted with the company,

but I'm going to assume for purposes of today that they did, yes. But there's still the class problem. Because the way that it's defined, it includes people that are covered under the class definition; they purchased this year of Saturn vehicle, and they had a timing chain problem. The problem is, they should be excepted from it, because it's been repaired and covered. There aren't any -- they don't have any damages.

And we see this time and time again in class action jurisprudence. It's one of the reasons why classes are required -- they're required to replead and narrow and so forth. And it's just an initial reason why, in normal civil litigation, if this were a class certification hearing, this class would never pass muster, because it's not -- it's overbroad. The problem technically in the literature is defined as ascertainability. But I think ascertainability is a little bit of a misnomer there. It's really people who haven't been damaged. It's overbroad.

THE COURT: Um-hum. Okay. Keep going, please.

MS. ZAMBRANO: So then the other thing I just want to say about 23(a) in addition is I can't quarrel presently about typicality and adequacy, because I haven't had discovery. All I have are the plaintiffs' allegations in their complaint -- or excuse me, in their affidavits that were attached, of course, for the first time, to the papers they filed about a week or so ago -- two weeks now.

And in normal practice, we would of course test those affidavits to determine if there were something about the named plaintiffs' allegations that were not typical, or if there were some reason that they had a defense or some other reason about their claim that they would not be adequate representatives. Perhaps they didn't have the type of -- perhaps they didn't provide the type of notice that is required, for example, under one of these consumer statutes. And that would mean that they would not be an adequate representative under that statute.

And I just simply haven't had the discovery. So right now, I can't quarrel about those things, and I'm going to leave 23(a) alone. But I want to note that, that normally we would have the discovery and we would need an opportunity to contest those things.

THE COURT: Pause, please, Ms. Zambrano. Mr. Schwartz filed a claim on behalf of his classes. Lawyers so often do on behalf of clients. But my understanding is that there are certain live human beings who are his class representatives in the underlying suit. I take it you have no objection, if I deny class action certification, to allowing the particular named claimants to file individual claims.

MS. ZAMBRANO: We do not. And I'd have to consult with Mr. Falabella or Mr. Smolinsky, who's not here, as to whether that's an appropriate filing -- the appropriate filing has already been made by Mr. Schwartz on behalf of those

individuals or we would have them file additional or amended papers. I don't know.

THE COURT: You recognize that in a blink of an eye, I could give the named plaintiffs authorization to file late proofs of claims --

MS. ZAMBRANO: Exactly.

THE COURT: -- even if Mr. Schwartz's having previously done so wouldn't have already skinned the cat?

MS. ZAMBRANO: Yes. Outside of bankruptcy principles, I know of no reason why there --

THE COURT: You've got the problem you're a general civil litigator, and you're going to hand off to your bankruptcy colleague --

MS. ZAMBRANO: I can't agree to something bankruptcy related, or it makes me nervous to do so, I should say.

But I don't have any problem with their individual claims. It's the class component of their claim that's the problem and why I'm here.

THE COURT: Um-hum. Okay.

MS. ZAMBRANO: So turning, then, to Rule 23, Mr. Schwartz did a nice job, I think, of going through the different types of classes that he is seeking to certify and that is certainly better than we have dealt with in apartheid and many cases that I deal with. The problem, however, is that if you look on pages 28 through 42 of his brief, where you go

through every one of the causes of action that those classes would be seeking, all of them have a causation component. And that makes sense.

None of them are strict liability statutes. They have a causation requirement. So that was very much skipped over in the presentation. But --

THE COURT: I've got to tell you that when I read the papers, I wasn't as concerned about his causation claim, because it seemed to be very different than the apartheid thing. If you got a bad timing belt, whether it's caused the whole engine to crack from cylinders flying in different directions -- I don't claim to be the automotive engineer that either Mr. Schwartz is or his expert is -- I've had timing belts come very close to failing, and I remember how scared I was about that. But that's divorced of the record. I can understand why a consumer would want a good timing belt.

And it seems to me, whether the damages are simply the cost of replacing the belt, which is a bigger production than replacing a fan belt -- again that's divorced of the record, but it's my understanding -- or if the whole engine craters on you, that would seem to be just a matter of damages. I don't see that as a matter of causation. You've got a problem either way.

MS. ZAMBRANO: I think it is an element of causation. Because just because they have that defect -- I've also had a

timing belt break. And I didn't have the problem that Mr. Schwartz has described. That is --

THE COURT: You didn't have the whole engine crater on you, but I assume you had to pay the cost of -- unless it was under warranty -- of getting the belt replaced?

MS. ZAMBRANO: It was a pretty bad Ford Escort experience. Yes, it was --

THE COURT: I understand.

MS. ZAMBRANO: -- but --

THE COURT: I do -- let's confess, I have a sympathy for consumers who are facing this issue.

MS. ZAMBRANO: Absolutely. But what the statutes here require, they're not strict liability. So there would be common proof as to the issue of the type of defect that their expert has testified about. But there would not be common proof as to what each one of those 390,000 -- over 390,000 vehicles, why their timing chain broke.

Again, I would cite this case Sanneman from Pennsylvania. It was very similar. They had -- it was Chrysler vehicles. And there was a problem with the paint in the vehicles -- the way that the paint was applied. And the allegation was that the paint, the way that it was applied, it chipped, because of the way that it was applied. And again, they had an expert from the plaintiffs' side that said you have this type of application, you always have the chipping.

Well, we haven't had a chance to present from a causation standpoint, our side of that story. But we don't agree with that. So we don't agree with just because there is a defect that's necessarily why every one of these 390,000 vehicles either have or will have a timing chain break. And that is what is required to prove for someone to recover, legally, under any of those causes of action.

You can't just prove the defect and say ipso facto you have damages -- what are you damages because you've had a timing chain break. There's a causation requirement.

THE COURT: Well, given the facts that we have, does the consumer have a claim saying my chain hasn't broken yet, but given everything we know, I want it replaced with one that's properly lubricated?

MS. ZAMBRANO: I don't know if they'd have the right elements there. They don't have any damages. So I would say no in that instance. But the Sanneman case dealt with these same issues and they talked about the problem of having to -- how do you test cars? Your Honor had some questions in the beginning of how do you know if somebody has this problem. It requires an individual examination as to whether this car has this defect, and ultimately, whether that defect caused them any damages. So I do think that is a pervasive problem.

THE COURT: Well, is it a production defect or is it -- I thought the allegation is it's a design defect?

MS. ZAMBRANO: I think it's an alle --

THE COURT: For failure to properly put in enough lubrication. But this would be an issue vis-a-vis every car, as contrasted to one where some worker forgot to put the lubrication in.

MS. ZAMBRANO: Yeah. I think it I a design allegation. But that doesn't stop the fact that all of the cases that look at -- they're alleging certain allegations, certain causes of action, that require causation. There are consumer statutes around the country that are strict liability. These aren't those. They have causation requirements. And in this instance --

THE COURT: These particular statutes?

MS. ZAMBRANO: Every one of them. And I checked. The other stat -- some of the statutes also require reliance. And obviously Your Honor knows the difficulties of that, of proving reliance, and the individual nature of that inquiry.

In addition, some of the statutes have notice requirements. And again, you have your -- the 23(a) problems, which I've already described, with making sure somebody made the notice that they're supposed to under the statute to be an adequate representative. But then again, every individual that is part of that class has to establish the common elements. And they have to have provided that notice. That's individual proof that's going to swamp any common issues with respect to a

defect. So I think those are the main problems with predominance.

Now, I want to talk about superiority for a moment. Obviously there is the fact that we are in bankruptcy court and there was a ready alternative for people that have suffered this problem to come and get relief. And that is, of course, to file a proof of claim.

I think it is notable that we have not seen any other people do that, because outside of the notice that was provided in the bankruptcy court, the only thing that a class action process would provide is more publication notice. And what we've seen already is, at great cost to the estate, we've provided notice: if you have a claim against GM come and assert it. And none of these people did.

So I am skeptical and I think it's a waste of the estate's resources and other creditors -- a burden and prejudice to other creditors, to hold up the distribution of 300 million dollars, while we do that kind of notice again, given that we had no response to the first. So that's the first point on superiority.

The second point on superiority is a little bit different and something I've had to learn about. It's called NHTSA, the National Highway Traffic and Safety Authority (sic). Mr. Schwartz will correct me if I got that wrong. But it's pronounced NHTSA. And in their pleadings they talk a lot about

NHTSA's investigation and so forth. And so I spent a little time with that process. And what I've learned is that you can accomplish all of the same things that they're trying to do in a NHTSA investigation that they're trying to do here.

You can get a recall. And I thought, well, maybe that's all you can get -- you can only get a recall, and maybe that's not going to be sufficient for someone who has already fixed their vehicle. They don't need a recall. They need reimbursement. They also can provide orders for reimbursement in that situation. So I think that's also an alternative --

THE COURT: And if the NHTSA acted, that would be -- you're saying it would a remedy, albeit, it would be New GM's problem rather than -- who would --

MS. ZAMBRANO: That's my position.

THE COURT: -- who would fix these cars for consumers if NHTSA -- I can't pronounce it the way you pronounced it -- said you got to do something here?

MS. ZAMBRANO: It definitely would be New GM, it is our position, yes. And that is dealt with in the purchase and sale agreement as well, although not as crystal clear as probably everyone would like, on retrospect.

THE COURT: It might result in a dispute between Old GM and New GM, or New GM might come in here, as it sometimes does, saying protect me. But what's your understanding of New GM's duty to belly up to the bar if the NHTSA were to say this

is serious enough to justify a recall?

MS. ZAMBRANO: My understanding, having read those portions of the purchase agreement, is that they would have an obligation. And that's why we put it in our papers. We talked about this before.

THE COURT: There is an assumed liability, if you will, or at least they haven't sought dispensation, to comply with federal regulatory obligations of that character?

MS. ZAMBRANO: Correct. It is addressed. Although, again, I don't think it's as clear as everyone in retrospect would like it. We read it and felt comfortable that it was addressed enough that that was -- that that would be what would happen, according to us.

THE COURT: And would I be the forum who would make that determination if it ever got to be there?

MS. ZAMBRANO: I don't know the answer to that. I assume you would have jurisdiction over any disputes over the purchase and sale agreement, yes, Your Honor. But I don't know the answer to that definitively.

So that -- I mention all of this because I think that is yet another device that is available to people in this situation that does not leave them completely empty-handed, particularly given that this is not theoretical. This investigation has been ongoing, and NHTSA is very aware of this problem, and there's some background here for them if they

really wanted this relief. So that's the 23(b) part of our argument.

I'd like to address just very briefly the other reasons, obviously, that this claim should be expunged. The first one obviously being the timing. And I won't belabor this. The Court has spent a lot of time with the relevant case law in this area. But the law simply isn't that you're supposed to wait. The law is that you're supposed to act promptly, as soon as reasonably practical. That's in accordance with Rule 23 itself and the precedent of this Court. And certainly, these claimants have unfortunately waited longer than the apartheid claimants waited. And that really will have an effect -- 300 million dollars in this estate, it will hold up that distribution to other folks. So that's number one.

The number -- the second reason is that the discretion, of course, to permit a class in bankruptcy is used so sparingly, as Your Honor noted in the apartheid decision, really only treated or handled in two different kinds of cases; one when there's been a precertification case. And as Your Honor probably noted from the case law, I don't even think it's a slam dunk then. I mean the Ephedra case talked about -- there was one case in that decision that had been certified before. And the Court did not permit it to proceed as a class in that case.

We don't have that here. And in fact, we don't have

that in any of the cases where there have been class proofs of claim in the Southern District of New York; reported, unreported, I can't find a decision where someone was not certified before and was permitted to go forward.

THE COURT: Other than by consent?

MS. ZAMBRANO: Other than by consent. Yes, Your Honor. And just for the record on that, we have -- we have not consented to any cases to go forward as class claims that were not certified prior to the petition.

The Saturn claimants attempt to avoid that law by focusing on a narrow exception in the case law that was much more relevant, in my view, in the apartheid decision; and that's the notice exception. I haven't ever seen a case actually apply the notice exception, but they sort of talk about it in most of them.

THE COURT: All right. Your point here is -- and I take it you got my message in the apartheid decision that I wasn't pleased with the quality of the notice that went to those other people in South Africa. But you're saying that those problems are totally inapplicable here in the United States?

MS. ZAMBRANO: That's correct, Your Honor. And so the claimants -- in conclusion, the claimants simply waited too long here to assert their class claims in this bankruptcy. It will clog up this process. I do need to depose all of those

people -- the named plaintiffs -- if we are going to proceed as a class. I do need to depose their expert with respect to the statements he made about commonality and causation. And so it would clog up this 300 million dollars. We would have to set it aside while this Saturn litigation grinds on. And I don't think that's appropriate, given that we're mere weeks away from confirmation.

And even if you were to overlook those problems that are very real under the case law, you get to Rule 23. And while I do think they have a better case for certification under Rule 23(b) than the apartheid plaintiffs did, they still suffer from major predominance and superiority problems and with the additional problem that's in the case law of the ascertainability.

Unless the Court has any other questions, that will conclude my presentation.

THE COURT: No, thank you, Ms. Zambrano.

Mr. Schwartz?

MR. SCHWARTZ: Thank you, Your Honor. I'll try to be brief. One issue I would like to clarify is it's not a 300 million dollar claim. When I was going through the papers last night preparing, I realized that the expert made a mistake, and the 300 million dollars would be if it was all fifty states. Since it's not, it's probably just south of 100 million dollars.

THE COURT: Just south of 100 million?

MR. SCHWARTZ: Correct.

THE COURT: Okay.

MR. SCHWARTZ: And we can get an exact number on that.

THE COURT: And help me understand the significance of that capping liability. I saw reference to that in the briefs. Perhaps before argument I should have gone back to the underlying declaration to better understand that event. What was that?

MR. SCHWARTZ: I believe Your Honor is referring to we had filed a claim capping letter agreeing to reduce the amount of the claim in order to get into a mediation over the claim. And there was correspondence with debtors' counsel about moving it forward and --

THE COURT: You're talking about like Rule 408 type of stuff, that is not particularly relevant to what I'm doing now?

MR. SCHWARTZ: Correct, Your Honor.

THE COURT: Okay.

MR. SCHWARTZ: Correct.

THE COURT: Then I don't want to probe further in that area.

MR. SCHWARTZ: Okay.

THE COURT: But one thing that occurred to me when Ms. Zambrano was speaking as to something that I needed to come back to you on is -- and it came up principally in the context

of ascertainability of class members -- and that is that your proposal for dealing with the uncertainty as to who would have claims would be to wait until they file their class action proofs of claim or their pieces of paper to participate in the recovery showing what damages they had suffered, what nature of injury they had suffered. It wasn't just damages but how they were injured.

How do I, as a judge, determine what pile of money has to be taken from the other creditors to satisfy these creditors, unless I know who has got membership in the class and who has the injury that is the predicate for putting money into the pot for this class, even before you get to the subclasses? Although the claims of the different subclasses would seemingly have an effect on the aggregate class as a whole, I don't see how one computes the aggregate damages if you don't know who's in it.

MR. SCHWARTZ: Well, I think Your Honor touched on that, I believe, in the apartheid case. I think we could do a statistical analysis with experts to determine the incidence of when these timing chains would break, over how many miles, and how many cars would have been on the road at that point -- how many cars -- you would have to have bought the car new, not used, so it could be determined how long people owned a new car and whether the incidence would have occurred during the time. So I think it can be done. It can be readily done with experts

and a statistical analysis.

THE COURT: Um-hum. Okay. Continue, please.

MR. SCHWARTZ: Okay. With respect to causation, Your honor, I don't agree with Ms. Zambrano's thinking on it, because the causation here -- first of all it's a timing chain not a timing belt. And a timing chain is supposed to last the life of the vehicle. So when you have a timing chain breaking and you have an expert opining that the oiling nozzle is defective when it rolls off the assembly line, because it's not going to property lubricate the timing chain, and the timing chain, which again, is supposed to last the life of the vehicle, breaks, I think you have causation.

And I think courts in those circumstances would find causation. I don't think that'll be a problem for the individual state breach of implied warranty law claims, or for the consumer fraud claims. I think causation is not an issue.

With respect to superiority, again, I think my point which I made when I began is that the notice in the bankruptcy here notified people of GM's bankruptcy and the right to put a claim. It did not notify purchasers of these vehicles that there are allegations that Old GM sold them vehicles which were defectively designed. A class action notice would notify potential class members of that. And that's a big difference. That's a big distinction between the bankruptcy notice and what a class action notice does.

And we understand that a bankruptcy notice can probably not do that with all the different -- especially with a company like Old GM. But in a class action notice, which is specifically to notify potential class members of the claims that they may have, it's very different. I think that would be more appropriate than to notify potential class members of their claims here.

With respect to NHTSA, Your Honor, I think the claim is you can get the similar relief from NHTSA. NHTSA has not done anything. NHTSA's been investigating this for years. Old GM, we believe, placated NHTSA by doing that 20,000 car limited recall by showing NHTSA some statistics that we don't believe were valid because our plaintiffs and plenty of other people have VIN numbers which show they were made after that three-month window which Old GM recalled. So we don't believe relying on NHTSA is a viable alternative, because they haven't acted and people are damaged and people have been damaged since 2002/2003, and no action has been taken.

I don't have anything else, Your Honor.

THE COURT: Very well. All right. We're going to take a break, and I would like all of you back here at 11 o'clock. I can't guarantee you that I'll be ready at that time, but I would ask that you be back here then.

You're authorized to use your cell phones in the courtroom. I gather now you don't need a waiver from the

marshals. You've been allowed to bring them upstairs. But be sure they're on vibrate or mute so they don't ring, if you've decided to turn them on. We're in recess.

(Recess from 10:35 a.m. until 11:50 a.m.)

THE COURT: Have seats, please. I apologize for keeping you all waiting.

In the jointly administered Chapter 11 cases of debtor Motors Liquidation Company, formerly General Motors Corporation, which I refer as Old GM, I have a contested matter evolving from a lawsuit brought against Old GM pre-petition which, after the filing of proofs of claim by the plaintiffs, now are before me in the form of claims against the Old GM estate. The lawsuit was brought on behalf of a putative class of persons who owned certain Saturn vehicles across various states and the District of Columbia. These claims are alleged to arise from a design defect in timing chains and oiling nozzles used in Saturn vehicles.

I conclude that class certification, which is discretionary in bankruptcy cases, must be denied under the facts presented here. I'm denying class certification and disallowing the claims of absent class members, for most but less than all of the reasons set forth in part one of my recent apartheid decision in this case. I'm going to summarize the reasons here. But if the class action plaintiffs wish to appeal or seek leave to appeal, I'll issue full findings of

facts, conclusions of law and bases for the exercise if my discretion. And I'll do so at or before the entry of the order implementing these rulings. But the following summarizes the bases for the exercise of my discretion in this regard.

Just a few weeks ago, in part one of the apartheid decision, which as yet doesn't appear in the B.R., but which is at 2011 Bankruptcy LEXIS 240, 2011 W.L. 284933, I addressed class certification issues. Obviously that decision is extraordinarily on point here.

In the apartheid decision I denied class certification for a number of reasons, including a failure to satisfy the requirement of Federal Rule of Civil Procedure -- what we bankruptcy judges refer to as Civil Rule 23(b)(3), that common issues predominate, the Civil Rule 23(b)(3) requirement that class action treatment be superior, the late filing for class certification, and because of other particular needs and concerns of the bankruptcy system, particularly where a class hadn't been certified pre-petition, and the debtor didn't consent to class action certification.

Here I find that the class action proponent's position on Civil Rule 23(b)(3) predominance of common issues is stronger than it was in the apartheid decision, making that issue more debatable. But ultimately, I don't need to decide and don't today decide whether the 23(b)(3) predominance requirement has been satisfied, because all of the other

factors require me to deny class action certification in this Chapter 11 case, just a few weeks before the scheduled confirmation hearing, in any event.

I'm not now going to repeat all of the underlying law applicable to matters of this character. I discussed them in depth just a few weeks ago in the apartheid decision. And for understandable reasons, class counsel doesn't dispute the underlying law or legal standards or otherwise debate either the holding of my recent apartheid decision or the legal principles or reasoning it contained.

Turning first to class action superiority, the second of the two requirements that Rule 23(b)(3) imposes, and which, at the risk of stating the obvious, is in addition to the requirement for the predominance of common issues. The points I made in the apartheid decision about class action treatment not being superior are equally applicable here. Assuming, arguendo, that we could conquer the class action predominance issues by setting up enough subclasses and plow through the individual law of twenty-six states as applicable to the claims of members of those various classes, that would place tremendous strain on the bankruptcy system and the resources of this Court in particular.

And class action treatment wouldn't be superior to the mechanisms that are available in a bankruptcy court, for the reasons I noted in the apartheid decision, based in material

part on Chief Judge Bernstein's decision in Musicland, as he had there pointed out, the inherent simplicity of the bankruptcy process tends to make class action treatment not superior, as a general matter, and in this case, because an individual claimant would need only to fill out and return a proof of claim form. Further, the deterrence that class actions often provide would be of little utility in a case like this one, where Old GM is liquidating and the punishment for any wrongful Old GM conduct would be borne by Old GM's innocent creditors. See Musicland 362 B.R. at pages 650 to 651.

Turning now to unique bankruptcy concerns. First, I noted in the apartheid decision that the motion for class certification should have been made much earlier in that case, citing the Ephedra cases and Northwest Airlines; and that late motions of this character raise concerns when they would have a material effect on distributions to other creditors, as the 100 million dollars in claims asserted here so obviously would.

I ruled there that late filing would not, by itself, bar class certification, but that it was an important factor. My thinking in that respect hasn't changed in the three weeks since I ruled on that issue before. It's not relevant for purposes of placing blame, but it's relevant because late motions of this type have a major effect on the administration of the Chapter 11 case and on potential prejudice to creditors.

Here, the Saturn plaintiffs failed to file a motion

for class action treatment until fourteen months after Old GM's bar date and twenty months after the commencement of Old GM's bankruptcy. Given the substantial impact that almost 100 million dollars in claims could have on the Old GM estate, the Saturn claimants should have sought class certification here, just as in the apartheid litigation, far sooner than they did. And that concern is particularly significant and perhaps obvious, when we have a confirmation hearing set for March 3, only three and a half weeks away. The issues presented here would take extraordinary court resources to hear in an allowance hearing or even to estimate under Section 502, and where until and unless the claims were fixed or estimated, we'd have to set up a 100 million dollar reserve.

Secondly, we here have a variant of the point I made before, which is relevant in this different context. Once again, assuming that I could deal with the predominance issues by setting up enough subclasses, the issues dealing with the twenty-six states' separate laws and the particular issues as amongst the various subclasses and other aspects of the individual nature of consumers' claims, dealing with this, would just place too much strain on the bankruptcy system and on this Court.

As Judge Rakoff observed in the Ephedra litigation, bankruptcy significantly changes the balance of factors to be considered in determining whether to allow a class action. And

class certification may be less desirable in bankruptcy than in ordinary civil litigation. See his Ephedra decision at 329 B.R. at page 5. See also Judge Lifland's analysis very recently in Blockbuster. Class-based claims have the potential to adversely affect the administration of a case by adding layers of procedural and factual complexity, siphoning the debtor's resources and interfering with the orderly progression of the reorganization.

For those reasons, among others, I must find that entertaining these claims on a class action basis would significantly complicate the GM debtors' Chapter 11 case here. Thus, on a matter where bankruptcy judges have unquestioned discretion to determine whether class action certification would inappropriately clash with bankruptcy needs and concerns, I can't authorize class action treatment here.

Finally, unlike the apartheid case, the quality of the notice here is not even debatable. The notice within the United States was unquestionably satisfactory. And as I noted before, that is, in the apartheid litigation, the filing of the GM Chapter 11 case was well known. Paraphrasing Judge Kaplan's observation back in July 2009, on a stay application from my 363 decision, the filing of the GM Chapter 11 case was an event of which no sentient American was unaware.

Here, the class is made up of U.S. citizens who are car owners and who, it may reasonably be inferred, watch

television, listen to the radio, read newspapers and knew any problems that had infected GM and had resulted in GM's bankruptcy. It would be incorrect to argue that they did not have notice. I'm not persuaded by the distinction that I heard in oral argument that I should consider notice of GM's bankruptcy to be an unsatisfactory substitute for telling people that they have problems in their vehicles with respect to their bad timing chains. If anyone had a problem with a failed timing chain, he or she would know that and could easily file a regular proof of claim in this case.

The debtors point out, without dispute, that there is no decision in this district in which the Court has ever exercised its discretion to make civil rule applicable in a Chapter 11 case, where the class was not certified pre-petition or the estate didn't consent. In this case, with confirmation just three and a half weeks away, I'm not going to be the first.

For the reasons I just summarized, I'm denying the cross motion for class certification and I'm granting the motion to disallow the claims insofar as they're asserted on behalf of absent class members. However, I will authorize the individual class representatives to file individual proofs of claim for their personal damages underlying these claims, within the later of the time agreed upon between class action plaintiffs' counsel and the debtors, or thirty days from the

entry of the order denying class certification here.

If the individual class representatives elect to avail themselves of the right I'm giving them to file individual proofs of claim, I'm ruling that their doing so will be without prejudice to any rights they have to appeal or leave to appeal.

The debtors are to settle an order in accordance with the foregoing, but they're first to consult with Mr. Schwartz and to find out from him, whether he'd like to appeal or seek leave to appeal or otherwise wants me to make full findings of fact, conclusions of law and bases for the exercise of my discretion. I have many things on my plate, and obviously I think this capsulizes the bases for my ruling. But if it's desired, I will make more extensive full findings, as I did on the apartheid decision. Mr. Schwartz is entitled to that, and if he's of a mind to, he's entitled to that before or at the time that I enter the order.

I appreciate your indulgence. We've now gone through the whole morning, and I made you wait a while for this decision. We're now adjourned. Have a good day.

(Whereupon these proceedings were concluded at 12:07 p.m.)

I N D E X

RULINGS

C E R T I F I C A T I O N

I, Sharona Shapiro, certify that the foregoing transcript is a true and accurate record of the proceedings.

Sharona Shapiro

Digitally signed by Sharona Shapiro
DN: cn=Sharona Shapiro, c=US
Reason: I am the author of this document
Date: 2011.02.11 11:51:15 -05'00'

SHARONA SHAPIRO

AAERT Certified Electronic Transcriber (CET**D-492)

Veritext

200 Old Country Road

Suite 580

Mineola, NY 11501

Date: February 11, 2011

Exhibit D

HEARING DATE AND TIME: September 14, 2009 at 9:00 a.m. (Eastern Time)
OBJECTION DEADLINE: September 9, 2009 at 4:00 p.m. (Eastern Time)

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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

NOTICE OF MOTION FOR ORDER PURSUANT TO SECTION 502(b)(9) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3003(c)(3), ESTABLISHING THE DEADLINE FOR FILING PROOFS OF CLAIM (INCLUDING CLAIMS UNDER SECTION 503(B)(9) OF THE BANKRUPTCY CODE) AND PROCEDURES RELATING THERETO AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF

PLEASE TAKE NOTICE that upon the annexed Motion, dated September 2, 2009 (the "**Motion**"), of Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors (the "**Debtors**"), for entry of an order establishing **November 9, 2009** at **5:00 p.m. (Eastern Time)** as the deadline for all persons or entities, other than Governmental Units (as such term is defined in section 101(27) of the Bankruptcy Code) to file proofs of claim (including claims under section 503(b)(9) of the Bankruptcy Code) and **November 30, 2009** at **5:00 p.m. (Eastern Time)** as the deadline for all Governmental Units to

file proofs of claim, establishing procedures relating thereto, and approving the form and manner of notice thereof, as more fully set forth in the Motion, a hearing will be held before the Honorable Robert E. Gerber, United States Bankruptcy Judge, in Room 621 of the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**"), One Bowling Green, New York, New York 10004, on **September 14, 2009 at 9:00 a.m. (Eastern Time),** or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that any responses or objections to the Motion must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure, the Local Rules of the Bankruptcy Court, and any applicable orders of the Bankruptcy Court, and shall be filed with the Bankruptcy Court (a) electronically in accordance with General Order M-242 (which can be found at www.nysb.uscourts.gov) by registered users of the Bankruptcy Court's filing system, and (b) by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with a hard copy delivered directly to Chambers), in accordance with General Order M-182 (which can be found at www.nysb.uscourts.gov), and served in accordance with General Order M-242, and on (i) Weil, Gotshal & Manges LLP, attorneys for the Debtors, 767 Fifth Avenue, New York, New York 10153 (Attn: Harvey R. Miller, Esq., Stephen Karotkin, Esq., and Joseph H. Smolinsky, Esq.); (ii) the Debtors, c/o Motors Liquidation Company, 300 Renaissance Center, Detroit, Michigan 48265 (Attn: Ted Stenger); (iii) General Motors Company, 300 Renaissance Center, Detroit, Michigan 48265 (Attn: Lawrence S. Buonomo, Esq.); (iv) Cadwalader, Wickersham & Taft LLP, attorneys for the United States Department of the Treasury, One World Financial Center, New York, New York 10281 (Attn: John J. Rapisardi, Esq.); (v) the United States Department of the Treasury, 1500 Pennsylvania Avenue NW, Room

2312, Washington, DC 20220 (Attn: Matthew Feldman, Esq.); (vi) Vedder Price, P.C., attorneys for Export Development Canada, 1633 Broadway, 47th Floor, New York, New York 10019 (Attn: Michael J. Edelman, Esq. and Michael L. Schein, Esq.); (vii) Kramer Levin Naftalis & Frankel LLP, attorneys for the statutory committee of unsecured creditors, 1177 Avenue of the Americas, New York, New York 10036 (Attn: Adam C. Rogoff, Esq., Robert T. Schmidt, Esq., and Amy Caton, Esq.); (xii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Diana G. Adams, Esq.); and (xiii) the U.S. Attorney's Office, S.D.N.Y., 86 Chambers Street, Third Floor, New York, New York 10007 (Attn: David S. Jones, Esq. and Matthew L. Schwartz, Esq.), so as to be received no later than **September 9, 2009, at 4:00 p.m. (Eastern Time)** (the "**Objection Deadline**").

PLEASE TAKE FURTHER NOTICE that if no objections are timely filed and served with respect to the Motion, the Debtors may, on or after the Objection Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order annexed to the Motion, which order may be entered with no further notice or opportunity to be heard offered to any party.

Dated: New York, New York
September 2, 2009

/s/ Stephen Karotkin
Harvey R. Miller
Stephen Karotkin
Joseph H. Smolinsky

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors
and Debtors in Possession

HEARING DATE AND TIME: September 14, 2009 at 9:00 a.m. (Eastern Time)
OBJECTION DEADLINE: September 9, 2009 at 4:00 p.m. (Eastern Time)

Harvey R. Miller
Stephen Karotkin
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Attorneys for Debtors and
Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

DEBTORS' MOTION FOR ORDER PURSUANT TO SECTION 502(b)(9) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3003(c)(3) ESTABLISHING THE DEADLINE FOR FILING PROOFS OF CLAIM (INCLUDING CLAIMS UNDER SECTION 503(B)(9) OF THE BANKRUPTCY CODE) AND PROCEDURES RELATING THERETO AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF

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TABLE OF AUTHORITIES

FEDERAL STATUTES

TO THE HONORABLE ROBERT E. GERBER
UNITED STATES BANKRUPTCY JUDGE:

Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors (collectively, the "**Debtors**"), respectfully represent:

Relief Requested

1. By this Motion, the Debtors request that, pursuant to section 502(b)(9) of the title 11 of the United States Code (the "**Bankruptcy Code**") and Rule 3003(c)(3) of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), the Court:

(a) establish **November 9, 2009** at **5:00 p.m. (Eastern Time)** as the deadline for each person or entity (including, without limitation, individuals, partnerships, corporations, joint ventures, and trusts) to file a proof of claim (each a "**Proof of Claim**") in respect of a prepetition claim (as defined in section 101(5) of the Bankruptcy Code, including, for the avoidance of doubt, secured claims and priority claims, including claims under section 503(b)(9) of the Bankruptcy Code (each a "**503(b)(9) Claim**") against any of the Debtors (the "**General Bar Date**");

(b) establish **November 30, 2009** at **5:00 p.m. (Eastern Time)** as the deadline for governmental units (as defined in section 101 (27) of the Bankruptcy Code) ("**Governmental Units**") to file a Proof of Claim in respect of a prepetition claim against any of the Debtors (the "**Governmental Bar Date**", together with the General Bar Date, the "**Bar Dates**");

(c) approve the proposed model Proof of Claim form (the "**Proof of Claim Form**");

(d) approve the proposed procedures for filing Proofs of Claim; and

(e) approve the proposed procedures for notice of the Bar Dates, including, among other things, the form of notice substantially in the form annexed as Annex I to the Proposed Order (the "**Bar Date Notice**").

A proposed order is attached hereto as Exhibit A (the "**Proposed Order**"). As stated, the proposed Bar Date Notice is attached as Annex I to the Proposed Order. The proposed Proof of Claim Form is attached as Annex II to the Proposed Order.

The Bar Dates

2. Bankruptcy Rule 3003(c)(3) provides that the Court shall fix the time within which claimants must file a Proof of Claim in a chapter 11 case pursuant to section 501 of the Bankruptcy Code. Moreover, Bankruptcy Rule 3003(c)(2) provides that any creditor who asserts a claim against the Debtors that (a) is not scheduled in the Debtors' schedules of assets and liabilities (the "**Schedules**") or (b) is listed on the Schedules as disputed, contingent, or unliquidated must file a Proof of Claim by a bar date fixed by the Court. The Debtors intend to file their Schedules prior to the hearing on this Motion.

3. Section 502(b)(9) of the Bankruptcy Code provides that the "claim of a governmental unit shall be timely filed if it is filed before 180 days after the date of the order for relief or such later time as the Federal Rules of Bankruptcy Procedure may provide. . . ." 11 U.S.C. § 502(b)(9).

4. The Amended Procedural Guidelines for Filing Requests for Bar Orders in the United States Bankruptcy Court for the Southern District of New York, dated March 27, 2008, established by the Board of Judges for the Southern District of New York (General Order M-350, Amended General Order M-279) (the "**Procedural Guidelines**") require that all requests for bar orders conform substantially to the standard order and notice provided for in the Procedural Guidelines.

5. The Debtors believe that tens of thousands of individuals or entities may be creditors in these cases. Establishing the Bar Dates, thus, will enable the Debtors to receive, process, and begin their analysis of creditors' claims in a timely and efficient manner and proceed to formulate and file a chapter 11 plan and conclude the administration of these chapter 11 cases expeditiously. Based on the procedures set forth below, the proposed Bar Dates will give creditors ample opportunity to prepare and file Proofs of Claim.

The Proposed Procedures for Filing Proofs of Claim

6. The Debtors propose the following procedures for filing Proofs of Claim:

(a) Unless otherwise provided herein, the General Bar Date shall be **November 9, 2009** at **5:00 p.m. (Eastern Time)**.

(b) Unless otherwise provided herein, the Governmental Bar Date shall be **November 30, 2009** at **5:00 p.m. (Eastern Time)**.

(c) Proofs of Claims must: (i) be written in the English language; (ii) be denominated in lawful currency of the United States as of June 1, 2009 (the "**Commencement Date**"); (iii) conform substantially to the Proof of Claim Form or the Official Bankruptcy Form No. 10 ("**Official Form 10**")[1]; (iv) specify the Debtor against which the Proof of Claim is filed; (v) set forth with specificity the legal and factual basis for the alleged claim; (vi) include supporting documentation or an explanation as to why such documentation is not available; and (vii) be signed by the claimant or, if the claimant is not an individual, by an authorized agent of the claimant.

(d) If a claimant asserts a claim against more than one Debtor, the claimant must file a separate Proof of Claim against each Debtor.

(e) Proofs of Claim shall be deemed timely filed only if the Proofs of Claim are **actually received** by the Debtors' court approved claims agent, The Garden City Group, Inc. ("**GCG**"), or by the Court, on or before the applicable Bar Date at –

If by hand delivery or overnight courier:

The Garden City Group, Inc.
Attn: Motors Liquidation Company Claims Processing
5151 Blazer Parkway, Suite A
Dublin, Ohio 43017

If by first-class mail:

The Garden City Group, Inc.
Attn: Motors Liquidation Company
P.O. Box 9386
Dublin, Ohio 43017-4286

OR

[1] Official Form 10 can be found at www.uscourts.gov/bkforms/index.html, the Official Website for the United States Bankruptcy Courts.

If by hand delivery:

United States Bankruptcy Court, SDNY
One Bowling Green
Room 534
New York, New York 10004

(f) Proofs of Claim sent by facsimile, telecopy, or electronic mail transmission **will not** be accepted.

(g) Any person or entity (including, without limitation, individuals, partnerships, corporations, joint ventures, trusts, and Governmental Units) that asserts a claim that arises from the rejection of an executory contract or unexpired lease must file a Proof of Claim based on such rejection by the later of (i) the applicable Bar Date and (ii) the date that is **thirty days** following the entry of the order approving such rejection, or be forever barred from doing so.

(h) Notwithstanding the foregoing, a party to an executory contract or unexpired lease that asserts a claim on account of unpaid amounts accrued and outstanding as of the Commencement Date pursuant to such executory contract or unexpired lease (other than a rejection damages claim) must file a Proof of Claim for such amounts on or before the applicable Bar Date unless an exception identified in paragraph (j) below applies.

(i) In the event that the Debtors amend their Schedules to (a) designate a claim as disputed, contingent, unliquidated, or undetermined, (b) change the amount of a claim reflected therein, (c) change the classification of a claim reflected therein, or (d) add a claim that was not listed on the Schedules, the Debtors shall notify the claimant of the amendment. The deadline for any holder of a claim so designated, changed, or added to file a Proof of Claim on account of any such claim is the later of (a) the applicable Bar Date and (b) the date that is **thirty days** after the Debtors provide notice of the amendment.

(j) The following persons or entities are **not** required to file a Proof of Claim on or before the applicable Bar Date, with respect to the claims described below:

1. any person or entity whose claim is listed on the Schedules and (i) whose claim is **not** described thereon as "disputed," "contingent," or "unliquidated," (ii) who does not dispute the amount or classification of the claim set forth in the Schedules, and (iii) who does not dispute that the claim is an obligation of the specific Debtor against which the claim is listed on the Schedules;

2. any person or entity whose claim has been paid in full;

3. any person or entity that holds an interest in the Debtors, which interest is based exclusively upon the ownership of common or preferred stock, membership interests, partnership interests, or warrants or rights to purchase, sell or subscribe to such a security or interest; **provided**, **however**, that interest holders that wish to assert claims (as opposed to ownership interests) against the Debtors that arise out of or relate to the ownership or purchase of an interest, including claims arising out of or relating to the sale, issuance, or distribution of the interest, must file Proofs of Claim on or before the applicable Bar Date, unless another exception identified herein applies;

4. any holder of a claim allowable under sections 503(b) and 507(a)(2) of the Bankruptcy Code as an administrative expense (**other than** a holder of a 503(b)(9) Claim);

5. any person or entity that holds a claim that has been allowed by an order of this Court entered on or before the applicable Bar Date;

6. any holder of a claim for which a separate deadline is fixed by this Court;

7. any Debtor in these cases having a claim against another Debtor;

8. any entity that, as of the Bar Date, is an affiliate (as defined in section 101(2) of the Bankruptcy Code) of any Debtor;

9. any holder of a claim who has already properly filed a Proof of Claim with the Clerk of the Court or GCG against any of the Debtors, utilizing a claim form which substantially conforms to the Proof of Claim Form or Official Form 10; or

10. any person or entity whose claim is limited exclusively to the repayment of principal, interest and other fees and expenses on or under any agreements (a "**Debt Claim**") governing any debt security issued by any of the Debtors pursuant to an indenture (together, the "**Debt Instruments**") if the indenture trustee or similar fiduciary under the applicable indenture or fiscal and paying agency agreement files a Proof of Claim against the applicable Debtor, on or before the Bar Date, on account of all Debt Claims against such Debtor under the applicable Debt Instruments, **provided, however**, that any holder of a Debt Claim wishing to assert a claim arising out of or relating to a Debt Instrument, other than a Debt Claim, shall be required to file a Proof of Claim with respect to such claim on or before the Bar Date, unless another exception identified herein applies.

(k) Any person or entity that relies on the Schedules has the responsibility to determine that the claim is accurately listed in the Schedules.

Consequences of Failure to File a Proof of Claim

7. Bankruptcy Rule 3003(c)(2) states that any creditor that is required to file a Proof of Claim before the applicable Bar Date but fails to do so "shall not be treated as a creditor with respect to such claim for the purposes of voting and distribution." Pursuant to Bankruptcy Rule 3003(c)(2), the Debtors request that any holder of a claim (including a holder of a 503(b)(9) Claim) against any of the Debtors that is required to file a Proof of Claim for such claim in accordance with the Bar Date Order, but fails to do so on or before the applicable Bar Date shall be forever barred, estopped and enjoined from asserting such claim against each of the Debtors and their respective estates (or filing a Proof of Claim with respect thereto), and each of the Debtors and their respective chapter 11 estates, successors, and property shall be forever discharged from any and all indebtedness or liability with respect to such claim. Moreover, the holder of such claim shall not be permitted to vote to accept or reject any chapter 11 plan filed in these cases, participate in any distribution in these chapter 11 cases on account of such claim, or receive further notices with respect to any of the Debtors' chapter 11 cases.

Notice of the Bar Dates

8. Pursuant to Bankruptcy Rules 2002(a)(7), (f), (*l*), and the Procedural Guidelines, the Debtors propose to provide notice of the Bar Dates in accordance with the following procedures:

(a) Within **ten days** of entry of an order granting the relief requested herein, the Debtors shall cause to be mailed (i) a Proof of Claim Form and (ii) a Bar Date Notice to the following parties:

1. the United States Trustee for the Southern District of New York (the "**U.S. Trustee**");

2. the attorneys for the statutory committee of unsecured creditors;

3. all known holders of claims listed on the Schedules at the addresses stated therein;

4. all parties known to the Debtors as having potential claims against any of the Debtors' estates;

5. all counterparties to any of the Debtors' executory contracts and unexpired leases listed on the Schedules at the addresses stated therein, which shall not include the counterparties to executory contracts and unexpired leases that have been assumed by the Purchaser pursuant to the sale of substantially all of the Debtors' assets;[2]

6. the attorneys of record to all parties to pending litigation against any of the Debtors (as of the date of the entry of the Bar Date Order);

7. the Internal Revenue Service, the Securities and Exchange Commission, the United States Attorney's Office for the Southern District of New York, and all applicable government entities; and

8. all parties who have requested notice pursuant to Bankruptcy Rule 2002 (1-8, collectively, the "**Notice Parties**").

(b) The Debtors shall also post the Proof of Claim Form and Bar Date Notice on the website established by GCG for the Debtors' cases: www.motorsliquidationdocket.com.

9. Given the complex and global nature of the Debtors' operations, the Debtors believe that it is appropriate to supplement notice of the Bar Dates by providing notice by publication consistent with Bankruptcy Rule 2002(*l*) ("The court may order notice by publication if it finds that notice by mail is impracticable or that it is desirable to supplement the notice.") and the Procedural Guidelines. Such notice is appropriate for (i) those creditors to whom no other notice was sent and who are unknown or not reasonably ascertainable by the Debtors; (ii) known creditors with addresses unknown by the Debtors; and (iii) creditors with

[2] On July 5, 2009, the Court entered an order (i) authorizing the sale of substantially all of the Debtors' assets pursuant to an Amended and Restated Master Sale and Purchase Agreement with NGMCO, Inc. (n/k/a General Motors Company), a U.S. Treasury-sponsored purchaser (the "**Purchaser**"), (ii) authorizing the assumption and assignment of executory contracts and unexpired leases in connection with the sale and (iii) granting related relief [Docket No. 2968].

potential claims unknown by the Debtors. Accordingly, the Debtors propose to publish the Bar Date Notice, with any necessary modifications for ease of publication, once in each of Financial Times, The Wall Street Journal (Global Edition—North America, Europe, and Asia), The New York Times (National), USA Today (Monday through Thursday, National), Detroit Free Press/Detroit News, Le Journal de Montreal (French), Montreal Gazette (English), The Globe and Mail (National), and The National Post at least **thirty days** prior to the General Bar Date. The Debtors also request authority, in their sole discretion, to publish the Bar Date Notice in other newspapers, trade journals, or similar publications.

The Proof of Claim Form

10. With the assistance of GCG, the Debtors have prepared the Proof of Claim Form. The Proof of Claim Form substantially conforms to Official Form 10, but is tailored to these chapter 11 cases. The substantive modifications to the Official Form 10 proposed by the Debtors include the following:

(a) adding a field to determine whether a 503(b)(9) Claim is being asserted;

(b) indicating how the Debtors have identified each creditor's respective claim on the Schedules, including the amount or the claim and whether the claim has been listed as contingent, unliquidated, or disputed; and

(c) adding certain instructions.

11. When sent to a creditor, the Proof of Claim Form will be further customized (to the extent possible) to contain certain information about the creditor and the Debtor against which it may have a claim.

The Bar Date Notice

12. The proposed Bar Date Notice substantially conforms to the form annexed to the Procedural Guidelines. The Bar Date Notice notifies parties of:

(a) the Bar Dates;

(b) who must file a Proof of Claim;

(c) the procedure for filing a Proof of Claim;

(d) the consequences for failing to timely file a Proof of Claim; and

(e) where parties can find further information.

The Proposed Bar Date and Notice Procedures Are Reasonably Calculated to Provide Due and Proper Notice

13. Bankruptcy Rule 2002(a)(7) requires the Debtors to provide at least twenty days' notice of the deadline to file proofs of claim. Bankruptcy Rule 2002(p)(2) requires thirty days' notice to creditors with a foreign address. The Procedural Guidelines require at least thirty-five days' notice, for all creditors.

14. Under the Proposed Order, the Debtors will be providing at least forty-six days' notice to all known creditors, more than is required under the Bankruptcy Code, Bankruptcy Rules, and Procedural Guidelines. Forty-six days is calculated as follows: GCG will have ten days from the date of the Proposed Order to complete the mailing of the Bar Date Notices. If the Court enters the Proposed Order on September 14, 2009, GCG's mailing would be completed by September 24, 2009, which is forty-six days prior to the proposed General Bar Date of November 9, 2009. GCG has advised the Debtors that it expects to complete the mailing in less than ten days, which would provide for a notice period of even greater than forty-six days. Accordingly, the Debtors submit that the proposed Bar Dates and notice procedures provide sufficient time for all parties in interest, including foreign creditors, to assert their claims. Further, because the proposed procedure will provide notice to all known parties in interest by mail and notice to any unknown parties in interest by publication, the Debtors submit that the proposed notice procedures are reasonably calculated to provide notice to all parties that may wish to assert a claim in these chapter 11 cases.

15. GCG will also post the Proof of Claim Form, along with instructions for filing Proofs of Claim, on the website established in these chapter 11 cases (www.motorsliquidationdocket.com). The Bar Date Notices will also provide that the Debtors' Schedules may be accessed through the same website or by contacting GCG at (703) 386-6401.

16. Accordingly, the Debtors submit that no further or other notice of the Bar Dates is necessary and that the proposed notice procedures provide due and proper notice of the Bar Dates.

Objections to Claims and Reservation of Rights

17. The Debtors reserve all rights and defenses with respect to any Proof of Claim, including, among other things, the right to object to any Proof of Claim on any grounds. The Debtors also reserve all rights and defenses to any claim listed on the Schedules, including, among other things, the right to dispute any such claim and assert any offsets or defenses thereto. To the extent the Debtors dispute any claim listed on their Schedules and such claim is not already listed as disputed, contingent, or unliquidated, the Debtors shall amend their Schedules as appropriate.

18. Further, the Debtors reserve the right to seek a further order of this Court to fix a deadline by which holders of claims **not** subject to the Bar Dates must file Proofs of Claim against the Debtors or be forever barred from doing so.

19. Based on the foregoing, the Debtors submit that the relief requested herein is necessary and appropriate, is in the best interests of their estates and creditors, and should be granted in all respects.

Notice

20. Notice of this Motion has been provided to parties in interest in accordance with the Order Pursuant to 11 U.S.C. § 105(a) and Fed. R. Bankr. P. 1015(c) and

9007 Establishing Notice and Case Management Procedures, dated August 3, 2009 [Docket No. 3629]. The Debtors submit that such notice is sufficient and no other or further notice need be provided.

21. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

WHEREFORE, the Debtors respectfully request that the Court grant the relief requested herein and such other and further relief as is just and appropriate.

Dated: September 2, 2009
New York, New York

/s/ Stephen Karotkin
Harvey R. Miller
Stephen Karotkin
Joseph H. Smolinsky

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors
and Debtors in Possession

Exhibit A

Bar Date Order

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

ORDER PURSUANT TO SECTION 502(b)(9) OF THE BANKRUPTCY CODE AND BANKRUPTCY RULE 3003(c)(3) ESTABLISHING THE DEADLINE FOR FILING PROOFS OF CLAIM (INCLUDING CLAIMS UNDER BANKRUPTCY CODE SECTION 503(B)(9)) AND PROCEDURES RELATING THERETO AND APPROVING THE FORM AND MANNER OF NOTICE THEREOF

Upon the motion, dated September 2, 2009 (the "**Motion**"),[1] of Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors in possession (collectively, the "**Debtors**"), for entry of an order pursuant to section 502(b)(9) of the Bankruptcy Code and Bankruptcy Rule 3003(c)(3) (a) establishing (i) **November 9 , 2009** at **5:00 p.m. (Eastern Time)** (the "**General Bar Date**") as the deadline for each person or entity (including without limitation, each individual, partnership, joint venture, corporation, estate, or trust) other than a Governmental Unit (as defined in section 101(27) of the Bankruptcy Code) to file a proof of claim (a "**Proof of Claim**") against any Debtor to assert any claim (as defined in section 101(5) of the Bankruptcy Code) (a "**Claim**") that arose prior to the **Commencement Date**, including any unsecured claim, secured claim, priority claim, or claim under section 503(b)(9) of the Bankruptcy Code (a "**503(b)(9) Claim**") and (ii) **November 30, 2009** at **5:00 p.m. (Eastern Time)** (the "**Governmental Bar Date**" together with the General Bar Date, the

[1] Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

"**Bar Dates**") as the deadline for each Governmental Unit to file a proof of claim to assert any Claim and (b) approving the (i) proposed model Proof of Claim form (the "**Proof of Claim Form**"), (ii) proposed procedures for filing Proofs of Claim, and (iii) proposed procedures for and the form of notice of the Bar Dates (the "**Notice Procedures**"), all as more fully described in the Motion; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted as provided herein; and it is further

ORDERED that the following procedures for filing Proofs of Claim are approved:

(a) Unless otherwise provided herein, the General Bar Date shall be **November 9, 2009** at **5:00 p.m. (Eastern Time)**.

(b) Unless otherwise provided herein, the Governmental Bar Date shall be **November 30, 2009** at **5:00 p.m. (Eastern Time)**.

(c) Proofs of Claims must: (i) be written in the English language; (ii) be denominated in lawful currency of the United States as of June 1, 2009 (the "**Commencement Date**"); (iii) conform substantially to the Proof of Claim Form or the Official Bankruptcy Form No. 10 ("**Official Form 10**")[2]; (iv) specify the Debtor against which the Proof of Claim is filed; (v) set forth with specificity the legal and factual basis for the alleged Claim; (vi) include supporting documentation or an explanation as to why such documentation is not available; and (vii) be signed by the claimant or, if the claimant is not an individual, by an authorized agent of the claimant.

(d) If a claimant asserts a Claim against more than one Debtor, the claimant **must** file a separate Proof of Claim against each Debtor.

[2] Official Form 10 can be found at www.uscourts.gov/bkforms/index.html, the Official Website for the United States Bankruptcy Courts.

(e) Proofs of Claim shall be deemed timely filed only if the Proofs of Claim are **actually received** by the Debtors' court approved claims agent, the Garden City Group, Inc. ("**GCG**"), or by the Court, on or before the applicable Bar Date at –

If by hand delivery or overnight courier:

The Garden City Group, Inc.
Attn: Motors Liquidation Company Claims Processing
5151 Blazer Parkway, Suite A
Dublin, Ohio 43017

If by first-class mail:

The Garden City Group, Inc.
Attn: Motors Liquidation Company
P.O. Box 9386
Dublin, Ohio 43017-4286

OR

If by hand delivery:

United States Bankruptcy Court, SDNY
One Bowling Green
Room 534
New York, New York 10004

(f) Proofs of Claim sent by facsimile, telecopy, or electronic mail transmission **will not** be accepted.

(g) Any person or entity (including, without limitation, individuals, partnerships, corporations, joint ventures, trusts, and Governmental Units) that asserts a Claim that arises from the rejection of an executory contract or unexpired lease must file a Proof of Claim based on such rejection by the later of (i) the applicable Bar Date and (ii) the date that is **thirty days** following the entry of the order approving such rejection, or be forever barred from doing so.

(h) Notwithstanding the foregoing, a party to an executory contract or unexpired lease that asserts a Claim on account of unpaid amounts accrued and outstanding as of the Commencement Date pursuant to such executory contract or unexpired lease (other than a rejection damages Claim) must file a Proof of Claim for such amounts on or before the applicable Bar Date unless an exception identified in paragraph (j) below applies.

(i) In the event the Debtors amend their Schedules to (a) designate a Claim as disputed, contingent, unliquidated, or undetermined, (b) change the amount of a Claim reflected therein, (c) change the classification of a Claim reflected therein, or (d) add a Claim that was not listed on the Schedules, the Debtors shall notify the claimant of the amendment. The

deadline for any holder of a Claim so designated, changed, or added to file a Proof of Claim on account of any such Claim is the later of (a) the applicable Bar Date and (b) the date that is **thirty days** after the Debtors provide notice of the amendment.

(j) The following persons or entities are **not** required to file a Proof of Claim on or before the applicable Bar Date, with respect to the claims described below:

1. any person or entity whose Claim is listed on the Schedules and (i) whose Claim is **not** described thereon as "disputed," "contingent," or "unliquidated," (ii) who does not dispute the amount or classification of the Claim set forth in the Schedules, and (iii) who does not dispute that the Claim is an obligation of the specific Debtor against which the Claim is listed on the Schedules;

2. any person or entity whose claim has been paid in full;

3. any person or entity that holds an interest in any of the Debtors, which interest is based exclusively upon the ownership of common or preferred stock, membership interests, partnership interests, or warrants or rights to purchase, sell or subscribe to such a security or interest; **provided**, **however**, that interest holders that wish to assert Claims (as opposed to ownership interests) against any of the Debtors that arise out of or relate to the ownership or purchase of an interest, including Claims arising out of or relating to the sale, issuance, or distribution of the interest, must file Proofs of Claim on or before the applicable Bar Date, unless another exception identified herein applies;

4. any holder of a claim allowable under sections 503(b) and 507(a)(2) of the Bankruptcy Code as an administrative expense (**other than** a 503(b)(9) Claim);

5. any person or entity that holds a Claim that has been allowed by an order of this Court entered on or before the applicable Bar Date;

6. any holder of a Claim for which a separate deadline is fixed by this Court;

7. any Debtor in these cases having a Claim against another Debtor;

8. any entity that, as of the Bar Date, is an affiliate (as defined in section 101(2) of the Bankruptcy Code) of any Debtor;

9. any holder of a Claim who has already properly filed a Proof of Claim with the Clerk of the Court or GCG, against any of the

Debtors utilizing a Claim form which substantially conforms to the Proof of Claim Form or Official Form 10; or

10. any person or entity whose Claim is limited exclusively to the repayment of principal, interest and other fees and expenses on or under any agreements (a "**Debt Claim**") governing any debt security issued by any of the Debtors pursuant to an indenture (together, the "**Debt Instruments**") if the indenture trustee or similar fiduciary under the applicable indenture or fiscal and paying agency agreement files a Proof of Claim against the applicable Debtor, on or before the Bar Date, on account of all Debt Claims against such Debtor under the applicable Debt Instruments, **provided, however**, that any holder of a Debt Claim wishing to assert a Claim arising out of or relating to a Debt Instrument, other than a Debt Claim, shall be required to file a Proof of Claim with respect to such Claim on or before the Bar Date, unless another exception identified herein applies.

(k) Any person or entity that relies on the Schedules has the responsibility to determine that the Claim is accurately listed in the Schedules.

ORDERED that any holder of a Claim against the Debtors that is required but fails to file a Proof of Claim in accordance with this Bar Date Order on or before the applicable Bar Date shall be forever barred, estopped and enjoined from asserting such Claim against each of the Debtors and their respective estates (or filing a Proof of Claim with respect thereto), and each of the Debtors and their respective chapter 11 estates, successors, and property shall be forever discharged from any and all indebtedness or liability with respect to such Claim, and such holder shall not be permitted to vote to accept or reject any chapter 11 plan filed in these chapter 11 cases, participate in any distribution in any of the Debtors' chapter 11 cases on account of such Claim, or receive further notices with respect to any of the Debtors' chapter 11 cases; and it is further

ORDERED that the Proof of Claim Form, substantially in the form attached hereto as Annex I, and the proposed notice of the Bar Dates, substantially in the form attached hereto as Annex II (the "**Bar Date Notice**"), are hereby approved; and it is further

ORDERED that the Debtors are authorized to customize the Proof of Claim Form to contain certain information about the creditor to which it is sent and the Debtor against which the creditor might have a Claim; and it is further

ORDERED that the following Notice Procedures are hereby approved:

(a) Within **ten days** of entry of this Bar Date Order, the Debtors shall cause to be mailed (i) a Proof of Claim Form and (ii) a Bar Date Notice to the following parties:

1. the United States Trustee for the Southern District of New York;

2. the attorneys for the statutory committee of unsecured creditors;

3. all known holders of Claims listed on the Schedules at the addresses stated therein;

4. all parties known to the Debtors as having potential Claims against any of the Debtors' estates;

5. all counterparties to any of the Debtors' executory contracts and unexpired leases listed on the Schedules at the addresses stated therein, which shall not include the counterparties to executory contracts and unexpired leases that have been assumed by the Purchaser pursuant to the sale of substantially all of the Debtors' assets;

6. the attorneys of record to all parties to pending litigation against any of the Debtors (as of the date of the entry of the Bar Date Order);

7. the Internal Revenue Service, the Securities and Exchange Commission, the United States Attorney's Office for the Southern District of New York, and all applicable government entities; and

8. all parties who have requested notice pursuant to Bankruptcy Rule 2002 (1-8, collectively, the "**Notice Parties**").

(b) The Debtors shall post the Proof of Claim Form and Bar Date Notice on the website established by GCG for the Debtors' cases: www.motorsliquidationdocket.com;

and it is further

ORDERED that the Debtors shall publish the Bar Date Notice, with any necessary modifications for ease of publication, once in each of Financial Times, The Wall Street Journal (Global Edition—North America, Europe, and Asia), The New York Times (National), USA Today (Monday through Thursday, National), Detroit Free Press/Detroit News, Le Journal de Montreal (French), Montreal Gazette (English), The Globe and Mail (National), and The National Post at least **thirty days** prior to the General Bar Date, which publication is hereby approved and shall be deemed good, adequate, and sufficient publication notice of the Bar Date and the procedures for filing Proofs of Claim in these cases;

and it is further

ORDERED that the Debtors may, in their sole discretion, publish the Bar Date Notice in other newspapers, trade journals, or similar publications; and it is further

ORDERED that the Debtors and GCG are authorized and empowered to take such steps and perform such acts as may be necessary to implement and effectuate the terms of this Bar Date Order; and it is further

ORDERED that notification of the relief granted by this Bar Date Order as provided herein is fair and reasonable and will provide good, sufficient, and proper notice to all creditors of their rights and obligations in connection with Claims they may have against the Debtors in these chapter 11 cases; and it is further

ORDERED that nothing in this Order shall prejudice the right of the Debtors or any other party in interest to dispute or assert offsets or defenses to any claim reflected in the Schedules; and it is further

ORDERED that entry of this Order is without prejudice to the right of the Debtors to seek a further order of this Court fixing the date by which holders of Claims **not** subject to the

Bar Dates established herein must file such Claims against the Debtors or be forever barred from doing so; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York
_____, 2009

_____
UNITED STATES BANKRUPTCY JUDGE

Annex I

Notice of Bar Dates

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 11 Case No.**
MOTORS LIQUIDATION COMPANY f/k/a GENERAL MOTORS CORPORATION, *et al.*,	:	**09-50026 (REG)**
Debtors.	:	**(Jointly Administered)**

NOTICE OF DEADLINES FOR FILING PROOFS OF CLAIM
(INCLUDING CLAIMS UNDER SECTION 503(B)(9) OF THE BANKRUPTCY CODE)

TO ALL PERSONS AND ENTITIES WITH CLAIMS (INCLUDING CLAIMS UNDER SECTION 503(B)(9) OF THE BANKRUPTCY CODE) AGAINST A DEBTOR SET FORTH BELOW:

Name of Debtor	Case Number	Tax Identification Number	Other Names Used by Debtors in the Past 8 Years
Motors Liquidation Company (f/k/a **General Motors Corporation**)	09-50026	38-0572515	General Motors Corporation GMC Truck Division NAO Fleet Operations GM Corporation GM Corporation-GM Auction Department National Car Rental National Car Sales Automotive Market Research
MLCS, LLC (f/k/a **Saturn, LLC**)	09-50027	38-2577506	Saturn, LLC Saturn Corporation Saturn Motor Car Corporation GM Saturn Corporation Saturn Corporation of Delaware
MLCS Distribution Corporation (f/k/a **Saturn Distribution Corporation**)	09-50028	38-2755764	Saturn Distribution Corporation
MLC of Harlem, Inc. (f/k/a **Chevrolet-Saturn of Harlem, Inc.**)	09-13558	20-1426707	Chevrolet-Saturn of Harlem, Inc.

PLEASE TAKE NOTICE THAT, on September __, 2009, the United States Bankruptcy Court for the Southern District of New York (the "**Court**"), having jurisdiction over the chapter 11 cases of Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors in possession (collectively, the "Debtors") entered an order (the "**Bar Date Order**") establishing (i) **November 9, 2009, at 5:00 p.m. (Eastern Time)** as the last date and time for each person or entity (including, without limitation, individuals, partnerships, corporations, joint ventures, and trusts) to file a proof of claim ("**Proof of Claim**") based on prepetition claims, including a claim under section 503(b)(9) of the Bankruptcy Code, as described more fully below (a "**503(b)(9) Claim**"), against any of the Debtors (the "**General Bar Date**"); and (ii) **November 30, 2009, at 5:00 p.m. (Eastern Time)** as the last date and time for each governmental unit (as defined in section 101(27) of the Bankruptcy Code) to file a Proof of Claim based on prepetition claims against any of the Debtors (the "**Governmental Bar Date**" and, together with the General Bar Date, the "**Bar Dates**").

The Bar Date Order, the Bar Dates and the procedures set forth below for the filing of Proofs of Claim apply to all claims against the Debtors (other than those set forth below as being specifically excluded) that arose prior to **June 1, 2009**, the date on which the Debtors commenced their cases under chapter 11 of title 11 of the United States Code (the "**Bankruptcy Code**").

If you have any questions relating to this Notice, please feel free to contact AlixPartners at 1-800-414-9607 or by e-mail at motorsliquidation@alixpartners.com

YOU SHOULD CONSULT AN ATTORNEY IF YOU HAVE ANY QUESTIONS, INCLUDING WHETHER YOU SHOULD FILE A PROOF OF CLAIM.

1. WHO MUST FILE A PROOF OF CLAIM

You **MUST** file a **Proof of Claim** to vote on a chapter 11 plan filed by the Debtors or to share in any of the Debtors' estates if you have a claim that occurred prior to **June 1, 2009**, including a 503(b)(9) Claim, and it is not one of the other types of claims described in Section 2 below. Acts or omissions of the Debtors that arose before **June 1, 2009** may give rise to claims against the Debtors that must be filed by the applicable Bar Date, notwithstanding that such claims may not have matured or become fixed or liquidated or certain prior to **June 1, 2009.**

Pursuant to section 101(5) of the Bankruptcy Code and as used in this Notice, the word "claim" means: (a) a right to payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured, or unsecured; or (b) a right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, whether or not such right to an equitable remedy is reduced to judgment, fixed, contingent, matured, unmatured, disputed, undisputed, secured, or unsecured. Further, claims include unsecured claims, secured claims, priority claims, and 503(b)(9) Claims (as defined in Section 2(d) below).

2. WHO NEED NOT FILE A PROOF OF CLAIM

You need not file a Proof of Claim if:

(a) Your claim is listed on the Schedules (as defined below) and (i) is **not** described in the Schedules as "disputed," "contingent," or "unliquidated," (ii) you do **not** dispute the amount or nature of the claim set forth in the Schedules, and (iii) you do **not** dispute that the claim is an obligation of the specific Debtor against which the claim is listed on the Schedules;

(b) Your claim has been paid in full;

(c) You hold an interest in any of the Debtors, which interest is based exclusively upon the ownership of common or preferred stock, membership interests, partnership interests, or warrants or rights to purchase, sell or subscribe to such a security or interest; **provided**, **however**, that interest holders who wish to assert claims (as opposed to ownership interests) against any of the Debtors that arise out of or relate to the ownership or purchase of an interest, including claims arising out of or relating to the sale, issuance, or distribution of the interest, must file Proofs of Claim on or before the applicable Bar Date, unless another exception identified herein applies;

(d) You hold a claim allowable under sections 503(b) and 507(a)(2) of the Bankruptcy Code as an administrative claim; **provided, however, 503(b)(9) Claims are subject to the General Bar Date as provided above**. Section 503(b)(9) provides in part: "…there shall be allowed administrative expenses…including…(9) the value of any goods received by the debtor within 20 days before the date of commencement of a case under this title in which the goods have been sold to the debtor in the ordinary course of such debtor's business." **Accordingly, if you have a 503(b)(9) Claim, you must file a Proof of Claim on or before the General Bar Date**;

(e) You hold a claim that has been allowed by an order of the Court entered on or before the applicable Bar Date;

(f) You hold a claim against any of the Debtors for which a separate deadline is fixed by the Court (whereupon you will be required to file a Proof of Claim by that separate deadline);

(g) You are a Debtor in these cases having a claim against another Debtor;

(h) You are an affiliate (as defined in section 101(2) of the Bankruptcy Code) of any Debtor as of the Bar Date;

(i) You hold a claim for which you have already properly filed a Proof of Claim against any of the Debtors with the Clerk of the Court or The Garden City Group, Inc., the Debtors' claims agent, utilizing a claim form that substantially conforms to the Proof of Claim Form (as defined below) or Official Form 10; or

(j) You hold a claim that is limited exclusively to the repayment of principal, interest and other fees and expenses on or under any agreements (a "**Debt Claim**") governing any debt security issued by any of the Debtors pursuant to an indenture (together, the "**Debt Instruments**") if the indenture trustee or similar fiduciary under the applicable indenture or fiscal and paying agency agreement files a Proof of Claim against the applicable Debtor, on or before the Bar Date, on account of all Debt Claims against such Debtor under the applicable Debt Instruments, **provided, however**, that any holder of a Debt Claim wishing to assert a claim arising out of or relating to a Debt Instrument, other than a Debt Claim, shall be required to file a Proof of Claim with respect to such claim on or before the Bar Date, unless another exception identified herein applies.

YOU SHOULD NOT FILE A PROOF OF CLAIM IF YOU DO NOT HAVE A CLAIM AGAINST THE DEBTORS.

THE FACT THAT YOU HAVE RECEIVED THIS NOTICE DOES NOT MEAN THAT YOU HAVE A CLAIM OR THAT THE DEBTORS OR THE COURT BELIEVE THAT YOU HAVE A CLAIM.

3. EXECUTORY CONTRACTS AND UNEXPIRED LEASES

If you hold a claim arising from the rejection of an executory contract or unexpired lease, you must file a Proof of Claim based on such rejection by the later of (i) the applicable Bar Date, and (ii) the date which is **thirty days** following the entry of the order approving such rejection or you will be forever barred from doing so. Notwithstanding the foregoing, if you are a party to an executory contract or unexpired lease and you wish to assert a claim on account of unpaid amounts accrued and outstanding as of June 1, 2009 pursuant to that executory contract or unexpired lease (other than a rejection damages claim), you must file a Proof of Claim for such amounts on or before the applicable Bar Date unless an exception identified above applies.

4. WHEN AND WHERE TO FILE

All Proofs of Claim must be filed so as to be **actually received** on or before the applicable Bar Date at the following address:

If by overnight courier or hand delivery to:

The Garden City Group, Inc.
Attn: Motors Liquidation Company Claims Processing
5151 Blazer Parkway, Suite A
Dublin, Ohio 43017

If by first-class mail, to:

The Garden City Group, Inc.
Attn: Motors Liquidation Company
P.O. Box 9386
Dublin, Ohio 43017-4286

Or if by hand delivery to:

United States Bankruptcy Court, SDNY
One Bowling Green
Room 534
New York, New York 10004

Proofs of Claim will be deemed timely filed only if **actually received** by The Garden City Group, Inc. or the Court on or before the applicable Bar Date. Proofs of Claim may **not** be delivered by facsimile, telecopy, or electronic mail transmission.

5. WHAT TO FILE

If you file a Proof of Claim, your filed Proof of Claim must: (i) be written in the English language; (ii) be denominated in lawful currency of the United States; (iii) conform substantially to the form provided with this Notice ("**Proof of Claim Form**") or Official Bankruptcy Form No. 10; (iv) state the Debtor against which it is filed; (v) set forth with specificity the legal and factual basis for the alleged claim; (vi) include supporting documentation or an explanation as to why such documentation is not available; and (vii) be **signed** by the claimant or, if the claimant is not an individual, by an authorized agent of the claimant.

IF YOU ARE ASSERTING A CLAIM AGAINST MORE THAN ONE DEBTOR, SEPARATE PROOFS OF CLAIM MUST BE FILED AGAINST EACH SUCH DEBTOR AND YOU MUST IDENTIFY ON YOUR PROOF OF CLAIM THE SPECIFIC DEBTOR AGAINST WHICH YOUR CLAIM IS ASSERTED AND THE CASE NUMBER OF THAT DEBTOR'S BANKRUPTCY CASE. A LIST OF THE NAMES OF THE DEBTORS AND THEIR CASE NUMBERS IS SET FORTH ABOVE.

Additional Proof of Claim Forms may be obtained at www.uscourts.gov/bkforms/ or www.motorsliquidationdocket.com.

YOU SHOULD ATTACH TO YOUR COMPLETED PROOF OF CLAIM FORM COPIES OF ANY WRITINGS UPON WHICH YOUR CLAIM IS BASED. IF THE DOCUMENTS ARE VOLUMINOUS, YOU SHOULD ATTACH A SUMMARY.

6. CONSEQUENCES OF FAILURE TO FILE A PROOF OF CLAIM BY THE APPLICABLE BAR DATE

Except with respect to claims of the type set forth in Section 2 above, any creditor who fails to file a Proof of Claim on or before the applicable Bar Date in the appropriate form in accordance with the procedures described in this Notice for any claim such creditor holds or wishes to assert against each of the Debtors, will be forever barred, estopped and enjoined from asserting the claim against each of the Debtors and their respective estates (or filing a Proof of Claim with respect to the claim), and each of the Debtors and their respective chapter 11 estates, successors, and property will be forever discharged from any and all indebtedness or liability with respect to the claim, and the holder will not be permitted to vote to accept or reject any chapter 11 plan filed in these chapter 11 cases, participate in any distribution in any of the Debtors' chapter 11 cases on account of the claim, or receive further notices with respect to any of the Debtors' chapter 11 cases.

7. THE DEBTORS' SCHEDULES, ACCESS THERETO, AND CONSEQUENCES OF AMENDMENT THEREOF

You may be listed as the holder of a claim against one or more of the Debtors in the Debtors' Schedules of Assets and Liabilities and/or Schedules of Executory Contracts and Unexpired Leases (collectively, the "**Schedules**"). If you rely on the Debtors' Schedules, it is your responsibility to determine that the claim is accurately listed in the Schedules.

As set forth above, if you agree with the classification and amount of your claim as listed in the Debtors' Schedules, and if you do not dispute that your claim is only against the specified Debtor, and if your claim is not described as "disputed", "contingent", or "unliquidated", you need not file a Proof of Claim. Otherwise, or if you decide to file a Proof of Claim, you must do so before the Bar Date in accordance with the procedures set forth in this notice.

Copies of the Schedules may be examined by interested parties on the Court's electronic docket for the Debtors' chapter 11 cases, which is posted on the Internet at www.motorsliquidationdocket.com and www.nysb.uscourts.gov (a PACER login and password are required and can be obtained through the PACER Service Center at www.pacer.psc.uscourts.gov.). Copies of the Schedules may also be examined by interested parties between the hours of 9:00 a.m. and 4:30 p.m. (Eastern Time) at the office of the Clerk of the Bankruptcy Court, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, Room 511, New York, New York 10004. Copies of the Debtors' Schedules may also be obtained by written request to the Debtors' claims agent at the address and telephone number set forth below:

The Garden City Group, Inc.
Attn: Motors Liquidation Company
P.O. Box 9386
Dublin, Ohio 43017-4286
1-703-386-6401

In the event that the Debtors amend their Schedules to (a) designate a claim as disputed, contingent, unliquidated, or undetermined, (b) change the amount of a claim reflected therein, (c) change the classification of a claim reflected therein, or (d) add a claim that was not listed on the Schedules, the Debtors will notify you of the amendment. In such case, the deadline for you to file a Proof of Claim on account of any such claim is the later of (a) the applicable Bar Date and (b) the date that is **thirty days** after the Debtors provide notice of the amendment.

A holder of a possible claim against the Debtors should consult an attorney regarding any matters not covered in this notice, such as whether the holder should file a Proof of Claim.

DATED: September ___, 2009
New York, New York

BY ORDER OF THE COURT

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007
ATTORNEYS FOR DEBTORS AND
DEBTORS IN POSSESSION

Annex II

Proof of Claim Form

UNITED STATES BANKRUPTCY COURT FOR THE SOUTHERN DISTRICT OF NEW YORK

PROOF OF CLAIM

Name of Debtor (Check Only One): | Case No.

- ❑ Motors Liquidation Company (f/k/a General Motors Corporation) | 09-50026 (REG)
- ❑ MLCS, LLC (f/k/a Saturn, LLC) | 09-50027 (REG)
- ❑ MLCS Distribution Corporation (f/k/a Saturn Distribution Corporation) | 09-50028 (REG)
- ❑ MLC of Harlem, Inc. (f/k/a Chevrolet Saturn of Harlem, Inc.) | 09-13558 (REG)

NOTE: *This form should not be used to make a claim for an administrative expense arising **after** the commencement of the case, but may be used for purposes of asserting a claim under 11 U.S.C. § 503(b)(9) (see Item # 5). All other requests for payment of an administrative expense should be filed pursuant to 11 U.S.C. § 503.*

Name of Creditor (the person or other entity to whom the debtor owes money or property):

Name and address where notices should be sent:

Telephone number:
Email Address:

❑ Check this box to indicate that this claim amends a previously filed claim.

Court Claim Number:_____
(*If known*)

Filed on:_____

Name and address where payment should be sent (if different from above):

Telephone number:

❑ Check this box if you are aware that anyone else has filed a proof of claim relating to your claim. Attach copy of statement giving particulars.

❑ Check this box if you are the debtor or trustee in this case.

Your Claim is Scheduled As Follows:

If an amount is identified above, you have a claim scheduled by one of the Debtors as shown. (This scheduled amount of your claim may be an amendment to a previously scheduled amount.) If you agree with the amount and priority of your claim as scheduled by the Debtor and you have no other claim against the Debtor, you do not need to file this proof of claim form, EXCEPT AS FOLLOWS: If the amount shown is listed as DISPUTED, UNLIQUIDATED, or CONTINGENT, a proof of claim MUST be filed in order to receive any distribution in respect of your claim. If you have already filed a proof of claim in accordance with the attached instructions, you need not file again.

1. Amount of Claim as of Date Case Filed, June 1, 2009: $_____

If all or part of your claim is secured, complete item 4 below; however, if all of your claim is unsecured, do not complete item 4. If all or part of your claim is entitled to priority, complete item 5. If all or part of your claim is asserted pursuant to 11 U.S.C. § 503(b)(9), complete item 5.

❑ Check this box if claim includes interest or other charges in addition to the principal amount of claim. Attach itemized statement of interest or charges.

2. Basis for Claim: _____
(See instruction #2 on reverse side.)

3. Last four digits of any number by which creditor identifies debtor: _____

3a. Debtor may have scheduled account as: _____
(See instruction #3a on reverse side.)

4. Secured Claim (See instruction #4 on reverse side.)
Check the appropriate box if your claim is secured by a lien on property or a right of setoff and provide the requested information.

Nature of property or right of setoff: ❑ Real Estate ❑ Motor Vehicle ❑ Equipment ❑ Other
Describe:

Value of Property: $_____ **Annual Interest Rate**___**%**

Amount of arrearage and other charges as of time case filed included in secured claim, if any: $_____

Basis for perfection: _____

Amount of Secured Claim: $_____ **Amount Unsecured: $**_____

5. Amount of Claim Entitled to Priority under 11 U.S.C. § 507(a). If any portion of your claim falls in one of the following categories, check the box and state the amount.

Specify the priority of the claim.

- ❑ Domestic support obligations under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B).
- ❑ Wages, salaries, or commissions (up to $10,950*) earned within 180 days before filing of the bankruptcy petition or cessation of the debtor's business, whichever is earlier – 11 U.S.C. § 507(a)(4).
- ❑ Contributions to an employee benefit plan – 11 U.S.C. § 507(a)(5).
- ❑ Up to $2,425* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use – 11 U.S.C. § 507(a)(7).
- ❑ Taxes or penalties owed to governmental units – 11 U.S.C. § 507(a)(8).
- ❑ Value of goods received by the Debtor within 20 days before the date of commencement of the case - 11 U.S.C. § 503(b)(9) (§ 507(a)(2))
- ❑ Other – Specify applicable paragraph of 11 U.S.C. § 507(a)(__).

Amount entitled to priority:

$_____

**Amounts are subject to adjustment on 4/1/10 and every 3 years thereafter with respect to cases commenced on or after the date of adjustment.*

6. Credits: The amount of all payments on this claim has been credited for the purpose of making this proof of claim.

7. Documents: Attach redacted copies of any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements or running accounts, contracts, judgments, mortgages, and security agreements. You may also attach a summary. Attach redacted copies of documents providing evidence of perfection of a security interest. You may also attach a summary. (*See instruction 7 and definition of "redacted" on reverse side.*)

DO NOT SEND ORIGINAL DOCUMENTS. ATTACHED DOCUMENTS MAY BE DESTROYED AFTER SCANNING.

If the documents are not available, please explain in an attachment.

Date:

Signature: The person filing this claim must sign it. Sign and print name and title, if any, of the creditor or other person authorized to file this claim and state address and telephone number if different from the notice address above. Attach copy of power of attorney, if any.

FOR COURT USE ONLY

Penalty for presenting fraudulent claim: Fine of up to $500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571.
Modified B10 (GCG) (12/08)

INSTRUCTIONS FOR PROOF OF CLAIM FORM

The instructions and definitions below are general explanations of the law. In certain circumstances, such as bankruptcy cases not filed voluntarily by the debtor, there may be exceptions to these general rules. The attorneys for the Debtors and their court-appointed claims agent, The Garden City Group, Inc., are not authorized and are not providing you with any legal advice.

A SEPARATE PROOF OF CLAIM FORM MUST BE FILED AGAINST EACH DEBTOR

PLEASE SEND YOUR ORIGINAL, COMPLETED CLAIM FORM AS FOLLOWS: **IF BY MAIL**: THE GARDEN CITY GROUP, INC., ATTN: MOTORS LIQUIDATION COMPANY CLAIMS PROCESSING, P.O. BOX 9386, DUBLIN, OH 43017-4286. **IF BY HAND OR OVERNIGHT COURIER**: THE GARDEN CITY GROUP, INC., ATTN: MOTORS LIQUIDATION COMPANY CLAIMS PROCESSING, 5151 BLAZER PARKWAY, SUITE A, DUBLIN, OH 43017. **ANY PROOF OF CLAIM SUBMITTED BY FACSIMILE OR E-MAIL WILL NOT BE ACCEPTED.**

THE GENERAL BAR DATE IN THESE CHAPTER 11 CASES IS NOVEMBER 9, 2009 AT 5:00 P.M. (PREVAILING EASTERN TIME)

Court, Name of Debtor, and Case Number:
These chapter 11 cases were commenced in the United States Bankruptcy Court for the Southern District of New York on June 1, 2009. You should select the debtor against which you are asserting your claim.
A SEPARATE PROOF OF CLAIM FORM MUST BE FILED AGAINST EACH DEBTOR.

Creditor's Name and Address:
Fill in the name of the person or entity asserting a claim and the name and address of the person who should receive notices issued during the bankruptcy case. Please provide us with a valid email address. A separate space is provided for the payment address if it differs from the notice address. The creditor has a continuing obligation to keep the court informed of its current address. See Federal Rule of Bankruptcy Procedure (FRBP) 2002(g).

1. **Amount of Claim as of Date Case Filed:**
State the total amount owed to the creditor on the date of the bankruptcy filing. Follow the instructions concerning whether to complete items 4 and 5. Check the box if interest or other charges are included in the claim.

2. **Basis for Claim:**
State the type of debt or how it was incurred. Examples include goods sold, money loaned, services performed, personal injury/wrongful death, car loan, mortgage note, and credit card. If the claim is based on the delivery of health care goods or services, limit the disclosure of the goods or services so as to avoid embarrassment or the disclosure of confidential health care information. You may be required to provide additional disclosure if the debtor, trustee or another party in interest files an objection to your claim.

3. **Last Four Digits of Any Number by Which Creditor Identifies Debtor:**
State only the last four digits of the debtor's account or other number used by the creditor to identify the debtor, if any.

3a. Debtor May Have Scheduled Account As:
Use this space to report a change in the creditor's name, a transferred claim, or any other information that clarifies a difference between this proof of claim and the claim as scheduled by the debtor.

4. **Secured Claim:**
Check the appropriate box and provide the requested information if the claim is fully or partially secured. Skip this section if the claim is entirely unsecured. (See DEFINITIONS, below.) State the type and the value of property that secures the claim, attach copies of lien documentation, and state annual interest rate and the amount past due on the claim as of the date of the bankruptcy filing.

5. **Amount of Claim Entitled to Priority Under 11 U.S.C. § 507(a):**
If any portion of your claim falls in one or more of the listed categories, check the appropriate box(es) and state the amount entitled to priority. (See DEFINITIONS, below.) A claim may be partly priority and partly non-priority. For example, in some of the categories, the law limits the amount entitled to priority.

For claims pursuant to 11 U.S.C. § 503(b)(9), indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before June 1 2009, the date of commencement of these cases (See DEFINITIONS, below). Attach documentation supporting such claim.

6. **Credits:**
An authorized signature on this proof of claim serves as an acknowledgment that when calculating the amount of the claim, the creditor gave the Debtor credit for any payments received toward the debt.

7. **Documents:**
Attach to this proof of claim form redacted copies documenting the existence of the debt and of any lien securing the debt. You may also attach a summary. You must also attach copies of documents that evidence perfection of any security interest. You may also attach a summary. FRBP 3001(c) and (d). If the claim is based on the delivery of health care goods or services, see instruction 2. Do not send original documents, as attachments may be destroyed after scanning.

Date and Signature:
The person filing this proof of claim must sign and date it. FRBP 9011. If the claim is filed electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what constitutes a signature. Print the name and title, if any, of the creditor or other person authorized to file this claim. State the filer's address and telephone number if it differs from the address given on the top of the form for purposes of receiving notices. Attach a complete copy of any power of attorney. Criminal penalties apply for making a false statement on a proof of claim.

DEFINITIONS

Debtor
A debtor is the person, corporation, or other entity that has filed a bankruptcy case.
The Debtors in these Chapter 11 cases are:

Motors Liquidation Company (f/k/a General Motors Corporation)	09-50026 (REG)
MLCS, LLC (f/k/a Saturn, LLC)	09-50027 (REG)
MLCS Distribution Corporation (f/k/a Saturn Distribution Corporation)	09-50028 (REG)
MLC of Harlem, Inc. (f/k/a Chevrolet Saturn of Harlem, Inc.)	09-13558 (REG)

Creditor
A creditor is the person, corporation, or other entity owed a debt by the debtor on the date of the bankruptcy filing.

Claim
A claim is the creditor's right to receive payment on a debt that was owed by the Debtor on the date of the bankruptcy filing. See 11 U.S.C. § 101(5). A claim may be secured or unsecured.

Proof of Claim
A proof of claim is a form used by the creditor to indicate the amount of the debt owed by the debtor on the date of the bankruptcy filing. The creditor must file the form with The Garden City Group, Inc. as described in the instructions above and in the Bar Date Notice.

Secured Claim Under 11 U.S.C. § 506(a)
A secured claim is one backed by a lien on property of the debtor. The claim is secured so long as the creditor has the right to be paid from the property prior to other creditors. The amount of the secured claim cannot exceed the value of the property. Any amount owed to the creditor in excess of the value of the property is an unsecured claim. Examples of liens on property include a mortgage on real estate or a security interest in a car. A lien may be voluntarily granted by a debtor or may be obtained through a court proceeding. In some states, a court judgment is a lien. A claim also may be secured if the creditor owes the debtor money (has a right to setoff).

Section 503(b)(9) Claim
A Section 503(b)(9) claim is a claim for the value of any goods received by the debtor within 20 days before the date of commencement of a bankruptcy case in which the goods have been sold to the debtor in the ordinary course of such debtor's business.

Unsecured Claim
An unsecured claim is one that does not meet the requirements of a secured claim. A claim may be partly unsecured if the amount of the claim exceeds the value of the property on which the creditor has a lien.

Claim Entitled to Priority Under 11 U.S.C. § 507(a)
Priority claims are certain categories of unsecured claims that are paid from the available money or property in a bankruptcy case before other unsecured claims.

Redacted
A document has been redacted when the person filing it has masked, edited out, or otherwise deleted, certain information. A creditor should redact and use only the last four digits of any social-security, individual's tax-identification, or financial-account number, all but the initials of a minor's name and only the year of any person's date of birth.

Evidence of Perfection
Evidence of perfection may include a mortgage, lien, certificate of title, financing statement, or other document showing that the lien has been filed or recorded.

Acknowledgment of Filing of Claim
To receive acknowledgment of your filing from The Garden City Group, Inc., please provide a self-addressed, stamped envelope and a copy of this proof of claim when you submit the original claim to The Garden City Group, Inc.

Offers to Purchase a Claim
Certain entities are in the business of purchasing claims for an amount less than the face value of the claims. One or more of these entities may contact the creditor and offer to purchase the claim. Some of the written communications from these entities may easily be confused with official court documentation or communications from the debtor. These entities do not represent the bankruptcy court or the debtor. The creditor has no obligation to sell its claim. However, if the creditor decides to sell its claim, any transfer of such claim is subject to FRBP 3001(e), any applicable provisions of the Bankruptcy Code (11 U.S.C. § 101 et seq.), and any applicable orders of the bankruptcy court.

INFORMATION

Additional Information
If you have any questions with respect to this claim form, please contact Alix Partners at 1(800) 414-9603 or by email at motorsliquidation@alixpartners.com

Exhibit E

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

ORDER PURSUANT TO 11 U.S.C. § 105(a) AND GENERAL ORDER M-390 AUTHORIZING IMPLEMENTATION OF ALTERNATIVE DISPUTE PROCEDURES, INCLUDING MANDATORY MEDIATION

Upon the Motion, dated January 11, 2010 (the "**Motion**"),[1] of Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors in possession (collectively, the "**Debtors**"), for an order, pursuant to section 105(a) of title 11, United States Code and General Order M-390, for authorization to implement alternative dispute procedures, including mandatory mediation (the "**ADR Procedures**"), all as more fully set forth in the Motion; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after consideration of the response pleadings filed and after due deliberation and sufficient cause appearing therefor, it is

[1] Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Motion, the Omnibus Reply of the Debtors to Objections to Debtors' Motion for Entry of Order Pursuant to 11 U.S.C. § 105(a) and General Order M-390 Authorizing Implementation of Alternative Dispute Resolution Procedures, Including Mandatory Mediation, and in the ADR Procedures annexed to the Order as **Exhibit "A**."

ORDERED that the Motion is granted as provided herein; and it is further

ORDERED that notwithstanding anything to the contrary in the Motion, the ADR Procedures[2], as set forth in Exhibit A to the Order, are approved as provided herein with respect to (a) personal injury claims, (b) wrongful death claims, (c) tort claims, (d) product liability claims, (e) claims for damages arising from the rejection of an executory contract or unexpired lease with a Debtor under section 365 of the Bankruptcy Code (excluding claims for damages arising from the rejection of executory contracts that relate primarily to environmental matters), (f) indemnity claims (excluding tax indemnity claims relating to leveraged fixed equipment lease transactions and excluding indemnity claims relating to asbestos liability), (g) lemon law claims, to the extent applicable under section 6.15 of the Master Sale and Purchase Agreement by and between the Debtors and NGMCO, Inc., dated as of June 1, 2009, and as amended (the "**MPA**"), (h) warranty claims, to the extent applicable under section 6.15 of the MPA, and (i) class action claims (the "**Initial Subject Claims**"); and it is further

ORDERED that notwithstanding anything to the contrary in the Motion, the Motion with respect to (a) tax claims (including tax indemnity claims relating to leveraged fixed equipment lease transactions), (b) indemnity claims relating to asbestos liability, and (c) all other Unliquidated/Litigation Claims that are *not* Initial Subject Claims (collectively, the "**Adjourned Subject Claims**") shall be adjourned to April 8, 2010 at 9:45 a.m., and the rights of all holders of Adjourned Subject Claims and the Debtors with respect to the Motion are fully preserved; and it is further

[2] A blacklined version of the ADR Procedures reflecting the limitation of applicability of the ADR Procedures to the Initial Subject Claims and certain other modifications to the ADR Procedures filed with the Motion is annexed hereto as **Exhibit "B."**

ORDERED that, notwithstanding anything to the contrary in the Motion or the ADR Procedures, the ADR procedures shall not apply to claims filed by the United States of America or its agencies; *provided*, *however*, nothing shall preclude the Debtors from seeking in the future by separate motion alternative dispute resolutions in connection with any such claims; and it is further

ORDERED that, notwithstanding anything to the contrary in the Motion or the ADR Procedures, the ADR Procedures shall not apply to claims filed by state and tribal governments concerning alleged environmental liabilities; *provided*, *however*, nothing shall preclude the Debtors from seeking in the future by separate motion alternative dispute resolutions in connection with any such claims; and it is further

ORDERED that, notwithstanding anything to the contrary in the Motion or the ADR Procedures, the United States of America, nor any state or tribal government shall be in any way bound by any determination made pursuant to the ADR Procedures as to any other party or claim subject to the ADR Procedures, including any determination with respect to the amount, classification, disallowance, or type of claim; and it is further

ORDERED that, annexed to this Order as **Exhibit "C"** is a revised schedule of mediators (the "**Schedule of Mediators**"). Within ten (10) days from the entry of this Order, the Debtors shall provide counsel to the Ad Hoc Committee with a schedule of caps for each mediator that any Designated Claimant can be surcharged for non-binding mediation in connection with the ADR Procedures (each a "**Sharing Cap**"); and it is further

ORDERED that, the Debtors from time to time may modify the Schedule of Mediators, in consultation with the Ad Hoc Committee, by filing a revised Schedule of

Mediators with this Court and providing counsel to the Ad Hoc Committee with the Sharing Cap for each additional mediator added to the Schedule of Mediators; and it is further

ORDERED that, the Debtors are authorized to waive the obligation to share costs of non-binding mediation in their sole discretion to the extent the Designated Claimant establishes, to the satisfaction of the Debtors, that sharing of such expenses would constitute a substantial hardship upon the Designated Claimant; and it is further

ORDERED that, within thirty (30) days from the date of entry of this Order (the "**Capping Period**"), any holder of an Unliquidated/Litigation Claim that is an Initial Subject Claim filed against any of the Debtors may request the Debtors to initiate the ADR Procedures for such Unliquidated/Litigation Claim by sending a letter (each a "**Capping Proposal Letter**," the form of which is annexed to this Order as **Exhibit "D"**) to the Debtors indicating a willingness to cap its Unliquidated/Litigation Claim at a reduced amount (the "**Claim Amount Cap**"); *provided*, *however*, that with respect to any claim for amounts resulting from the rejection of an executory contract that is rejected pursuant to an order entered after the date of this Order, a Capping Proposal Letter will be deemed timely if it is received within thirty (30) days of the entry of the order authorizing such rejection; and it is further

ORDERED that, upon receiving a Capping Proposal Letter, the Debtors will, if, and only if, the Claim Amount Cap is accepted by the Debtors, initiate the ADR Procedures by designating the Unliquidated/Litigation Claim in accordance with the ADR Procedures and will indicate in the ADR Notice that the Claim Amount Cap has been accepted; and it is further

ORDERED that, if the Claim Amount Cap is accepted by the Debtors, the Claim Amount Cap will become binding on the Designated Claimant, and the ultimate value of his or

her Unliquidated/Litigation Claim will not exceed the Claim Amount Cap. To the extent the Debtors accept the Claim Amount Cap, the Debtors will be responsible for all fees and costs associated with any subsequent mediation. If the Claim Amount Cap is not accepted, the Debtors will notify the Designated Claimant that the Claim Amount Cap has been rejected, and the Claim Amount Cap will not bind any party and shall not be admissible to prove the amount of the Unliquidated/Litigation Claim; and it is further

ORDERED that, within one month after the Capping Period has expired, the Debtors will provide to (i) counsel for the statutory committee of unsecured creditors (the "**Creditors' Committee**"), and (ii) counsel for the United States of America, a privileged and confidential report containing information on the status of the Unliquidated/Litigation Claims (the "**Committee Report**"). The Debtors shall provide both the Creditors' Committee and the United States of America with an updated Committee Report once a month; and it is further

ORDERED that the following notice procedures are hereby approved:

1. Within **three (3) days** of entry of this Order, the Debtors shall cause to be mailed a copy of this Order to all known holders of Initial Subject Claims that are subject to the ADR Procedures.

2. The Debtors shall post a form of the Capping Proposal Letter on the website established by GCG for the Debtors' cases: www.motorsliquidationdocket.com;

and it is further

ORDERED that the Debtors are authorized to take any and all steps that are necessary or appropriate to implement the ADR Procedures with respect to the Initial Subject Claims, including, without limitation, by implementing any arbitration awards or settlements with respect to Designated Claims achieved under the terms of the ADR Procedures; *provided, however*, that nothing in this Order or the ADR Procedures, shall obligate the Debtors to settle or

pursue settlement of any particular Designated Claim; *further provided* that any such settlements may be pursued and agreed upon as the Debtors believe are reasonable and appropriate in their sole discretion, subject to the terms and conditions set forth in the ADR Procedures; and it is further

ORDERED that, if litigation of an Unresolved Designated Claim in a forum other than this Court is required for any of the reasons forth in Section II.E.3 of the ADR Procedures (as determined by this Court), then the Stay shall be modified subject to the terms and conditions set forth in Section II.E.4 of the ADR Procedures. Any such modification of the Stay shall be solely to the extent necessary to permit the liquidation of the amount of such Unresolved Designated Claim in the appropriate forum. If the Debtors fail to file a Notice of Stay Modification or a Stay Motion for any reason with respect to an Unresolved Designated Claim, as set forth in Section II.E.4 of the ADR Procedures, the Stay shall remain in effect with respect to such Unresolved Designated Claim, and the Designated Claimant may seek a determination of this Court regarding whether the Stay must be modified to permit litigation in a non-bankruptcy forum as set forth in Section II.E.3 of the ADR Procedures; and it is further

ORDERED that nothing contained in this Order shall be deemed to preclude any party in interest from objecting to any Designated Claim to the extent such entity has standing to assert an objection in accordance with Bankruptcy Code and applicable law; and it is further

ORDERED that nothing contained in this Order shall alter the Creditors' Committee's rights set forth in this Court's Order Pursuant to 11 U.S.C. § 105(a) and Fed. R. Bankr. P. 3007 and 9019(b) authorizing the Debtors to (i) File Omnibus Claims Objections and

(ii) Establish Procedures for Settling Certain Claims, entered on October 6, 2006 [Docket No. 4180]; and it is further

ORDERED that nothing in the ADR Procedures, including the ADR Injunction set forth therein, shall preclude the holder of a Designated Claim from commencing or continuing an action against a non-debtor party; and it is further

ORDERED that Rule 408 of the Federal Rules of Evidence shall apply to all aspects of the Capping Proposal Letter, the ADR Procedures, and the Committee Report; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order and the ADR Procedures.

Dated: New York, New York
February ***23***, 2010

s/ Robert E. Gerber
United States Bankruptcy Judge

Exhibit A

The ADR Procedures

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

ALTERNATIVE DISPUTE RESOLUTION PROCEDURES

The alternative dispute resolution procedures (the "**ADR Procedures**") adopted in the chapter 11 cases of Motors Liquidation Company (f/k/a General Motors Corporation) ("**MLC**") and its affiliated debtors, as debtors in possession (collectively, the "**Debtors**"), are set forth below:

I. CLAIMS SUBJECT TO THE ADR PROCEDURES AND ADR INJUNCTION

A. Claims Subject to the ADR Procedures

1. The claims subject to the ADR Procedures (collectively, the "**Designated Claims**") include any and all claims (other than an Excluded Claim as defined below) designated by the Debtors under the notice procedures set forth below that assert or involve claims based on one or more of the following theories of recovery, whether or not litigation previously has been commenced by the claimant: (a) personal injury claims, (b) wrongful death claims, (c) tort claims, (d) product liability claims, (e) claims for damages arising from the rejection of an executory contract or unexpired lease with a Debtor under section 365 of the Bankruptcy Code (excluding claims for damages arising from the rejection of executory contracts that relate primarily to environmental matters), (f) indemnity claims (excluding tax indemnity claims

relating to leveraged fixed equipment lease transactions and excluding indemnity claims relating to asbestos liability), (g) lemon law claims, to the extent applicable under section 6.15 of the Master Sale and Purchase Agreement by and between the Debtors and NGMCO, Inc., dated as of June 1, 2009, and as amended (the "**MPA**"), (h) warranty claims, to the extent applicable under section 6.15 of the MPA, and (i) class action claims ("**Class Claims**"). The Debtors may identify as a Designated Claim any proof of claim asserted in these cases, other than Excluded Claims as defined in Section I.B below, if the Debtors believe, in their business judgment and sole discretion, that the ADR Procedures would promote the resolution of such claim and serve the intended objectives of the ADR Procedures.

2. The holders of the Designated Claims are referred to herein as the "**Designated Claimants**."

B. Excluded Claims

The Debtors shall not identify as a Designated Claim any proof of claim within any of the following categories (collectively, the "**Excluded Claims**"): (a) claims for which the automatic stay under section 362 of title 11 of the United States Code (the "**Bankruptcy Code**") was modified by prior order of this Court (the "**Bankruptcy Court**") to allow the litigation of the claim to proceed in another forum; (b) claims asserted in liquidated amounts of $500,000 or less; (c) asbestos-related claims; (d) environmental claims that constitute prepetition unsecured claims (including claims for damages arising from the rejection of executory contracts that relate primarily to environmental matters); and (e) claims subject to a separate order of the Bankruptcy Court providing for arbitration or mediation. Notwithstanding the foregoing, any of the Excluded Claims, any disputed postpetition administrative expenses, and any claims or counterclaims asserted by the Debtors may be submitted to the ADR Procedures by agreement of the applicable Debtor and the applicable claimant or by further order of the Bankruptcy Court.

C. The ADR Injunction

Upon service of the ADR Notice (as defined below) on a Designated Claimant under Section II.A.1 below, such Designated Claimant (and any other person or entity asserting an interest in the relevant Designated Claim) shall be enjoined from commencing or continuing any action or proceeding in any manner or any place, including in the Bankruptcy Court, seeking to establish, liquidate, collect on, or otherwise enforce the Designated Claim(s) identified in the ADR Notice other than (1) through these ADR Procedures, or (2) pursuant to a plan or plans confirmed in the applicable Debtors' chapter 11 cases (collectively, the "**ADR Injunction**"). Notwithstanding the forgoing, the Debtors shall not be precluded from seeking to estimate any Designated Claim not subject to an accepted Claim Amount Cap in connection with confirmation or consummation of a plan or plans confirmed in the applicable Debtors' chapter 11 cases, or preclude the Designated Claimant from seeking estimation of its Designated Claim solely for voting purposes in connection with confirmation of a plan or plans confirmed in the applicable Debtors' chapter 11 cases. The ADR Injunction shall expire with respect to a Designated Claim only when that Designated Claim has been resolved or after the ADR Procedures have been completed as to that Designated Claim. Except as expressly set forth herein or in a separate order of the Bankruptcy Court, the expiration of the ADR Injunction shall not extinguish, limit, or modify the automatic stay established by section 362 of the Bankruptcy Code or any similar injunction that may be imposed upon the confirmation or effectiveness of a plan or plans in the applicable Debtors' chapter 11 cases (a "**Plan Injunction**"), and the automatic stay and the Plan Injunction shall remain in place to the extent then in effect.

II. THE ADR PROCEDURES

A. Offer Exchange Procedures

The first stage of the ADR Procedures will be the following offer exchange procedures, requiring the parties to exchange settlement offers and thereby providing an opportunity to resolve the underlying Designated Claim on a consensual basis without any further proceedings by the parties (the "**Offer Exchange Procedures**"). Rule 408 of the Federal Rules of Evidence shall apply to the ADR Procedures. Except as permitted by Rule 408, no person may rely on, or introduce as evidence in connection with any arbitral, judicial, or other proceeding, any offer, counteroffer, or any other aspect of the ADR Procedures.

1. *Designation of Designated Claims and Settlement Offer by the Debtors*

(a) At any time following the entry of an order approving the ADR Procedures (the "**ADR Order**") and subject to the terms and conditions in Sections I.A and I.B above, the Debtors may designate a Designated Claim for resolution through the ADR Procedures by serving upon the Designated Claimant, at the address listed on the Designated Claimant's most recently filed proof of claim or amended proof of claim, as well as to any counsel of record in these cases for the Designated Claimant, the following materials (collectively, the "**ADR Materials**"): (i) a notice that the Designated Claim has been submitted to the ADR Procedures (an "**ADR Notice**"),[1] (ii) a copy of the ADR Order, and (iii) a copy of these ADR Procedures. For transferred claims, the Debtors also will serve a copy of the ADR Materials on the transferee identified in the notice of transfer of claim.

(b) The ADR Notice will (i) advise the Designated Claimant that his or her Designated Claim has been submitted to the ADR Procedures; (ii) request that the Designated Claimant verify or, as needed, correct, clarify, or supplement, certain information regarding the Designated Claim (including the addresses for notices under the ADR Procedures); and (iii) include an offer by the Debtors to settle the Designated Claim (a "**Settlement Offer**"). The ADR Notice also will require the Designated Claimant to sign and return the ADR Notice along with the Claimant's Response (as defined in Section II.A.2 below) to the Debtors so that it is received by the Debtors no later than twenty-one (21) days[2] after the mailing of the ADR Notice (the "**Settlement Response Deadline**").

[1] The form of the ADR Notice is attached hereto as **Annex 1** and incorporated herein by reference. The Debtors anticipate that the ADR Notice will be substantially in the form of Annex 1; however, the Debtors reserve the right to modify the ADR Notice, as necessary or appropriate, consistent with the terms of the ADR Procedures.

[2] Bankruptcy Rule 9006(a) shall apply to all periods calculated in the ADR Procedures.

(c) If the Designated Claimant fails to sign and return the ADR Notice or to include a Claimant's Response (as defined below) with the returned ADR Notice by the Settlement Response Deadline, (i) the Offer Exchange Procedures will be deemed terminated with respect to the Designated Claim and (ii) the Designated Claim will be submitted to nonbinding mediation.

2. *The Claimant's Response*

The only permitted responses to a Settlement Offer (the "**Claimant's Response**") are (i) acceptance of the Settlement Offer, or (ii) rejection of the Settlement Offer coupled with a counteroffer (as further defined below, a "**Counteroffer**"). If the ADR Notice is returned without a response or with a response that is not a permitted response, the Designated Claim shall be treated as set forth in Section II.A.1(c) above.

3. *The Counteroffer*

The Counteroffer shall (i) provide all facts that substantiate the Designated Claim and that are sufficient for the Debtors to evaluate the validity and amount of the Designated Claim; (ii) provide all documents that the Designated Claimant contends support the Designated Claim; (iii) state the dollar amount of the Designated Claim (the "**Proposed Claim Amount**"), which may not (A) improve the priority set forth in the Designated Claimant's most recent timely filed proof of claim or amended proof of claim, or (B) exceed the lesser of the Claim Amount Cap (as defined in the ADR Order), if applicable, or the amount set forth in the Designated Claimant's most recent timely filed proof of claim or amended proof of claim (but may liquidate any unliquidated amounts expressly referenced in a proof of claim), with an explanation of the calculation and basis for the Proposed Claim Amount; and (iv) provide the name and address of counsel representing the Designated Claimant with respect to the Designated Claim, unless the Designated Claimant is a natural person, in which case the

Designated Claimant shall either provide the name of such counsel or state that he or she is appearing without counsel.

The Counteroffer is presumed to offer the allowance of the Designated Claim as a general unsecured claim in the Proposed Claim Amount against the Debtor identified in the applicable proof of claim. If the Debtors accept the Counteroffer, the Designated Claimant shall not seek recovery from the Debtors of any consideration other than the consideration ultimately distributed to holders of other allowed general unsecured claims against the relevant Debtor. A Counteroffer may not be for an unknown, unliquidated, or indefinite amount or priority, or the Designated Claim shall be treated as set forth in Section II.A.1(c) above.

4. *Consent to Subsequent Binding Arbitration*

As described in Sections II.B and II.C below, in the absence of a settlement at the conclusion of the Offer Exchange Procedures, Designated Claims shall proceed to nonbinding mediation and, if such mediation is unsuccessful, upon consent of the parties (including deemed consent based on prior contractual agreements), to binding arbitration. A Designated Claimant is required to notify the Debtors whether it consents to, and thereby seeks to participate in, binding arbitration in the event that its Designated Claim ultimately is not resolved through the Offer Exchange Procedures and the nonbinding mediation. A Designated Claimant shall make an election to either consent or not consent to binding arbitration by checking the appropriate box in the ADR Notice (an "**Opt-In/Opt-Out Election**"). Any Designated Claimant that does not consent to binding arbitration in its response to the ADR Notice may later consent in writing to binding arbitration, subject to the agreement of the Debtors. Consent to binding arbitration, once given, cannot subsequently be withdrawn without consent of the Debtors.

5. *The Debtors' Response to a Counteroffer*

The Debtors must respond to any Counteroffer within fifteen (15) days after their receipt of the Counteroffer (the "**Response Deadline**"), by returning a written response (as further defined below, each a "**Response Statement**"). The Response Statement shall indicate that the Debtors (a) accept the Counteroffer; or (b) reject the Counteroffer, with or without making a revised Settlement Offer (a "**Revised Settlement Offer**").

(a) *Failure to Respond*

If the Debtors fail to respond to the Counteroffer by the Response Deadline, (i) the Counteroffer will be deemed rejected by the Debtors; (ii) the Offer Exchange Procedures will be deemed terminated with respect to the Designated Claim; and (iii) the Designated Claim will be submitted to nonbinding mediation.

(b) *Revised Settlement Offer*

If the Debtors make a Revised Settlement Offer by the Response Deadline, the Designated Claimant may accept the Revised Settlement Offer by providing the Debtors with a written statement of acceptance no later than ten (10) days after the date of service of the Revised Settlement Offer (the "**Revised Settlement Offer Response Deadline**"). If the Designated Claimant does not accept the Revised Settlement Offer by the Revised Settlement Offer Response Deadline, the Revised Settlement Offer will be deemed rejected and the Designated Claim automatically will be submitted to nonbinding mediation.

(c) *Request for Additional Information*

The Debtors may request supplemental or clarification of information supplied in the Designated Claimant's most recently filed proof of claim to assist in a good faith evaluation of any particular Designated Claim. If the Debtors request additional information or documentation by the Response Deadline, the Designated Claimant shall serve additional

information or documentation sufficient to permit the Debtors to evaluate the basis for the Designated Claim (with the exception, in the Designated Claimant's sole discretion, of privileged information or information prepared expressly in contemplation of litigation) so that it is received by the Debtors within fifteen (15) days after such request. If the Designated Claimant timely responds, the Debtors shall have fifteen (15) days to provide an amended Response Statement, which may include a Revised Settlement Offer as a counter to the Counteroffer. If the Debtors do not provide an amended Response Statement within this period, or if the Designated Claimant fails to provide the requested information or documentation within the time allotted, the Designated Claim will be submitted to nonbinding mediation.

6. *Offer Exchange Termination Date*

Upon mutual written consent, the Debtors and a Designated Claimant may exchange additional Revised Settlement Offers and Counteroffers for up to twenty (20) days after the later of (a) the Revised Settlement Offer Response Deadline or (b) the expiration of the applicable timeframes provided for in Section II.A.5(c) above with respect to requesting, receiving, and responding to additional information or documentation. Otherwise, the Offer Exchange Procedures shall conclude and terminate on the earliest of the following (the "**Offer Exchange Termination Date**"): (i) the date upon which the Designated Claim automatically advances to nonbinding mediation under the provisions set forth above; (ii) the date that any settlement offer for a Designated Claim is accepted under the procedures set forth above; (iii) the date upon which a Response Statement was served by the Debtors, if the Debtors notified the Designated Claimant in their Response Statement of the Debtors' intention to proceed directly to nonbinding mediation; or (iv) such earlier date as is agreed upon by the Debtors and the Designated Claimant.

7. *Ability to Settle Claims*

Nothing herein shall limit the ability of a Designated Claimant and the Debtors to settle a Designated Claim by mutual consent at any time. All such settlements shall be subject to the terms of Section II.D.2 below.

B. Nonbinding Mediation ("Mediation")

1. *Mediation Notice*

If the Debtors and the Designated Claimant do not settle the Designated Claim through the Offer Exchange Procedures, the Debtors shall serve a notice of nonbinding mediation, with a copy of the Designated Claimant's applicable proof(s) of claim attached, on the Designated Claimant no later than thirty (30) days after the Offer Exchange Termination Date, or as soon thereafter as is reasonably practicable.[3] The Mediation Notice will provide the Mediation Location (as such term is defined in Section II.B.2 below).

2. *Location and Appointment of the Mediator*

All Mediations shall be conducted in either (i) New York, New York; (ii) Detroit, Michigan; (iii) Dallas, Texas; or (iv) San Francisco, California (collectively, the "**Mediation Locations**"), unless the parties agree to a different location. Within ten (10) days after receiving the Mediation Notice, the Designated Claimant shall choose one of the individuals identified in a list of mediators annexed to the Mediation Notice and corresponding to the applicable Mediation Location to conduct the mediation (the "**Mediator**").

To the maximum extent practicable, the scheduling and location of Mediation sessions shall give due consideration to the convenience of the parties and the proximity of the

[3] The form of the Mediation Notice is attached hereto as **Annex 2** and incorporated herein by reference. The Debtors anticipate that the Mediation Notice will be substantially in the form of Annex 2; however, the Debtors reserve the right to modify the Mediation Notice, as necessary or appropriate, consistent with the terms of the ADR Procedures.

Designated Claimant. Notwithstanding the foregoing, within ten (10) business days after service of the Mediation Notice, the Designated Claimant may file a motion with the Bankruptcy Court, on notice to the Debtors and any previously appointed mediator, for an order directing that the Mediation be conducted in a different location (a "**Hardship Motion**") if the Designated Claimant can demonstrate that traveling to any of the Mediation Locations presents a "substantial hardship;" *provided, however*, that there shall be a rebuttable presumption that, absent other extraordinary facts, there is no "substantial hardship" imposed on a Designated Claimant if the primary representative for a Designated Claimant resides in a location that is less than 750 miles from the Mediation Location or is less than a three-hour plane trip from the Mediation Location (based on typical commercial schedules for the fastest route, excluding any layovers). While a Hardship Motion is pending, all deadlines under these ADR Procedures shall be suspended. If a Hardship Motion is granted, any alternative location shall be determined by the Bankruptcy Court, taking into account the convenience of the parties and any agreements reached by the parties. If the location of the Mediation is changed, (i) any Mediator appointed in the original location may be replaced by a Mediator in the new location (selected by mutual agreement of the parties or order of the Court), and (ii) the Bankruptcy Court may require that that the Debtors and the Designated Claimant share the costs of the Mediation.

3. *Mediation Rules*

The Mediation of Designated Claims shall be governed by the Mediator's regular procedures, except where expressly modified in the ADR Procedures. In the event of any conflict, the ADR Procedures shall control. Any party to a Mediation that fails to participate in good faith, on the terms described herein, may be subject to sanctions under Section II.F below.

(a) *Impartiality and Qualifications of Mediators*

A person appointed as a Mediator must (i) be an impartial, neutral person; (ii) have no financial or personal interest in the proceedings or, except when otherwise agreed by the parties, in any related matter; and (iii) upon appointment, disclose any circumstances likely to create a reasonable inference of bias. In the event a Mediator discloses circumstances likely to create a reasonable inference of bias, such Mediator may be replaced at the written request of either the Debtors or the Designated Claimant prior to the mediation.

(b) *Fees and Costs for Mediation*

For each Mediation conducted under these ADR Procedures, the Mediator selected to preside will be entitled to charge the mediation fees disclosed to, and agreed to by, the Debtors and the Designated Claimant. Unless the parties have expressly agreed otherwise in writing (either prepetition or postpetition) as part of an agreement to submit Designated Claims to Mediation, the Mediator's fees and the costs of any Mediation shall be shared equally by the Debtors and the Designated Claimant subject to the Sharing Cap (as such term is described in the ADR Order. For purposes of clarity, these costs shall not include travel expenses of the parties.

(c) *Pre-Mediation Briefing*

Unless the parties agree otherwise, on or before thirty (30) days prior to the scheduled Mediation, the Designated Claimant shall serve on the Mediator and the Debtors by electronic transmission or facsimile, at a minimum, and no later than by 6:00 p.m. (Eastern

Time), a nonconfidential, pre-Mediation statement (the "**Opening Statement**") not to exceed fifteen (15) pages, excluding any attachments, setting forth all of the Designated Claimant's claims and identifying each and every cause of action or theory the Designated Claimant asserts, including a short and plain statement of the facts and law upon which the Designated Claimant relies for recovery and maintains entitle it to relief. The Designated Claimant shall include, as exhibits or annexes to the Opening Statement, all documents (or summaries of voluminous documents), affidavits, and other evidentiary materials on which the Designated Claimant relies (with the exception, in the Designated Claimant's sole discretion, of privileged information or information prepared expressly in contemplation of litigation). Unless the parties agree otherwise, on or before fifteen (15) days after service of the Opening Statement, the Debtors shall serve on the Mediator and the Designated Claimant, by electronic transmission or facsimile, at a minimum, and no later than by 6:00 p.m. (Eastern Time), a nonconfidential response statement (the "**Mediation Response Statement**") not to exceed fifteen (15) pages, excluding attachments. The Designated Claimant shall receive copies of all exhibits to the Mediation Response Statement (with the exception, in the Debtors' sole discretion, of privileged information or information prepared expressly in contemplation of litigation). The Debtors shall provide copies of the Opening Statement and Mediation Response Statement to counsel to the statutory committee of unsecured creditors (the "**Creditors' Committee**") upon request, on a confidential basis. At the Mediator's discretion and direction, the parties may submit additional, confidential letters or statements to the Mediator, which shall receive "Mediator's-eyes-only" treatment.

(d) *The Mediation Session*

Unless otherwise agreed by the parties or as provided herein, the Mediation session must occur no later than sixty (60) days after the date on which the Mediator is appointed. Unless otherwise agreed by the parties, the Mediation session is open only to the parties and their respective counsel, and insurers (if any).

(e) *Treatment of Mediation Settlement*

If the Mediation results in a settlement of the Designated Claim, such settlement shall be subject to the terms of Section II.D below. If the Mediation of a Designated Claim does not result in a settlement of the Designated Claim, the Designated Claim shall be subject to Section II.C or II.E below.

(f) *Modification of the Mediation Procedures*

The Mediation procedures described herein may be modified upon the mutual written consent of the Debtors and the Designated Claimant.

C. Arbitration

1. *Binding Arbitration*

If the Designated Claimant and the Debtors have consented to binding arbitration under Section II.A.4 above, the Designated Claim will be arbitrated under the terms of this Section II.C if such claim is not resolved in the Offer Exchange Procedures or Mediation. If the Designated Claimant has expressly indicated that it does not consent to binding arbitration in its response to the ADR Notice and has not subsequently opted in to binding arbitration pursuant to Section II.A.4 above, the Designated Claim shall be resolved in the Bankruptcy Court by the Debtors' commencement of proceedings pursuant to the Bankruptcy Code, including without limitation, estimating or objecting to the Designated Claims. Any party to an arbitration that

fails to participate in the arbitration in good faith, on the terms described herein, may be subject to sanctions under Section II.F below.

2. *Arbitration Notice*

To initiate the arbitration process for a Designated Claim, the Debtors shall serve a notice of arbitration (the "**Arbitration Notice**"), with a copy of the Designated Claimant's applicable proof(s) of claim attached, on the Designated Claimant, the Creditors' Committee, and the American Arbitration Association (the "**AAA**").[4]

3. *Arbitration Rules and Procedures*

For Designated Claims that are not designated by the Debtors as Complex Designated Claims (as defined below), the arbitration of all Designated Claims shall be conducted by a single arbitrator selected pursuant to the Commercial Arbitration Rules of the AAA. The arbitrator shall be governed by the commercial arbitration rules of the AAA then in effect (the "**Arbitration Rules**"), except where the Arbitration Rules are expressly modified in the ADR Procedures.[5]

The Debtors may, at their discretion, designate certain Designated Claims as complex designated claims (the "**Complex Designated Claims**"). The arbitration of all Complex Designated Claims shall be conducted by a panel of three arbitrators selected pursuant to the Commercial Arbitration Rules of the AAA. The AAA Procedures for Large, Complex Commercial Disputes, in addition to the Commercial Rules of Arbitration, shall be used for arbitration of all Complex Designated Claims; *provided, however*, unless otherwise agreed by the

[4] The form of the Arbitration Notice is attached hereto as **Annex 3** and incorporated herein by reference. The Debtors anticipate that the Arbitration Notice will be substantially in the form of Annex 3; however, the Debtors reserve the right to modify the Arbitration Notice, as necessary or appropriate, consistent with the terms of the ADR Procedures.

[5] In the event of any conflict between the Arbitration Rules and the ADR Procedures, the ADR Procedures shall control.

parties, (i) the AAA shall appoint a panel of three (3) arbitrators, as provided in this Section and Section II.C.3(g) and (ii) the arbitration hearing on a Complex Designated Claim must be held no later than ninety (90) days after the date of appointment of the arbitrator(s), as provided in Section II.C.3(k). Finally, the AAA Supplementary Rules for Class Arbitrations shall also be used for all Class Claims, including those related to class certification and the Class Determination Award (as defined in Rule 5 of the AAA Supplementary Rules for Class Arbitrations), except that the arbitrator(s) shall not make a Clause Construction Award (as defined in Rule 3 of the AAA Supplementary Rules for Class Arbitrations), or determine that a Class Claim is not arbitrable for failure for each class member to have entered into an arbitration agreement, the Court having specifically found that the ADR Procedures are applicable to Class Claims notwithstanding the absence of a written agreement to arbitrate.[6]

(a) *Governing Law*

The ADR Procedures, as they relate to arbitration proceedings, are governed by the Federal Arbitration Act, 9 U.S.C. §§ 1, *et seq*. (the "**Federal Arbitration Act**"), and the enforceability of an arbitration award is governed by Section 9 of the Federal Arbitration Act, except as modified herein.

(b) *Fees and Costs for Binding Arbitration; Sharing*

Unless the parties expressly have agreed otherwise in writing (either prepetition or postpetition) as part of an agreement to submit claims to binding arbitration, the fees and costs charged by the AAA and the arbitrator(s) shall be shared equally by the Debtors and the Designated Claimant; *provided, however*, that the arbitrator(s), in the arbitrator(s)' sole discretion, may assess fees and costs against any party that the arbitrator(s) finds to be abusing or

[6] In the event of any conflict between the AAA Supplementary Rules for Class Arbitrations and the ADR Procedures, the ADR Procedures shall control.

unduly delaying the arbitration process. The AAA shall submit invoices to the Designated Claimants and the Debtors according to the AAA's ordinary invoicing practices then in effect and subject to the AAA's ordinary payment terms then in effect. For purposes of clarity, these costs shall not include travel expenses of the parties.

(c) *Impartiality and Qualifications of Arbitrators*

In designating the arbitrator in accordance with the procedures described below, the AAA shall review the Arbitration Notice and the applicable Designated Claim. Any person appointed as an arbitrator must: (i) be an impartial, neutral person; (ii) be experienced (either from past arbitrations or former employment) in the law that is the subject of the Designated Claim; (iii) have no financial or personal interest in the proceedings or, except when otherwise agreed by the parties, in any related matter; and (iv) upon appointment, disclose any circumstances likely to create a reasonable inference of bias. In the event that an arbitrator discloses circumstances likely to create a reasonable inference of bias, such arbitrator may be replaced by the AAA at the written request of the Debtors or the Designated Claimant within ten (10) days after such disclosure.

(d) *Time and Location of Arbitration Hearings*

All arbitration hearings shall be conducted in either (i) New York, New York; (ii) Detroit, Michigan; (iii) Dallas, Texas; or (iv) San Francisco, California (collectively, the "**Arbitration Locations**"). To the maximum extent practicable, the scheduling and location of arbitration hearings shall give due consideration to the proximity of the Designated Claimant and to the convenience of the parties to the Arbitration Location. Within ten (10) days of appointment, the arbitrator(s) shall conduct a preliminary hearing pursuant to AAA Commercial Arbitration Rule 20. Notwithstanding anything set forth herein or in the ADR Order to the

contrary, the Creditors' Committee, through its counsel, shall be permitted to participate in the arbitration hearings to the same extent the Creditors' Committee would be permitted to participate in claims litigation in the Bankruptcy Court pursuant to sections 502, 1103, 1109(b), or any other applicable section of the Bankruptcy Code.

(e) *Appeals of Arbitration Awards*

All arbitration awards shall be final and binding. Other than the identities of the applicable Debtors and Designated Claimants, the claims register number(s) assigned to the applicable arbitrated Designated Claims and the priority and dollar amounts of the Designated Claims as awarded in the arbitration awards, and except as otherwise required by law or agreed upon by the parties, all arbitration awards shall be treated as confidential. No party shall have the right to appeal an arbitration award except pursuant to the appeal provisions of the Federal Arbitration Act, in which case any appeal must be to the United States District Court for the Southern District of New York. Any appeal shall be governed by the Federal Arbitration Act. The parties shall have ten (10) days from the date the arbitration award is served to appeal such award. Failure to timely appeal shall result in the loss of any appeal rights. Once any appeal has concluded or appellate rights are waived, the Debtors shall update the claims docket in their chapter 11 cases accordingly and may file any notice of the liquidated amount of the Designated Claim that they deem necessary or appropriate for such purpose.

(f) *Modification of the Arbitration Procedures*

The arbitration procedures described herein may be modified only upon the mutual consent of the Debtors and the Designated Claimant. In addition, the Debtors shall consult with the Creditors' Committee prior to any modification to the arbitration procedures.

(g) *Appointment of the Arbitrator*

Within 5 five days of receiving the applicable Arbitration Notice, the AAA shall commence the following procedures for the appointment of arbitrator(s) (the "**Appointment of Arbitrator(s) Procedures**") by concurrently sending by electronic transmission or facsimile, to the Debtors and the applicable Designated Claimant, an identical list of the names of at least eight (8) arbitrator candidates who meet the qualifications necessary for the matter.[7] The Debtors and the applicable Designated Claimant shall have seven (7) business days from the date this list is served to (i) strike two (2) names from the proposed list, (ii) list the remaining names in order of preference, and (iii) return the list to the AAA. In the event that the Designated Claim is not a Complex Designated Claim, the AAA shall appoint a single arbitrator from the name(s) not stricken, giving consideration first to the preferences of the parties and second to scheduling and the availability of the arbitrator. In the event that the Designated Claim is a Complex Designated Claim, the AAA shall appoint a panel of three (3) arbitrators from the name(s) not stricken, giving consideration first to the preferences of the parties and second to the scheduling and the availability of the arbitrators. The AAA shall appoint the arbitrator(s) in accordance with the Appointment of Arbitrator(s) Procedures within ten (10) business days of its receipt of the applicable Arbitration Notice.

(h) *Pre-Hearing Matters*

Unless otherwise agreed to by the parties, any pre-hearing issues, matters or disputes (other than with respect to merits issues) shall be presented to the arbitrator(s) telephonically (or by such other method agreed to by the arbitrator(s) and the parties) for expeditious, final, and binding resolution. Upon a party's request, the arbitrator(s) may order

[7] If, for any reason, there are more than two parties to an arbitration, AAA shall identify a number of potential arbitrators equal to the number of parties, plus one, and the remaining selection proceedings shall otherwise govern. Affiliated entities are considered a single party for this purpose. The Creditors' Committee shall have no role in the arbitrator selection process.

that a substantive motion, such as a motion for summary judgment, be heard in person rather than telephonically. Any pre-hearing issue, matter, or dispute (other than with respect to merits issues) must be presented to the arbitrator(s) not later than fifteen (15) days prior to the arbitration hearing so as to permit the arbitrator(s) to review and rule upon the requests by telephonic or electronic communication at least five days prior to the arbitration hearing.

(i) *Discovery*

Unless the Designated Claim is a Complex Designated Claim, there shall be no interrogatories. Any requests for production of documents, electronically-stored information and things ("**Document Requests**") shall be made in writing and shall be limited to no more than twenty (20) requests, including discrete subparts. Items requested in the Document Requests must be produced within thirty (30) days after service of the Document Requests. All documents from discovery shall be confidential and shall not be (i) disclosed to any person or party not participating in the arbitration proceeding or (ii) used for any purpose other than in connection with the arbitration proceeding, except as provided herein. Notwithstanding the foregoing, upon request of the Creditors' Committee, the Debtors shall provide to the Creditors' Committee, on a confidential basis, copies of all discovery materials produced pursuant to this Section II.C.3(i) for any particular Designated Claim.

(j) *Pre-Arbitration Statement*

Unless otherwise agreed by the parties, on or before ten (10) days prior to the scheduled arbitration hearing, each party shall submit to the arbitrator(s) and serve on the other party or parties and the Creditors' Committee by overnight mail a pre-arbitration statement not to exceed fifteen (15) pages, excluding any attachments. On or before ten (10) days prior to the scheduled arbitration hearing, the Creditors' Committee may submit a short statement, not to

exceed five (5) pages, to the arbitrator(s) and serve such statement on the parties to the arbitration.

(k) *Arbitration Hearing*

Unless otherwise agreed by the parties and the arbitrator(s) or as provided herein, the arbitration hearing on a Designated Claim must be held no later than ninety (90) days after the date of appointment of the arbitrator(s). The arbitration hearing is open only to the parties and their respective counsel, insurers (if any), and witnesses. In addition, notwithstanding anything else set forth herein or in the ADR Order to the contrary, the Creditors' Committee, through its counsel, shall be permitted to attend and participate in the arbitration hearing to the same extent the Creditors' Committee would be permitted to participate in claims litigation in the Bankruptcy Court, pursuant to sections 502, 1103, 1109(b), and any other applicable section of the Bankruptcy Code. Nonparty witnesses shall be sequestered. No posthearing briefs may be submitted, unless the arbitrator(s) requests briefs, in which case such briefing shall be subject to the issues, timing, and page limitations the arbitrator(s) imposes. There shall be no reply briefs.

(l) *Awards*

The arbitrator(s) shall issue a written, reasoned opinion and award (the "**Arbitration Award**") within fourteen (14) days after the arbitration hearing. The arbitrator(s) shall not be compensated for more than eight hours of deliberations on and preparation of the Arbitration Award for a Designated Claim. Any Arbitration Award shall be an allowed general unsecured nonpriority claim against the Debtor identified in the Arbitration Award (or if no Debtor is identified in the Arbitration Award, the claim shall be deemed to be against the Debtor identified in the Designated Claimant's applicable proof of claim included with the service of the Arbitration Notice, unless otherwise ordered by the Bankruptcy Court). The Arbitration Award

may not award a priority claim or otherwise determine the priority of the claim under the Bankruptcy Code; *provided, however*, that, within thirty (30) days after the issuance of an Arbitration Award, the Designated Claimant may seek relief from the Bankruptcy Court to determine that some or all of the Arbitration Award is subject to treatment as a priority claim if the Designated Claimant's applicable proof of claim filed as of the date of filing of the ADR Order asserted an entitlement to such priority. Further, no portion of a claim resulting from any Arbitration Award shall be allowed to the extent that it consists of (a) punitive damages; (b) interest, attorneys' fees, or other fees and costs, unless permissible under section 506(b) of the Bankruptcy Code; (c) an award under any penalty rate or penalty provision of the type specified in section 365(b)(2)(D) of the Bankruptcy Code; (d) amounts associated with obligations that are subject to disallowance under section 502(b) of the Bankruptcy Code; (e) specific performance, other compulsory injunctive relief, restrictive, restraining, or prohibitive injunctive relief or any other form of equitable remedy; or (f) any relief not among the foregoing but otherwise impermissible under applicable bankruptcy or nonbankruptcy law. The Debtors and the Creditors' Committee shall have the right within thirty (30) days after the issuance of an Arbitration Awards to file a motion seeking relief from the Bankruptcy Court to enforce the preceding sentence and obtain the disallowance of any portion of a claim included in an Arbitration Award in violation of clauses (a) through (f) herein. In all cases, the awarded claim shall be subject to treatment in the Debtors' chapter 11 cases as set forth in any order(s) confirming a chapter 11 plan or plans, or in such other applicable order of the Bankruptcy Court. The entry of an Arbitration Award shall not grant the Designated Claimant any enforcement or collection rights.

D. Settlements of Designated Claims

1. *Settlements Permitted at Any Stage of the ADR Procedures*

Designated Claims may be settled by the Debtors and a Designated Claimant through the Offer Exchange Procedures, Mediation, or by agreement at any point during these ADR Procedures. Nothing herein shall prevent the parties from settling any claim at any time.

2. *Settlement Authority and Approvals*

Nothing herein shall limit, expand, or otherwise modify the Debtors' authority to settle claims pursuant to orders of the Bankruptcy Court then in effect, including without limitation the Order Pursuant to 11 U.S.C. § 105(a) and Fed. R. Bankr. P. 3007 and 9019(b) authorizing the Debtors to (i) File Omnibus Claims Objections and (ii) Establish Procedures for Settling Certain Claims, entered on October 6, 2006 [Docket No. 4180] (the "**Claims Procedures and Settlement Order**") and any future order(s) confirming a chapter 11 plan or plans in these cases (collectively, the "**Settlement Authority Orders**"). Any settlements of claims pursuant to, or in connection with, the ADR Procedures shall be approved consistent with the terms, conditions, and limitations set forth in the applicable Settlement Authority Orders. The Debtors shall be requested to seek Bankruptcy Court approval of such settlements only to the extent that (a) such approval is required by the terms of the Settlement Authority Orders or (b) the settlement falls outside of the authority granted in the Settlement Authority Orders and otherwise requires Bankruptcy Court approval.

E. Failure to Resolve a Designated Claim Through ADR Procedures

1. *Litigation Generally*

Claims not resolved through the ADR Procedures shall proceed to litigation for resolution. Notwithstanding anything herein, the Debtors may terminate the ADR Procedures at any time prior to serving the Arbitration Notice and proceed to litigation of the Designated Claim as set forth herein.

2. *Litigation in the Bankruptcy Court*

If the Designated Claim is not resolved by the ADR Procedures (an "**Unresolved Designated Claim**"), litigation of such Unresolved Designated Claim shall proceed in the Bankruptcy Court by the commencement by the Debtors of proceedings consistent with the terms, conditions, and limitations set forth in the Claims Procedures Order or other applicable procedures or orders, as soon as reasonably practicable upon completion of the ADR Procedures for the Unresolved Designated Claim, to the extent that (a) the Bankruptcy Court has subject matter jurisdiction over the Unresolved Designated Claim and (b) the Unresolved Designated Claim is not subject to the abstention provisions of 28 U.S.C. § 1334(c). Disputes over the subject matter jurisdiction of the Bankruptcy Court or the application of abstention shall be determined by the Bankruptcy Court.

3. *Litigation in Other Courts*

If the Unresolved Designated Claim cannot be adjudicated in the Bankruptcy Court as a result of abstention or because of lack of or limitations upon subject matter jurisdiction (as determined by the Bankruptcy Court), then, subject to the terms and conditions set forth in Section II.E.4 below, litigation of such Unresolved Designated Claim shall proceed (a) if the Unresolved Designated Claim was pending in a nonbankruptcy forum on the date the Debtors commenced their respective voluntary chapter 11 cases (the "**Commencement Date**"), then (i) in such nonbankruptcy forum, subject to the Debtors' right to seek removal or transfer of venue or (ii) in such other forum as determined by the Bankruptcy Court on request of the Debtors;[8] or (b) if the Unresolved Designated Claim was not pending in any forum on the

[8] The Debtors may elect to file a motion pursuant to 28 U.S.C.§ 157(b)(5) to remove to the United States District Court for the Southern District of New York any Unresolved Designated Claim (along with any other unliquidated and litigation claims asserted against the Debtors) where the underlying claim is a personal injury claim or wrongful death claim.

Commencement Date, then in the United States District Court for the Southern District of New York or such other nonbankruptcy forum that, as applicable, (i) has personal jurisdiction over the parties, (ii) has subject matter jurisdiction over the Unresolved Designated Claim, (iii) has in rem jurisdiction over the property involved in the Unresolved Designated Claim (if applicable) and (iv) is a proper venue. If necessary, any disputes regarding the applicability of this Section II.E.3 shall be determined by the Bankruptcy Court.

4. *Modification of the Automatic Stay*

If litigation of an Unresolved Designated Claim in a forum other than the Bankruptcy Court is required as set forth in Section II.E.3 above, the ADR Order provides that the automatic stay imposed by section 362 of the Bankruptcy Code, or any subsequent Plan Injunction (collectively, the "**Stay**"), shall be modified solely to the extent necessary to permit the liquidation of the amount of such Unresolved Designated Claim in the appropriate forum; *provided, however*, that any such liquidated claim (a) shall be subject to treatment under the applicable chapter 11 plan or plans confirmed in these cases; and (b) shall be treated as a general unsecured nonpriority claim against the Debtor identified in the judgment, unless otherwise determined and ordered by the Bankruptcy Court. No later than forty-five (45) days after the Bankruptcy Court determines that the terms of Section II.E.3 above applies to an Unresolved Designated Claim or at such other time as agreed to by the parties, the Debtors shall either (a) file a notice of such modification of the Stay (a "**Notice of Stay Modification**") with the Bankruptcy Court and serve a copy of such notice on the Designated Claimant and the Creditors' Committee or (b) file a motion seeking an order governing the terms upon which the Stay will be modified (a "**Stay Motion**") and serve such Stay Motion on the Designated Claimant and the Creditors' Committee. The Stay shall be modified solely to the extent set forth above (a) as of the date that is forty-five (45) days after the filing of a Notice of Stay Modification, unless the

Bankruptcy Court orders otherwise or the parties otherwise agree; or (b) as ordered by the Court in connection with a Stay Motion. If the Debtors fail to file a Notice of Stay Modification or a Stay Motion for any reason with respect to an Unresolved Designated Claim, the Stay shall remain in effect with respect to such Unresolved Designated Claim and the Designated Claimant may seek a determination of the Bankruptcy Court regarding whether and on what terms the Stay must be modified to permit litigation in a nonbankruptcy forum as set forth in Section II.E.3 above.

F. Failure to Comply with the ADR Procedures

If a Designated Claimant or the Debtors fail to comply with the ADR Procedures, negotiate in good faith, or cooperate as may be necessary to effectuate the ADR Procedures, the Bankruptcy Court may, after notice and a hearing, find such conduct to be in violation of the ADR Order or, with respect to a Designated Claimant, an abandonment of or failure to prosecute the Designated Claim, or both. Upon such findings, the Bankruptcy Court may, among other things, disallow and expunge the Designated Claim, in whole or part, or grant such other or further remedy deemed just and appropriate under the circumstances, including, without limitation, awarding attorneys' fees, other fees, and costs to the other party.

ANNEX 1

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

ALTERNATIVE DISPUTE RESOLUTION NOTICE

Service Date:

Claimant(s):

Claimant(s)' Address:

Designated Claim Number(s):

Amount(s) Stated in Proof(s) of Claim:

Deadline to Respond:

By this notice (the "**ADR Notice**"), Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors in possession (collectively, the "**Debtors**") designate the above-identified claim(s) (the "**Designated Claim(s)**") in the Debtors' chapter 11 cases and submit the Designated Claim(s) to alternative dispute resolution, pursuant to the procedures (the "**ADR Procedures**") established by the Order Pursuant to 11 U.S.C. § 105(a) and General Order M-390 Authorizing Implementation of Alternative Dispute Resolution Procedures, Including Mandatory Mediation (the "**ADR Order**"), entered by the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") on February 23, 2010. A complete copy of the ADR Procedures is enclosed for your reference.

The Debtors have reviewed your Designated Claim(s) and, pursuant to the ADR Procedures, offer the amounts set forth below for allowance of your Designated Claim(s) as [a] prepetition general unsecured nonpriority claim(s) in full satisfaction of the Designated Claim(s) (the "**Settlement Offer**").

*You are required to return this ADR Notice with a Claimant's Response (as defined below) to the Settlement Offer by no later than the **Deadline to Respond** indicated above.*

In addition, to the extent your most recent proofs) of claim **[does]/[do]** not: (a) state the correct amount of your Designated Claim(s); (b) expressly identify each and every cause of action and legal theory on which you base your Designated Claim(s); (c) include current, correct, and complete contact information of your counsel or other representative; or (d) provide all documents on which you rely in support of your Designated Claim(s), you hereby are requested to provide all such information and documentation with your Claimant's Response.

If you do not return this ADR Notice with the requested information and a Claimant's Response to the Settlement Offer to **[Debtor's Representative]** so that it is received by the Deadline to Respond, your Designated Claims will be subject to mandatory mediation as set forth in Section II.B of the ADR Procedures.

IN ADDITION, YOU ARE REQUIRED TO INDICATE EXPRESSLY WHETHER YOU CONSENT TO **BINDING ARBITRATION** IF YOUR DESIGNATED CLAIM(S) CANNOT BE SETTLED. PLEASE MARK THE BOX BELOW INDICATING WHETHER YOU (i) CONSENT TO **BINDING ARBITRATION** OR (ii) **DO NOT** CONSENT TO (AND SEEK TO **OPT OUT** OF) **BINDING ARBITRATION**. PLEASE NOTE THAT YOUR CONSENT TO **BINDING ARBITRATION** CANNOT SUBSEQUENTLY BE WITHDRAWN. IN ADDITION, ANY ATTEMPT TO OPT OUT OF **BINDING ARBITRATION** IN THE RESPONSE TO THIS ADR NOTICE SHALL BE INEFFECTIVE IF YOU PREVIOUSLY HAVE CONSENTED IN WRITING (EITHER PREPETITION OR POSTPETITION) TO **BINDING ARBITRATION** AS A MEANS TO RESOLVE YOUR CLAIM(S).

Details about the arbitration process, including the sharing of fees, are set forth in Section II.C of the ADR Procedures.

YOU MUST RESPOND TO THE FOLLOWING SETTLEMENT OFFER:

Settlement Offer: The Debtors offer you an allowed general unsecured, nonpriority claim in the amount of $_____ against **[Name of Debtor]** in full satisfaction of your Designated Claim(s), to be satisfied in accordance with any plan or plans of reorganization confirmed and implemented in the Debtors' chapter 11 cases.

The only permitted response (the "**Claimant's Response**") to the Settlement Offer are (a) acceptance of the Settlement Offer or (b) rejection of the Settlement Offer coupled with a counteroffer (a "**Counteroffer**"). Accordingly, please select your Claimant's Response below:

Please indicate below if you accept or reject the Debtors' Settlement Offer by marking the appropriate box. If you reject the Settlement Offer, please make your counteroffer where indicated.

☐ I/we agree to and accept the terms of the Settlement Offer.

or

☐ I/we reject the Settlement Offer. However, I/we will accept, and propose as a Counteroffer, the following allowed claim in full satisfaction of the Designated Claim(s), to be satisfied in accordance with any plan or plans of reorganization confirmed and

implemented in the Debtors' chapter 11 cases:

Debtor: _____
Amount: $_____
Priority: unsecured nonpriority claim (presumed) or ☐ other:*_____

**Note - If you choose a different priority, you must attach an explanation and any relevant documentation.*

Section II.A.3 of the ADR procedures sets forth the restrictions on Counteroffers. Your Counteroffer may not (a) improve the priority set forth in your most recent timely-filed proof of claim or amended proof of claim, or (b) exceed the lesser of the Claim Amount Cap (as defined in the ADR Order) or the amount set forth in your most recent timely-filed proof of claim(s) or amended proof of claim(s). You may not amend your proof of claim solely for the purpose of proposing a Counteroffer of a higher amount or a better priority.

Please indicate below whether you consent to binding arbitration for your Designated Claim(s) by marking the appropriate box.

☐ I/ WE CONSENT TO BINDING ARBITRATION.

or

☐ I/WE DO NOT CONSENT TO BINDING ARBITRATION.

[Signature of the Designated Claimant's Authorized Representative]

By: _____
Printed Name

ANNEX 2

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

NOTICE OF NONBINDING MEDIATION

Service Date:

Claimant(s):

Claimant(s)' Address:

Designated Claim Number(s):

Amount(s) Stated in Proof(s) of Claim:

Mediation Location:

By this Mediation Notice, Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors in possession (collectively, the "**Debtors**") submit the above-identified claim(s) (the "**Designated Claim(s)**") in the Debtors' chapter 11 cases to mediation, pursuant to the procedures (the "**ADR Procedures**") established by the Order Pursuant to 11 U.S.C. §105(a) and General Order M-390 Authorizing Implementation of Alternative Dispute Resolution Procedures, Including Mandatory Mediation, entered by the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") on February 23, 2010. The Debtors have been unable to resolve your Designated Claim(s) on a consensual basis with you through the Offer Exchange Procedures of the ADR Procedures, or the Offer Exchange Procedures otherwise were terminated as to your Designated Claim(s) as provided for in the ADR Procedures.

As provided for in the ADR Procedures, mediation shall be conducted in the Mediation Location set forth above, unless the parties agrees to a different location. As further provided in the ADR Procedures, you have ten (10) days to choose one of the individuals identified on the list of mediators enclosed with this Mediation Notice to conduct the mediation.

A complete copy of the ADR Procedures is enclosed for your reference. Please refer to Section II.C of the ADR Procedures, concerning mediation.

[Signature of the Debtors' Authorized Person]

ANNEX 3

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

NOTICE OF BINDING ARBITRATION

Service Date:

Claimant(s):

Claimant(s)' Address:

Designated Claim Number(s):

Amount(s) Stated in Proof(s) of Claim:

Arbitration Location:

By this Arbitration Notice, Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors in possession (collectively, the "**Debtors**") submit the above-identified claim(s) (the "**Designated Claim(s)**") in the Debtors' chapter 11 cases to **binding arbitration**, pursuant to the procedures (the "**ADR Procedures**") established by the Order Pursuant to 11 U.S.C. § 105(a) and General Order M-390 Authorizing Implementation of Alternative Dispute Resolution Procedures, Including Mandatory Mediation, entered by the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") on February 23, 2010. The Debtors have been unable to resolve your Designated Claim(s) on a consensual basis with you through the Offer Exchange Procedures of the ADR Procedures and or through binding mediation.

PLEASE NOTE THAT YOU HAVE CONSENTED (OR ARE DEEMED TO HAVE CONSENTED) TO BINDING ARBITRATION. THEREFORE, YOUR DESIGNATED CLAIM(S) WILL PROCEED TO BINDING ARBITRATION, PURSUANT TO THE ADR PROCEDURES.

As provided for in the ADR Procedures, an arbitrator will be appointed through the American Arbitration Association ("**AAA**"). The ADR Procedures require you and the

Debtors to share the administrative fees and costs of arbitration charged by the AAA and the arbitrator.

A complete copy of the ADR Procedures is enclosed for your reference. Please refer to Section II.C of the ADR Procedures, concerning binding arbitration.

[Signature of the Debtors' Authorized Person]

Exhibit B

Blackline of ADR Procedures

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

ALTERNATIVE DISPUTE RESOLUTION PROCEDURES

The alternative dispute resolution procedures (the "**ADR Procedures**") adopted in the chapter 11 cases of Motors Liquidation Company (f/k/a General Motors Corporation) ("**MLC**") and its affiliated debtors, as debtors in possession (collectively, the "**Debtors**"), are set forth below:

I. CLAIMS SUBJECT TO THE ADR PROCEDURES AND ADR INJUNCTION

A. Claims Subject to the ADR Procedures

1. The claims subject to the ADR Procedures (collectively, the "**Designated Claims**") include any and all claims (other than an Excluded Claim as defined below) designated by the Debtors under the notice procedures set forth below that assert or involve claims based on one or more of the following theories of recovery, whether or not litigation previously has been commenced by the claimant: (a) personal injury claims, (b) wrongful death claims, (c) tort claims, (d) product liability claims, (e) claims for damages arising from the rejection of an executory contract or unexpired lease with a Debtor under section 365 of the Bankruptcy Code~~,~~ ~~(f) indemnity claims~~ (excluding claims for damages arising from the rejection of executory contracts that relate primarily to environmental matters), (f) indemnity claims (excluding tax

indemnity claims relating to leveraged fixed equipment lease transactions and excluding indemnity claims relating to asbestos liability), (g) lemon law claims, to the extent applicable under section 6.15 of the Master Sale and Purchase Agreement by and between the Debtors and NGMCO, Inc., dated as of June 1, 2009, and as amended (the "**MPA**"), (h) warranty claims, to the extent applicable under section 6.15 of the MPA, ~~(i) environmental claims that constitute prepetition unsecured claims, (j) tax claims, and (k~~and (i) class action claims ("**Class Claims**"). The Debtors may identify as a Designated Claim any proof of claim asserted in these cases, other than Excluded Claims as defined in Section I.B below, if the Debtors believe, in their business judgment and sole discretion, that the ADR Procedures would promote the resolution of such claim and serve the intended objectives of the ADR Procedures.

2. The holders of the Designated Claims are referred to herein as the "**Designated Claimants**."

B. Excluded Claims

The Debtors shall not identify as a Designated Claim any proof of claim within any of the following categories (collectively, the "**Excluded Claims**"): (a) claims for which the automatic stay under section 362 of title 11 of the United States Code (the "**Bankruptcy Code**") was modified by prior order of this Court (the "**Bankruptcy Court**") to allow the litigation of the claim to proceed in another forum; (b) claims asserted in liquidated amounts of $500,000 or less; (c) asbestos-related claims ~~(other than indemnity claims); and (d~~; (d) environmental claims that constitute prepetition unsecured claims (including claims for damages arising from the rejection of executory contracts that relate primarily to environmental matters); and (e) claims subject to a separate order of the Bankruptcy Court providing for arbitration or mediation. Notwithstanding the foregoing, any of the Excluded Claims, any disputed postpetition administrative expenses, and any claims or counterclaims asserted by the Debtors may be

submitted to the ADR Procedures by agreement of the applicable Debtor and the applicable claimant or by further order of the Bankruptcy Court.

C. The ADR Injunction

Upon service of the ADR Notice (as defined below) on a Designated Claimant under Section II.A.1 below, such Designated Claimant (and any other person or entity asserting an interest in the relevant Designated Claim) shall be enjoined from commencing or continuing any action or proceeding in any manner or any place, including in the Bankruptcy Court, seeking to establish, liquidate, collect on, or otherwise enforce the Designated Claim(s) identified in the ADR Notice other than (1) through these ADR Procedures, or (2) pursuant to a plan or plans confirmed in the applicable Debtors' chapter 11 cases (collectively, the "**ADR Injunction**"). Notwithstanding the forgoing, the Debtors shall not be precluded from seeking to estimate any Designated Claim not subject to an accepted Claim Amount Cap in connection with confirmation or consummation of a plan or plans confirmed in the applicable Debtors' chapter 11 cases, or preclude the Designated Claimant from seeking estimation of its Designated Claim solely for voting purposes in connection with confirmation of a plan or plans confirmed in the applicable Debtors' chapter 11 cases. The ADR Injunction shall expire with respect to a Designated Claim only when that Designated Claim has been resolved or after the ADR Procedures have been completed as to that Designated Claim. Except as expressly set forth herein or in a separate order of the Bankruptcy Court, the expiration of the ADR Injunction shall not extinguish, limit, or modify the automatic stay established by section 362 of the Bankruptcy Code or any similar injunction that may be imposed upon the confirmation or effectiveness of a plan or plans in the applicable Debtors' chapter 11 cases (a "**Plan Injunction**"), and the automatic stay and the Plan Injunction shall remain in place to the extent then in effect.

II. THE ADR PROCEDURES

A. Offer Exchange Procedures

The first stage of the ADR Procedures will be the following offer exchange procedures, requiring the parties to exchange settlement offers and thereby providing an opportunity to resolve the underlying Designated Claim on a consensual basis without any further proceedings by the parties (the "**Offer Exchange Procedures**"). Rule 408 of the Federal Rules of Evidence shall apply to the ADR Procedures. Except as permitted by Rule 408, no person may rely on, or introduce as evidence in connection with any arbitral, judicial, or other proceeding, any offer, counteroffer, or any other aspect of the ADR Procedures.

1. *Designation of Designated Claims and Settlement Offer by the Debtors*

(a) At any time following the entry of an order approving the ADR Procedures (the "**ADR Order**") and subject to the terms and conditions in Sections I.A and I.B above, the Debtors may designate a Designated Claim for resolution through the ADR Procedures by serving upon the Designated Claimant, at the address listed on the Designated Claimant's most recently filed proof of claim or amended proof of claim, as well as to any counsel of record in these cases for the Designated Claimant, the following materials (collectively, the "**ADR Materials**"): (i) a notice that the Designated Claim has been submitted to the ADR Procedures (an "**ADR Notice**"),[2~~2~~3] (ii) a copy of the ADR Order, and (iii) a copy of these ADR Procedures. For transferred claims, the Debtors also will serve a copy of the ADR Materials on the transferee identified in the notice of transfer of claim.

(b) The ADR Notice will (i) advise the Designated Claimant that his or her Designated Claim has been submitted to the ADR Procedures; (ii) request that the Designated Claimant verify or, as needed, correct, clarify, or supplement, certain information regarding the Designated Claim (including the addresses for notices under the ADR Procedures); and (iii) include an offer by the Debtors to settle the Designated Claim (a "**Settlement Offer**"). The ADR Notice also will require the Designated Claimant to sign and return the ADR Notice along with the Claimant's Response (as defined in Section II.A.2 below) to the Debtors so that it is received by the Debtors no later than twenty-one (21) days[3~~3~~4] after the mailing of the ADR Notice (the "**Settlement Response Deadline**").

[2~~2~~3] The form of the ADR Notice is attached hereto as **Annex 1** and incorporated herein by reference. ~~Although the~~The Debtors anticipate that the ADR Notice will be substantially in the form of Annex ~~1,~~1; however, the Debtors reserve the right to modify the ADR Notice, as necessary or appropriate, consistent with the terms of the ADR Procedures.

[3~~3~~4] Bankruptcy Rule 9006(a) shall apply to all periods calculated in the ADR Procedures.

(c) If the Designated Claimant fails to sign and return the ADR Notice or to include a Claimant's Response (as defined below) with the returned ADR Notice by the Settlement Response Deadline, (i) the Offer Exchange Procedures will be deemed terminated with respect to the Designated Claim and (ii) the Designated Claim will be submitted to nonbinding mediation.

2. *The Claimant's Response*

The only permitted responses to a Settlement Offer (the "**Claimant's Response**") are (i) acceptance of the Settlement Offer, or (ii) rejection of the Settlement Offer coupled with a counteroffer (as further defined below, a "**Counteroffer**"). If the ADR Notice is returned without a response or with a response that is not a permitted response, the Designated Claim shall be treated as set forth in Section II.A.1(c) above.

3. *The Counteroffer*

The Counteroffer shall (i) provide all facts that substantiate the Designated Claim and that are sufficient for the Debtors to evaluate the validity and amount of the Designated Claim; (ii) provide all documents that the Designated Claimant contends support the Designated Claim; (iii) state the dollar amount of the Designated Claim (the "**Proposed Claim Amount**"), which may not (A) improve the priority set forth in the Designated Claimant's most recent timely filed proof of claim or amended proof of claim, or (B) exceed the lesser of the Claim Amount Cap (as defined in the ADR Order), if applicable, or the amount set forth in the Designated Claimant's most recent timely filed proof of claim or amended proof of claim (but may liquidate any unliquidated amounts expressly referenced in a proof of claim), with an explanation of the calculation and basis for the Proposed Claim Amount; and (iv) provide the name and address of counsel representing the Designated Claimant with respect to the Designated Claim, unless the Designated Claimant is a natural person, in which case the

Designated Claimant shall either provide the name of such counsel or state that he or she is appearing without counsel.

The Counteroffer is presumed to offer the allowance of the Designated Claim as a general unsecured claim in the Proposed Claim Amount against the Debtor identified in the applicable proof of claim. If the Debtors accept the Counteroffer, the Designated Claimant shall not seek recovery from the Debtors of any consideration other than the consideration ultimately distributed to holders of other allowed general unsecured claims against the relevant Debtor. A Counteroffer may not be for an unknown, unliquidated, or indefinite amount or priority, or the Designated Claim shall be treated as set forth in Section II.A.1(c) above.

4. *Consent to Subsequent Binding Arbitration*

As described in Sections II.B and II.C below, in the absence of a settlement at the conclusion of the Offer Exchange Procedures, Designated Claims shall proceed to nonbinding mediation and, if such mediation is unsuccessful, upon consent of the parties (including deemed consent based on prior contractual agreements), to binding arbitration. A Designated Claimant is required to notify the Debtors whether it consents to, and thereby seeks to participate in, binding arbitration in the event that its Designated Claim ultimately is not resolved through the Offer Exchange Procedures and the nonbinding mediation. A Designated Claimant shall make an election to either consent or not consent to binding arbitration by checking the appropriate box in the ADR Notice (an "**Opt-In/Opt-Out Election**"). Any Designated Claimant that does not consent to binding arbitration in its response to the ADR Notice may later consent in writing to binding arbitration, subject to the agreement of the Debtors. Consent to binding arbitration, once given, cannot subsequently be withdrawn without consent of the Debtors.

5. *The Debtors' Response to a Counteroffer*

The Debtors must respond to any Counteroffer within fifteen (15) days after their receipt of the Counteroffer (the "**Response Deadline**"), by returning a written response (as further defined below, each a "**Response Statement**"). The Response Statement shall indicate that the Debtors (a) accept the Counteroffer; or (b) reject the Counteroffer, with or without making a revised Settlement Offer (a "**Revised Settlement Offer**").

(a) *Failure to Respond*

If the Debtors fail to respond to the Counteroffer by the Response Deadline, (i) the Counteroffer will be deemed rejected by the Debtors; (ii) the Offer Exchange Procedures will be deemed terminated with respect to the Designated Claim; and (iii) the Designated Claim will be submitted to nonbinding mediation.

(b) *Revised Settlement Offer*

If the Debtors make a Revised Settlement Offer by the Response Deadline, the Designated Claimant may accept the Revised Settlement Offer by providing the Debtors with a written statement of acceptance no later than ten (10) days after the date of service of the Revised Settlement Offer (the "**Revised Settlement Offer Response Deadline**"). If the Designated Claimant does not accept the Revised Settlement Offer by the Revised Settlement Offer Response Deadline, the Revised Settlement Offer will be deemed rejected and the Designated Claim automatically will be submitted to nonbinding mediation.

(c) *Request for Additional Information*

The Debtors may request supplemental or clarification of information supplied in the Designated Claimant's most recently filed proof of claim to assist in a good faith evaluation of any particular Designated Claim. If the Debtors request additional information or documentation by the Response Deadline, the Designated Claimant shall serve ~~such~~ additional

information or documentation sufficient to permit the Debtors to evaluate the basis for the Designated Claim (with the exception, in the Designated Claimant's sole discretion, of privileged information or information prepared expressly in contemplation of litigation) so that it is received by the Debtors within fifteen (15) days after such request. If the Designated Claimant timely responds, the Debtors shall have fifteen (15) days to provide an amended Response Statement, which may include a Revised Settlement Offer as a counter to the Counteroffer. If the Debtors do not provide an amended Response Statement within this period, or if the Designated Claimant fails to provide the requested information or documentation within the time allotted, the Designated Claim will be submitted to nonbinding mediation.

6. *Offer Exchange Termination Date*

Upon mutual written consent, the Debtors and a Designated Claimant may exchange additional Revised Settlement Offers and Counteroffers for up to twenty (20) days after the later of (a) the Revised Settlement Offer Response Deadline or (b) the expiration of the applicable timeframes provided for in Section II.A.5(c) above with respect to requesting, receiving, and responding to additional information or documentation. Otherwise, the Offer Exchange Procedures shall conclude and terminate on the earliest of the following (the "**Offer Exchange Termination Date**"): (i) the date upon which the Designated Claim automatically advances to nonbinding mediation under the provisions set forth above; (ii) the date that any settlement offer for a Designated Claim is accepted under the procedures set forth above; (iii) the date upon which a Response Statement was served by the Debtors, if the Debtors notified the Designated Claimant in their Response Statement of the Debtors' intention to proceed directly to nonbinding mediation; or (iv) such earlier date as is agreed upon by the Debtors and the Designated Claimant.

7. *Ability to Settle Claims*

Nothing herein shall limit the ability of a Designated Claimant and the Debtors to settle a Designated Claim by mutual consent at any time. All such settlements shall be subject to the terms of Section II.D.2 below.

B. Nonbinding Mediation ("Mediation")

1. *Mediation Notice*

If the Debtors and the Designated Claimant do not settle the Designated Claim through the Offer Exchange Procedures, the Debtors shall serve a notice of nonbinding mediation, with a copy of the Designated Claimant's applicable proof(s) of claim attached, on the Designated Claimant no later than thirty (30) days after the Offer Exchange Termination Date, or as soon thereafter as is reasonably practicable.[45] The Mediation Notice will provide the Mediation Location (as such term is defined in Section II.B.2 below).

2. *Location and Appointment of the Mediator*

All Mediations shall be conducted in either (i) New York, New York; (ii) Detroit, Michigan; (iii) Dallas, Texas; or (iv) San Francisco, California (collectively, the "**Mediation Locations**"), unless the parties agree to a different location. Within ten (10) days after receiving the Mediation Notice, the Designated Claimant shall choose one of the individuals identified in a list of mediators annexed to the Mediation Notice and corresponding to the applicable Mediation Location to conduct the mediation (the "**Mediator**").

To the maximum extent practicable, the scheduling and location of Mediation sessions shall give due consideration to the convenience of the parties and the proximity of the

[45] The form of the Mediation Notice is attached hereto as **Annex 2** and incorporated herein by reference. The Debtors anticipate that the Mediation Notice will be substantially in the form of Annex 2; however, the Debtors reserve the right to modify the Mediation Notice, as necessary or appropriate, consistent with the terms of the ADR Procedures.

Designated Claimant. Notwithstanding the foregoing, within ten (10) business days after service of the Mediation Notice, the Designated Claimant may file a motion with the Bankruptcy Court, on notice to the Debtors and any previously appointed mediator, for an order directing that the Mediation be conducted in a different location (a "**Hardship Motion**") if the Designated Claimant can demonstrate that traveling to any of the Mediation Locations presents a "substantial hardship;" *provided, however*, that there shall be a rebuttable presumption that, absent other extraordinary facts, there is no "substantial hardship" imposed on a Designated Claimant if the primary representative for a Designated Claimant resides in a location that is less than 750 miles from the Mediation Location or is less than a three-hour plane trip from the Mediation Location (based on typical commercial schedules for the fastest route, excluding any layovers). While a Hardship Motion is pending, all deadlines under these ADR Procedures shall be suspended. If a Hardship Motion is granted, any alternative location shall be determined by the Bankruptcy Court, taking into account the convenience of the parties and any agreements reached by the parties. If the location of the Mediation is changed, (i) any Mediator appointed in the original location may be replaced by a Mediator in the new location (selected by mutual agreement of the parties or order of the Court), and (ii) the Bankruptcy Court may require that that the Debtors and the Designated Claimant share the costs of the Mediation.

3. *Mediation Rules*

The Mediation of Designated Claims shall be governed by the Mediator's regular procedures, except where expressly modified in the ADR Procedures. In the event of any conflict, the ADR Procedures shall control. Any party to a Mediation that fails to participate in good faith, on the terms described herein, may be subject to sanctions under Section II.F below.

(a) *Impartiality and Qualifications of Mediators*

A person appointed as a Mediator must (i) be an impartial, neutral person; (ii) have no financial or personal interest in the proceedings or, except when otherwise agreed by the parties, in any related matter; and (iii) upon appointment, disclose any circumstances likely to create a reasonable inference of bias. In the event a Mediator discloses circumstances likely to create a reasonable inference of bias, such Mediator may be replaced at the written request of either the Debtors or the Designated Claimant prior to the mediation.

(b) *Fees and Costs for Mediation*

For each Mediation conducted under these ADR Procedures, the Mediator selected to preside will be entitled to charge the mediation fees disclosed to, and agreed to by, the Debtors and the Designated Claimant. Unless the parties have expressly agreed otherwise in writing (either prepetition or postpetition) as part of an agreement to submit Designated Claims to Mediation, the Mediator's fees and the costs of any Mediation shall be shared equally by the Debtors and the Designated Claimant subject to the Sharing Cap (as such term is described in the ADR Order. For purposes of clarity, these costs shall not include travel expenses of the parties.

(c) *Pre-Mediation Briefing*

Unless the parties agree otherwise, on or before thirty (30) days prior to the scheduled Mediation, the Designated Claimant shall serve on the Mediator and the Debtors by electronic transmission or facsimile, at a minimum, and no later than by 6:00 p.m. (Eastern

Time), a nonconfidential, pre-Mediation statement (the "**Opening Statement**") not to exceed fifteen (15) pages, excluding any attachments, setting forth all of the Designated Claimant's claims and identifying each and every cause of action or theory the Designated Claimant asserts, including a short and plain statement of the facts and law upon which the Designated Claimant relies for recovery and maintains entitle it to relief. The Designated Claimant shall include, as exhibits or annexes to the Opening Statement, all documents (or summaries of voluminous documents), affidavits, and other evidentiary materials on which the Designated Claimant relies (with the exception, in the Designated Claimant's sole discretion, of privileged information or information prepared expressly in contemplation of litigation). Unless the parties agree otherwise, on or before fifteen (15) days after service of the Opening Statement, the Debtors shall serve on the Mediator and the Designated Claimant, by electronic transmission or facsimile, at a minimum, and no later than by 6:00 p.m. (Eastern Time), a nonconfidential response statement (the "**Mediation Response Statement**") not to exceed fifteen (15) pages, excluding attachments. The Designated Claimant shall receive copies of all exhibits to the Mediation Response Statement (with the exception, in the Debtors' sole discretion, of privileged information or information prepared expressly in contemplation of litigation). The Debtors shall provide copies of the Opening Statement and Mediation Response Statement to counsel to the statutory committee of unsecured creditors (the "**Creditors' Committee**") upon request, on a confidential basis. At the Mediator's discretion and direction, the parties may submit additional, confidential letters or statements to the Mediator, which shall receive "Mediator's-eyes-only" treatment.

(d) *The Mediation Session*

Unless otherwise agreed by the parties or as provided herein, the Mediation session must occur no later than sixty (60) days after the date on which the Mediator is appointed. Unless otherwise agreed by the parties, the Mediation session is open only to the parties and their respective counsel, and insurers (if any).

(e) *Treatment of Mediation Settlement*

If the Mediation results in a settlement of the Designated Claim, such settlement shall be subject to the terms of Section II.D below. If the Mediation of a Designated Claim does not result in a settlement of the Designated Claim, the Designated Claim shall be subject to Section II.C or II.E below.

(f) *Modification of the Mediation Procedures*

The Mediation procedures described herein may be modified upon the mutual written consent of the Debtors and the Designated Claimant.

C. Arbitration

1. *Binding Arbitration*

If the Designated Claimant and the Debtors have consented to binding arbitration under Section II.A.4 above, the Designated Claim will be arbitrated under the terms of this Section II.C if such claim is not resolved in the Offer Exchange Procedures or Mediation. If the Designated Claimant has expressly indicated that it does not consent to binding arbitration in its response to the ADR Notice and has not subsequently opted in to binding arbitration pursuant to Section II.A.4 above, the Designated Claim shall be resolved in the Bankruptcy Court by the Debtors' commencement of proceedings pursuant to the Bankruptcy Code, including without limitation, estimating or objecting to the Designated Claims. Any party to an arbitration that

fails to participate in the arbitration in good faith, on the terms described herein, may be subject to sanctions under Section II.F below.

2. *Arbitration Notice*

To initiate the arbitration process for a Designated Claim, the Debtors shall serve a notice of arbitration (the "**Arbitration Notice**"), with a copy of the Designated Claimant's applicable proof(s) of claim attached, on the Designated Claimant, the Creditors' Committee, and the American Arbitration Association (the "**AAA**").[~~5~~6]

3. *Arbitration Rules and Procedures*

For Designated Claims that are not designated by the Debtors as Complex Designated Claims (as defined below), the arbitration of all Designated Claims shall be conducted by a single arbitrator selected pursuant to the Commercial Arbitration Rules of the AAA. The arbitrator shall be governed by the commercial arbitration rules of the AAA then in effect (the "**Arbitration Rules**"), except where the Arbitration Rules are expressly modified in the ADR Procedures.[~~6~~7]

The Debtors may, at their discretion, designate certain Designated Claims as complex designated claims (the "**Complex Designated Claims**"). The arbitration of all Complex Designated Claims shall be conducted by a panel of three arbitrators selected pursuant to the Commercial Arbitration Rules of the AAA. The AAA Procedures for Large, Complex Commercial Disputes, in addition to the Commercial Rules of Arbitration, shall be used for arbitration of all Complex Designated Claims~~, in addition to the Commercial Rules of~~

[~~5~~6] The form of the Arbitration Notice is attached hereto as **Annex 3** and incorporated herein by reference. The Debtors anticipate that the Arbitration Notice will be substantially in the form of Annex 3; however, the Debtors reserve the right to modify the Arbitration Notice, as necessary or appropriate, consistent with the terms of the ADR Procedures.

[~~6~~7] In the event of any conflict between the Arbitration Rules and the ADR Procedures, the ADR Procedures shall control.

~~Arbitration.~~[7]; *provided, however*, unless otherwise agreed by the parties, (i) the AAA shall appoint a panel of three (3) arbitrators, as provided in this Section and Section II.C.3(g) and (ii) the arbitration hearing on a Complex Designated Claim must be held no later than ninety (90) days after the date of appointment of the arbitrator(s), as provided in Section II.C.3(k). Finally, the AAA Supplementary Rules for Class Arbitrations shall also be used for all Class Claims, including those related to class certification and the Class Determination Award (as defined in Rule 5 of the AAA Supplementary Rules for Class Arbitrations), except that the arbitrator(s) shall not make a Clause Construction Award (as defined in Rule 3 of the AAA Supplementary Rules for Class Arbitrations), or determine that a Class Claim is not arbitrable for failure for each class member to have entered into an arbitration agreement, the Court having specifically found that the ADR Procedures are applicable to Class Claims notwithstanding the absence of a written agreement to arbitrate.[8]

(a) *Governing Law*

The ADR Procedures, as they relate to arbitration proceedings, are governed by the Federal Arbitration Act, 9 U.S.C. §§ 1, *et seq*. (the "**Federal Arbitration Act**"), and the enforceability of an arbitration award is governed by Section 9 of the Federal Arbitration Act, except as modified herein.

(b) *Fees and Costs for Binding Arbitration; Sharing*

Unless the parties expressly have agreed otherwise in writing (either prepetition or postpetition) as part of an agreement to submit claims to binding arbitration, the fees and costs

~~[7] In the event of any conflict between the AAA Procedures for Large, Complex Commercial Disputes and the ADR Procedures, the ADR Procedures shall control.~~

[8] In the event of any conflict between the AAA Supplementary Rules for Class Arbitrations and the ADR Procedures, the ADR Procedures shall control.

charged by the AAA and the arbitrator(s) shall be shared equally by the Debtors and the Designated Claimant; *provided, however*, that the arbitrator(s), in the arbitrator(s)' sole discretion, may assess fees and costs against any party that the arbitrator(s) finds to be abusing or unduly delaying the arbitration process. The AAA shall submit invoices to the Designated Claimants and the Debtors according to the AAA's ordinary invoicing practices then in effect and subject to the AAA's ordinary payment terms then in effect. For purposes of clarity, these costs shall not include travel expenses of the parties.

(c) *Impartiality and Qualifications of Arbitrators*

In designating the arbitrator in accordance with the procedures described below, the AAA shall review the Arbitration Notice and the applicable Designated Claim. Any person appointed as an arbitrator must: (i) be an impartial, neutral person; (ii) be experienced (either from past arbitrations or former employment) in the law that is the subject of the Designated Claim; (iii) have no financial or personal interest in the proceedings or, except when otherwise agreed by the parties, in any related matter; and (iv) upon appointment, disclose any circumstances likely to create a reasonable inference of bias. In the event that an arbitrator discloses circumstances likely to create a reasonable inference of bias, such arbitrator may be replaced by the AAA at the written request of the Debtors or the Designated Claimant within ten (10) days after such disclosure.

(d) *Time and Location of Arbitration Hearings*

All arbitration hearings shall be conducted in either (i) New York, New York; (ii) Detroit, Michigan; (iii) Dallas, Texas; or (iv) San Francisco, California (collectively, the "**Arbitration Locations**"). To the maximum extent practicable, the scheduling and location of arbitration hearings shall give due consideration to the proximity of the Designated Claimant and

to the convenience of the parties to the Arbitration Location. Within ten (10) days of appointment, the arbitrator(s) shall conduct a preliminary hearing pursuant to AAA Commercial Arbitration Rule 20. Notwithstanding anything set forth herein or in the ADR Order to the contrary, the Creditors' Committee, through its counsel, shall be permitted to participate in the arbitration hearings to the same extent the Creditors' Committee would be permitted to participate in claims litigation in the Bankruptcy Court pursuant to sections 502, 1103, 1109(b), or any other applicable section of the Bankruptcy Code.

(e) *Appeals of Arbitration Awards*

All arbitration awards shall be final and binding. Other than the identities of the applicable Debtors and Designated Claimants, the claims register number(s) assigned to the applicable arbitrated Designated Claims and the priority and dollar amounts of the Designated Claims as awarded in the arbitration awards, and except as otherwise required by law or agreed upon by the parties, all arbitration awards shall be treated as confidential. No party shall have the right to appeal an arbitration award except pursuant to the appeal provisions of the Federal Arbitration Act, in which case any appeal must be to the United States District Court for the Southern District of New York. Any appeal shall be governed by the Federal Arbitration Act. The parties shall have ten (10) days from the date the arbitration award is served to appeal such award. Failure to timely appeal shall result in the loss of any appeal rights. Once any appeal has concluded or appellate rights are waived, the Debtors shall update the claims docket in their chapter 11 cases accordingly and may file any notice of the liquidated amount of the Designated Claim that they deem necessary or appropriate for such purpose.

(f) *Modification of the Arbitration Procedures*

The arbitration procedures described herein may be modified only upon the mutual consent of the Debtors and the Designated Claimant. In addition, the Debtors shall consult with the Creditors' Committee prior to any modification to the arbitration procedures.

(g) *Appointment of the Arbitrator*

Within 5 five days of receiving the applicable Arbitration Notice, the AAA shall commence the following procedures for the appointment of arbitrator(s) (the "**Appointment of Arbitrator(s) Procedures**") by concurrently sending by electronic transmission or facsimile, to the Debtors and the applicable Designated Claimant, an identical list of the names of at least eight (8) arbitrator candidates who meet the qualifications necessary for the matter.[9] The Debtors and the applicable Designated Claimant shall have seven (7) business days from the date this list is served to (i) strike two (2) names from the proposed list, (ii) list the remaining names in order of preference, and (iii) return the list to the AAA. In the event that the Designated Claim is not a Complex Designated Claim, the AAA shall appoint a single arbitrator from the name(s) not stricken, giving consideration first to the preferences of the parties and second to scheduling and the availability of the arbitrator. In the event that the Designated Claim is a Complex Designated Claim, the AAA shall appoint a panel of three (3) arbitrators from the name(s) not stricken, giving consideration first to the preferences of the parties and second to the scheduling and the availability of the arbitrators. The AAA shall appoint the arbitrator(s) in accordance with the Appointment of Arbitrator(s) Procedures within ten (10) business days of its receipt of the applicable Arbitration Notice.

(h) *Pre-Hearing Matters*

[9] If, for any reason, there are more than two parties to an arbitration, AAA shall identify a number of potential arbitrators equal to the number of parties, plus one, and the remaining selection proceedings shall otherwise govern. Affiliated entities are considered a single party for this purpose. The Creditors' Committee shall have no role in the arbitrator selection process.

Unless otherwise agreed to by the parties, any pre-hearing issues, matters or disputes (other than with respect to merits issues) shall be presented to the arbitrator(s) telephonically (or by such other method agreed to by the arbitrator(s) and the parties) for expeditious, final, and binding resolution. Upon a party's request, the arbitrator(s) may order that a substantive motion, such as a motion for summary judgment, be heard in person rather than telephonically. Any pre-hearing issue, matter, or dispute (other than with respect to merits issues) must be presented to the arbitrator(s) not later than fifteen (15) days prior to the arbitration hearing so as to permit the arbitrator(s) to review and rule upon the requests by telephonic or electronic communication at least five days prior to the arbitration hearing.

(i) *Discovery*

Unless the Designated Claim is a Complex Designated Claim, there shall be no interrogatories. Any requests for production of documents, electronically-stored information and things ("**Document Requests**") shall be made in writing and shall be limited to no more than twenty (20) requests, including discrete subparts. Items requested in the Document Requests must be produced within thirty (30) days after service of the Document Requests. All documents from discovery shall be confidential and shall not be (i) disclosed to any person or party not participating in the arbitration proceeding or (ii) used for any purpose other than in connection with the arbitration proceeding, except as provided herein. Notwithstanding the foregoing, upon request of the Creditors' Committee, the Debtors shall provide to the Creditors' Committee, on a confidential basis, copies of all discovery materials produced pursuant to this Section II.C.3(i) for any particular Designated Claim.

(j) *Pre-Arbitration Statement*

Unless otherwise agreed by the parties, on or before ten (10) days prior to the scheduled arbitration hearing, each party shall submit to the arbitrator(s) and serve on the other party or parties and the Creditors' Committee by overnight mail a pre-arbitration statement not to exceed fifteen (15) pages, excluding any attachments. On or before ten (10) days prior to the scheduled arbitration hearing, the Creditors' Committee may submit a short statement, not to exceed five (5) pages, to the arbitrator(s) and serve such statement on the parties to the arbitration.

(k) *Arbitration Hearing*

Unless otherwise agreed by the parties and the arbitrator(s) or as provided herein, the arbitration hearing on a Designated Claim must be held no later than ninety (90) days after the date of appointment of the arbitrator(s). The arbitration hearing is open only to the parties and their respective counsel, insurers (if any), and witnesses. In addition, notwithstanding anything else set forth herein or in the ADR Order to the contrary, the Creditors' Committee, through its counsel, shall be permitted to attend and participate in the arbitration hearing to the same extent the Creditors' Committee would be permitted to participate in claims litigation in the Bankruptcy Court, pursuant to sections 502, 1103, 1109(b), and any other applicable section of the Bankruptcy Code. Nonparty witnesses shall be sequestered. No posthearing briefs may be submitted, unless the arbitrator(s) requests briefs, in which case such briefing shall be subject to the issues, timing, and page limitations the arbitrator(s) imposes. There shall be no reply briefs.

(l) *Awards*

The arbitrator(s) shall issue a written, reasoned opinion and award (the "**Arbitration Award**") within fourteen (14) days after the arbitration hearing. The arbitrator(s) shall not be compensated for more than eight hours of deliberations on and preparation of the

Arbitration Award for a Designated Claim. Any Arbitration Award shall be an allowed general unsecured nonpriority claim against the Debtor identified in the Arbitration Award (or if no Debtor is identified in the Arbitration Award, the claim shall be deemed to be against the Debtor identified in the Designated Claimant's applicable proof of claim included with the service of the Arbitration Notice, unless otherwise ordered by the Bankruptcy Court). The Arbitration Award may not award a priority claim or otherwise determine the priority of the claim under the Bankruptcy Code; *provided, however*, that, within thirty (30) days after the issuance of an Arbitration Award, the Designated Claimant may seek relief from the Bankruptcy Court to determine that some or all of the Arbitration Award is subject to treatment as a priority claim if the Designated Claimant's applicable proof of claim filed as of the date of filing of the ADR Order asserted an entitlement to such priority. Further, no portion of a claim resulting from any Arbitration Award shall be allowed to the extent that it consists of (a) punitive damages; (b) interest, attorneys' fees, or other fees and costs, unless permissible under section 506(b) of the Bankruptcy Code; (c) an award under any penalty rate or penalty provision of the type specified in section 365(b)(2)(D) of the Bankruptcy Code; (d) amounts associated with obligations that are subject to disallowance under section 502(b) of the Bankruptcy Code; (e) specific performance, other compulsory injunctive relief, restrictive, restraining, or prohibitive injunctive relief or any other form of equitable remedy; or (f) any relief not among the foregoing but otherwise impermissible under applicable bankruptcy or nonbankruptcy law. The Debtors and the Creditors' Committee shall have the right within thirty (30) days after the issuance of an Arbitration Awards to file a motion seeking relief from the Bankruptcy Court to enforce the preceding sentence and obtain the disallowance of any portion of a claim included in an Arbitration Award in violation of clauses (a) through (f) herein. In all cases, the awarded claim

shall be subject to treatment in the Debtors' chapter 11 cases as set forth in any order(s) confirming a chapter 11 plan or plans, or in such other applicable order of the Bankruptcy Court. The entry of an Arbitration Award shall not grant the Designated Claimant any enforcement or collection rights.

D. Settlements of Designated Claims

1. *Settlements Permitted at Any Stage of the ADR Procedures*

Designated Claims may be settled by the Debtors and a Designated Claimant through the Offer Exchange Procedures, Mediation, or by agreement at any point during these ADR Procedures. Nothing herein shall prevent the parties from settling any claim at any time.

2. *Settlement Authority and Approvals*

Nothing herein shall limit, expand, or otherwise modify the Debtors' authority to settle claims pursuant to orders of the Bankruptcy Court then in effect, including without limitation the Order Pursuant to 11 U.S.C. § 105(a) and Fed. R. Bankr. P. 3007 and 9019(b) authorizing the Debtors to (i) File Omnibus Claims Objections and (ii) Establish Procedures for Settling Certain Claims, entered on October 6, 2006 [Docket No. 4180] (the "**Claims Procedures and Settlement Order**") and any future order(s) confirming a chapter 11 plan or plans in these cases (collectively, the "**Settlement Authority Orders**"). Any settlements of claims pursuant to, or in connection with, the ADR Procedures shall be approved consistent with the terms, conditions, and limitations set forth in the applicable Settlement Authority Orders. The Debtors shall be requested to seek Bankruptcy Court approval of such settlements only to the extent that (a) such approval is required by the terms of the Settlement Authority Orders or (b) the settlement falls outside of the authority granted in the Settlement Authority Orders and otherwise requires Bankruptcy Court approval.

E. Failure to Resolve a Designated Claim Through ADR Procedures

1. *Litigation Generally*

Claims not resolved through the ADR Procedures shall proceed to litigation for resolution. Notwithstanding anything herein, the Debtors may terminate the ADR Procedures at any time prior to serving the Arbitration Notice and proceed to litigation of the Designated Claim as set forth herein.

2. *Litigation in the Bankruptcy Court*

If the Designated Claim is not resolved by the ADR Procedures (an "**Unresolved Designated Claim**"), litigation of such Unresolved Designated Claim shall proceed in the Bankruptcy Court by the commencement by the Debtors of proceedings consistent with the terms, conditions, and limitations set forth in the Claims Procedures Order or other applicable procedures or orders, as soon as reasonably practicable upon completion of the ADR Procedures for the Unresolved Designated Claim, to the extent that (a) the Bankruptcy Court has subject matter jurisdiction over the Unresolved Designated Claim and (b) the Unresolved Designated Claim is not subject to the abstention provisions of 28 U.S.C. § 1334(c). Disputes over the subject matter jurisdiction of the Bankruptcy Court or the application of abstention shall be determined by the Bankruptcy Court.

3. *Litigation in Other Courts*

If the Unresolved Designated Claim cannot be adjudicated in the Bankruptcy Court as a result of abstention or because of lack of or limitations upon subject matter jurisdiction (as determined by the Bankruptcy Court), then, subject to the terms and conditions set forth in Section II.E.4 below, litigation of such Unresolved Designated Claim shall proceed (a) if the Unresolved Designated Claim was pending in a nonbankruptcy forum on the date the Debtors commenced their respective voluntary chapter 11 cases (the "**Commencement Date**"),

then (i) in such nonbankruptcy forum, subject to the Debtors' right to seek removal or transfer of venue or (ii) in such other forum as determined by the Bankruptcy Court on request of the Debtors;[10] or (b) if the Unresolved Designated Claim was not pending in any forum on the Commencement Date, then in the United States District Court for the Southern District of New York or such other nonbankruptcy forum that, as applicable, (i) has personal jurisdiction over the parties, (ii) has subject matter jurisdiction over the Unresolved Designated Claim, (iii) has in rem jurisdiction over the property involved in the Unresolved Designated Claim (if applicable) and (iv) is a proper venue. If necessary, any disputes regarding the applicability of this Section II.E.3 shall be determined by the Bankruptcy Court.

4. *Modification of the Automatic Stay*

If litigation of an Unresolved Designated Claim in a forum other than the Bankruptcy Court is required as set forth in Section II.E.3 above, the ADR Order provides that the automatic stay imposed by section 362 of the Bankruptcy Code, or any subsequent Plan Injunction (collectively, the "**Stay**"), shall be modified solely to the extent necessary to permit the liquidation of the amount of such Unresolved Designated Claim in the appropriate forum; *provided, however*, that any such liquidated claim (a) shall be subject to treatment under the applicable chapter 11 plan or plans confirmed in these cases; and (b) shall be treated as a general unsecured nonpriority claim against the Debtor identified in the judgment, unless otherwise determined and ordered by the Bankruptcy Court. No later than forty-five (45) days after the Bankruptcy Court determines that the terms of Section II.E.3 above applies to an Unresolved Designated Claim or at such other time as agreed to by the parties, the Debtors shall either (a)

[10] The Debtors may elect to file a motion pursuant to 28 U.S.C.§ 157(b)(5) to remove to the United States District Court for the Southern District of New York any Unresolved Designated Claim (along with any other unliquidated and litigation claims asserted against the Debtors) where the underlying claim is a personal injury claim or wrongful death claim.

file a notice of such modification of the Stay (a "**Notice of Stay Modification**") with the Bankruptcy Court and serve a copy of such notice on the Designated Claimant and the Creditors' Committee or (b) file a motion seeking an order governing the terms upon which the Stay will be modified (a "**Stay Motion**") and serve such Stay Motion on the Designated Claimant and the Creditors' Committee. The Stay shall be modified solely to the extent set forth above (a) as of the date that is forty-five (45) days after the filing of a Notice of Stay Modification, unless the Bankruptcy Court orders otherwise or the parties otherwise agree; or (b) as ordered by the Court in connection with a Stay Motion. If the Debtors fail to file a Notice of Stay Modification or a Stay Motion for any reason with respect to an Unresolved Designated Claim, the Stay shall remain in effect with respect to such Unresolved Designated Claim and the Designated Claimant may seek a determination of the Bankruptcy Court regarding whether and on what terms the Stay must be modified to permit litigation in a nonbankruptcy forum as set forth in Section II.E.3 above.

F. Failure to Comply with the ADR Procedures

If a Designated Claimant or the Debtors fail to comply with the ADR Procedures, negotiate in good faith, or cooperate as may be necessary to effectuate the ADR Procedures, the Bankruptcy Court may, after notice and a hearing, find such conduct to be in violation of the ADR Order or, with respect to a Designated Claimant, an abandonment of or failure to prosecute the Designated Claim, or both. Upon such findings, the Bankruptcy Court may, among other things, disallow and expunge the Designated Claim, in whole or part, or grant such other or further remedy deemed just and appropriate under the circumstances, including, without limitation, awarding attorneys' fees, other fees, and costs to the other party.

ANNEX 1

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

ALTERNATIVE DISPUTE RESOLUTION NOTICE

Service Date:

Claimant(s):

Claimant(s)' Address:

Designated Claim Number(s):

Amount(s) Stated in Proof(s) of Claim:

Deadline to Respond:

By this notice (the "**ADR Notice**"), Motors Liquidation Company (f/k/a General Motors ~~Coporation~~Corporation) and its affiliated debtors, as debtors in possession (collectively, the "**Debtors**") designate the above-identified claim(s) (the "**Designated Claim(s)**") in the Debtors' chapter 11 cases and submit the Designated Claim(s) to alternative dispute resolution, pursuant to the procedures (the "**ADR Procedures**") established by the Order Pursuant to 11 U.S.C. § 105(a) and General Order M-390 Authorizing Implementation of Alternative Dispute Resolution Procedures, Including Mandatory Mediation (the "**ADR Order**"), entered by the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") on February ~~__~~23, 2010. A complete copy of the ADR Procedures is enclosed for your reference.

The Debtors have reviewed your Designated Claim(s) and, pursuant to the ADR Procedures, offer the amounts set forth below for allowance of your Designated Claim(s) as [a] prepetition general unsecured nonpriority claim(s) in full satisfaction of the Designated Claim(s) (the "**Settlement Offer**").

*You are required to return this ADR Notice with a Claimant's Response (as defined below) to the Settlement Offer by no later than the **Deadline to Respond** indicated above.*

In addition, to the extent your most recent proofs) of claim **[does]/[do]** not: (a) state the correct amount of your Designated Claim(s); (b) expressly identify each and every cause of action and legal theory on which you base your Designated Claim(s); (c) include current, correct, and complete contact information of your counsel or other representative; or (d) provide all documents on which you rely in support of your Designated Claim(s), you hereby are requested to provide all such information and documentation with your Claimant's Response.

If you do not return this ADR Notice with the requested information and a Claimant's Response to the Settlement Offer to **[Debtor's Representative]** so that it is received by the Deadline to Respond, your Designated Claims will be subject to mandatory mediation as set forth in Section II.B of the ADR Procedures.

IN ADDITION, YOU ARE REQUIRED TO INDICATE EXPRESSLY WHETHER YOU CONSENT TO **BINDING ARBITRATION** IF YOUR DESIGNATED CLAIM(S) CANNOT BE SETTLED. PLEASE MARK THE BOX BELOW INDICATING WHETHER YOU (i) CONSENT TO **BINDING ARBITRATION** OR (ii) **DO NOT** CONSENT TO (AND SEEK TO **OPT OUT** OF) **BINDING ARBITRATION**. PLEASE NOTE THAT YOUR CONSENT TO **BINDING ARBITRATION** CANNOT SUBSEQUENTLY BE WITHDRAWN. IN ADDITION, ANY ATTEMPT TO OPT OUT OF **BINDING ARBITRATION** IN THE RESPONSE TO THIS ADR NOTICE SHALL BE INEFFECTIVE IF YOU PREVIOUSLY HAVE CONSENTED IN WRITING (EITHER PREPETITION OR POSTPETITION) TO **BINDING ARBITRATION** AS A MEANS TO RESOLVE YOUR CLAIM(S).

Details about the arbitration process, including the sharing of fees, are set forth in Section II.C of the ADR Procedures.

YOU MUST RESPOND TO THE FOLLOWING SETTLEMENT OFFER:

Settlement Offer: The Debtors offer you an allowed general unsecured, nonpriority claim in the amount of $_____ against **[Name of Debtor]** in full satisfaction of your Designated Claim(s), to be satisfied in accordance with any plan or plans of reorganization confirmed and implemented in the Debtors' chapter 11 cases.

The only permitted response (the "**Claimant's Response**") to the Settlement Offer are (a) acceptance of the Settlement Offer or (b) rejection of the Settlement Offer coupled with a counteroffer (a "**Counteroffer**"). Accordingly, please select your Claimant's Response below:

Please indicate below if you accept or reject the Debtors' Settlement Offer by marking the appropriate box. If you reject the Settlement Offer, please make your counteroffer where indicated.

☐ I/we agree to and accept the terms of the Settlement Offer.

or

☐ I/we reject the Settlement Offer. However, I/we will accept, and propose as a Counteroffer, the following allowed claim in full satisfaction of the Designated Claim(s), to be satisfied in accordance with any plan or plans of reorganization confirmed and

implemented in the Debtors' chapter 11 cases:

Debtor: _____
Amount: $_____
Priority: unsecured nonpriority claim (presumed) or ☐ other:*_____

**Note - If you choose a different priority, you must attach an explanation and any relevant documentation.*

Section II.A.3 of the ADR procedures sets forth the restrictions on Counteroffers. Your Counteroffer may not (a) improve the priority set forth in your most recent timely-filed proof of claim or amended proof of claim, or (b) exceed the lesser of the Claim Amount Cap (as defined in the ADR Order) or the amount set forth in your most recent timely-filed proof of claim(s) or amended proof of claim(s). You may not amend your proof of claim solely for the purpose of proposing a Counteroffer of a higher amount or a better priority.

Please indicate below whether you consent to binding arbitration for your Designated Claim(s) by marking the appropriate box.

☐ I/ WE CONSENT TO BINDING ARBITRATION.

or

☐ I/WE DO NOT CONSENT TO BINDING ARBITRATION.

[Signature of the Designated Claimant's Authorized Representative]

By: _____
Printed Name

ANNEX 2

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

NOTICE OF NONBINDING MEDIATION

Service Date:

Claimant(s):

Claimant(s)' Address:

Designated Claim Number(s):

Amount(s) Stated in Proof(s) of Claim:

Mediation Location:

By this Mediation Notice, Motors Liquidation Company (f/k/a General Motors ~~Coporation~~Corporation) and its affiliated debtors, as debtors in possession (collectively, the "**Debtors**") submit the above-identified claim(s) (the "**Designated Claim(s)**") in the Debtors' chapter 11 cases to mediation, pursuant to the procedures (the "**ADR Procedures**") established by the Order Pursuant to 11 U.S.C. §105(a) and General Order M-390 Authorizing Implementation of Alternative Dispute Resolution Procedures, Including Mandatory Mediation, entered by the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") on February ~~__~~23, 2010. The Debtors have been unable to resolve your Designated Claim(s) on a consensual basis with you through the Offer Exchange Procedures of the ADR Procedures, or the Offer Exchange Procedures otherwise were terminated as to your Designated Claim(s) as provided for in the ADR Procedures.

As provided for in the ADR Procedures, mediation shall be conducted in the Mediation Location set forth above, unless the parties agrees to a different location. As further provided in the ADR Procedures, you have ten (10) days to choose one of the individuals identified on the list of mediators enclosed with this Mediation Notice to conduct the mediation.

A complete copy of the ADR Procedures is enclosed for your reference. Please refer to Section II.C of the ADR Procedures, concerning mediation.

[Signature of the Debtors' Authorized Person]

ANNEX 3

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

NOTICE OF BINDING ARBITRATION

Service Date:

Claimant(s):

Claimant(s)' Address:

Designated Claim Number(s):

Amount(s) Stated in Proof(s) of Claim:

Arbitration Location:

By this Arbitration Notice, Motors Liquidation Company (f/k/a General Motors ~~Coporation~~Corporation) and its affiliated debtors, as debtors in possession (collectively, the "**Debtors**") submit the above-identified claim(s) (the "**Designated Claim(s)**") in the Debtors' chapter 11 cases to **binding arbitration**, pursuant to the procedures (the "**ADR Procedures**") established by the Order Pursuant to 11 U.S.C. § 105(a) and General Order M-390 Authorizing Implementation of Alternative Dispute Resolution Procedures, Including Mandatory Mediation, entered by the United States Bankruptcy Court for the Southern District of New York (the "**Bankruptcy Court**") on February ~~—~~23, 2010. The Debtors have been unable to resolve your Designated Claim(s) on a consensual basis with you through the Offer Exchange Procedures of the ADR Procedures and or through binding mediation.

PLEASE NOTE THAT YOU HAVE CONSENTED (OR ARE DEEMED TO HAVE CONSENTED) TO BINDING ARBITRATION. THEREFORE, YOUR DESIGNATED CLAIM(S) WILL PROCEED TO BINDING ARBITRATION, PURSUANT TO THE ADR PROCEDURES.

As provided for in the ADR Procedures, an arbitrator will be appointed through the American Arbitration Association ("**AAA**"). The ADR Procedures require you and the

Debtors to share the administrative fees and costs of arbitration charged by the AAA and the arbitrator.

A complete copy of the ADR Procedures is enclosed for your reference. Please refer to Section II.C of the ADR Procedures, concerning binding arbitration.

[Signature of the Debtors' Authorized Person]

Exhibit D

Form of Capping Claim Letter

[Date]

BY E-MAIL AND FIRST CLASS MAIL

Motors Liquidation Company
~~500 Renaissance Center, Suite 1400~~
~~Detroit, Michigan 48243~~
2101 Cedar Springs Road, Suite 1100
Dallas, TX 75201
Attn.: ~~Carrianne Basler~~ADR Claims Team
~~cbasler@alixpartners.com~~
claims@motorsliquidation.com

Re: In re Motors Liquidation Company, *et al.* ("Debtors")
Case No. 09-50026 (REG) – Capping Claim Letter

Dear ~~Ms. Basler~~Motors Liquidation Company,

By this letter, I, the undersigned, am the below-referenced claimant, or an authorized signatory for the below-referenced claimant, and hereby submit my claim to the capping procedures established in the Order Pursuant to 11 U.S.C. § 105(a) and General Order M-390 Authorizing Implementation of Alternative Dispute Procedures, Including Mandatory Mediation (the "**ADR Procedures**") [Docket No. ____] entered by the United States Bankruptcy Court for the Southern District of New York on February ~~__~~23, 2010.

Accordingly, I hereby propose to cap my claim at ~~$[____]~~the amount specified below (the "**Claim Amount Cap**") ~~from the original [$[____]/ or unliquidated amount] claim amount (the "**Claim Amount**")~~.

Claimant's Name	Proof of Claim No.	Original Filed Amount	Claim Amount Cap

I understand and agree that the Claim Amount Cap includes all damages and relief to which I believe I am entitled, including all interest, taxes, attorney's fees, other fees, and costs. ~~To the extent~~If the Claim Amount Cap is accepted by the Debtors, I understand that I am required to submit my claim to the ADR Procedures and acknowledge that my claim may be a "Designated Claim" as such term is used under the ADR Procedures.

Very truly yours,

By _____
Address _____
State _____
~~Proof of Claim No.~~ _____

cc: Pablo Falabella, Esq.
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
pablo.falabella@weil.com

Document comparison by Workshare Professional on Monday, February 22, 2010 11:01:48 PM

Input:	
Document 1 ID	interwovenSite://USDMS/US_ACTIVE/43300431/2
Description	#43300431v2<US_ACTIVE> - Use for ADR Blackline Original
Document 2 ID	interwovenSite://USDMS/US_ACTIVE/43297971/6
Description	#43297971v6<US_ACTIVE> - MLC- Proposed Order re ADR Procedures
Rendering set	standard

Legend:	
Insertion	
~~Deletion~~	
~~Moved from~~	
Moved to	
Style change	
Format change	
~~Moved deletion~~	
Inserted cell	
Deleted cell	
Moved cell	
Split/Merged cell	
Padding cell	

Statistics:	
	Count
Insertions	105
Deletions	57
Moved from	2
Moved to	2
Style change	0
Format changed	0
Total changes	166

Exhibit C

Schedule of Mediators

Schedule of Mediators

Dallas, Texas

Name	Experience
Burdin, Mary	Personal injury, products liability
Damuth, Brenda J.	Personal injury, products liability
Grissom, Jerry	Class actions, personal injury, products liability
Hale, Earl F.	Complex business disputes
Lopez, Hon. Carlos G.	Personal injury, products liability
Martin, Hon. Harlan	Complex business disputes, personal injury, products liability
Nolland, Christopher	Complex business disputes, class actions
Parker, Walter E. "Rip"	Personal injury, products liability, complex disputes
Pryor, Will	Personal injury, products liability, complex business disputes
Rubenstein, Kenneth J.	Personal injury, products liability; complex disputes
Young, James	Class actions, complex business disputes, insurance disputes, personal injury

New York, New York

Name	Experience
Carling, Francis	Products liability, personal injury
Cyganowski, Melanie	Complex business disputes
Ellerin, Hon. Betty	Complex business disputes, products liability, personal injury, class actions
Farber, Eugene I.	Products liability
Feerick, Kevin	Complex business disputes, products liability
Gafni, Abraham J.	Complex business disputes, products liability, personal injury
Holtzman, Eric H.	Products liability
Hyman, Ms. Chris Stern	Insurance disputes
Leber, Bernice K.	Complex business disputes
Levin, Jack P.	Class actions, breach of warranty claims, products liability
McAllister, Michael T.	Personal injury, products liability
McLaughlin, Hon. Joseph T.	Complex business disputes, class actions
Ricchiuti, Joseph F.	Complex business disputes, products liability, personal injury, class actions
Silbermann, Hon. Jacqueline W.	Complex business disputes, products liability, personal injury, class actions
Woodin, Peter H.	Complex business disputes, products liability, personal injury, class actions

Detroit, Michigan

Name	Experience
Connor, Laurence D.	Complex business disputes
Harrison, Michael G.	Personal injury
Kaufman, Richard C.	Personal injury
Muth, Jon R.	Complex business disputes, class actions
Pappas, Edward H.	Complex business disputes, products liability
von Ende, Carl H.	Complex business disputes

San Fancisco, California

Name	Experience
Cahill, Hon. William J.	Complex business disputes, products liability, personal injury, class actions
Cowett, Hon. Patricia Ann Yim	Personal injury
Donnet, Toni-Diane	Consumer litigation, personal injury
Glavis, Greta	Personal injury, complex business disputes
Infante, Hon. Edward A.	Complex business disputes
Komar, Hon. Jack	Products liability class actions, mass torts
Lynch, Hon. Eugene F.	Complex business disputes
McPharlin, Linda Hendrix	Complex business disputes
Schau, Jan Frankel	Personal injury, products liability
Smith, Hon. Fern M.	Complex business disputes, products liability, personal injury, class actions
Spieczny, Nancy J.	Personal injury
Tucker, William J.	Personal injury, complex business disputes
Wied, Colin W.	Complex business disputes, personal injury, products liability
Wulff, Randall W.	Complex business disputes, products liability, class actions

Exhibit D

Form of Capping Claim Letter

[Date]

BY E-MAIL AND FIRST CLASS MAIL

Motors Liquidation Company
2101 Cedar Springs Road, Suite 1100
Dallas, TX 75201
Attn.: ADR Claims Team
claims@motorsliquidation.com

Re: In re Motors Liquidation Company, *et al.* ("Debtors")
Case No. 09-50026 (REG) – Capping Claim Letter

Dear Motors Liquidation Company,

By this letter, I, the undersigned, am the below-referenced claimant, or an authorized signatory for the below-referenced claimant, and hereby submit my claim to the capping procedures established in the Order Pursuant to 11 U.S.C. § 105(a) and General Order M-390 Authorizing Implementation of Alternative Dispute Procedures, Including Mandatory Mediation (the "**ADR Procedures**") [Docket No. ____] entered by the United States Bankruptcy Court for the Southern District of New York on February 23, 2010.

Accordingly, I hereby propose to cap my claim at the amount specified below (the "**Claim Amount Cap**").

Claimant's Name	Proof of Claim No.	Original Filed Amount	Claim Amount Cap

I understand and agree that the Claim Amount Cap includes all damages and relief to which I believe I am entitled, including all interest, taxes, attorney's fees, other fees, and costs. If the Claim Amount Cap is accepted by the Debtors, I understand that I am required to submit my claim to the ADR Procedures and acknowledge that my claim may be a "Designated Claim" as such term is used under the ADR Procedures.

Very truly yours,

By _____
Address _____
State _____

cc: Pablo Falabella, Esq.
Weil, Gotshal & Manges LLP
767 Fifth Avenue
New York, NY 10153
pablo.falabella@weil.com

Exhibit F

HEARING DATE AND TIME: December 2, 2010 at 9:45 a.m. (Eastern Time)
OBJECTION DEADLINE: November 24, 2010 at 4:00 p.m. (Eastern Time)

Harvey R. Miller
Stephen Karotkin
Joseph H. Smolinsky
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
Telephone: (212) 310-8000
Facsimile: (212) 310-8007

Attorneys for Debtors
and Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

NOTICE OF HEARING ON MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT TO 11 U.S.C. § 502(c) AUTHORIZING ESTIMATION OF DEBTORS' AGGREGATE LIABILITY FOR ASBESTOS PERSONAL INJURY CLAIMS AND ESTABLISHING SCHEDULE FOR ESTIMATION PROCEEDING

PLEASE TAKE NOTICE that upon the annexed Motion, dated November 15, 2010 (the "**Motion**"), of Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors in possession (collectively, the "**Debtors**"), for an order, pursuant to sections 502(c) of title 11, United States Code (the "**Bankruptcy Code**") authorizing the estimation of the Debtors' aggregate liability for asbestos personal injury claims and establishing a schedule for an estimation proceeding before the Court, all as more fully set forth in the Motion, a hearing will be held before the Honorable Robert E. Gerber, United States Bankruptcy Judge, in Room 621 of the United States Bankruptcy Court for the Southern District

of New York, One Bowling Green, New York, New York 10004, on **December 2**, **2010 at 9:45 a.m. (Eastern Time),** or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that any responses or objections to this Motion must be in writing, shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, and shall be filed with the Bankruptcy Court (a) electronically in accordance with General Order M-399 (which can be found at www.nysb.uscourts.gov) by registered users of the Bankruptcy Court's filing system, and (b) by all other parties in interest, on a CD-ROM or 3.5 inch disk, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Bankruptcy Court and General Order M-399, to the extent applicable, and served in accordance with General Order M-399 and on (i) Weil, Gotshal & Manges LLP, attorneys for the Debtors, 767 Fifth Avenue, New York, New York 10153 (Attn: Harvey R. Miller, Esq., Stephen Karotkin, Esq., and Joseph H. Smolinsky, Esq.); (ii) the Debtors, c/o Motors Liquidation Company, 500 Renaissance Center, Suite 1400, Detroit, Michigan 48243 (Attn: Ted Stenger); (iii) General Motors, LLC, 400 Renaissance Center, Detroit, Michigan 48265 (Attn: Lawrence S. Buonomo, Esq.); (iv) Cadwalader, Wickersham & Taft LLP, attorneys for the United States Department of the Treasury, One World Financial Center, New York, New York 10281 (Attn: John J. Rapisardi, Esq.); (v) the United States Department of the Treasury, 1500 Pennsylvania Avenue NW, Room 2312, Washington, D.C. 20220 (Attn: Joseph Samarias, Esq.); (vi) Vedder Price, P.C., attorneys for Export Development Canada, 1633 Broadway, 47th Floor, New York, New York 10019 (Attn: Michael J. Edelman, Esq. and Michael L. Schein, Esq.); (vii) Kramer Levin Naftalis & Frankel LLP, attorneys for the statutory committee of unsecured creditors, 1177 Avenue of the Americas, New York, New York 10036 (Attn: Thomas

Moers Mayer, Esq., Robert Schmidt, Esq., Lauren Macksoud, Esq., and Jennifer Sharret, Esq.); (viii) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Tracy Hope Davis, Esq.); (ix) the U.S. Attorney's Office, S.D.N.Y., 86 Chambers Street, Third Floor, New York, New York 10007 (Attn: David S. Jones, Esq. and Natalie Kuehler, Esq.); (x) Caplin & Drysdale, Chartered, attorneys for the official committee of unsecured creditors holding asbestos-related claims, 375 Park Avenue, 35th Floor, New York, New York 10152-3500 (Attn: Elihu Inselbuch, Esq. and Rita C. Tobin, Esq.) and One Thomas Circle, N.W., Suite 1100, Washington, DC 20005 (Attn: Trevor W. Swett III, Esq. and Kevin C. Maclay, Esq.); and (xi) Stutzman, Bromberg, Esserman & Plifka, A Professional Corporation, attorneys for Dean M. Trafelet in his capacity as the legal representative for future asbestos personal injury claimants, 2323 Bryan Street, Suite 2200, Dallas, Texas 75201 (Attn: Sander L. Esserman, Esq. and Robert T. Brousseau, Esq.), so as to be received no later than **November 24, 2010, at 4:00 p.m. (Eastern Time)** (the "**Objection Deadline**").

PLEASE TAKE FURTHER NOTICE that if no objections are timely filed and served with respect to the Motion, the Debtors may, on or after the Objection Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order annexed to the Motion, which order may be entered with no further notice or opportunity to be heard offered to any party.

Dated: New York, New York
November 15, 2010

/s/ Joseph H. Smolinsky
Harvey R. Miller
Stephen Karotkin
Joseph H. Smolinsky

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Attorneys for Debtors
and Debtors in Possession

HEARING DATE AND TIME: December 2, 2010 at 9:45 a.m. (Eastern Time)
OBJECTION DEADLINE: November 24, 2010 at 4:00 p.m. (Eastern Time)

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Attorneys for Debtors and
Debtors in Possession

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

MOTION OF DEBTORS FOR ENTRY OF ORDER PURSUANT TO 11 U.S.C. § 502(c) AUTHORIZING ESTIMATION OF DEBTORS' AGGREGATE LIABILITY FOR ASBESTOS PERSONAL INJURY CLAIMS AND ESTABLISHING SCHEDULE FOR ESTIMATION PROCEEDING

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BANKRUPTCY RULES

TO THE HONORABLE ROBERT E. GERBER,
UNITED STATES BANKRUPTCY JUDGE:

Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors in possession (collectively, the "**Debtors**"), respectfully represent:

Relief Requested

1. By this Motion, the Debtors request, pursuant to section 502(c) of title 11, United States Code (the "**Bankruptcy Code**"), that the Court estimate the Debtors' aggregate liability with respect to all present and future asbestos-related personal injury claims (the "**Asbestos Personal Injury Claims**"). Specifically, the Debtors request that the Court approve the proposed scheduling order annexed hereto (the "**Scheduling Order**"), which sets a timeline for an estimation proceeding before this Court.

2. Estimating the Debtors' aggregate liability for Asbestos Personal Injury Claims is required because, pursuant to the Debtors' Amended Joint Chapter 11 Plan which will be filed with the Court (the "**Plan**"), the Asbestos Trust Claim (as defined in the Plan) determines the appropriate ratable distribution to be made to the Asbestos Trust (as hereinafter defined) pursuant to the Plan. Under the terms of the Plan, the Asbestos Trust Claim is the claim in the amount of the Debtors' aggregate liability for Asbestos Personal Injury Claims in an amount that is either (i) mutually agreed upon by the Debtors, the statutory committee of unsecured creditors (the "**Creditors' Committee**"), the official committee of unsecured creditors holding Asbestos Personal Injury Claims (the "**Asbestos Claimants' Committee**"), and the Legal Representative for Future Asbestos Claimants (the "**FCR**") or (ii) ordered by the Court.

3. While the Debtors have been hopeful that the aggregate allowed amount of the Asbestos Personal Injury Claims could be set through negotiations among the relevant

parties, these ongoing discussions have not resulted in a settlement. As the Debtors move closer to confirming the Plan, the estimation of aggregate liability for Asbestos Personal Injury Claims is imperative in order to assure the efficient and expeditious administration of the Debtors' estates.

Jurisdiction

4. This Court has jurisdiction to consider this matter pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b) (2010).

Relevant Background

5. As the Court is aware, these cases clearly are not "asbestos chapter 11 cases." However, the Debtors have historically established reserves for liability with respect to Asbestos Personal Injury Claims. Prior to the deadline for filing claims in these chapter 11 cases, approximately 28,500 Asbestos Personal Injury Claims were filed against the Debtors.

6. On June 3, 2009, the Office of the United States Trustee for the Southern District of New York (the "**U.S. Trustee**") appointed the Creditors' Committee to represent the interests of all unsecured creditors in these chapter 11 cases. On March 2, 2010, the Asbestos Claimants' Committee was appointed by the U.S. Trustee to represent the interests of holders of present Asbestos Personal Injury Claims. On April 8, 2010, at the request of the Debtors, the Court entered an order appointing Dean M. Trafelet as the Future Claimants' Representative. The Future Claimants' Representative has represented the interests of holders of future Asbestos Personal Injury Claims in connection with the administration of these cases.

7. In obvious anticipation of the relief being sought in this Motion, each of the Debtors, the Creditors' Committee, the Asbestos Claimants' Committee, and the FCR have retained professionals to estimate the Debtors' liability for Asbestos Personal Injury Claims.

More specifically, the Debtors have retained Hamilton, Rabinovitz, & Associates, Inc.; the Creditors' Committee has retained Bates White, LLC; the Asbestos Claimants' Committee has retained Legal Analysis Systems, Inc.; and the FCR has retained Analysis Research Planning Corporation (collectively, the "**Asbestos Professionals**"). Each of the Asbestos Professionals is well known in its field of expertise, and each has been involved in a number of cases where it was retained to conduct the very same estimation that is the subject of this Motion and to provide expert testimony in an estimation hearing. Indeed, it is the Debtors' understanding that the Asbestos Professionals are well into the process and that the proposed schedule discussed below is reasonable, appropriate, and expected.

8. The Plan provides for, among other things, the creation of a post-confirmation trust (the "**Asbestos Trust**") to which all Asbestos Personal Injury Claims will be channeled. Specifically, the Asbestos Trust will, among other things, (i) direct the processing, liquidation, and payment of all Asbestos Personal Injury Claims in accordance with the Plan and the Asbestos Trust Distribution Procedures (as defined in the Plan) and (ii) preserve, hold, manage, and maximize the assets of the Asbestos Trust for use in paying and satisfying Asbestos Personal Injury Claims.

9. As stated, the Plan provides that the Asbestos Trust will be funded with its ratable share of the consideration to be distributed to holders of allowed general unsecured claims. This ratable share is premised on the aggregate amount of the Asbestos Personal Injury Claims, determined either by agreement or by the Court in an estimation hearing.

Need for Relief Requested

10. As indicated above, the Debtors were hopeful that the parties, through good-faith negotiations, could reach a consensus as to the Debtors' aggregate liability for

Asbestos Personal Injury Claims. Unfortunately, however, this has not occurred. In fact, as the Court is well aware, various protracted discovery disputes have arisen with respect to this matter and, in view of what appears to be an impasse, the only rational way to proceed is to schedule an estimation hearing to establish the Debtors' liability. It is also the Debtors' expectation that if a definitive timetable is scheduled, a more realistic and constructive attitude toward a consensual resolution will emerge.

11. Moreover, absent a settlement between the parties, a Court ordered estimation of the Debtors' Asbestos Personal Injury Claims is an important step for consummation of the Plan and timely distributions to creditors pursuant thereto. As the Court is aware, the Plan is essentially a "pot plan" for holders of Asbestos Personal Injury Claims and holders of other allowed general unsecured claims. That is, each holder of an allowed claim gets its ratable distribution of the consideration being distributed under the Plan – here, the fixed amount of stock and warrants of New GM (as defined in the Plan) received in connection with the 363 Transaction (as defined in the Plan). To the extent that the aggregate liability for Asbestos Personal Injury Claims has not been estimated (at least for reserve purposes), appropriate ratable shares cannot be determined and distributions to holders of allowed claims cannot be made. Accordingly, in order to avoid undue delay in distributions under the Plan, estimation of the liability is of paramount importance.[1]

[1] In the event that estimation of the Debtors' liability for Asbestos Personal Injury Claims is not completed prior to confirmation or consummation of the Plan, the Debtors intend to work with the parties to implement a mechanism for estimating the Asbestos Trust Claim (as defined in the Plan) for reserve purposes.

The Court Should Schedule Proceedings to Estimate the Debtors' Aggregate Liability for Asbestos Personal Injury Claims

12. Section 502(c) of the Bankruptcy Code authorizes the Court to estimate "any contingent or unliquidated claim, the fixing or liquidation of which, as the case may be, would unduly delay the administration of the case." 11 U.S.C. § 502(c). Estimation "provides a means for a bankruptcy court to achieve reorganization, and/or distributions on claims, without awaiting the results of [potentially protracted] legal proceedings." *In re Adelphia Bus. Solutions, Inc.*, 341 B.R. 415, 422 (Bankr. S.D.N.Y. 2003) (citing *In re Continental Airlines, Inc.*, 981 F.2d 1450, 1461 (5th Cir. 1993)); *In re Lionel LLC*, No. 04-17324, 2007 WL 2261539 at *2 (Bankr. S.D.N.Y. Aug. 3, 2007) (noting that, without estimation, lengthy proceedings result in "delayed distributions, which in turn, greatly devalue the claim of all creditors as they cannot use the assets until they receive them") (citation omitted).

13. Estimation of aggregate liability for asbestos-related personal injury claims is an integral step in the process of formulating and consummating a chapter 11 plan in a bankruptcy involving asbestos-related claims. *See, e.g.*, *In re Federal-Mogul Global Inc.*, 330 B.R. 133, 154 (D. Del. 2005) (objective of estimation proceeding is to establish estimated value of asbestos-related claims to formulate plan); *Owens Corning v. Credit Suisse First Boston (In re Owens Corning)*, 322 B.R. 719, 722 (D. Del. 2005) (aim of aggregate estimation is to measure overall value of claims and demands upon estate held by asbestos victims as a group, so that the entitlement of this constituency can be compared to those of any rival creditors and the shareholder in order to formulate a confirmable plan of reorganization).

14. In fact, an estimation hearing of the type being requested in this Motion is exactly what occurred in several other chapter 11 cases in order to facilitate confirmation and

consummation of a plan. *See In re Federal-Mogul*, 330 B.R. at 154 (estimating "aggregate [asbestos] liability for the creation of a trust"); *In re Owens Corning*, 322 B.R. 719 at 720; *In re Armstrong World Indus., Inc.*, 348 B.R. 111, 123 (D. Del. 2006); *In re Eagle-Picher Indus., Inc.*, 189 B.R. 681, 682 (Bankr. S.D. Ohio 1995) (estimating "present and future asbestos-related personal injury claims in the aggregate"); *In re G-I Holdings, Inc.*, 323 B.R. 583, 622 (Bankr. D. N.J. 2005).

15. "Furthermore, the Code requires estimation of all contingent or unliquidated claims which unduly delay the administration of the case." *In re Nat'l Gypsum Co.*, 139 B.R. 397, 405 (N.D. Tex. 1992) (internal quotations omitted); *Frito-Lay Inc. v. LTV Steel Co., Inc. (In re Chateaugay Corp.)*, 10 F.3d 944, 957 (2d Cir. 1993) (noting that Bankruptcy Court "must estimate" contingent and unliquidated claims); *In re RNI Wind Down Corp.*, 369 B.R. 174, 191 (Bankr. D. Del. 2007); *In re Lane*, 68 B.R. 609, 611 (Bankr. D. Haw. 1986) ("This duty [to estimate] is mandatory, since the language of [section 502(c)] states 'shall.'"). However, even absent a finding of undue delay or other requirement under section 502(c), it is within a court's sound discretion to estimate a claim. *See In re RNI*, 369 B.R. at 191. In view of the approximately 28,500 Asbestos Personal Injury Claims filed and the delay that would be occasioned in the absence of estimation, the Court certainly should exercise its discretion to hold an estimation hearing as requested in this Motion.

16. By estimating the Debtors' aggregate liability for Asbestos Personal Injury Claims, the Court will not be determining the distribution to be made under the Plan to each individual holder of an Asbestos Personal Injury Claim, and each such holder will be free to liquidate the ultimate allowance of his or her claim following confirmation of the Plan in accordance with the Asbestos Trust Distribution Procedures, thereby avoiding delayed

distributions to other creditors. *In re Federal-Mogul*, 330 B.R. at 154 (where the merits of individual claims are unaffected, estimation of aggregate liability does not violate due process rights of claimants); *In re G-I Holdings*, 323 B.R. at 607 (holding that the United States Constitution and 28 U.S.C. § 157(b) prevents Bankruptcy Courts from determining ultimate allowance and distribution of asbestos personal injury claims, but not its estimation for other purposes). "[A]n estimation of asbestos liability for the limited purposes of a plan formulation is a fruitful endeavor because it promotes the speed efficiency goals of the Bankruptcy Code, while not implicating the procedural rights of individual claimants." *In re Federal-Mogul Global, Inc.*, 330 B.R. at 154-55.

17. It is crucial for the Plan confirmation and consummation process that the Asbestos Trust Claim be estimated by the Court. As stated, there are approximately 28,500 Asbestos Personal Injury Claims pending against the Debtors and litigating each of these claims as a prerequisite to distributions to creditors simply is not feasible or necessary. *See Kane v. Johns Manville Corp. (In re Johns-Manville Corp.)*, 843 F.2d 636, 651 (2d Cir. 1988) (noting administration of case would be delayed unduly if even 6,400 proofs of claim relating to asbestos liability were separately considered for allowance); *In re G-I Holdings, Inc.*, 323 B.R. at 599-600 (noting that litigation of each and every asbestos claim would take years).

18. Based on the foregoing, the estimation requested herein is the only rational and logical way to proceed and will not prejudice any party in interest. The Debtors propose the following procedures and schedule for the asbestos estimation proceeding:[2]

[2] This schedule is proposed in accordance with the schedule set by the Anonymity Protocol Order (as defined below). It assumes completion of production of the Trust Information (as defined in the Anonymity Protocol Order) as of November 29, 2010, provided that all deadlines required by the Anonymity Protocol Order, prior to the completion of the production of the Trust Information, are met by the relevant parties. To the extent that the completion of the production of the Trust Information ends on

(a) The parties shall each be permitted one asbestos expert;

(b) All fact discovery demands shall be served no later than December 6, 2010 at 4:00 p.m. (Eastern Time), all responses in connection with any such fact discovery demands shall be filed no later than December 24, 2010 at 4:00 p.m. (Eastern Time), and all fact depositions shall be completed by December 31, 2010;

(c) The parties shall file and serve opening expert reports regarding the estimated amount of the Debtors' aggregate liability for Asbestos Personal Injury Claims by no later than January 11, 2011 at 4:00 p.m. (Eastern Time) (approximately six (6) weeks following completion of the production of the Trust Information);

(d) The parties shall file and serve rebuttal reports regarding the estimated amount of the Debtors' aggregate liability for Asbestos Personal Injury Claims by January 21, 2011 at 4:00 p.m. (Eastern Time) (ten (10) days following the deadline to file opening expert reports);

(e) Each party shall make its expert available to be deposed, with any such depositions to be completed by January 31, 2011 (ten (10) days following the deadline to file rebuttal expert reports);

(f) Any pre-trial briefs shall be filed by February 8, 2011 at 4:00 p.m. (Eastern Time) (eight (8) days following the deadline to complete depositions of the parties' respective experts);

(g) The parties shall exchange copies of all exhibits to be offered at the hearing on the estimation of the Debtors' aggregate liability for Asbestos Personal Injury Claims

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a date following November 29, 2010, this proposed schedule may need to be modified in accordance with such change.

and provide copies of any such exhibits to the Court by 4:00 p.m. (Eastern Time) five business days prior to the commencement of the estimation hearing;

(h) The Debtors will schedule a hearing to estimate the Debtors' aggregate liability for Asbestos Personal Injury Claims for the purposes of the Plan, which the Debtors propose to be a date in mid- to late February 2011.

19. Streamlined estimation proceedings are appropriate in these cases. Moreover, in view of the fact that the Asbestos Professionals have been engaged and working for a significant period of time, the proposed schedule is fair and reasonable. This Court has already ruled with respect to certain discovery requests in these chapter 11 cases as follows: (a) on August 24, 2010, the Court entered the Order Directing Production of Documents by (i) the Claims Processing Facilities for Certain Trusts Created Pursuant to Bankruptcy Code Section 524(g) and (ii) General Motors LLC and the Debtors (ECF No. 6749) and (b) on October 22, 2010, the Court entered the Order Concerning the Asbestos Claimants' Committee's Request for an Anonymity Protocol (ECF No. 7526) (the "**Anonymity Protocol Order**"), which provides a protocol (the "**Anonymity Protocol**") for the Creditors' Committee to obtain certain information in respect of prepetition asbestos personal injury lawsuits against the Debtors and sets a schedule in connection with same. Both in connection with and in addition to negotiations relating to the Anonymity Protocol, the Debtors believe that the parties have already considered the need for any additional fact discovery and discussed what information should be included in expert reports relating to the proposed estimation hearing. In light of the foregoing, the parties will not be prejudiced by the proposed schedule for the estimation hearing, including the proposed December 6, 2010 deadline for the service of fact discovery demands.

20. As set forth in detail above, absent a settlement between the parties regarding the amount of the Asbestos Trust Claim, distributions to creditors in these cases could be significantly delayed. While it is the Debtors' hope that the parties will continue to negotiate through the commencement of the estimation proceeding and reach a settlement prior thereto, the Debtors respectfully request that the Court approve the proposed Scheduling Order.

Notice

21. Notice of this Motion has been provided to parties in interest in accordance with the Third Amended Order Pursuant to 11 U.S.C. § 105(a) and Fed. R. Bankr. P. 1015(c) and 9007 Establishing Notice and Case Management Procedures, dated April 29, 2010 (ECF No. 5670). In addition, the Debtors will provide notice of this Motion to all holders of Asbestos Personal Injury Claims who have filed proofs of claim in these chapter 11 cases at the addresses set forth in such proofs of claim. The Debtors submit that such notice is sufficient and no other or further notice need be provided.

22. No previous request for the relief sought herein has been made by the Debtors to this or any other Court.

WHEREFORE the Debtors respectfully request entry of an order granting the relief requested herein and such other and further relief as is just.

Dated: New York, New York
November 15, 2010

/s/ Joseph H. Smolinsky
Harvey R. Miller
Stephen Karotkin
Joseph H. Smolinsky

WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153
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Attorneys for Debtors
and Debtors in Possession

HEARING DATE AND TIME: December 2, 2010 at 9:45 a.m. (Eastern Time)
OBJECTION DEADLINE: November 24, 2010 at 4:00 p.m. (Eastern Time)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

ORDER PURSUANT TO 11 U.S.C. § 502(c) AUTHORIZING ESTIMATION OF DEBTORS' AGGREGATE LIABILITY FOR ASBESTOS PERSONAL INJURY CLAIMS AND ESTABLISHING SCHEDULE FOR ESTIMATION PROCEEDING

Upon the Motion, dated November 15, 2010 (the "**Motion**"),[1] of Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors in possession (collectively, the "**Debtors**"), pursuant to section 502(c) of title 11, United States Code (the "**Bankruptcy Code**"), authorizing the estimation of the Debtors' aggregate liability with respect to Asbestos Personal Injury Claims and establishing a schedule for an estimation proceeding before the Court, all as more fully described in the Motion; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted as provided herein; and it is further

[1] Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

ORDERED that the Court will holding a hearing to estimate the Debtors' aggregate liability for Asbestos Personal Injury Claims; and it is further

ORDERED that the following deadlines and procedures shall govern the estimation proceeding:

(a) The parties shall each be permitted one asbestos expert;

(b) All fact discovery demands shall be served no later than December 6, 2010 at 4:00 p.m. (Eastern Time), all responses in connection with any such fact discovery demands shall be filed no later than December 24, 2010 at 4:00 p.m. (Eastern Time), and all fact depositions shall be completed by December 31, 2010;

(c) The parties shall file and serve opening expert reports regarding the estimated amount of the Debtors' aggregate liability for Asbestos Personal Injury Claims by no later than January 11, 2011 at 4:00 p.m. (Eastern Time);

(d) The parties shall file and serve rebuttal reports regarding the estimated amount of the Debtors' aggregate liability for Asbestos Personal Injury Claims by January 21, 2011 at 4:00 p.m. (Eastern Time);

(e) Each party shall make its expert available to be deposed, with any such depositions to be completed by January 31, 2011;

(f) Any pre-trial briefs shall be filed by February 8, 2011 at 4:00 p.m. (Eastern Time);

(g) The parties shall exchange copies of all exhibits to be offered at the hearing on the estimation of the Debtors' aggregate liability for Asbestos Personal Injury Claims and provide copies of any such exhibits to the Court by _____, 2011 at 4:00 p.m. (Eastern Time);

(h) The Court will hold a hearing to estimate the Debtors' aggregate asbestos personal injury liability on _____, 2011 at _:__ [].m. (Eastern Time); and it is further

ORDERED that the deadlines set forth above, except the date on which the estimation hearing will commence, may be modified by agreement of the parties or by an order of the Court upon showing of good cause; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York
_____, 2010

_____
United States Bankruptcy Judge

Exhibit H

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

ORDER (I) APPROVING NOTICE OF DISCLOSURE STATEMENT HEARING; (II) APPROVING DISCLOSURE STATEMENT; (III) ESTABLISHING A RECORD DATE; (IV) ESTABLISHING NOTICE AND OBJECTION PROCEDURES FOR CONFIRMATION OF THE PLAN; (V) APPROVING NOTICE PACKAGES AND PROCEDURES FOR DISTRIBUTION THEREOF; (VI) APPROVING THE FORMS OF BALLOTS AND ESTABLISHING PROCEDURES FOR VOTING ON THE PLAN; AND (VII) APPROVING THE FORMS OF NOTICES TO NON-VOTING CLASSES UNDER THE PLAN

Upon the Motion, dated September 3, 2010 (the "**Motion**"),[1] of Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors (collectively, the "**Debtors**"), pursuant to sections 105, 502, 1125, 1126, and 1128 of title 11, United States Code (the "**Bankruptcy Code**"), Rules 2002, 3017, 3018, and 3020 of the Federal Rules of Bankruptcy Procedure (the "**Bankruptcy Rules**"), and Rules 3017-1, 3018-1, and 3020-1 of the Local Bankruptcy Rules for the Southern District of New York (the "**Local Rules**") for entry of an order (i) approving notice of the Disclosure Statement Hearing provided by the Debtors, (ii) approving the Disclosure Statement under section 1125 of the Bankruptcy Code, (iii) establishing a record date for notice of the Confirmation Hearing and for voting on the

[1] Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

Plan, (iv) establishing notice and objection procedures with respect to the Confirmation Hearing and the Plan, (v) approving the Notice Packages and procedures for the distribution thereof, (vi) approving the forms of ballots and establishing procedures for voting on the Plan, and (vii) approving the forms of notice to non-voting classes under the Plan, all as more fully described in the Motion; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and hearings having been held on October 21, 2010, November 9, 2010, November 22, 2010, December 2, 2010, and December 7, 2010 (the "**Hearings**") to consider the relief requested in the Motion; and upon the record of the Hearings and all of the proceedings had before the Court; and the Court having reviewed the Motion and the objections thereto; and the Court having ruled on the objections to the Motion as reflected on the record of the Hearings; and the Debtors having filed a revised Disclosure Statement for Debtors' Amended Joint Chapter 11 Plan, dated December 8, 2010 (the "**Disclosure Statement**"), which incorporates the rulings made by the Court at the Hearings; and the Debtors having filed the Debtors' Amended Joint Chapter 11 Plan, dated December 7, 2010 (the "**Plan**"); and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

FOUND AND DETERMINED THAT:[2]

A. The Disclosure Statement contains adequate information within the meaning of section 1125 of the Bankruptcy Code.

[2] Findings of fact shall be construed as conclusions of law and conclusions of law shall be construed as findings of fact when appropriate. *See* Fed. R. Bankr. P. 7052.

B. The forms of ballots and master ballots, substantially in the forms annexed hereto as **Exhibit "A"** (the "**Ballots**" and, as applicable, the "**Ballots**," the "**Master Ballots**," and the "**Asbestos Master Ballots**"), are sufficiently consistent with Official Form 14, adequately address the particular needs of these chapter 11 cases, and are appropriate for each Class entitled to vote on the Plan.

C. Ballots need not be provided to the holders of (a) Claims in (i) Class 1 (Secured Claims), (ii) Class 2 (Priority Non-Tax Claims), and (iii) Class 4 (Property Environmental Claims) because they are unimpaired and, therefore, conclusively presumed to accept the Plan, and (b) interests in Class 6 (Equity Interests in MLC) because they will neither receive nor retain any property on account of such interests under the Plan and, therefore, are deemed to reject the Plan.

D. The period, set forth below, during which the Debtors may solicit acceptances of the Plan is a reasonable period of time for entities entitled to vote on the Plan to make an informed decision whether to accept or reject the Plan.

E. The procedures for the solicitation and tabulation of votes to accept or reject the Plan (as more fully set forth in the Motion) provide for a fair and equitable voting process and are consistent with section 1126 of the Bankruptcy Code.

F. The procedures for transmitting the documents and information required by Bankruptcy Rule 3017(d) to the record holders and beneficial owners of debt securities with respect to the Note Claims (as defined below), the Eurobond Claims (as defined below), and the Nova Scotia Guarantee Claims (as defined below), and the holders of Equity Interests are adequate and appropriate.

G. Transmittal of Notice Packages to any holders of Eurobond Claims and/or Nova Scotia Guarantee Claims held exclusively through Euroclear Bank ("**Euroclear**") and Clearstream Bank ("**Clearstream**") shall be deemed good, adequate, and sufficient notice if they are delivered by electronic transmission on or before the Solicitation Date (as hereinafter defined) to Euroclear and Clearstream.

H. The procedures set forth below regarding notice to all parties in interest of the time, date, and place of the hearing to consider confirmation of the Plan (the "**Confirmation Hearing**") and the filing of objections thereto, and the distribution and contents of the Notice Packages, comply with Bankruptcy Rules 2002 and 3017 and constitute sufficient notice to all interested parties.

NOW, THEREFORE, IT IS HEREBY ORDERED, ADJUDGED, AND DECREED THAT:

1. The Motion is granted as provided herein.

2. The Disclosure Statement is approved.

3. The form and manner of notice of the time set for filing objections to, and the hearing to consider approval of, the Disclosure Statement as described in the Motion and reflected in the Affidavit of Service by Barbara Kelley Keane (ECF No. 7123) and the Notice of Certification of Publication (ECF No. 7239), was proper, adequate, and sufficient notice thereof.

4. The Ballots, the Master Ballots, and the Asbestos Master Ballots, as appropriate, are to be distributed to the holders of Claims in Class 3 (General Unsecured Claims) and Class 5 (Asbestos Personal Injury Claims) under the Plan, which Classes are entitled to vote to accept or reject the Plan.

5. December 7, 2010 shall be the Record Date for purposes of determining who is entitled to (i) vote on the Plan, (ii) receive a Notice of Non-Voting Status, and (iii) receive the Confirmation Hearing Notice.

6. For the purpose of the Record Date, no transfer of Claims pursuant to Bankruptcy Rule 3001 shall be recognized unless (i) documentation evidencing such transfer was filed with the Court on or before twenty-one (21) days prior to the Record Date and (ii) no timely objection with respect to such transfer was filed by the transferor.

7. With respect to the Ballots to be distributed to holders of General Unsecured Claims arising under or in connection with (i) any Indenture (as defined in the Plan) and the respective notes, bonds, or debentures issued thereunder (the "**Note Claims**"), (ii) the respective notes, bonds, or debentures issued under (a) that certain Fiscal and Paying Agency Agreement, dated as of July 3, 2003, among General Motors Corporation, Deutsche Bank AG London, and Banque Générale du Luxembourg S.A. and (b) that certain Bond Purchase and Paying Agency Agreement, dated May 28, 1986, between General Motors Corporation and Credit Suisse (the "**Eurobond Claims**"), or (iii) the notes, bonds, or debentures issued under that certain Fiscal and Paying Agency Agreement, dated as of July 10, 2003, among General Motors Nova Scotia Finance Company, General Motors Corporation, Deutsche Bank Luxembourg S.A., and Banque Générale du Luxembourg S.A. (the "**Nova Scotia Guarantee Claims**"), the Debtors are authorized to send appropriate Ballots to record holders and beneficial owners of such Note Claims, Eurobond Claims, and Nova Scotia Guarantee Claims, including, without limitation, Euroclear, Clearstream, brokers, banks, dealers, or other agents or nominees (collectively, the "**Master Ballot Agents**"), and each Master Ballot Agent shall be entitled to receive reasonably sufficient copies of Ballots and Notice Packages to distribute to the record holders and/or the

beneficial owners of the Note Claims, the Eurobond Claims, and/or the Nova Scotia Guarantee Claims, as applicable, for whom such Master Ballot Agent holds such Note Claims, Eurobond Claims, and/or Nova Scotia Guarantee Claims; *provided, however*, that on account of the Eurobond Claims and the Nova Scotia Guarantee Claims, service of the appropriate Ballots and other solicitation materials on Euroclear and Clearstream via electronic transmission shall be deemed proper and sufficient notice. The Debtors shall be responsible for each Master Ballot Agent's reasonable costs and expenses associated with the distribution of copies of Ballots and appropriate Notice Packages to the record holders and/or the beneficial owners of such Note Claims, Eurobond Claims, and/or Nova Scotia Guarantee Claims, as applicable, and the tabulation of the Ballots.

8. Each Master Ballot Agent shall either (i) forward the appropriate Notice Package together with the Beneficial Owner Ballot to each record holder and/or beneficial owner of the Note Claims, the Eurobond Claims, and/or the Nova Scotia Guarantee Claims, as applicable, entitled to vote on the Plan for voting and include a return envelope provided by and addressed to the Master Ballot Agent, so that the beneficial owner may return the completed Beneficial Owner Ballot to the Master Ballot Agent by a date calculated by the Master Ballot Agent to allow it to prepare and return the Master Ballot to Epiq Bankruptcy Solutions, LLC, the Debtors' debt instruments voting agent (the "**DIVA**"), so that the Master Ballot is actually received by the DIVA by the Voting Deadline, or (ii) "prevalidate" the Beneficial Owner Ballots contained in the Notice Package by, inter alia, (a) indicating thereon the name and address of the record holder of the Note Claim, the Eurobond Claim, or the Nova Scotia Guarantee Claim, as applicable, to be voted, the amount of the Note Claim, the Eurobond Claim, or the Nova Scotia Guarantee Claim, as applicable, held by the beneficial owner as of the Record Date, and the

appropriate account numbers through which the beneficial owner's holdings are derived and (b) executing the beneficial owner's Beneficial Owner Ballot, and then forwarding the Notice Package to the beneficial owner of the Note Claim, the Eurobond Claim, or the Nova Scotia Guarantee Claim, as applicable, for voting within seven (7) business days after the receipt by such Master Ballot Agent of the Notice Package, with the beneficial owner then returning the Beneficial Owner Ballot directly to the DIVA in the return envelope to be provided in the Notice Package by the Voting Deadline.

9. The Master Ballot Agents shall complete the Master Ballots according to the instructions set forth in the Master Ballots.

10. With respect to a proof of claim filed by an attorney that asserts one or more Asbestos Personal Injury Claims in Class 5, the following voting procedures shall apply:

(i) the applicable Notice Package shall be sent to such attorney, and Notice Packages shall not be sent to the individual claimants set forth in such proof of claim;

(ii) an attorney who receives a Notice Package as provided in the preceding clause shall have the authority to cast a Ballot for each holder of an Asbestos Personal Injury Claim set forth in the applicable proof of claim, subject to such attorney's certifying on the Master Ballot that he or she has the authority to do so. Any such attorney shall have the responsibility to furnish to his or her client(s) a copy of the Notice Package to the extent such attorney believes it is necessary or required, and the Debtors shall have no responsibility to do so;

(iii) an attorney who has the authority to cast Ballots as provided in the preceding clause shall submit an Asbestos Master Ballot substantially in the form annexed hereto as Exhibit "A" by the Voting Deadline in accordance with the following procedures:

(a) the Asbestos Master Ballot shall contain a certification to be completed by the attorney preparing and signing it pursuant to which the attorney will certify that he or she has the

authority to cast a Ballot on the Plan on behalf of the holders of Asbestos Personal Injury Claims listed on the Exhibit attached to the Asbestos Master Ballot. If the attorney cannot make such certification on behalf of any claimant, neither the attorney nor the claimant may vote on the Plan unless the claimant receives a Ballot in connection with another proof of claim filed by or on behalf of such claimant;

(b) each attorney shall prepare a summary sheet which shall be attached as an exhibit to the Asbestos Master Ballot and which shall list each individual holder of an Asbestos Personal Injury Claim set forth in the applicable proof of claim on behalf of whom the attorney has the authority to vote and is voting on the Plan and whether such claimant votes to accept or reject the Plan;

(c) the completed Asbestos Master Ballot and the summary sheet attached as an exhibit thereto must be returned to the Voting Agent by the Voting Deadline.

11. All Ballots, Master Ballots, and Asbestos Master Ballots must be properly executed, completed, and delivered to the Voting Agent or the DIVA, as applicable, at the following addresses, so as to be received no later than February 11, 2011 at 5:00 p.m. (Eastern Time) (the "**Voting Deadline**"), unless such time is extended by the Debtors.

The Voting Agent's address is:

If by overnight or hand delivery:	**If by standard mailing:**
The Garden City Group, Inc. 5151 Blazer Parkway, Suite A Dublin, OH 43017 Attn: Motors Liquidation Company Balloting Center	The Garden City Group, Inc. P.O. Box 9386 Dublin, OH 43017-4286 Attn: Motors Liquidation Company Balloting Center

The DIVA's address is:

If by overnight or hand delivery:	**If by standard mailing:**
Epiq Bankruptcy Solutions, LLC Attn: Motors Liquidation Company Ballot Processing 757 Third Avenue, 3rd Floor New York, NY 10017	Epiq Bankruptcy Solutions, LLC Attn: Motors Liquidation Company Ballot Processing FDR Station, P.O. Box 5014 New York, NY 10150-5014

12. On or before the Solicitation Date, the Debtors shall distribute (i) a Notice of Non-Voting Status – Unimpaired Classes, substantially in the form annexed hereto as **Exhibit "B,"** and (ii) the Confirmation Hearing Notice, substantially in the form annexed hereto as **Exhibit "C,"** to the holders of Claims in Class 1 (Secured Claims), Class 2 (Priority Non-Tax Claims), and Class 4 (Property Environmental Claims) as of the close of business on the Record Date, which Classes are unimpaired and, therefore, deemed to accept the Plan.

13. On or before the Solicitation Date, the Debtors shall distribute (i) a Notice of Non-Voting Status – Impaired Class, substantially in the form annexed hereto as **Exhibit "D,"** and (ii) the Confirmation Hearing Notice, substantially in the form annexed hereto as **Exhibit "C,"** to the holders of the Debtors' publicly-traded stock as reflected in the records maintained by the Debtors' transfer agent(s) as of the close of business on the Record Date, which include, without limitation the brokers, dealers, commercial banks, trust companies, or other nominees (collectively, the "**Nominee Stockholders**") through which the beneficial owners (collectively, the "**Beneficial Stockholders**") hold stock, and each Nominee Stockholder shall be entitled to receive reasonably sufficient copies of the Notice of Non-Voting Status – Impaired Class and the Confirmation Hearing Notice to distribute to the Beneficial Stockholders for whom such Nominee Stockholders hold stock, and the Debtors shall be responsible for each such Nominee Stockholders' reasonable costs and expenses associated with the distribution of such items.

14. The Notice of Non-Voting Status – Unimpaired Classes and the Notice of Non-Voting Status – Impaired Class satisfy the requirements of the Bankruptcy Code and the Bankruptcy Rules, and, therefore, the Debtors are not required to distribute copies of the Plan and the Disclosure Statement to any holder of (i) a Claim in (a) Class 1 (Secured Claims), (b) Class 2 (Priority Non-Tax Claims), or (c) Class 4 (Property Environmental Claims); and (ii) an interest in Class 6 (Equity Interests in MLC), unless such party otherwise makes a request in writing to the Debtors for copies of the Plan or the Disclosure Statement.

15. The Nominee Stockholders shall distribute the Notice of Non-Voting Status – Impaired Class and the Confirmation Hearing Notice to the Beneficial Stockholders within seven (7) days of receipt of such notices from the Debtors.

16. Solely for the purpose of voting to accept or reject the Plan and not for the purpose of the allowance of, or distribution on account of, a Claim and without prejudice to the rights of the Debtors in any other context, each Claim within a Class of Claims entitled to vote to accept or reject the Plan (excluding a Note Claim, a Eurobond Claim, or a Nova Scotia Guarantee Claim) is to be temporarily allowed in an amount equal to the liquidated amount of such Claim (if any) as set forth in a timely filed proof of claim, unless such Claim is disputed in the manner set forth in subparagraph 16(f) below or, if no proof of claim was filed, the amount of such Claim as set forth in the Debtor's schedules of liabilities, dated September 15, 2009 and October 15, 2009, as applicable (collectively, and as amended, the "**Schedules**"); *provided, however*, that:

(a) If a Claim is deemed Allowed (as defined in the Plan), pursuant to the Plan, such Claim shall be allowed for voting purposes in the deemed Allowed amount set forth in the Plan;

(b) If a Claim for which a proof of claim has been timely filed was filed in an unliquidated amount, such Claim shall be allowed for voting purposes only, and not for purposes of allowance or distribution, at $1.00, unless such Claim is disputed as set forth in subparagraph 16(f) below; *provided, however*, that if such Claim has been partially liquidated, such Claim shall be allowed, for voting purposes only, in an amount equal to the liquidated portion of such Claim;

(c) Each Asbestos Personal Injury Claim in Class 5 shall be allowed at $1.00 for voting purposes only, and not for purposes of allowance or distribution, notwithstanding any contrary amount stated in the applicable proof of claim or the Schedules;

(d) If a Claim has been estimated or otherwise allowed for voting purposes by order of the Court, such Claim shall be allowed in the amount so estimated or allowed by the Court for voting purposes only, and not for purposes of allowance or distribution unless otherwise provided by order of the Court;

(e) If a Claim is listed in the Schedules as contingent, unliquidated, or disputed, and a proof of claim was not (i) filed by the applicable bar date for the filing of proofs of claim established by the Court or (ii) deemed timely filed by an order of the Court prior to the Voting Deadline, unless the Debtors have consented in writing, such Claim shall be disallowed for voting purposes and for purposes of allowance and distribution pursuant to Bankruptcy Rule 3003(c);

(f) If the Debtors or any other party in interest served an objection to, or request for estimation of, a Claim at least ten (10) days before the Voting Deadline, such Claim shall be temporarily disallowed for voting purposes only and not for purposes of allowance or distribution, except to the extent and in the manner as may be set forth in the objection or request for estimation;

(g) For purposes of voting, classification, and treatment under the Plan, each holder of a Claim that holds or has filed more than one (1) Claim (including more than one Note Claim, Eurobond Claim, or Nova Scotia Guarantee Claim) shall be treated as if such holder has only one (1) claim in each applicable Class; the Claims filed by such holder shall be aggregated in each applicable Class; and the total dollar amount of such holder's Claims in each applicable Class shall be the sum of the aggregated Claims of such holder in each applicable Class;

(h) If a holder of a Claim entitled to vote has Claims against multiple Debtors (either scheduled, filed, or both) based on the same transaction (e.g., a Claim against Debtor "A" that was guaranteed by Debtor "B"),

the holder shall receive only one Ballot in the amount of the primary obligation;

(i) A beneficial holder that has filed a proof of claim on account of its Note Claim, Eurobond Claim, or Nova Scotia Guarantee Claim shall not be entitled to vote on account of such filed proof of claim; *provided, however*, that such holder shall be entitled to receive a Notice Package and vote in accordance with the procedures set forth herein provided such holder is a holder as of the Record Date;

(j) Notwithstanding anything contained herein to the contrary, the Voting Agent or the DIVA, as applicable, in their discretion, may contact voters to cure any defects in the Ballots, the Master Ballots, or the Asbestos Master Ballots and is authorized to cure such defects;

(k) If a Claim is filed in the amount of $0.00, such Claim shall not be entitled to vote; and

(l) If a Claim is filed in a currency other than U.S. Dollars and is not Allowed in a sum certain under to the Plan, such Claim shall be entitled to vote in the amount of $1.00.

17. If a holder of a Claim seeks to challenge the allowance (or disallowance) of its Claim for voting purposes in accordance with the above procedures, such holder is directed to serve on the Debtors and file with the Court (with a copy to Chambers) on or before the tenth (10th) day after the later of (i) service of the Confirmation Hearing Notice and (ii) service of notice of an objection or request for estimation, if any, to such Claim, a motion for an order pursuant to Bankruptcy Rule 3018(a) temporarily allowing such Claim in a different amount for purposes of voting to accept or reject the Plan.

18. If a holder of a Claim files a motion pursuant to Bankruptcy Rule 3018(a), such holder's Ballot shall not be counted unless temporarily allowed by the Court for voting purposes pursuant to an order entered at least five (5) days prior to the Voting Deadline.

19. Any Ballot that is properly completed, executed, and timely returned to the Voting Agent or the DIVA, as applicable, but does not indicate an acceptance or rejection of

the Plan, or indicates both an acceptance and a rejection of the Plan, shall not be counted as either an acceptance or rejection of the Plan.

20. If more than one timely, properly completed Ballot, Master Ballot, or Asbestos Master Ballot is received, only the Ballot, Master Ballot, or Asbestos Master Ballot that bears the earliest date shall be counted, unless the holder of the Claim receives Court approval to have the Ballot, the Master Ballot, or the Asbestos Master Ballot that bears the latest date counted.

21. Holders of Claims must vote all of their Claims within a particular Class under the Plan, whether or not such Claims are asserted against the same or multiple Debtors, either to accept or reject the Plan and may not split their vote(s), and, therefore, a Ballot that partially accepts and partially rejects the Plan shall not be counted.

22. The following types of Ballots shall not be counted in determining whether the Plan has been accepted or rejected: (i) any Ballot received after the Voting Deadline unless the Debtors, on notice to the Creditors' Committee, granted an extension of the Voting Deadline with respect to such Ballot; (ii) any Ballot that is illegible or contains insufficient information to permit the identification of the holder of the Claim; (iii) any Ballot cast by a person or entity that does not hold a Claim in a Class that is entitled to vote to accept or reject the Plan; (iv) any Ballot that is cast for a Claim identified in the Schedules as contingent, unliquidated, or disputed for which no proof of claim was timely filed; (v) any Ballot that is unsigned or without an original signature; and (vi) any Ballot transmitted to the Voting Agent or the DIVA, as applicable, by facsimile, electronic transmission, or other electronic means.

23. With respect to the tabulation of Ballots cast by beneficial owners of debt securities with respect to Note Claims, Eurobond Claims, and/or Nova Scotia Guarantee Claims

and Master Ballots cast by Master Ballot Agents, for purposes of voting, the amount that will be used to tabulate votes to accept or reject the Plan shall be the principal amount held as of the Record Date (the "**Record Amount**"). Additionally,

(a) Votes cast by beneficial owners through a Master Ballot Agent shall be applied against the positions held by such entities in the applicable debt security as of the Record Date, as evidenced by the record and depository listings. Votes submitted by a Master Ballot Agent, whether pursuant to a Master Ballot or prevalidated Ballots, shall not be counted in excess of the Record Amount of such securities held by such Master Ballot Agent; *provided, however*, that the DIVA may adjust such Record Amount to reflect the Claim amount, including prepetition interest;

(b) To the extent that conflicting votes or "overvotes" are submitted by a Master Ballot Agent, whether pursuant to a Master Ballot or prevalidated Ballots, the DIVA shall attempt to reconcile discrepancies with the Master Ballot Agent;

(c) To the extent that "overvotes" on a Master Ballot or prevalidated Ballots are not reconcilable prior to the preparation by the DIVA of the vote certification, the DIVA shall apply the votes to accept and reject the Plan in the same proportion as the votes to accept and reject the Plan submitted on the Master Ballot or prevalidated Ballots that contained the overvote, but only to the extent of the Master Ballot Agent's position in the applicable security;

(d) Multiple Master Ballots may be completed by a single Master Ballot Agent and delivered to the DIVA. Votes reflected by Multiple Master Ballots shall be counted, except to the extent that they are duplicative of other Master Ballots. If two or more Master Ballots are inconsistent, the Master Ballot that bears the earliest date shall be counted unless the Master Ballot Agent receives Court approval to have the Master Ballot that bears the latest date counted; and

(e) For the purpose of tabulating votes, each record holder or beneficial owner shall be deemed to have voted the principal amount of its Note Claim, Eurobond Claim, and/or Nova Scotia Guarantee Claim, as applicable, although the DIVA may be asked to adjust such principal amount to reflect the Claim amount, including prepetition interest.

24. The Debtors, subject to contrary order of the Court, may waive any defects or irregularities as to any particular Ballot, Master Ballot, or Asbestos Master Ballot at any time, either before or after the Voting Deadline; *provided, however,* that (i) any such waivers shall be documented in the vote certification filed by the Voting Agent or the DIVA, as applicable, and (ii) neither the Debtors, nor any other entity, shall be under any duty to provide notification of such defects or irregularities other than as provided in the vote certification, nor will any of them incur any liability for failure to provide such notification.

25. The Confirmation Hearing will be held on March 3, 2011 at 9:45 a.m. (Eastern Time); *provided, however*, that the Confirmation Hearing may be continued from time to time by the Court or the Debtors without further notice other than through adjournments announced in open court or as indicated in any notice of agenda of matters scheduled for hearing filed with the Court.

26. Any objections to confirmation of the Plan must:

(a) be in writing,

(b) state the name and address of the objecting party and the amount and nature of the Claim or interest of such party,

(c) state with particularity the basis and nature of any objection,

(d) conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Court,

(e) be filed with the Court (a) electronically in accordance with General Order M-399 (which can be found at www.nysb.uscourts.gov) by registered users of the Court's filing system, and (b) by all other parties in interest, on a CD-ROM or 3.5 inch disk, in text-searchable portable document format (PDF) (with a hard copy delivered directly to Chambers), in accordance with the customary practices of the Court and General Order M-399, to the extent applicable, and

(f) be served in accordance with General Order M-399 no later than February 11, 2011 at 4:00 p.m. (Eastern Time), on the following parties:

(i) Weil, Gotshal & Manges LLP, attorneys for the Debtors, 767 Fifth Avenue, New York, New York 10153 (Attn: Harvey R. Miller, Esq., Stephen Karotkin, Esq., and Joseph H. Smolinsky, Esq.);

(ii) the Debtors, c/o Motors Liquidation Company, 401 South Old Woodward Avenue, Suite 370, Birmingham, Michigan 48009 (Attn: Thomas Morrow);

(iii) General Motors, LLC, 400 Renaissance Center, Detroit, Michigan 48265 (Attn: Lawrence S. Buonomo, Esq.);

(iv) Cadwalader, Wickersham & Taft LLP, attorneys for the United States Department of the Treasury, One World Financial Center, New York, New York 10281 (Attn: John J. Rapisardi, Esq.);

(v) the United States Department of the Treasury, 1500 Pennsylvania Avenue NW, Room 2312, Washington, D.C. 20220 (Attn: Joseph Samarias, Esq.);

(vi) Vedder Price, P.C., attorneys for Export Development Canada, 1633 Broadway, 47th Floor, New York, New York 10019 (Attn: Michael J. Edelman, Esq. and Michael L. Schein, Esq.);

(vii) Kramer Levin Naftalis & Frankel LLP, attorneys for Creditors' Committee, 1177 Avenue of the Americas, New York, New York 10036 (Attn: Thomas Moers Mayer, Esq., Robert Schmidt, Esq., Lauren Macksoud, Esq., and Jennifer Sharret, Esq.);

(viii) the Office of the United States Trustee, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Tracy Hope Davis, Esq.);

(ix) the U.S. Attorney's Office, S.D.N.Y., 86 Chambers Street, Third Floor, New York, New York 10007 (Attn: David S. Jones, Esq. and Natalie Kuehler, Esq.);

(x) Caplin & Drysdale, Chartered, attorneys for the Asbestos Claimants' Committee, 375 Park Avenue, 35th Floor, New York, New York 10152-3500 (Attn: Elihu Inselbuch, Esq. and Rita C. Tobin, Esq.) and One Thomas Circle, N.W., Suite 1100, Washington, DC 20005 (Attn: Trevor W. Swett III, Esq. and Kevin C. Maclay, Esq.); and

(xi) Stutzman, Bromberg, Esserman & Plifka, A Professional Corporation, attorneys for Dean M. Trafelet in his capacity as the Future Claimants' Representative, 2323 Bryan Street, Suite 2200,

Dallas, Texas 75201 (Attn: Sander L. Esserman, Esq. and Robert T. Brousseau, Esq.).

27. Objections to confirmation of the Plan not timely filed and served in the manner set forth above shall not be considered and shall be deemed overruled.

28. The Debtors are authorized to file responsive pleadings to any objection to confirmation of the Plan by no later than February 22, 2011 at 4:00 p.m. (Eastern Time).

29. The Confirmation Hearing Notice substantially in the form annexed hereto as **Exhibit "C,"** is approved.

30. On or before December 28, 2010 (the "**Solicitation Date**"), the Debtors shall mail or caused to be mailed the Notice Packages as follows:

(i) With respect to holders of Claims in Class 3 (General Unsecured Claims) and Claims in Class 5 (Asbestos Personal Injury Claims):

(i) a copy of this Order (without any exhibits);

(ii) the Confirmation Hearing Notice;

(iii) the Disclosure Statement (with the Plan annexed thereto);

(iv) copies of any letter(s) recommending acceptance of the Plan; and

(v) an appropriate form of Ballot, Master Ballot, or Asbestos Master Ballot, and appropriate return envelope.[3]

(ii) With respect to holders of Claims or Equity Interests that are unimpaired or impaired and not entitled to vote on the Plan:

(i) the Confirmation Hearing Notice; and

[3] Consistent with securities industry practice in bankruptcy solicitations, Master Ballots will be distributed to Master Ballot Agents approximately seven (7) days after the initial distribution of Notice Packages to the Master Ballot Agents.

(ii) a Notice of Non-Voting Status – Unimpaired Class or a Notice of Non-Voting Status – Impaired Class, as applicable.[4]

31. On or before the Solicitation Date, the Debtors shall mail or cause to be mailed a copy of this Order (without exhibits), the Confirmation Hearing Notice, and the Disclosure Statement (with the Plan annexed thereto) to (a) the attorneys for the Creditors' Committee, (b) the attorneys for the Asbestos Claimants' Committee, (c) the attorneys for the Future Claimants' Representative, (d) the Office of the United States Trustee, (e) the Securities and Exchange Commission, (f) the Internal Revenue Service, (g) the United States Department of Justice, (h) the United States Department of the Treasury, and (i) the Pension Benefit Guaranty Corporation.

32. On or before the Solicitation Date, the Debtors shall mail or cause to be mailed a copy of the Confirmation Hearing Notice (to the extent not already provided in a Notice Package) to:

(a) all Notice Parties;[5]

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[4] Copies of materials contained in the Notice Packages (excluding the Confirmation Hearing Notice and Ballots) may be provided on CD-ROM at the Debtors' discretion; *provided, however*, that any party may request to receive paper copies of such materials from the Voting Agent or the DIVA at no cost to such party.

[5] The Notice Parties for purposes hereof include: (i) General Motors, LLC, 400 Renaissance Center, Detroit, Michigan 48265 (Attn: Lawrence S. Buonomo, Esq.); (ii) Cadwalader, Wickersham & Taft LLP, attorneys for the United States Department of the Treasury, One World Financial Center, New York, New York 10281 (Attn: John J. Rapisardi, Esq.); (iii) the United States Department of the Treasury, 1500 Pennsylvania Avenue NW, Room 2312, Washington, D.C. 20220 (Attn: Joseph Samarias, Esq.); (iv) Vedder Price, P.C., attorneys for Export Development Canada, 1633 Broadway, 47th Floor, New York, New York 10019 (Attn: Michael J. Edelman, Esq. and Michael L. Schein, Esq.); (v) Kramer Levin Naftalis & Frankel LLP, attorneys for the statutory committee of unsecured creditors, 1177 Avenue of the Americas, New York, New York 10036 (Attn: Thomas Moers Mayer, Esq., Robert Schmidt, Esq., Lauren Macksoud, Esq., and Jennifer Sharret, Esq.); (vi) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York 10004 (Attn: Tracy Hope Davis, Esq.); (vii) the U.S. Attorney's Office, S.D.N.Y., 86 Chambers Street, Third Floor,

(b) all holders of Claims that filed proofs of claim on or before the date of the initial Disclosure Statement Hearing (October 21, 2010), except to the extent their respective Claim was withdrawn, paid pursuant to, or expunged by, prior order of the Court;

(c) all holders of Claims listed in the Debtors' Schedules as holding noncontingent, liquidated, and undisputed claims in an amount greater than $0.00;

(d) the transfer agent(s) and the registered and record holders of the Debtors' debt and equity securities as of the Record Date;

(e) all other parties in interest that have filed a request for notice pursuant to Bankruptcy Rule 2002 in the Debtors' chapter 11 cases prior to the Record Date; and

(f) any other known holders of Claims against or Equity Interests in the Debtors.

33. Pursuant to section 1126(f) of the Bankruptcy Code and Bankruptcy Rule 3017(d), Notice Packages for holders of Claims in Class 1 (Secured Claims), Class 2 (Priority Non-Tax Claims), or Class 4 (Property Environmental Claims), which Classes are deemed to have accepted the Plan under section 1126(f) of the Bankruptcy Code, shall not include a Ballot.

34. Pursuant to section 1126(g) of the Bankruptcy Code and Bankruptcy Rule 3017(d), Notice Packages for holders of interests in Class 6 (Equity Interests in MLC), which Class is conclusively deemed to reject the Plan under section 1126(g) of the Bankruptcy Code, shall not include a Ballot.

New York, New York 10007 (Attn: David S. Jones, Esq. and Natalie Kuehler, Esq.); (viii) Caplin & Drysdale, Chartered, attorneys for the official committee of unsecured creditors holding asbestos-related claims, 375 Park Avenue, 35th Floor, New York, New York 10152-3500 (Attn: Elihu Inselbuch, Esq. and Rita C. Tobin, Esq.) and One Thomas Circle, N.W., Suite 1100, Washington, DC 20005 (Attn: Trevor W. Swett III, Esq. and Kevin C. Maclay, Esq.); (ix) Stutzman, Bromberg, Esserman & Plifka, A Professional Corporation, attorneys for Dean M. Trafelet in his capacity as the legal representative for future asbestos personal injury claimants, 2323 Bryan Street, Suite 2200, Dallas, Texas 75201 (Attn: Sander L. Esserman, Esq. and Robert T. Brousseau, Esq.); (x) the Securities and Exchange Commission; (xi) all known holders of claims listed on the Debtors' schedules at the addresses stated therein (as amended or supplemented from time to time); and (xii) the Internal Revenue Service.

35. The Debtors shall not be required to distribute copies of the Plan and the Disclosure Statement to (i) any holder of an unimpaired Claim or (ii) any party to an executory contract who holds a Claim that is not allowed, filed, or listed in the Schedules, or who holds a claim that is listed in the Schedules as contingent, unliquidated or disputed, unless such party makes a specific request in writing to the Debtors.

36. The Debtors shall not be required to send Notice Packages or any other notice to holders of Claims that have already been paid in full; *provided, however*, that to the extent that any such holder would be entitled to receive a Notice Package or any other notice for any reason other than by virtue of the fact that its Claim had been scheduled by the Debtors, then such holder shall be sent a notice in accordance with the procedures set forth herein.

37. Creditors who have filed duplicate Claims against the Debtors (whether against the same or multiple Debtors) that are classified under the Plan in the same Class are required to receive only one Notice Package and the appropriate number of Ballots (if applicable) for voting their Claims with respect to that Class.

38. The Debtors shall publish the Confirmation Hearing Notice on one occasion not less than twenty-eight (28) days before the time fixed for filing objections to confirmation of the Plan in each of: *The Wall Street Journal* (Global Edition—North America, Europe, and Asia), *The New York Times* (National), *USA Today* (Monday through Thursday, National), *The Globe and Mail* (National), and *The National Post*. Additionally, the Confirmation Hearing Notice shall be posted electronically on the website maintained for the Debtors by the Voting Agent www.motorsliquidationdocket.com.

39. To the extent that any notices in these chapter 11 cases have been returned as undeliverable by the United States Postal Service, the Debtors are excused from mailing

Notice Packages or other notice to those entities unless the Debtors are provided with accurate addresses for such entities at least twenty (20) days before the Confirmation Hearing. Failure to mail Notice Packages to such entities will neither constitute inadequate notice of the Confirmation Hearing or the Voting Deadline, nor violate Bankruptcy Rule 3017(d).

40. The Debtors are authorized to take or refrain from taking any action necessary or appropriate to implement the terms of and the relief granted in this Order without seeking further order of the Court.

41. The Debtors are authorized to make nonsubstantive and nonmaterial changes to the Disclosure Statement, the Plan, and related documents without further order of the Court, including, without limitation, changes to correct typographical and grammatical errors and to make conforming changes in the Disclosure Statement, the Plan, and any other materials in the Notice Packages prior to their mailing, as applicable.

42. The notice to be provided pursuant to the procedures set forth herein is good and sufficient notice to all parties in interest and no other for further notice need be provided.

43. The Debtors may include in the Confirmation Hearing Notice to be published as provided in paragraph 38 above, notice of a bar date for filing claims for costs and expenses of administration as described at the Hearing on December 7, 2010.

44. This Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York
December ***8***, 2010

Robert E. Gerber
United States Bankruptcy Judge

Exhibit A

Ballots

Exhibit B

Notice of Non-Voting Status – Unimpaired Classes

Exhibit C

Confirmation Hearing Notice

Exhibit D

Notice of Non-Voting Status – Impaired Class

Exhibit I

HEARING DATE AND TIME: December 2, 2010 at 9:45 a.m. (Eastern Time)
OBJECTION DEADLINE: November 24, 2010 at 4:00 p.m. (Eastern Time)

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

ORDER PURSUANT TO 11 U.S.C. § 502(c) AUTHORIZING ESTIMATION OF DEBTORS' AGGREGATE LIABILITY FOR ASBESTOS PERSONAL INJURY CLAIMS AND ESTABLISHING SCHEDULE FOR ESTIMATION PROCEEDING

Upon the Motion, dated November 15, 2010 (the "**Motion**"),[1] of Motors Liquidation Company (f/k/a General Motors Corporation) and its affiliated debtors, as debtors in possession (collectively, the "**Debtors**"), pursuant to section 502(c) of title 11, United States Code (the "**Bankruptcy Code**"), authorizing the estimation of the Debtors' aggregate liability with respect to Asbestos Personal Injury Claims and establishing a schedule for an estimation proceeding before the Court, all as more fully described in the Motion; and due and proper notice of the Motion having been provided, and it appearing that no other or further notice need be provided; and the Court having found and determined that the relief sought in the Motion is in the best interests of the Debtors, their estates, creditors, and all parties in interest and that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and after due deliberation and sufficient cause appearing therefor, it is

ORDERED that the Motion is granted as provided herein; and it is further

[1] Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Motion.

ORDERED that the Court will holding a hearing to estimate the Debtors' aggregate liability for Asbestos Personal Injury Claims; and it is further

ORDERED that the following deadlines and procedures shall govern the estimation proceeding:

(a) The parties shall each be permitted one asbestos expert;

(b) All fact discovery demands shall be served no later than December 8, 2010 at 4:00 p.m. (Eastern Time), all responses in connection with any such fact discovery demands shall be served no later than December 23, 2010 at 4:00 p.m. (Eastern Time), and all fact depositions shall be completed by January 7, 2011;

(c) The parties shall file and serve opening expert reports (together with all other materials referred to in Fed. R. Civ. P. 26(a)(2)(b)) regarding the estimated amount of the Debtors' aggregate liability for Asbestos Personal Injury Claims by no later than January 14, 2011 at 4:00 p.m. (Eastern Time);

(d) The parties shall file and serve rebuttal reports regarding the estimated amount of the Debtors' aggregate liability for Asbestos Personal Injury Claims by February 4, 2011 at 4:00 p.m. (Eastern Time);

(e) Any pre-trial briefs shall be filed and served by February 4, 2011 at 4:00 p.m. (Eastern Time);

(f) Each party shall make its expert available to be deposed, with any such depositions to be completed by February 18, 2011;

(g) The parties shall exchange copies of all exhibits to be offered in respect of their cases-in-chief at the hearing on the estimation of the Debtors' aggregate liability for Asbestos Personal Injury Claims and provide copies of any such exhibits to the Court by

February 22, 2011 at 4:00 p.m. (Eastern Time), but exhibits to be used solely for impeachment or rebuttal need not be exchanged by the parties or provided to the Court in advance;

(h) The Court will hold a hearing to estimate the Debtors' aggregate liability for Asbestos Personal Injury Claims commencing on March 1, 2011 at 8:30 a.m. (Eastern Time) and continuing on March 2, 2011 and March 3, 2011, as necessary;

and it is further

ORDERED that the deadlines set forth above, except the date on which the estimation hearing will commence, may be modified by agreement of the parties or by an order of the Court upon showing of good cause; and it is further

ORDERED that this Court shall retain jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: New York, New York
December 15, 2010

/s/ Robert E. Gerber
United States Bankruptcy Judge

Exhibit J

HEARING DATE AND TIME: March 3, 2011 at 9:45 a.m. (Eastern Time)

KRAMER LEVIN NAFTALIS & FRANKEL LLP
1177 Avenue of the Americas
New York, New York 10036
Telephone: (212) 715-3275
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Thomas Moers Mayer
Robert T. Schmidt

Counsel for the Official Committee of Unsecured Creditors

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

NOTICE OF (I) FILING OF REVISED GUC TRUST AGREEMENT AND (II) OFFICIAL COMMITTEE OF UNSECURED CREDITORS' FILING RELATING THERETO AND IN FURTHER SUPPORT OF THE DEBTORS' AMENDED JOINT CHAPTER 11 PLAN

TO: THE HONORABLE ROBERT E. GERBER,
UNITED STATES BANKRUPTCY JUDGE:

The Official Committee of Unsecured Creditors (the "**Committee**") of the above-captioned debtors and debtors-in-possession (collectively, the "**Debtors**"), by and through its undersigned counsel, hereby submits this filing related to the GUC Trust Agreement and in further support of the Debtors' Amended Joint Chapter 11 Plan, dated December 7, 2010 (as maybe amended, the "**Plan**") [Docket No. 8015]. In support of this filing, the Committee respectfully states as follows:

Modifications to GUC Trust Agreement[1]

1. The GUC Trust Agreement (the "**Agreement**") was filed with this Court on December 7, 2010, as Exhibit D to the Debtors' Amended Joint Chapter 11 Plan [Docket No. 8015]. Since that time, the Committee and its professionals have worked in conjunction with Wilmington Trust Company ("**WTC**") as the proposed GUC Trust Administrator, FTI Consulting, Inc. as the proposed GUC Trust Monitor, the Debtors, AP Services LLC, the U.S. Treasury, and each of their respective professionals in order to finalize the Agreement. The changes that have been made to the Agreement are not substantive, do not affect the economics of the distributions to be made to holders of Allowed Class 3 Claims under the Plan and do not deviate from the Trust's stated purpose of resolving Disputed Claims and distributing assets of the Trust to or on account of holders of Allowed General Unsecured Claims in Class 3.

2. In many instances, changes have been made to the Agreement in order to simplify or clarify distribution mechanics. For example, in order to ensure precise compliance with the Trust's distribution mechanics and in order to avoid confusion, certain provisions that contained distribution mechanics in narrative form have been revised to show mathematical formulae producing the same result. These mathematical formulae indicate with precision the manner of calculating the distributions contemplated by the Plan and in the Agreement. In addition, exhibits were attached to the Agreement to provide examples of hypothetical distributions to holders of (i) Initial Allowed General Unsecured Claims, (ii) Resolved Allowed General Unsecured Claims, and (iii) Units receiving Excess GUC Trust Distributable Assets.

[1] Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in either the Plan or the Agreement.

3. The following is a more complete list of the types of changes that have been made to the Agreement:

- making all clean-up changes (e.g., filling in blanks, moving provisions for clarification purposes, deleting redundancies);
- revising and clarifying distribution calculations and mechanics and adding additional detail and transparency regarding how distributions are to be made to all holders of Allowed General Unsecured Claims in Class 3;
- revising distribution mechanics in order to provide for a more equitable distribution of fractional shares;
- providing for two additional holdbacks (the "Additional Holdback" and the "Reporting and Transfer Holdback", as defined in the Agreement) and providing for additional flexibility in adjusting the size of such holdbacks in order to ensure that the Trust will have sufficient cash available to fund all administrative expenses related to the GUC Trust and to ensure that the cost of administration is borne equitably among all holders of Allowed General Unsecured Claims. Specifically, the Reporting and Transfer Holdback will provide for the up front sale of $5 million in New GM Securities to cover the cost of any and all Exchange Act reporting required by the GUC Trust. This is contemplated by the Plan and will be borne ratably by all holders of Allowed General Unsecured Claims;
- resolving securities issues relating to the structure of the GUC Trust, including revising the Agreement to provide for compliance with all applicable SEC rules and regulations (including SEC reporting requirements) and the payment of associated costs;
- conforming the Agreement to all revisions made to the Plan;
- providing further detail and clarification regarding the Term Loan Avoidance Action and Other Avoidance Action Claims in conformity with the terms of the Avoidance Action Trust Agreement, which was drafted subsequent to the December 7, 2010 filing of the Agreement;
- revising the Agreement to reflect changes in the mechanics for distributions to holders of the Asbestos Trust Claim pursuant to the terms of the Stipulation and Order Fixing Asbestos Trust Claim and Resolving Debtors' Estimation Motion [Docket No. 8790];
- revising the Agreement to provide further detail and clarification regarding receipt and distribution of the Additional Shares, which may be paid to the GUC Trust from New GM pursuant to the MSPA;

- revising the Agreement to provide for additional review and oversight by the GUC Trust Monitor and the Bankruptcy Court;

- clarifying and providing more detail with respect to the GUC Trust's potential role in the wind-down of the Debtors' estates.

4. In order to help parties in interest understand the changes that were made, the Committee has compiled a list of all notable changes showing, for each change listed, the nature of the change, the reason for the change, and highlighting all sections in which the change appears. For ease of reference, these changes are described in the table annexed hereto as **Exhibit A.** In addition, a copy of the Agreement, as modified, is annexed hereto as **Exhibit B** and a copy thereof, blacklined against the version attached to the Plan, is available on the Debtors' web site at www.motorsliquidationdocket.com and on the Committee's web site at www.motorsliquidationcreditorscommittee.com.

Dated: New York, New York
February 25, 2011

KRAMER LEVIN NAFTALIS & FRANKEL LLP

By: /s/ Thomas Moers Mayer
Thomas Moers Mayer
Robert T. Schmidt
1177 Avenue of the Americas
New York, New York 10036
(212) 715-3275

Counsel for the Official Committee of Unsecured Creditors of Motors Liquidation Company, et al.

Exhibit A

GUC Trust Section Reference	Description of Change	Reason for Change
Distribution Mechanics: §§ 1.1(d), 1.1(i), 1.1(n), 1.1(w), 1.1(zz), 1.1(xxx), 1.1(yyy), 2.3(c), 3.3, 5.2, 5.3, 5.4, 5.5, 5.6, 6.1 and 6.2	• Distribution provisions (formerly in narrative form) have been converted to detailed formulae. • Distribution procedures elaborated upon to take into account the holdbacks and Additional Shares. • Distribution procedures for fractional shares revised as discussed below.	The provisions with respect to the distribution procedures have not substantively changed. However, the distribution provisions, which had been in narrative form, have been converted to detailed formulae in order to achieve more uniformity, precision and transparency in administration.
Fractional Shares: § 5.6	Revised distribution mechanics for fractional shares: • The Agreement now provides for the rounding up or down to the nearest whole number for the first distribution to each holder of an Allowed Claim; • Fractional shares distributable in respect of Units shall be sold for cash in lieu of a distribution on each distribution date, rather than only the final distribution date; • Fractional shares in respect of separate claims held by a single Unit holder shall be aggregated in determining the number of shares such Unit holder is entitled to receive.	The distribution mechanics for fractional shares have been revised in order to provide a more equitable and timely distribution of fractional shares.

GUC Trust Section Reference	Description of Change	Reason for Change
Holdbacks: Background(E)(vii), Background(G), §§ 1.1(a), 1.1(iii), 1.1(jjj), 5.2, 5.2, 5.4, 6.1, 6.2 and 6.4	• Additional Holdback created as a reserve for miscellaneous expenses not covered by the Budget. • Reporting and Transfer Holdback added to create a reserve of $5 million of New GM Securities that may be sold by the GUC Trust in order to cover expenses related to Exchange Act reporting and costs associated with the transfer, registration for transfer and certification of any Units. • Flexibility added to allow the release of assets from holdbacks. • Conforming changes throughout the document.	The function of these new holdbacks, as well as the Protective Holdback (which was referenced in the earlier version of this Agreement), is: (i) to ensure, to the extent practicable, that the GUC Trust will be able to pay any expenses outside of its Budget; and (ii) to ensure, to the extent practicable, that such expenses are evenly distributed among holders of Allowed General Unsecured Claims, thereby promoting the fair, equitable and uniform treatment of all holders of Allowed General Unsecured Claims.
Compliance with SEC Rules and Regulations, and Associated Expenses: §§ 4.1, 1.1(iii), 1.1(jjj), 1.1(mmm), 2.6(c), 6.1 and 6.3	• Default duration of GUC Trust shortened from 5 years to 3 years. • Provision made concerning Exchange Act reporting. • Creation of a reserve to satisfy reporting expense (from the up front sale of New GM Securities designed to fund the Reporting and Transfer Holdback).	• The default duration of the GUC Trust has been shortened to fall within the parameters of No-Action Letters previously issued by the SEC Division of Investment Management concerning an exemption for liquidating trusts under the Investment Company Act of 1940. • The Agreement has been amended to provide for the GUC Trust's compliance with all applicable Exchange Act reporting requirements. • The Reporting and Transfer Holdback has been created to ensure that the GUC Trust's expenses are evenly distributed among the holders of Allowed General Unsecured Claims.

GUC Trust Section Reference	**Description of Change**	**Reason for Change**
Avoidance Actions: §§ 1.1(xxx), 1.1(yyy), 5.1(b), 5.1(c), 6.11, 8.4 and 8.1(d)(xx)	Provisions of the GUC Trust Agreement have been added/modified to clarify treatment of Term Loan Avoidance Action Claims and Other Avoidance Action Claims.	The Agreement has been revised to provide further detail and clarification regarding the treatment of Term Loan Avoidance Action Claims and Other Avoidance Action Claims in conformity with the terms of the Avoidance Action Trust Agreement, which was drafted subsequent to the December 7, 2010 filing of the Agreement.
Asbestos Trust Claim: §§ 1.1(n), 1.1(w) 1.1(ww), 2.3(a), 4.1, 5.2(a), 5.5(a) and 6.1(g)	• Initial distribution made directly by Debtors rather than by GUC Trust. • The Asbestos Trust Claim is no longer treated as a Disputed Claim.	• The Stipulation and Order Fixing Asbestos Trust Claim and Resolving Debtors' Estimation Motion, the Asbestos Claimants' Committee and the Futures Claimants' Representative provided for this revision. • The Asbestos Trust Claim has been Allowed in the amount of $625 million.
Additional Shares: §§ 1.1(b), 2.3(d), 5.3, 5.4 and 6.2	Provision made for distribution of Additional Shares to be received pursuant to the MSPA.	The parties are in the process of amending the MSPA with regard to the issuance of the Additional Shares to the GUC Trust. The Agreement has been revised in anticipation of this amendment to the MSPA.
Consultation with GUC Trust Monitor: §§ 1.1(t), 1.1(y), 1.1(ww), 2.3(d), 3.5(b), 4.1, 5.2(a), 5.3(b), 5.4(d) and 6.1	Required consultation with and/or approval from GUC Trust Monitor.	The Agreement has been revised in order to provide the GUC Trust Monitor with additional consultation and approval rights and obligations. These changes ensure that all significant actions of the GUC Trust are undertaken with the oversight, insight and authorization of both the GUC Trust Administrator and GUC Trust Monitor.
Approval from Bankruptcy Court: Background (G), §§2.6(b), 5.3(b) and 6.1	Required approval from the Bankruptcy Court.	The Agreement has been revised to require Bankruptcy Court approval of certain actions to be taken by the GUC Trust. These changes provide an additional layer of oversight of the GUC Trust's operations and ensure that the GUC Trust operates with an element of transparency.

GUC Trust Section Reference	**Description of Change**	**Reason for Change**
Debtors' Liquidation: §§ 1.1(o), 2.7, 6.1, 6.12, 7.3, 7.7(c), 8.1(c) and 9.6	Provisions of the Agreement have been added/revised to provide clarification with respect to the potential role of the GUC Trust and its assets in the wind-down of MLC.	The Agreement has been modified to clarify that the GUC Trust assets set aside for distribution to holders of Allowed General Unsecured Claims will not be used to fund expenses associated with the wind-down of the Debtors' estates (with one exception allowing for the use of such assets as a last resort for the indemnification of the GUC Trust Administrator Parties and GUC Trust Monitor Parties). This clarification has been made to ensure that GUC Trust assets intended for the benefit Holders of Allowed General Unsecured Claims will not be used to satisfy Administrative Expenses, Priority Tax Claims, Priority Non-Tax Claims, or other liabilities related to the wind-down of the Debtors' estates.

Exhibit B

Exhibit B

GUC Trust Agreement

MOTORS LIQUIDATION COMPANY
GUC TRUST AGREEMENT

MOTORS LIQUIDATION COMPANY GUC TRUST AGREEMENT, dated as of [DATE] (this "Trust Agreement"), by and among Motors Liquidation Company ("MLC"), MLC of Harlem, Inc., MLCS, LLC, MLCS Distribution Corporation, Remediation and Liability Management Company, Inc., and Environmental Corporate Remediation Company, Inc. (collectively, the "Debtors"), as debtors and debtors-in-possession, Wilmington Trust Company, as trust administrator (together with any successor appointed under the terms hereof, the "GUC Trust Administrator") of the Motors Liquidation Company GUC Trust (the "GUC Trust") for the benefit of the general unsecured creditors of the Debtors and FTI Consulting, Inc., as trust monitor (together with any successor appointed under the terms hereof, the "GUC Trust Monitor") of the GUC Trust. Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Debtors' Second Amended Joint Chapter 11 Plan of liquidation pursuant to chapter 11 of Title 11 of the United States Code, 11 U.S.C. §§ 101 et seq., as amended (the "Bankruptcy Code") dated [DATE], as confirmed (including all exhibits thereto, as the same may be further amended, modified, or supplemented from time to time, the "Plan").

Background

A. Beginning on June 1, 2009, the Debtors filed in the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court") voluntary petitions for relief under chapter 11 of Title 11 of the Bankruptcy Code (the "Chapter 11 Cases").

B. On or about August 31, 2010, the Debtors filed their Plan and Disclosure Statement in the Bankruptcy Court. The Debtors filed an amended Plan and Disclosure Statement on December 7, 2010. The Debtors filed a second amended Plan on [DATE].

C. The Disclosure Statement was approved by the Bankruptcy Court on December 8, 2010.

D. On or about [DATE], the Bankruptcy Court entered an order (the "Confirmation Order") confirming the Plan.

E. The Plan provides for the creation of the GUC Trust as a post-confirmation successor to MLC within the meaning of Section 1145(a) of the Bankruptcy Code, to hold and administer:

(i) the common stock of General Motors Company ("New GM Common Stock") to be contributed to the GUC Trust under the Plan, including (x) any dividends declared thereon in the form of New GM Common Stock, whether prior to or on or after the Effective Date, (y) any additional shares of New GM Common Stock (the "Additional Shares") to be issued in respect of General Unsecured Claims pursuant to the MSPA, together with any dividends declared thereon in the form of New GM Common Stock, whether prior to or on or after the Effective Date, and (z) any capital stock or other property or assets into which such New GM Common Stock may be converted or for

which it may be exchanged (including by way of recapitalization, merger, consolidation, reorganization or otherwise) (the "GUC Trust Common Stock Assets");

(ii) the two series of warrants , each entitling the holder to acquire one share of New GM Common Stock, one series with an exercise price of $10.00 per share (subject to adjustment) and an expiration date of July 10, 2016 (the "New GM $10.00 Warrants") and the other with an exercise price of $18.33 per share (subject to adjustment) and an expiration date of July 10, 2019, (the "New GM $18.33 Warrants" and together with the New GM $10.00 Warrants, the "New GM Warrants" and, together with the New GM Common Stock, the "New GM Securities") to be contributed to the GUC Trust under the Plan, as such warrants may from time to time be modified or adjusted in accordance with their terms (the "GUC Trust Warrant Assets" and, together with the GUC Trust Common Stock Assets, the "GUC Trust Securities Assets");

(iii) any dividends on the GUC Trust Common Stock Assets, whether in the form of Cash, securities or other property other than New GM Common Stock, declared prior to the Effective Date (the "Initial GUC Trust Dividend Assets") and any such dividends, including New GM Common Stock, declared on or after the Effective Date (the "Subsequent GUC Trust Dividend Assets," and, together with the Initial GUC Trust Dividend Assets, "GUC Trust Dividend Assets");

(iv) Cash proceeds from the sale of fractional New GM Securities sold pursuant to Section 5.6 (the "Fractional Share Proceeds");

(v) any Cash proceeds from the sale of New GM Securities, from the sale of expiring New GM Warrants or otherwise, but excluding Fractional Share Proceeds and excluding Cash proceeds constituting Other GUC Trust Administrative Cash (the "GUC Trust Distributable Cash" and, collectively with the GUC Trust Dividend Assets and the GUC Trust Securities Assets, the "GUC Trust Distributable Assets");

(vi) Cash for purposes of funding the administrative expenses of the GUC Trust, contributed to the GUC Trust from MLC on or about the Effective Date in accordance with the terms of the Plan (the "Wind-Down Budget Cash"); and

(vii) other sources of Cash for the purposes of funding the administrative expenses of the GUC Trust, including Cash obtained upon the sale or pledge of GUC Trust Distributable Assets upon the liquidation, in whole or in part, of the Additional Holdback, Reporting and Transfer Holdback and Protective Holdback pursuant to Sections 6.1(b), (c) and (d) or otherwise obtained by the GUC Trust following the Effective Date (the "Other GUC Trust Administrative Cash" and together with the Wind-Down Budget Cash, the "GUC Trust Administrative Cash"),

(collectively, the "GUC Trust Assets") and distribute the GUC Trust Distributable Assets to the GUC Trust Beneficiaries (as hereafter defined), in accordance with the terms of the Plan, the Confirmation Order and this Trust Agreement.

F. The GUC Trust is being created on behalf of, and for the benefit of, (i) the holders of General Unsecured Claims against the Debtors that are allowed as of the Initial Distribution

Record Date (the "Initial Allowed General Unsecured Claims") and (ii) (a) the holders of General Unsecured Claims against the Debtors that are Disputed ("Disputed General Unsecured Claims") as of the Initial Distribution Record Date and that are allowed after the Initial Distribution Record Date in accordance with the claims resolution procedures administered under the Plan (to the extent so resolved); (b) the holders of the Term Loan Avoidance Action Claims, to the extent and in the amount collected by the Avoidance Action Trust against the respective defendants (including by way of settlement) in the underlying litigation; and (c) the holders of the Other Avoidance Action Claims, to the extent and in the amount collected against the respective defendants (including by way of settlement) in the underlying litigations (collectively, the "Resolved Allowed General Unsecured Claims" and, together with the Initial Allowed General Unsecured Claims, the "Allowed General Unsecured Claims"). The holders of Allowed General Unsecured Claims, and any holders of Units acquired, directly or indirectly, by transfer from holders of Allowed General Unsecured Claims, in their capacities as beneficiaries of the GUC Trust, are sometimes referred to as the "GUC Trust Beneficiaries."

G. The GUC Trust Administrator shall have all powers necessary to implement the provisions of this Trust Agreement and administer the GUC Trust, including the power to: (i) prosecute for the benefit of the GUC Trust Beneficiaries, through counsel and other professionals selected by the GUC Trust Administrator, any causes of action that may from time to time be held by the GUC Trust, (ii) resolve Disputed General Unsecured Claims against the Debtors; (iii) preserve and maintain the GUC Trust Assets; (iv) distribute the GUC Trust Distributable Assets to the GUC Trust Beneficiaries in accordance with the Plan, the Confirmation Order and this Trust Agreement; (v) expend the GUC Trust Administrative Cash to cover fees and expenses of the GUC Trust; (vi) reserve and/or sell New GM Securities and convert the proceeds to Other GUC Trust Administrative Cash; and (vii) otherwise perform the functions and take the actions provided for in this Trust Agreement or permitted in the Plan and/or the Confirmation Order, or in any other agreement executed pursuant to the Plan, in each case subject to the provisions of Articles VI, VIII and XI hereof regarding the rights and powers of the GUC Trust Monitor and, to the extent so provided, the approval of the Bankruptcy Court.

H. The GUC Trust is subject to the continuing jurisdiction of the Bankruptcy Court, whose approval is required to pay or distribute money or property to, or on behalf of, a GUC Trust Beneficiary, except as expressly provided in this Trust Agreement.

I. The GUC Trust is intended to qualify as a "disputed ownership fund" under Treasury Regulations section 1.468B-9.

J. If the Residual Wind-Down Assets are transferred to the GUC Trust, the GUC Trust Administrator shall be responsible for liquidating and winding down the Debtors and administering and distributing any Residual Wind-Down Assets transferred to the GUC Trust pursuant to the Plan.

Agreement

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, the Debtors, the GUC Trust Administrator and the GUC Trust Monitor agree as follows:

ARTICLE I
DEFINED TERMS

1.1. Definitions. Whenever used in this Trust Agreement, unless the context otherwise requires, the following words and phrases shall have the respective meanings ascribed to them as follows:

(a) "Additional Holdback" has the meaning set forth in Section 6.1(b).

(b) "Additional Shares" has the meaning set forth in Background paragraph E(i).

(c) "Affiliates" means, with respect to any Person, any other Person which directly or indirectly controls, is controlled by or is under common control with such Person. For purposes of this definition "control" means, with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through ownership of voting securities, by contract or otherwise.

(d) "Aggregate Maximum Amount" means the sum of the Maximum Amounts of all Disputed General Unsecured Claims, Unresolved Term Loan Avoidance Action Claims and Unresolved Other Avoidance Action Claims.

(e) "Allowed General Unsecured Claims" has the meaning set forth in Background paragraph (F).

(f) "Bankruptcy Code" has the meaning set forth in the preamble to this Trust Agreement.

(g) "Bankruptcy Court" has the meaning set forth in Background paragraph A.

(h) "Budget" shall have the meaning set forth in Section 6.4 of this Trust Agreement.

(i) "calendar quarter" means the relevant three-month period ending on the last day of March, June, September or December, as applicable, of each calendar year; *provided*, *however*, that if the Effective Date is not the first day of such a three-month period, the first calendar quarter, as used in this Trust Agreement, shall be deemed to include the relevant three-month period which includes the Effective Date (but only the portion of such period which begins on the Effective Date) as well as the next succeeding three month period, and the second calendar quarter, as used in this Trust Agreement, shall be the calendar quarter following immediately thereafter.

(j) "Chapter 11 Cases" has the meaning set forth in Background paragraph A.

(k) "Claim Conflict Resolution" has the meaning set forth in Section 3.7.

(l) "Confidential Party" has the meaning set forth in Section 13.12.

(m) "Confirmation Order" has the meaning set forth in Background paragraph D.

(n) "Current Total Amount" means as of a given date, the sum of (A) the Total Allowed Amount as of such date and (B) the Aggregate Maximum Amount as of such date.

(o) "Debtors' Liquidation Expenses" has the meaning set forth in Section 6.12.

(p) "Debtors" has the meaning set forth in the preamble to this Trust Agreement.

(q) "DIP Lenders" means the U.S. Treasury and EDC, as lenders under the DIP Credit Agreement.

(r) "Distribution Date" means the date of any distribution made by the GUC Trust Administrator to the GUC Trust Beneficiaries pursuant to this Trust Agreement, whether on account of either or both of Allowed General Unsecured Claims or Units.

(s) "Distribution Record Date" means the Confirmation Date.

(t) "Distribution Threshold" means an amount of Excess GUC Trust Distributable Assets equal to: (i) with respect to New GM Common Stock, 1 million shares of New GM Common Stock, (ii) with respect to the New GM $10.00 Warrants, warrants to acquire 909,091 shares of New GM Common Stock (subject to customary adjustment), (iii) with respect to the New GM $18.33 Warrants, warrants to acquire 909,091 shares of New GM Common Stock (subject to customary adjustment), (iv) with respect to Cash, $5 million, and (v) with respect to any other GUC Trust Distributable Assets, an amount determined by the GUC Trust Administrator and approved by the GUC Trust Monitor.

(u) "DTC" means The Depository Trust Company.

(v) "Excess Distribution Record Date" means, with respect to any given calendar quarter other than the first calendar quarter, the first date of such calendar quarter, which date shall constitute the record date for distributions pursuant to Section 5.4 hereof.

(w) "Excess GUC Trust Distributable Assets" means (i) the amount of the GUC Trust Distributable Assets held by the GUC Trust (after providing for all distributions then required to be made in respect of Resolved Allowed General Unsecured Claims), minus (ii) the amount of the GUC Trust Distributable Assets necessary for the satisfaction of (A) Claims in the amount of the Aggregate Maximum Amount pursuant to Section 5.3(a)(i), and (B) the Additional Holdback, the Reporting and Transfer Holdback and the Protective Holdback pursuant to Sections 6.1(b), (c) and (d).

(x) "Exchange Act" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder, as in effect from time to time.

(y) "Fair Market Value" means, with respect to the New GM Securities on any given date, the closing price of the New GM Securities on the national securities exchange on which such New GM Securities trade on that date or, in the event that the New GM Securities are not traded on that date, the closing price on the immediately preceding trading date. If any of the New GM Securities are not traded on a national securities exchange, then "Fair Market Value" means, with respect to the New GM Securities on any given date, the fair market value of the New GM Securities as determined by the GUC Trust Administrator in good faith, and with the approval of the GUC Trust Monitor.

(z) "Fractional Share Proceeds" has the meaning set forth in Background paragraph E(iv).

(aa) "GUC Trust" has the meaning set forth in the preamble to this Trust Agreement.

(bb) "GUC Trust Administrative Cash" has the meaning set forth in Background paragraph (E)(vii).

(cc) "GUC Trust Administrator" has the meaning set forth in the preamble to this Trust Agreement.

(dd) "GUC Trust Administrator Parties" means the GUC Trust Administrator and its principals, directors, officers, employees, agents, representatives, attorneys, accountants, advisors and other professionals (including the Trust Professionals).

(ee) "GUC Trust Assets" has the meaning set forth in Background paragraph (E).

(ff) "GUC Trust Beneficiaries" has the meaning set forth in Background paragraph (F).

(gg) "GUC Trust Cash" means Cash or cash equivalents included in the GUC Trust Assets, including but not limited to any GUC Trust Administrative Cash, Fractional Share Proceeds, and GUC Trust Distributable Cash, plus any Cash or cash equivalents included in the Residual Wind-Down Assets.

(hh) "GUC Trust Common Stock Assets" has the meaning set forth in Background paragraph (E)(i).

(ii) "GUC Trust Distributable Assets" has the meaning set forth in Background paragraph (E)(v)

(jj) "GUC Trust Distributable Cash" has the meaning set forth in Background paragraph (E)(v).

(kk) "GUC Trust Dividend Assets" has the meaning set forth in Background paragraph (E)(iii).

(ll) "GUC Trust Monitor" has the meaning set forth in the preamble to this Trust Agreement.

(mm) "GUC Trust Monitor Parties" means the GUC Trust Monitor and its principals, directors, officers, employees, agents, representatives, attorneys, accountants, advisors and other professionals.

(nn) "GUC Trust Securities Assets" has the meaning set forth in Background paragraph (E)(ii).

(oo) "GUC Trust Warrant Assets" has the meaning set forth in Background paragraph (E)(ii).

(pp) "GUC Trust Reports" means reports prepared by the GUC Trust Administrator each calendar quarter, as provided in Section 6.2.

(qq) "Holdback" has the meaning set forth in Section 2.6(c) of this Trust Agreement.

(rr) "Incompetency" means, with respect to any Person, the incompetency of such Person if such Person is a natural person.

(ss) "Initial Allowed General Unsecured Claims" has the meaning set forth in Background paragraph (F).

(tt) "Initial Distribution Record Date" means [the Effective Date].

(uu) "Initial GUC Trust Dividend Assets" has the meaning set forth in Background paragraph (E)(iii).

(vv) "IRS" means the Internal Revenue Service.

(ww) "Maximum Amount" means,

(A) with respect to any Disputed General Unsecured Claim, (x) the amount agreed to by the Debtors and/or the GUC Trust Administrator and the holder of such claim (which shall include any agreed capped amount pursuant to the ADR Procedures approved by the Bankruptcy Court); (y) the amount, if any, estimated or determined by the Bankruptcy Court in accordance with Bankruptcy Code Section 502(c); or (z) absent any such agreement, estimation or determination, the liquidated amount set forth in the proof of claim filed by the holder of such claim, or in the case of unliquidated claims, the amount estimated by the Debtors and/or the GUC Trust Administrator with the approval of the GUC Trust Monitor, and after final resolution of such Disputed General Unsecured Claim or dismissal of such Disputed General Unsecured Claim by Final Order, zero;

(B) with respect to any Unresolved Term Loan Avoidance Action Claim, (i) an amount equal to the maximum amount that the plaintiff is seeking to recover with respect to such Unresolved Term Loan Avoidance Action Claim (which shall be initially equal to $1.5 billion for all Unresolved Term Loan Avoidance Action Claims in the aggregate) and (ii) upon dismissal of the Term Loan Avoidance Action by Final Order or if such claim ceases to be an Unresolved Term Loan Avoidance Action Claim, an amount equal to zero; and

(C) with respect to any Unresolved Other Avoidance Action Claim, (x) if, on the date as of which the Maximum Amount is being measured, the respective Avoidance Action has not been commenced and/or identified in writing to the GUC Trust Administrator as potentially forthcoming by the proposed plaintiffs, an amount equal to zero, or (y) if, on the date as of which the Maximum Amount is being measured, such Avoidance Action has been commenced and/or identified in writing to the GUC Trust Administrator as potentially forthcoming by the proposed plaintiffs, (i) an amount estimated by the GUC Trust Administrator, with the approval of the GUC Trust Monitor, equal to the maximum amount reasonably recoverable by the plaintiffs with respect to such Unresolved Other Avoidance Action Claim and (ii) upon dismissal of such Avoidance Action by Final Order in its entirety against such defendant or if such claim ceases to be an Unresolved Other Avoidance Action Claim, an amount equal to zero.

(xx) "MLC" has the meaning set forth in the preamble to this Trust Agreement.

(yy) "New GM $10.00 Warrant" has the meaning set forth in Background paragraph E(ii).

(zz) "New GM $18.33 Warrant" has the meaning set forth in Background paragraph E(ii).

(aaa) "New GM Common Stock" has the meaning set forth in Background paragraph (E)(i).

(bbb) "New GM Securities" has the meaning set forth in Background paragraph E(ii).

(ccc) "New GM Warrants" has the meaning set forth in Background paragraph (E)(ii).

(ddd) "Other Avoidance Action Claims" means the additional General Unsecured Claims that have arisen as a result of recovery of proceeds of the Avoidance Actions other than the Term Loan Avoidance Action (and any related unsecured claims).

(eee) "Other GUC Trust Administrative Cash" has the meaning set forth in Background paragraph (E)(vii).

(fff) "Permissible Investments" means investments in any of the following:

(i) Marketable securities issued by the U.S. Government and supported by the full faith and credit of the U.S. Treasury, either by statute or an opinion of the Attorney General of the United States;

(ii) Marketable debt securities, rated Aaa by Moody's and/or AAA by S&P, issued by U. S. Government-sponsored enterprises, U. S. Federal agencies, U. S. Federal financing banks, and international institutions whose capital stock has been subscribed for by the United States;

(iii) Certificates of deposit, time deposits, and bankers acceptances of any bank or trust company incorporated under the laws of the United States or any state, *provided that*, at the date of acquisition, such investment, and/or the commercial paper or other short term debt obligation of such bank or trust company has a short-term credit rating or ratings from Moody's and/or S&P, each at least P-1 or A-1;

(iv) Commercial paper of any corporation incorporated under the laws of the United States or any state thereof which on the date of acquisition is rated by Moody's and/or S&P, provided each such credit rating is least P-1 and/or A-1;

(v) Money market mutual funds that are registered with the Securities and Exchange Commission under the Investment Company Act of 1940, as amended, and operated in accordance with Rule 2a-7 and that at the time of such investment are rated Aaa by Moody's and/or AAAm by S&P, including such funds for which the GUC Trust Administrator or an Affiliate provides investment advice or other services;

(vi) Tax-exempt variable rate commercial paper, tax-exempt adjustable rate option tender bonds, and other tax-exempt bonds or notes issued by municipalities in the United States, having a short-term rating of "MIG-1" or "VMIG-1" or a long term rating of "AA" (Moody's), or a short-term rating of "A-1" or a long term rating of "AA" (S&P); and

(vii) Repurchase obligations with a term of not more than thirty days, 102 percent collateralized, for underlying securities of the types described in clauses (i) and (ii) above, entered into with any bank or trust company or its respective affiliate meeting the requirements specified in clause (iii) above.

(ggg) "Plan" has the meaning set forth in the preamble to this Trust Agreement.

(hhh) "Protective Holdback" has the meaning set forth in Section 6.1(d).

(iii) "Reporting and Transfer Costs" means any fees, costs or expenses incurred by the GUC Trust that are directly or indirectly related to (i) reports required to be filed by the GUC Trust with the SEC pursuant to Section 6.3 of this Trust Agreement or otherwise pursuant to applicable rules, regulations and interpretations of the SEC (including, without limitation, any legal, accounting or registration fees, costs and expenses incurred by the GUC Trust with respect thereto) and (ii) the transfer, registration for transfer and certification of any Units (including, without limitation, the fees, costs and expenses of engaging a transfer agent). For the avoidance of doubt, notwithstanding any other provision of

this Trust Agreement, the fees, costs and expenses that the GUC Trust would be required to incur even in the absence of the provisions of Sections 3.5(b) and 6.3 of this Trust Agreement (including, without limitation, any fees, costs or expenses incurred pursuant to Section 6.2 of this Trust Agreement) shall be included in the Budget and shall not be deemed Reporting and Transfer Costs.

(jjj) "Reporting and Transfer Holdback" has the meaning set forth in Section 6.1(c).

(kkk) "Residual Wind-Down Claims" has the meaning set forth in Section 2.7.

(lll) "Resolved Allowed General Unsecured Claims" has the meaning set forth in Background paragraph (F). For the avoidance of doubt, unless and until a Disputed General Unsecured Claim, Unresolved Term Loan Avoidance Action Claim or Unresolved Other Avoidance Action Claim becomes a Resolved Allowed General Unsecured Claim, there shall not be any distribution from the GUC Trust in respect of such claim.

(mmm) "SEC" means the Securities and Exchange Commission.

(nnn) "Subsequent GUC Trust Dividend Assets" has the meaning set forth in Background paragraph (E)(iii).

(ooo) "Tax Returns" means all tax returns, reports, certificates, forms or similar statements or documents.

(ppp) "Term Loan Avoidance Action Claims" means the additional General Unsecured Claims that have arisen as a result of recovery of proceeds of the Term Loan Avoidance Action (or any related unsecured claims).

(qqq) "Total Allowed Amount" means the sum of the amount of all Initial Allowed General Unsecured Claims plus the amount of all Resolved Allowed General Unsecured Claims.

(rrr) "Treasury Regulations" means the income tax regulations promulgated under the Tax Code, including any amended or successor income tax regulations thereto.

(sss) "Trust Agreement" has the meaning specified in the preamble to this Trust Agreement.

(ttt) "Trust Professionals" means, collectively, independent contractors, including attorneys, accountants, appraisers, disbursing agents or other parties deemed by the GUC Trust Administrator to have the qualifications necessary or desirable to assist in the proper administration of the GUC Trust and that are employed or retained by the GUC Trust in such capacities.

(uuu) "Trust Professional Maximum Amount" means the aggregate dollar amount allocated from the Wind-Down Budget Cash for each Indenture Trustee, Fiscal and

Paying Agent and Trust Professional reflected on the Wind-Down Professional Fee Budget in the column labeled "Total."

(vvv) "Unit Issuance Ratio" means the ratio of one Unit for each $1000 in amount of Allowed General Unsecured Claims.

(www) "Units" means the units of beneficial interest issued by the GUC Trust to holders of Allowed General Unsecured Claims.

(xxx) "Unresolved Other Avoidance Action Claim" means an Other Avoidance Action Claim that has not yet arisen because no determination (including by way of settlement) has been made in the respective Avoidance Action against the respective defendant who would be entitled to such claim in the event of such determination (or if a determination has been made against the defendant, the proceeds related to such resolution have not been recovered in full).

(yyy) "Unresolved Term Loan Avoidance Action Claim" means a Term Loan Avoidance Action Claim that has not yet arisen because no determination (including by way of settlement) has been made in the Term Loan Avoidance Action against the respective defendant who would be entitled to such claim in the event of such determination (or if a determination has been made against the defendant, the proceeds related to such resolution have not been recovered in full).

(zzz) "Wind-Down Budget Cash" has the meaning set forth in Background paragraph (E)(vi).

(aaaa) "Wind-Down Professional Fee Budget" means the supporting schedule to Exhibit B of the Disclosure Statement, which provides the anticipated fees and expenses of the Indenture Trustees, Fiscal and Paying Agents and certain Trust Professionals on a per entity basis.

1.2. Meanings of Other Terms. Except where the context otherwise requires, words importing the masculine gender include the feminine and the neuter, if appropriate, words importing the singular number shall include the plural number and vice versa and words importing persons shall include firms, associations, corporations and other entities. All references herein to Articles, Sections and other subdivisions, unless referring specifically to the Plan or provisions of the Bankruptcy Code, the Bankruptcy Rules, or other law, statute or regulation, refer to the corresponding Articles, Sections and other subdivisions of this Trust Agreement, and the words herein and words of similar import refer to this Trust Agreement as a whole and not to any particular Article, Section or subdivision of this Trust Agreement. The term "including" shall mean "including, without limitation."

ARTICLE II
DECLARATION OF TRUST

2.1. Creation of Trust. The Debtors and the GUC Trust Administrator, pursuant to the Plan and the Confirmation Order and in accordance with the applicable

provisions of chapter 11 of the Bankruptcy Code, hereby constitute and create the GUC Trust, in the form of a statutory trust under the laws of the State of Delaware, which shall bear the name "Motors Liquidation Company GUC Trust." In connection with the exercise of the GUC Trust Administrator's power hereunder, the GUC Trust Administrator may use this name or such variation thereof as the GUC Trust Administrator sees fit.

2.2. Purpose of GUC Trust. The sole purpose of the GUC Trust is to implement the Plan on behalf, and for the benefit, of the GUC Trust Beneficiaries, to serve as a mechanism for distributing the GUC Trust Distributable Assets under the Plan and in accordance with Treasury Regulations section 1.468B-9, paying all expenses incident thereto (including with respect to the fees and expenses of the Trust Professionals and other professionals retained by the GUC Trust) and, following the dissolution of the Debtors, to liquidate and wind-down the Debtors, with no objective to engage in the conduct of a trade or business.

2.3. Transfer of GUC Trust Assets to the GUC Trust.

(a) Effective as of the Effective Date or as promptly as practicable thereafter, the Debtors shall transfer, pursuant to Bankruptcy Code Sections 1123(a)(5)(B) and 1123(b)(3)(B), and in accordance with the Plan and the Confirmation Order, the GUC Trust Assets, as they exist on the Effective Date, to the GUC Trust, free and clear of any and all liens, claims, encumbrances and interests (legal, beneficial or otherwise) of all other entities to the maximum extent contemplated by and permissible under Bankruptcy Code Section 1141(c); *provided*, *however* that notwithstanding anything to the contrary in the Plan, Disclosure Statement, Confirmation Order, this Trust Agreement or any other agreement, the DIP Lenders shall maintain their liens on the Wind-Down Budget Cash, *provided that* for the avoidance of doubt, the DIP Lenders shall not demand acceleration of their liens on the Wind-Down Budget Cash except in accordance with the provisions of section 7.2 of the DIP Credit Agreement; and *provided, further*, that the Debtors need not transfer the New GM Securities to the GUC Trust on the Effective Date, but such securities shall be transferred to the GUC Trust free and clear of all liens, claims, and encumbrances, from time to time through no later than December 31, 2011, as requested by the GUC Trust Administrator in a writing that specifies the number of New GM Securities to be transferred to the GUC Trust for the purpose of making distributions pursuant to Sections 5.2, 5.3 and 5.4 hereof and for the purpose of reservation of all holdbacks established pursuant to Section 6.1 hereof. On December 31, 2011, all remaining New GM Securities held by the Debtors shall be transferred to the GUC Trust free and clear of all liens, claims, and encumbrances. For the avoidance of doubt, the New GM Securities necessary to satisfy the initial distribution on account of the Asbestos Trust Claim shall be reserved and distributed directly by the Debtors in accordance with the Plan and the proviso in Section 5.2(a). Such transfers shall be exempt from any stamp, real estate transfer, mortgage reporting, sales, use or other similar tax. The Debtors and their successors and assigns shall be released from any and all liability with respect to the transfer of the GUC Trust Assets to the GUC Trust as aforesaid. Nothing in this Trust Agreement is intended to, or shall be construed to, effect a release, extinguishment or compromise of any claim or cause of action transferred to the GUC Trust pursuant to this Trust Agreement. The GUC Trust Assets and all other property held from time to time by the GUC Trust under this Trust Agreement and any earnings (including interest) thereon are to be managed, applied and

disposed of by the GUC Trust Administrator in accordance with the terms hereof, the Plan and the Confirmation Order for the benefit of the GUC Trust Beneficiaries, and for no other party, subject to the further covenants, conditions and terms hereinafter set forth, including the provisions of Sections 2.6 and 2.7 of this Trust Agreement.

(b) To the extent any GUC Trust Assets held by the Debtors cannot be transferred to the GUC Trust, because of a restriction on transferability under applicable non-bankruptcy law that is not superseded by Bankruptcy Code Section 1123 or any other provision of the Bankruptcy Code, such assets shall be retained by the Debtors. The proceeds of sale of any such assets retained by the Debtors shall be allocated to the GUC Trust pursuant to the Plan as if such transfer had not been restricted under applicable non-bankruptcy law. The GUC Trust Administrator may commence an action in the Bankruptcy Court to resolve any dispute regarding the allocation of the proceeds of any assets retained by the Debtors pursuant to the Plan and Confirmation Order.

(c) Within 3 Business Days of the entry of the Confirmation Order, the Debtors shall also deliver to the GUC Trust (i) a complete list of all General Unsecured Claims, both Allowed and Disputed, reflected on the claims registry as of the Distribution Record Date, including the names and addresses of all holders of such General Unsecured Claims, whether such claims have been Allowed or are Disputed, and the details of all objections in respect of Disputed General Unsecured Claims, and (ii) a complete list of all known Avoidance Actions. Within 1 Business Day of the Effective Date, the Debtors shall deliver to the GUC Trust a list of any changes to the claims registry between the Distribution Record Date and the Effective Date.

(d) The GUC Trust Administrator shall take such action, when and as appropriate and in consultation with the GUC Trust Monitor, to determine whether the GUC Trust may be entitled pursuant to the MSPA to receive a distribution of Additional Shares (or any additional distribution of Additional Shares) as a result of the aggregate amount of Allowed General Unsecured Claims exceeding $35 billion, and, if the GUC Trust is so entitled, take such steps as described in the MSPA to request the issuance of such Additional Shares by General Motors Company to the GUC Trust.

2.4. Appointment and Acceptance of GUC Trust Administrator. The GUC Trust Administrator shall be deemed to be appointed pursuant to Bankruptcy Code Section 1123(b)(3)(B). The GUC Trust Administrator hereby accepts the trusteeship of the GUC Trust created by this Trust Agreement and the grant, assignment, transfer, conveyance and delivery by the Debtors to the GUC Trust Administrator, on behalf, and for the benefit, of the GUC Trust Beneficiaries, of all of their respective right, title and interest in the GUC Trust Distributable Assets, upon and subject to the terms and conditions set forth in the Plan, the Confirmation Order and this Trust Agreement. The GUC Trust Administrator's powers are exercisable solely in a fiduciary capacity consistent with, and in furtherance of, the purpose of the GUC Trust and not otherwise, and in accordance with applicable law. The GUC Trust Administrator shall have the authority to bind the GUC Trust within the limitations set forth herein, but shall for all purposes hereunder be acting in the capacity as GUC Trust Administrator, and not individually.

2.5. Distribution of GUC Trust Distributable Assets. The GUC Trust Administrator shall, in an expeditious but orderly manner and subject to the provisions of the Plan, the Confirmation Order and this Trust Agreement, make timely distributions of the GUC Trust Distributable Assets in accordance with the terms hereof and not unduly prolong the existence of the GUC Trust. The GUC Trust Administrator may incur and pay any reasonable and necessary expenses in connection with the administration of the GUC Trust, including the fees and expenses of the Trust Professionals, *provided*, *however*, that all such expenditures, solely to the extent that they are paid from the Wind-Down Budget Cash, shall be made in accordance with the Budget.

2.6. No Reversion to Debtors.

(a) In no event shall any part of the GUC Trust Assets revert to or be distributed to or for the benefit of any Debtor. All GUC Trust Distributable Assets shall be applied to the satisfaction of Allowed General Unsecured Claims, including through distributions made in respect of the Units.

(b) To the extent that after satisfaction in full of all of the costs and expenses of the administration of the GUC Trust, after all Allowed General Unsecured Claims have been paid pursuant to the Plan, after satisfaction of all other obligations or liabilities of the GUC Trust (including without limitation distributing the Residual Wind-Down Assets to holders of Allowed Secured, Administrative and Priority Claims, but not including the claims of the DIP Lenders) incurred or assumed in accordance with the Plan, Confirmation Order or this Trust Agreement, (or to which the GUC Trust Assets are otherwise subject), and after the affairs of the GUC Trust have been finally concluded in accordance with the provisions of Section 4.3 hereof, there shall remain any Wind-Down Budget Cash or Residual Wind-Down Assets, the GUC Trust Administrator is authorized to and shall distribute any such remaining Wind-Down Budget Cash and Residual Wind-Down Assets to the DIP Lenders in accordance with the terms of the DIP Credit Agreement. To the extent any portion of such residue is not accepted by the respective DIP Lenders, the GUC Trust Administrator shall (i) be authorized to distribute up to $100,000 of such remaining Wind-Down Budget Cash or Residual Wind-Down Assets to an organization described in section 501(c)(3) of the Tax Code and exempt from U.S. federal income tax under section 501(a) of the Tax Code that is unrelated to the Debtors, the GUC Trust, the GUC Trust Administrator, the GUC Trust Monitor and any insider of the GUC Trust or GUC Trust Monitor, or (ii) with respect to amounts in excess of $100,000, request an order of the Bankruptcy Court authorizing the GUC Trust Administrator to distribute any such remaining Wind-Down Budget Cash or Residual Wind-Down Assets to such an organization, or authorizing such other disposition as recommended by the GUC Trust Administrator and approved by the Bankruptcy Court.

(c) The GUC Trust agrees that all payments of Wind-Down Budget Cash to Trust Professionals shall be subject to the annual Budget and are further subject to the Wind-Down Professional Fee Budget. If the billings of the Trust Professional have exceeded the amount allocated to it in the Budget (measured on an annual basis) and the Trust Professional has not exceeded the Trust Professional Maximum Amount (measured on a cumulative basis), the Trust Professional shall not be paid from the Wind-Down Budget Cash any amount greater than the amount allocated to it in the Budget for such period except with the written consent of

the DIP Lenders, *provided that* if the DIP Lenders do not consent, the GUC Trust Administrator, in consultation with the GUC Trust Monitor may seek Bankruptcy Court approval to pay the Trust Professional from the Wind-Down Budget Cash an amount greater than the amount allocated in the Budget for such period. The GUC Trust Administrator may only request such Bankruptcy Court approval on the grounds that the DIP Lenders acted in bad faith in not consenting to authorize payment to the Trust Professional in excess of the Budget. "Bad faith" shall not include, *inter alia*, a failure to permit payments outside the Budget for any rational business purpose. The GUC Trust Administrator agrees that under no circumstances will Wind-Down Budget Cash be used to pay a Trust Professional once such Trust Professional exceeds its Trust Professional Maximum Amount.

(d) All payments of Wind-Down Budget Cash shall be subject to a holdback of 10 percent of the amount billed for each calendar year (the "Holdback"). If the billings of the Trust Professional do not exceed the amount allocated to such Trust Professional in the Budget for such calendar year, such Trust Professional shall receive any amounts actually owed but not yet paid for the calendar year from the Wind-Down Budget Cash in the amount of its Holdback, no less than 30 days after the end of the calendar year. If the billings of the Trust Professional exceed the amount allocated to it in the Budget for any calendar year, such Trust Professional shall not receive the Holdback for such calendar year until 30 days after the earlier of (x) the termination of such Trust Professional's engagement by the GUC Trust or (y) the dissolution of the GUC Trust pursuant to Section 4.1 of this GUC Trust Agreement (which amount shall be payable from the Wind-Down Budget Cash to the extent such funds are available at that time, and otherwise from Other GUC Trust Administrative Cash).

(e) Any Wind-Down Budget Cash remaining upon the dissolution of the GUC Trust, including the aggregate unspent Trust Professional Maximum Amount, but excluding the Holdback, shall be returned to the DIP Lenders in accordance with [NUMBER] of the Plan. Notwithstanding the foregoing, a Trust Professional may receive payment for amounts in excess of the Budget from sources other than the Wind-Down Budget Cash in accordance with Sections 6.1(d) of this Trust Agreement. For the avoidance of doubt, the Reporting and Transfer Costs shall not be set forth in the Budget and shall not be paid for with Wind-Down Budget Cash.

(f) The GUC Trust Administrator shall provide reports regarding the Residual Wind-Down Assets to the DIP Lenders as described in Section 6.2(e) of this Trust Agreement. The DIP Lenders may petition the Bankruptcy Court to resolve any disputes concerning the use of the Residual Wind-Down Assets, as contemplated herein.

(g) Notwithstanding the foregoing, any remaining unspent Other GUC Trust Administrative Cash shall not be distributed to the DIP Lenders, but rather shall be distributed to holders of Allowed General Unsecured Claims or holders of Units, as the case may be, pursuant to Article V.

2.7. Dissolution of the Debtors. If any Residual Wind-Down Assets shall remain upon dissolution of the Debtors, which according to the Plan shall occur no later than December 15, 2011, then, immediately prior to such dissolution, the Debtors shall transfer to the GUC Trust (i) all such remaining Residual Wind-Down Assets and (ii) a

complete list of all Residual Wind-Down-Claims, both Allowed and Disputed, reflected on the claims registry as of the Effective Date, including the names and addresses of all holders of such Residual Wind-Down Claims, whether such claims have been Allowed or are Disputed, and the details of all objections in respect of Disputed Residual Wind-Down Claims. In such case, after such transfer, the GUC Trust Administrator shall have the exclusive right to object to any remaining Administrative Expenses, Priority Tax Claims, DIP Credit Agreement Claims, Priority Non-Tax Claims, and Secured Claims, and shall administer the resolution of all Disputed Administrative Expenses, Disputed Priority Tax Claims, Disputed Priority Non-Tax Claims, and Disputed Secured Claims (collectively, the "Residual Wind-Down Claims"), all in accordance with the terms of the Plan, the Confirmation Order and Section 8.1(c) of this Trust Agreement.

2.8. Transfer of Residual Wind-Down Assets. Effective as of the date of MLC's dissolution, the Debtors shall transfer, in accordance with the Plan and the Confirmation Order, and this Trust Agreement, the Residual Wind-Down Assets, as they exist at the time of transfer, to the GUC Trust, free and clear of any and all liens, claims, encumbrances and interests (legal, beneficial or otherwise) of all other entities to the maximum extent contemplated by and permissible under Bankruptcy Code Section 1141(c); *provided*, *however* that notwithstanding anything to the contrary in the Plan, Disclosure Statement, Confirmation Order, this Trust Agreement or any other agreement, the DIP Lenders shall maintain their liens on the Residual Wind-Down Assets, *provided that* for the avoidance of doubt, the DIP Lenders shall not demand acceleration of their liens on the Residual Wind-Down Assets except in accordance with the provisions of section 7.2 of the DIP Credit Agreement.

ARTICLE III
GUC TRUST BENEFICIARIES; UNITS

3.1. Rights of Beneficiaries.

(a) The GUC Trust Beneficiaries shall be the sole beneficiaries of the GUC Trust Distributable Assets, and except as provided in Sections 2.6 and 2.7 hereof, the GUC Trust Beneficiaries shall be the sole beneficiaries of the GUC Trust; the GUC Trust Administrator shall retain only such incidents of ownership as are necessary to undertake the actions and transactions authorized in the Plan, the Confirmation Order and this Trust Agreement, including those powers set forth in Articles VI and VIII hereof.

(b) The beneficial interest of a GUC Trust Beneficiary in the GUC Trust is hereby declared and shall be in all respects and for all purposes intangible personal property.

(c) Except as expressly provided herein, a GUC Trust Beneficiary shall have no title or right to, or possession, management or control of, the GUC Trust, or the GUC Trust Assets, or to any right to demand a partition or division of such assets or to require an accounting of the GUC Trust Administrator or the GUC Trust Monitor. The whole legal title to the GUC Trust Assets shall be vested in the GUC Trust Administrator and the sole beneficial interest of the GUC Trust Beneficiaries shall be as set forth in this Trust Agreement.

3.2. Limited Liability. No provision of the Plan, the Confirmation Order or this Trust Agreement, and no mere enumeration herein of the rights or privileges of any GUC Trust Beneficiary, shall give rise to any liability of such GUC Trust Beneficiary solely in its capacity as such, whether such liability is asserted by any Debtor, by creditors or employees of any Debtor, or by any other Person. GUC Trust Beneficiaries are deemed to receive the GUC Trust Distributable Assets in accordance with the provisions of the Plan, the Confirmation Order and this Trust Agreement in exchange for their Allowed General Unsecured Claims or on account of their Units, as applicable, without further obligation or liability of any kind, but subject to the provisions of this Trust Agreement.

3.3. Manner of Receipt of Distributions

(a) Except with respect to holders of Note Claims and Eurobond Claims, in order to receive a distribution from the GUC Trust of New GM Common Stock, New GM Warrants or Units, holders of Allowed General Unsecured Claims must designate a direct or indirect participant in DTC with whom such holder has an account and take such other ministerial actions (i) as specifically identified on Exhibit B hereto, and (ii) as the GUC Trust Administrator shall from time to time reasonably require by written communication to the holders of Allowed General Unsecured Claims. With respect to holders of Note Claims and Eurobond Claims, the GUC Trust shall issue New GM Securities to such holders through the applicable Indenture Trustees and Fiscal and Paying Agents who will then issue the New GM Common Stock, New GM Warrants and Units to such holders through the applicable direct or indirect DTC participant.

(b) If and for so long as a holder of an Allowed General Unsecured Claim (other than the holders of Note Claims and Eurobond Claims) does not designate a direct or indirect participant in DTC and take such other actions required by Section 3.3(a), the GUC Trust Administrator shall hold the New GM Common Stock, New GM Warrants and Units such holder is otherwise entitled to receive, together with any GUC Trust Distributable Assets distributed in respect of such New GM Common Stock, New GM Warrants and Units, until such time as such holder complies with the requirements of Section 3.3(a). As soon as practicable following the beginning of the calendar quarter next following the date on which a holder of an Allowed General Unsecured Claim complies in full with the requirements of Section 3.3(a), the GUC Trust Administrator shall distribute to such holder the New GM Common Stock, New GM Warrants and Units and any distributions thereon to which such holder is entitled; *provided*, *however*, that if a holder has not complied with Section 3.3(a) prior to the final Distribution Date, then the Units of such holder or holders shall be deemed cancelled and not outstanding and the New GM Common Stock, the New GM Warrants and the GUC Trust Distributable Assets distributed in respect of the New GM Common Stock, New GM Warrants and Units reserved on account of such cancelled Units shall be distributed pro rata to all holders of Units then outstanding on the final Distribution Date.

3.4. Issuance of Units.

(a) The GUC Trust shall issue Units to holders of Allowed General Unsecured Claims as provided in this Trust Agreement. At such time as the holders of Initial Allowed General Unsecured Claims receive their initial distribution of New GM Securities

pursuant to Section 5.2 of this Trust Agreement, they shall also receive the number of Units equal to the amount of such Initial Allowed General Unsecured Claims multiplied by the Unit Issuance Ratio, rounded up or down to the nearest whole Unit (with one-half being closer to the next higher number for these purposes). Following the Effective Date, holders of Resolved Allowed General Unsecured Claims shall receive, at the time such holders receive their initial distribution of New GM Securities pursuant to Section 5.3, a number of Units equal to the amount of such Resolved Allowed General Unsecured Claims multiplied by the Unit Issuance Ratio, rounded up or down to the nearest whole Unit (with one-half being closer to the next higher number for these purposes). Units will represent the contingent right to receive, on a pro rata basis as provided in the Plan, the Confirmation Order and this Trust Agreement, GUC Trust Distributable Assets that are not required for satisfaction of Resolved Allowed General Unsecured Claims. The Units shall be issued subject to all the terms and conditions of the Plan, the Confirmation Order and this Trust Agreement. References in this Trust Agreement to holders of Units shall be to the record holders of such Units or to the beneficial holders of the Units, as the context requires.

(b) With respect to the claims of beneficial holders of debt securities arising out of or relating to the Note Claims and Eurobond Claims, the GUC Trust shall issue additional Units to the Indenture Trustees and Fiscal and Paying Agents, to the extent necessary to provide each such beneficial holder with a number of Units equal to the number of Units such holder would receive had its claim been treated as an Initial Allowed General Unsecured Claim hereunder.

(c) As provided in Section 7.5 hereof, the GUC Trust Administrator may also hold back and retain Units otherwise issuable pursuant to this subsection with respect to Allowed General Unsecured Claims that are subject to tax withholding, and the GUC Trust Administrator shall apply amounts distributed in respect of such retained Units to satisfy such tax withholding obligations.

3.5. Evidence of Units.

(a) Except as otherwise provided in this Trust Agreement, Units will be issued in book-entry form only, and held through participants (including securities brokers and dealers, banks, trust companies, clearing corporations and other financial organizations) of DTC, as depositary. Unit holders will not receive physical certificates for their Units, and the Units will not be registered in a direct registration system on the books and records of the GUC Trust. For so long as DTC serves as depositary for the Units, the GUC Trust Administrator may rely on the information and records of DTC to make distributions and send communications to the holders of Units and, in so doing, the GUC Trust Administrator shall be fully protected and incur no liability to any holder of Units, any transferee (or purported transferee) of Units, or any other person or entity.

(b) If DTC is unwilling or unable to continue as a depositary for the Units, or if the GUC Trust Administrator with the approval of the GUC Trust Monitor otherwise determines to do so, the GUC Trust Administrator shall exchange the Units represented in book-entry form for physical certificates.

(c) Notwithstanding anything to the contrary in the Plan, the Confirmation Order or this Trust Agreement, the GUC Trust shall not issue any Units unless and until the GUC Trust receives a favorable ruling from the Division of Corporate Finance of the SEC, in a form acceptable to the GUC Trust Administrator in its sole discretion, which provides that, among other matters, the Division of Corporate Finance of the SEC would not recommend enforcement action if such Units are not registered under Section 12(g) of the Securities Exchange Act of 1934.

3.6. Transfers of Units. Units shall be freely negotiable and transferable, subject to applicable law and, for so long as DTC continues to serve as depositary for the Units, the requirements of DTC's electronic book-entry system. In no event, however, shall the GUC Trust Administrator or anyone acting on its behalf, directly or indirectly, engage in any activity designed to facilitate or promote trading in the Units including by engaging in activities prohibited pursuant to Section 8.2; provided that no activity undertaken by the GUC Trust Administrator in compliance with the terms of the Plan, the Confirmation Order or this Trust Agreement shall be deemed to facilitate or promote trading in the Units for these purposes.

3.7. Conflicting Claims to Units. If the GUC Trust Administrator has actual knowledge of any conflicting claims or demands that have been made or asserted with respect to a Unit, or a beneficial interest therein, the GUC Trust Administrator shall be entitled, at its sole election, to refuse to comply with any such conflicting claims or demands. In so refusing, the GUC Trust Administrator may elect to make no payment or distribution with respect to the Unit subject to the claims or demands involved, or any part thereof, and the GUC Trust Administrator shall be entitled to refer such conflicting claims or demands to the Bankruptcy Court, which shall have exclusive and continuing jurisdiction over resolution of such conflicting claims or demands. The GUC Trust Administrator shall not be or become liable to any party for either (i) its election to continue making distributions pursuant to its books and records and/or the books and records of DTC, as applicable, without regard to the conflicting claims or demands; or (ii) its election to cease payments or distributions with respect to the subject Unit or Units. In the event that the GUC Trust Administrator elects to cease payments, it shall be entitled to refuse to act until either (x) the rights of the adverse claimants have been adjudicated by a Final Order of the Bankruptcy Court (or such other court of proper jurisdiction) or (y) all differences have been resolved by a written agreement among all of such parties and the GUC Trust Administrator, which agreement shall include a complete release of the GUC Trust, the GUC Trust Administrator Parties and the GUC Trust Monitor Parties in form and substance reasonably satisfactory to the GUC Trust Administrator and the GUC Trust Monitor (the occurrence of either (x) or (y), a "Claim Conflict Resolution"). Until a Claim Conflict Resolution is reached with respect to such conflicting claims or demands, the GUC Trust Administrator shall hold in a segregated account any payments or distributions from the GUC Trust to be made with respect to the Unit or Units at issue. Promptly after a Claim Conflict Resolution is reached, the GUC Trust Administrator shall transfer the payments and distributions, if any, held in the segregated account, together with any interest and income earned thereon, if any, in accordance with the terms of such Claim Conflict Resolution.

ARTICLE IV
DURATION AND TERMINATION OF THE GUC TRUST

4.1. Duration. The GUC Trust shall become effective upon the Effective Date and the execution of this Trust Agreement and shall remain and continue in full force and effect until (x) the earlier of (i) the date on which (A) all of the GUC Trust Distributable Assets have been distributed by the GUC Trust Administrator in accordance with this Trust Agreement, the Plan, and the Confirmation Order, and (B) if the Residual Wind-Down Assets are transferred to the GUC Trust upon the dissolution of the Debtors, the GUC Trust Administrator has completed the resolution of the Residual Wind-Down Claims and distribution of the Residual Wind-Down Assets, and (ii) the third anniversary of the Effective Date, or (y) such shorter or longer period authorized by the Bankruptcy Court upon application of the GUC Trust Administrator with the approval of the GUC Trust Monitor (I) in order to resolve all Disputed General Unsecured Claims, the Term Loan Avoidance Action and other Avoidance Actions, and (II) to complete the resolution of the Residual Wind-Down Claims and distribution of the Residual Wind-Down Assets.

4.2. Dissolution of the GUC Trust. Notwithstanding anything to the contrary in this Trust Agreement, in no event shall the GUC Trust Administrator unduly prolong the duration of the GUC Trust, and the GUC Trust Administrator shall, in the exercise of its reasonable business judgment and in the interests of all GUC Trust Beneficiaries, at all times endeavor to terminate the GUC Trust as soon as practicable in accordance with the purposes and provisions of this Trust Agreement and the Plan.

4.3. Continuance of GUC Trust for Purposes of Winding Up. After the dissolution of the GUC Trust and solely for the purpose of liquidating and winding up its affairs, the GUC Trust Administrator shall continue to act in such capacity until its duties hereunder have been fully performed. The GUC Trust Administrator shall retain the books, records and files that shall have been delivered to or created by the GUC Trust Administrator until distribution of all the GUC Trust Assets and the resolution of the Residual Wind-Down Claims and distribution of the Residual Wind-Down Assets. At the GUC Trust Administrator's discretion, all of such records and documents may be destroyed at any time following the later of (x) final distribution of the GUC Trust Assets and completion of the resolution of the Residual Wind-Down Claims and distribution of the Residual Wind-Down Assets, if applicable, unless such records and documents are necessary to fulfill the GUC Trust Administrator's obligations pursuant to Articles VI and VIII hereof and subject to any joint prosecution and common interests agreement(s) to which the GUC Trust Administrator may be party, and (y) the date until which the GUC Trust Administrator is required by applicable law to retain such records and documents.

ARTICLE V
CLAIMS RESOLUTION; DISTRIBUTIONS

5.1. Resolution of Claims.

(a) Except as otherwise provided in this Trust Agreement, as of the Effective Date, objections to, and requests for estimation of Disputed General Unsecured Claims against

the Debtors may be interposed and prosecuted only by the GUC Trust Administrator. Such objections and requests for estimation, to the extent not already pending, shall be served on the respective claimant and filed with the Bankruptcy Court on or before the 180th day following the Effective Date (with the exception of Unliquidated Litigation Claims); provided, that the GUC Trust Administrator may seek extension of such date by *ex parte* application to the Bankruptcy Court, *provided further* that the GUC Trust Administrator shall provide the U.S. Treasury with five business days notice prior to its application to the Bankruptcy Court.

(b) Except as otherwise set forth herein, no distributions shall be made with respect to any portion of a Disputed General Unsecured Claim, Unresolved Term Loan Avoidance Action Claim or Unresolved Other Avoidance Action Claim unless and until such Disputed General Unsecured Claim, Unresolved Term Loan Avoidance Action Claim or Unresolved Other Avoidance Action Claim has become an Allowed General Unsecured Claim.

(c) To the extent that a Disputed General Unsecured Claim, Unresolved Term Loan Avoidance Action Claim or Unresolved Other Avoidance Action Claim has become an Allowed General Unsecured Claim, distributions (if any) shall be made to the holder of such Allowed General Unsecured Claim in accordance with the provisions of the Plan, the Confirmation Order and this Trust Agreement.

(d) From and after the Effective Date, the GUC Trust Administrator shall have the authority to compromise, settle, otherwise resolve or withdraw any objections to Disputed General Unsecured Claims against the Debtors, subject to the consent of the GUC Trust Monitor, as may be required pursuant to the terms of Section 11.3 hereof.

(e) The GUC Trust Administrator may at any time request that the Bankruptcy Court estimate any contingent claim, unliquidated claim or Disputed General Unsecured Claim pursuant to Section 502(c) of the Bankruptcy Code regardless of whether the Debtors or any other Person previously objected to such General Unsecured Claim or whether the Bankruptcy Court has ruled on any such objection, and the Bankruptcy Court will retain jurisdiction to estimate any General Unsecured Claim at any time during litigation concerning any objection to any General Unsecured Claim, including during the pendency of any appeal relating to any such objection, provided that the GUC Trust Administrator shall not object to, or seek estimation of, any General Unsecured Claim that would be allowed pursuant to a settlement signed by the Debtors prior to the Effective Date, unless such settlement requires approval by the Bankruptcy Court and that approval is denied. In the event that the Bankruptcy Court estimates any contingent claim, unliquidated claim or Disputed General Unsecured Claim, the amount so estimated shall constitute either the Allowed amount of such General Unsecured Claim or a maximum limitation on such General Unsecured Claim, as determined by the Bankruptcy Court. If the estimated amount constitutes a maximum limitation on the amount of such General Unsecured Claim, the GUC Trust Administrator may pursue supplementary proceedings to object to the allowance of such General Unsecured Claim. All of the aforementioned objection, estimation and resolution procedures are intended to be cumulative and not exclusive of one another. General Unsecured Claims may be estimated and subsequently compromised, settled, withdrawn or resolved by any mechanism approved by the Bankruptcy Court.

(f) Notwithstanding anything to the contrary contained in this Section 5.1 or elsewhere in this Trust Agreement, holders of Unliquidated Litigation Claims (other than (i) the United States, including its agencies and instrumentalities, and (ii) state, local and tribal governments with respect to any Claims concerning alleged environmental liabilities) shall be subject to the ADR Procedures. The GUC Trust Administrator shall, at all times and in all cases, comply with and implement the ADR Procedures with respect to holders of Unliquidated Litigation Claims. As set forth in the Plan, if the GUC Trust Administrator terminates the ADR Procedures with respect to an Unliquidated Litigation Claim, the GUC Trust Administrator shall have one hundred eighty (180) days from the date of termination of the ADR Procedures to file and serve an objection to such Unliquidated Litigation Claim. If the GUC Trust Administrator terminates the ADR Procedures with respect to an Unliquidated Litigation Claim and such Unliquidated Litigation Claim is litigated in a court other than the Bankruptcy Court, the GUC Trust Administrator shall have ninety (90) days from the date of entry of a Final Order adjudicating such Claim to file and serve an objection to such Claim solely for purposes of determining the treatment of such Claim under the Plan.

5.2. Distributions to Holders of Initial Allowed General Unsecured Claims.

(a) As promptly as practicable following the Effective Date (but no earlier than the first Business Day of the full calendar month next following the Effective Date), the GUC Trust Administrator shall deliver to each holder of an Initial Allowed General Unsecured Claim, subject to Section 3.3 hereof, a distribution consisting of:

(i) the amount of GUC Trust Distributable Assets then available for distribution pro rata in accordance with the following formula:

$$D_I = \left(\frac{A_I}{C_I} \right) \times (\Sigma G_I)$$

and

$$G_I = (G_O - H_O)$$

Where—

- D_I is the initial distribution that the holder of an Initial Allowed General Unsecured Claim will be entitled to receive (rounded in the case of New GM Common Stock and each series of New GM Warrants in accordance with Section 5.6(a) hereof);
- A_I is the amount of the Initial Allowed General Unsecured Claim;
- C_I is the Current Total Amount as of the Initial Distribution Record Date; and
- ΣG_I is all amounts of all assets, by respective asset type, available for distribution as of the Effective Date, net of deductions
- G_I is the amount of the respective asset type available for distribution as of the Effective Date, net of deductions;
- G_O is all amounts of all assets, by respective asset type, available for distribution (whether by the GUC Trust Administrator or directly by the Debtors) as of the Effective Date (consisting of a total of 150 million shares of New GM Common Stock and 136,363,635 New GM Warrants in each of the two series); and
- H_O is the sum of the Reporting and Transfer Holdback (reserved or to be reserved pursuant to Section 6.1(c)(i)) allocated to the respective asset type and, as of the Effective Date, any

GUC Trust Distributable Assets of the respective asset type sold or pledged pursuant to Section 6.1(c)(ii); [1]

(ii) a number of Units as provided in Section 3.4;

provided, *however*, that the initial distribution of GUC Trust Distributable Assets on account of the Asbestos Trust Claim shall be made directly by the Debtors, in an amount determined in accordance with Section 5.2(a)(i), in consultation with the GUC Trust Administrator and GUC Trust Monitor as necessary to determine such amount. For the avoidance of doubt, the distribution of Units distributable on account of the Asbestos Trust Claim shall be made by the GUC Trust Administrator in the manner prescribed in Section 3.5 at the direction of the Debtors.

(b) With respect to the claims of beneficial holders of debt securities arising out of or relating to the Note Claims and the Eurobond Claims, the GUC Trust shall issue additional GUC Trust Distributable Assets to the Indenture Trustees and Fiscal and Paying Agents, to the extent necessary to provide each such beneficial holder with a number of GUC Trust Distributable Assets equal to the amount of GUC Trust Distributable Assets such holder would receive had its claim been treated as an Initial Allowed General Unsecured Claim hereunder.

5.3. Distributions to Holders of Resolved Allowed General Unsecured Claims.

(a) As promptly as practicable following the beginning of each calendar quarter, beginning with the second calendar quarter, the GUC Trust Administrator shall, subject to Section 5.3(c), deliver to each holder, if any, of a Disputed General Unsecured Claim or other Claim that has become a Resolved Allowed General Unsecured Claim during the prior calendar quarter (or, in the case of the second calendar quarter, since the Initial Distribution Record Date) a distribution consisting of:

(i) the pro rata amount of GUC Trust Distributable Assets that the holder of such Resolved Allowed General Unsecured Claim would have received had such Resolved Allowed General Unsecured Claim been an Initial Allowed General Unsecured Claim, including the aggregate amount of Excess GUC Trust Distributable Assets that the holder would have received had it been the holder of Units referred to in clause (iii) below on each Excess Distribution Record Date for any calendar quarter prior to the date of such distribution, which amount shall be determined in accordance with the following formula:

$$D_R = \left(\frac{A_R}{C} \right) \times (\Sigma G)$$

and

$$G = (G_R - H)$$

[1] See Exhibit A-1 for an illustrative calculation of the distribution to holders of Initial Allowed General Unsecured Claims. For the avoidance of doubt, Section 5.2 of this Trust Agreement shall govern in the event of any inconsistencies with Exhibit A-1.

Where—

D_R	is the distribution that the holder of a Resolved Allowed General Unsecured Claim would be entitled to receive (rounded in the case of New GM Common Stock and each series of New GM Warrants in accordance with Section 5.6(a) hereof);
A_R	is the amount of the Resolved Allowed General Unsecured Claim;
C	is the Current Total Amount as of the last day of the prior calendar quarter; and
Σ G	is all amounts of all assets, by respective asset type, available for distribution as of the Effective Date, plus, in the case of New GM Common Stock, the cumulative amount of Additional Shares received by the GUC Trust up to the last day of the preceding calendar quarter, net of deductions;
G	is the amount of the respective asset type available for distribution as of the Effective Date plus, in the case of New GM Common Stock, the cumulative amount of Additional Shares received by the GUC Trust up to the last day of the preceding calendar quarter, net of deductions;
G_R	is the amount of the respective asset type available for distribution (whether by the GUC Trust Administrator or directly by the Debtors) as of the Effective Date (consisting of a total of 150 million shares of New GM Common Stock and 136,363,635 New GM Warrants in each of the two series) plus, in the case of New GM Common Stock, the cumulative amount of Additional Shares received by the GUC Trust through the last day of the preceding calendar quarter;
H	is the sum of the Protective Holdback, the Additional Holdback and the Reporting and Transfer Holdback, each allocated to the respective asset type and any GUC Trust Distributable Assets of the respective asset type sold or pledged pursuant to Section 6.1 as of the last day of the preceding calendar quarter;[2]

(ii) all Subsequent GUC Trust Dividend Assets received by the GUC Trust since the Effective Date in respect of the GUC Trust Securities Assets distributed pursuant to clause (i); and

(iii) a number of Units as provided in Section 3.4;

(b) On any Distribution Date where the GUC Trust does not hold sufficient GUC Trust Distributable Assets to satisfy all Disputed General Unsecured Claims or other Claims, in each case, that became Resolved Allowed General Unsecured Claims during the prior calendar quarter (or, in the case of a Distribution Date during the second calendar quarter, since the Initial Distribution Record Date), the GUC Trust Administrator shall (following the reservation of the Additional Holdback, the Reporting and Transfer Holdback and the Protective Holdback in accordance with Sections 6.1(b), (c) and (d) of this Trust Agreement, and/or the sale or pledge of any GUC Trust Distributable Assets to the extent necessary and approved by the GUC Trust Monitor and/or the Bankruptcy Court, as applicable) distribute all GUC Trust Distributable Assets that remain in the GUC Trust to the holders of such Resolved Allowed General Unsecured Claims pro rata by Claim amount. Following such distribution, any remaining unsatisfied portion of such Resolved Allowed General Unsecured Claims, together with all remaining Disputed General Unsecured Claims and other Claims (including, without limitation, the Term Loan Avoidance Action Claims and

[2] See Exhibit A-2 for an illustrative calculation of a distribution to holders of Resolved Allowed General Unsecured Claims. For the avoidance of doubt, Section 5.3 of this Trust Agreement shall govern in the event of any inconsistencies with Exhibit A-2.

the Other Avoidance Action Claims) shall be discharged and forever barred from assertion against the GUC Trust.

(c) On any Distribution Date on which any Excess GUC Trust Distributable Assets available for distribution are not distributed to holders of Units and are instead withheld by the GUC Trust pursuant to Section 5.4(c), then, the amount of any distribution pursuant to Section 5.3(a) to a holder of Resolved Allowed General Unsecured Claims on such Distribution Date shall be reduced to the extent the Excess GUC Trust Distributable Assets would have been withheld from distribution on account of the Units distributed to such holder, had such Units been held by such holder as of the last day of the preceding calendar month.

5.4. Distribution of Excess GUC Trust Distributable Assets.

(a) Beginning with the first calendar quarter, the GUC Trust Administrator shall determine the Excess GUC Trust Distributable Assets, if any, as of the last date of such calendar quarter, taking account of the extent to which Disputed General Unsecured Claims are disallowed or the Term Loan Avoidance Action or other Avoidance Actions are resolved in favor of the defendants therein.

(b) Beginning with the second calendar quarter, the GUC Trust Administrator shall, as promptly as practicable following the beginning of such calendar quarter, distribute, subject to Section 5.4(c), the Excess GUC Trust Distributable Assets, in each case determined as of the last date of the prior calendar quarter, to the holders of Units outstanding on the Excess Distribution Record Date for the current calendar quarter (not including, however, Units distributed, or to be distributed, to holders of Resolved Allowed General Unsecured Claims during the current calendar quarter), pro rata according to the following formulas:

$$D_U = \left(\frac{U_H}{U_O}\right) \times (\Sigma G_X)$$

and

$$G_X = \left[(I - H) \times \left[\frac{T}{C} - \frac{T}{(C+L)} \right] \right] + \left(S \times \frac{T}{C} \right)$$

Where—

D_U	is the distribution of Excess GUC Trust Distributable Assets that a holder of Units will be entitled to receive (with Cash payable in lieu of fractional shares of New GM Common Stock and fractional New GM Warrants in accordance with Section 5.6(b) hereof);
U_H	is the number of Units held by the holder;
U_O	is the total number of Units outstanding (including Units distributed, or to be distributed to holders of Resolved Allowed General Unsecured Claims during the current calendar quarter);
ΣG_X	is all amounts, by asset type, of the Excess GUC Trust Distributable Assets as of the last day of the prior calendar quarter;
G_X	is the amount of the Excess GUC Trust Distributable Assets for each asset type, respectively, as of the last day of the prior calendar quarter;
I	is the amount of the respective asset type available for distribution (whether by the GUC Trust Administrator or directly by the Debtors) as of the Effective Date (consisting of a total of 150 million shares of New GM Common Stock and

136,363,635 New GM Warrants in each of the two series) plus, in the case of New GM Common Stock, the amount of Additional Shares received by the GUC Trust as of the prior Excess Distribution Record Date;

T is the Total Allowed Amount as of the last day of the prior calendar quarter;

C is the Current Total Amount as of the last day of the prior calendar quarter;

S is the number of Additional Shares received by the GUC Trust since the prior Excess Distribution Record Date;

L is the aggregate amount of all (i) Disputed General Unsecured Claims disallowed during the preceding calendar quarter (or, in the case of a calculation taking place during the second calendar quarter, since the Initial Distribution Record Date), (ii) Unresolved Term Loan Avoidance Action Claims to the extent resolved (including by way of settlement) in favor of the respective defendants during the preceding calendar quarter (or, in the case of a calculation taking place during the second calendar quarter, since the Initial Distribution Record Date); and (iii) all Unresolved Other Avoidance Action Claims to the extent resolved (including by way of settlement) in favor of the respective defendants during the preceding calendar quarter (or, in the case of a calculation taking place during the second calendar quarter, since the Initial Distribution Record Date); and

H is the sum of the Protective Holdback, the Additional Holdback and the Reporting and Transfer Holdback, each allocated to the respective asset type and any GUC Trust Distributable Assets of the respective asset type sold or pledged pursuant to Section 6.1 as of the last day of the preceding calendar quarter.[3]

(c) Anything to the contrary herein notwithstanding, the GUC Trust Administrator shall not, during any calendar quarter, make a distribution of any Excess GUC Trust Distributable Assets of a particular asset type for which the amount of Excess GUC Trust Distributable Assets of such asset type, determined as of the last date of the prior calendar quarter, does not exceed the relevant Distribution Threshold. In such case, any Excess GUC Trust Distributable Assets of such asset type then available for distribution shall be held by the GUC Trust until the next calendar quarter for which the amount of Excess GUC Trust Distributable Assets of such asset type available for distribution exceeds the relevant Distribution Threshold.

(d) Notwithstanding the foregoing, the GUC Trust Administrator, may, with the consent of the GUC Trust Monitor, withhold distribution of Excess GUC Trust Distributable Assets to the holders of Units if the GUC Trust Administrator becomes aware of previously unknown potential Allowed General Unsecured Claims, in an amount that the GUC Trust Administrator, with the approval of the GUC Trust Monitor, estimates to be the maximum amount reasonably distributable on account of such claims.

5.5. Retention of GUC Trust Assets. Notwithstanding anything in this Trust Agreement to the contrary, the GUC Trust Administrator shall at all times, to the extent practicable and subject to the provisions of Section 6.1, retain:

[3] See Exhibit A-3 for an illustrative calculation of a distribution to holders of Units. For the avoidance of doubt, Section 5.4 of this Trust Agreement shall govern in the event of inconsistencies with Exhibit A-3.

(a) sufficient GUC Trust Distributable Assets as the GUC Trust Administrator shall determine, with the approval of the GUC Trust Monitor, as would be distributable (I) to all holders of Disputed General Unsecured Claims at the time outstanding as if all Disputed General Unsecured Claims were allowed at the Maximum Amount, but only until such Disputed General Unsecured Claims are resolved, (II) to the holders of all Resolved Allowed General Unsecured Claims at the time outstanding, to the extent not previously distributed, (III) in respect of the Unresolved Term Loan Avoidance Action Claims, at the Maximum Amount thereof but only until the Term Loan Avoidance Action is dismissed by Final Order or the Unresolved Term Loan Avoidance Action Claims become Resolved Allowed General Unsecured Claims, (IV) in respect of Unresolved Other Avoidance Action Claims at the Maximum Amount thereof but only until such claims become Resolved Allowed General Unsecured Claims or the related other Avoidance Actions are dismissed by Final Order, and (V) in respect of the Protective Holdback, the Additional Holdback and the Reporting and Transfer Holdback; and

(b) sufficient GUC Trust Administrative Cash as the GUC Trust Administrator shall determine, with the approval of the GUC Trust Monitor, to be necessary (x) to pay reasonable incurred or anticipated fees and expenses (including any taxes imposed on the GUC Trust or in respect of the GUC Trust Assets) of the GUC Trust and (y) to satisfy other liabilities incurred by the GUC Trust or anticipated by the GUC Trust Administrator in accordance with the Plan, the Confirmation Order and this Trust Agreement.

5.6. Minimum Distributions and Fractional Shares.

(a) The provisions of this Section 5.6(a) shall apply with respect to distributions made in respect of Allowed General Unsecured Claims (but not to distributions in respect of Units). Subject to the following sentence, (i) no cash payment in an amount less than $25 shall be made by the GUC Trust Administrator to any holder of an Allowed General Unsecured Claim, and (ii) no fractional shares of New GM Common Stock or fractional New GM Warrants shall be distributed by the GUC Trust hereunder to any holder of an Allowed General Unsecured Claim. Any fractional shares of New GM Common Stock or fractional New GM Warrants shall be rounded up or down to the next whole number or zero, as applicable (with one-half being closer to the next higher whole number for these purposes); *provided that* for the purposes of determining the number of shares of New GM Common Stock or the number of New GM Warrants that any holder of an Allowed General Unsecured Claim shall be entitled to receive on any Distribution Date, the GUC Trust Administrator shall aggregate the GUC Trust Distributable Assets that such holder of an Allowed General Unsecured Claim is entitled to receive in respect of all Allowed General Unsecured Claims held by such holder as of the Initial Distribution Record Date, in the case of distributions pursuant to Section 5.2 of this Trust Agreement, or as of the last day of the calendar quarter next preceding the relevant Distribution Date, in the case of distributions pursuant to Section 5.3 of this Trust Agreement.

(b) The provisions of this Section 5.6(b) shall apply with respect to distributions made in respect of Units (but not to distributions in respect of Allowed General Unsecured Claims). Subject to the following sentence, no fractional shares of New GM Common Stock or fractional New GM Warrants shall be distributed by the GUC Trust

hereunder to any holder of a Unit. All fractional shares of New GM Common Stock and all fractional New GM Warrants that would otherwise have been distributable on the relevant Distribution Date but for the provisions of this Section 5.6(b) shall be aggregated and sold for Cash, *provided that* for the purposes of determining the number of shares of New GM Common Stock or the number of New GM Warrants that any holder of Units shall be entitled to receive on any Distribution Date, there shall be aggregated the GUC Trust Distributable Assets that such holder of a Unit is entitled to receive in respect of all Units at the time held by such holder. The net Cash proceeds of the sale of such New GM Common Stock and the New GM Warrants, after deduction of brokerage commissions and other expenses of sale, shall be distributed to holders of Units pro rata based upon the fractional shares of New GM Common Stock or fractional New GM Warrants that they would have otherwise been entitled to receive. If there shall exist at the time a public market for the New GM Common Stock or the New GM Warrants, all sales of the New GM Common Stock or the New GM Warrants, as the case may be, shall be in the public market.

5.7. Sale of Expiring New GM Warrants.

(a) If there shall remain as part of the GUC Trust Assets New GM Warrants of any series as of a date that is 120 days prior to the expiration date of the New GM Warrants of that series, the GUC Trust Administrator shall be authorized, but not required, at any time thereafter to sell for Cash all such remaining New GM Warrants. Any such sale shall be made in compliance with an applicable exemption from the registration requirements of the Securities Act of 1933, as amended, and any equivalent securities law provisions under state law, other than section 1145(a) of the Bankruptcy Code, which is not available for such sale. Following such sale, the net proceeds received after deduction of brokerage commissions and other expenses shall constitute and be held by the GUC Trust Administrator as GUC Trust Distributable Cash. If there shall exist at the time a public market for the New GM Warrants and the GUC Trust Administrator elects to sell the expiring New GM Warrants, the GUC Trust Administrator shall sell the New GM Warrants in the public market, unless the GUC Trust Monitor approves of the sale in a privately-negotiated transaction or such sale would require registration under the Securities Act of 1933, as amended, or applicable state securities laws and the New GM Warrants could not be so registered timely or at all; provided that in all circumstances any such sale shall be made in compliance with applicable federal and state securities laws.

(b) If any New GM Warrants of a particular series shall be sold pursuant to Section 5.7(a), such proceeds, after deduction of brokerage and commissions and other expenses of sale, plus any interest actually earned thereon by the GUC Trust, shall be distributed to the GUC Trust Beneficiaries who otherwise would have been entitled to receive such New GM Warrants, at such times as the GUC Trust Beneficiaries would have been entitled to receive the same.

5.8. Distributions Not in Compliance with this Article. In the event that the GUC Trust Administrator determines in good faith that it is necessary in order to carry out the intent and purposes of the Plan, Confirmation Order and this Trust Agreement to make any distribution in a manner that is not in technical compliance with this Article V, the GUC Trust Administrator shall be permitted to make such distributions, but only with the approval of the GUC Trust Monitor; *provided, however*, that no such distribution shall

result in any holder of an Allowed General Unsecured Claim receiving a distribution in excess of the distribution that such holder would have received had such claim been an Initial Allowed General Unsecured Claim or shall unfairly discriminate among the holders of Units.

5.9. Approval. Except as provided in Section 5.8, no payment or distribution of GUC Trust Assets shall be made to, or on behalf of, a GUC Trust Beneficiary or any other person except in strict accordance with the terms of this Trust Agreement, the Plan, and the Confirmation Order, unless such payment or distribution shall have been approved by the Bankruptcy Court. Except as aforesaid or as otherwise provided in the Plan, the Confirmation Order or this Trust Agreement, nothing shall require the GUC Trust Administrator to file any accounting or seek approval of any court with respect to the administration of the GUC Trust or as a condition for making any payment or distribution out of the GUC Trust Assets or as a condition to the sale of fractional New GM Securities pursuant to Section 5.6 or expiring New GM Warrants pursuant to Section 5.7.

ARTICLE VI
ADMINISTRATION OF THE GUC TRUST

6.1. Payment of Costs, Expenses and Liabilities.

(a) Use of Wind-Down Budget Cash. Subject to the Budget, the GUC Trust Administrator shall use the Wind-Down Budget Cash:

(i) to pay reasonable costs and expenses of the GUC Trust that are incurred in connection with the administration thereof (including taxes imposed on the GUC Trust, and actual reasonable fees and out-of-pocket expenses incurred by the GUC Trust Administrator, GUC Trust Monitor and the Trust Professionals retained by the GUC Trust Administrator in connection with the administration of the GUC Trust Assets and preservation of books and records);

(ii) to satisfy other obligations or other liabilities incurred or assumed by the GUC Trust (or to which the GUC Trust Assets are otherwise subject) in accordance with the Plan, the Confirmation Order, or this Trust Agreement, including fees and expenses incurred and in connection with the protection, preservation and distribution of the GUC Trust Assets and the costs of investigating, defending against and resolving any Disputed General Unsecured Claims and the costs and fees of the Indenture Trustees out of the Indenture Trustee Reserve Cash pursuant to the Plan (including Section [NUMBER] of the Plan); and

(iii) to satisfy any other obligations of the GUC Trust expressly set forth in the Plan, the Confirmation Order or this Trust Agreement to be satisfied out of the Wind-Down Budget Cash.

provided, *however*, for the avoidance of doubt, any Debtors' Liquidation Expenses, shall be paid in accordance with Section 6.12.

(b) Reservation and Sale of GUC Trust Distributable Assets. (i) If, at any time, the GUC Trust Administrator determines that the Wind-Down Budget Cash is not

reasonably likely to be adequate to satisfy the current and projected future fees, costs and expenses of the GUC Trust (other than (x) Debtors' Liquidation Expenses, (y) fees, costs and expenses relating to the Reporting and Transfer Costs, which are addressed in subsection (c) below, and (z) the Trust Professional fees and expenses, which are addressed in subsection (d) below), then, the GUC Trust Administrator may, with the approval of the GUC Trust Monitor, reserve an amount, or increase the amount previously reserved, of GUC Trust Distributable Assets whose proceeds upon liquidation would be sufficient to satisfy such fees, costs and expenses (the "Additional Holdback").

(ii) If at any time, the GUC Trust Administrator determines that the value of the expected proceeds, upon liquidation, of the assets which make up the Additional Holdback is greater than the amount of the current and projected future fees, costs and expenses on account of which the assets of the Additional Holdback have been reserved pursuant to Section 6.1(b)(i), the GUC Trust Administrator shall, with the approval of the GUC Trust Monitor, but without the need to seek or obtain approval of the Bankruptcy Court, release from the Additional Holdback an amount of GUC Trust Distributable Assets whose proceeds upon liquidation would be equal to the size of such excess.

(iii) To the extent necessary to satisfy in full the fees, costs and expenses on account of which the Additional Holdback may be reserved pursuant to this Section 6.1, the GUC Trust Administrator may, in consultation with the GUC Trust Monitor, and upon approval by the Bankruptcy Court in accordance with the provisions of Section 6.1(b)(iv), liquidate all or a portion of the Additional Holdback and allocate the Cash proceeds thereof to satisfy the applicable fees, costs and expenses for which the Additional Holdback may be reserved pursuant to this Section 6.1.

(iv) The application of the GUC Trust Administrator seeking Bankruptcy Court approval to sell or borrow and pledge GUC Trust Distributable Assets shall include the position of the GUC Trust Monitor in respect thereof. The GUC Trust Administrator shall provide at least twenty days notice to the GUC Trust Monitor, the holders of Units and the holders of Disputed General Unsecured Claims prior to a hearing on a motion to use, sell and/or borrow against the GUC Trust Distributable Assets. An order of the Bankruptcy Court authorizing the GUC Trust Administrator to borrow against the GUC Trust Distributable Assets may also authorize the GUC Trust Administrator to sell GUC Trust Distributable Assets to repay the amount borrowed without further order of the Bankruptcy Court.

(c) Reporting and Transfer Holdback. (i) As promptly as practicable following the transfer of the GUC Trust Assets to the GUC Trust pursuant to Section 2.3 of this Trust Agreement, the GUC Trust Administrator shall reserve from the GUC Trust Securities Assets an amount of GUC Trust Distributable Assets whose expected Cash proceeds upon liquidation are estimated, as at the time of transfer, to be approximately, but in no event more than, $[5] million (together with the GUC Trust Distributable Assets reserved pursuant to Section 6.1(c)(iii), the "Reporting and Transfer Holdback").

(ii) As promptly as practicable following the creation of the Reporting and Transfer Holdback pursuant to Section 6.1(c)(i), the GUC Trust Administrator shall, without the need to seek or obtain approval of the GUC Trust Monitor or the Bankruptcy Court, liquidate

all or a portion of the Reporting and Transfer Holdback such that the Cash proceeds thereof will approximate, but will in no event be more than $[5] million and designate such Cash proceeds to satisfy current or future Reporting and Transfer Costs.

(iii) If, at any time, the GUC Trust Administrator determines that the unspent Cash proceeds following the liquidation of the Reporting and Transfer Holdback, together with expected Cash proceeds, upon liquidation of the assets which make up any remaining unliquidated portion (if any) of the Reporting and Transfer Holdback, are not reasonably likely to be adequate to satisfy current and projected future Reporting and Transfer Costs, the GUC Trust Administrator may, with the approval of the GUC Trust Monitor, reserve from the GUC Trust Distributable Assets an amount of GUC Trust Distributable Assets whose proceeds upon liquidation would be sufficient to satisfy such Reporting and Transfer Costs, which reserved GUC Trust Distributable Assets shall be added to the Reporting and Transfer Holdback.

(iv) In addition to liquidation pursuant to Section 6.1(c)(ii), to the extent necessary to satisfy in full the current and Projected Reporting and Transfer Costs, the GUC Trust Administrator may, in consultation with the GUC Trust Monitor and upon approval by the Bankruptcy Court in accordance with the provisions of Section 6.1(b)(iv), liquidate all or a portion of the Reporting and Transfer Holdback and allocate the Cash proceeds thereof to the satisfaction of current or projected future Reporting and Transfer Costs.

(v) If at any time, the GUC Trust Administrator determines that the value of the expected proceeds, upon liquidation, of the assets which make up the Reporting and Transfer Holdback is greater than the amount which will be reasonably necessary to satisfy current and projected Reporting and Transfer Costs of the GUC Trust, the GUC Trust Administrator shall, with the approval of the GUC Trust Monitor, but without the need to seek or obtain approval of the Bankruptcy Court release from the Reporting and Transfer Holdback an amount of GUC Trust Distributable Assets whose proceeds upon liquidation would be equal to the size of such excess.

(d) Protective Holdback. (i) If at any time one or more Trust Professional's fees and expenses (other than Debtors' Liquidation Expenses) are in excess of its Budget and (except for the Holdback) such Trust Professional(s) are not paid such amounts pursuant to Section 2.6(c), then, with the approval of the GUC Trust Monitor, the GUC Trust Administrator may reserve an amount, or increase the amount previously reserved, of GUC Trust Distributable Assets whose proceeds upon liquidation would equal the aggregate reasonable fees and expenses of such Trust Professional(s) that have been approved by the GUC Trust Administrator and GUC Trust Monitor but have not been paid (the "Protective Holdback").

(ii) To the extent necessary to satisfy in full the fees and expenses of the Trust Professionals, the GUC Trust Administrator may, in consultation with the GUC Trust Monitor and upon approval by the Bankruptcy Court, liquidate all or a portion of the Protective Holdback and apply the proceeds thereof to satisfy the applicable unpaid fees and expenses of the GUC Trust. The GUC Trust Administrator shall not liquidate the Protective Holdback, in whole or in part, except in accordance with the provisions of Section 6.1(b)(iv); provided that the

GUC Trust Administrator shall not seek Bankruptcy Court approval for such liquidation more frequently than on a semi-annual basis.

(iii) If at any time, the GUC Trust Administrator determines that the value of the expected proceeds, upon liquidation, of the assets which make up the Protective Holdback is greater than the amount of the unpaid fees and expenses of the Trust Professionals on account of which the assets of the Protective Holdback have been reserved pursuant to Section 6.1(d)(i), the GUC Trust Administrator shall, with the approval of the GUC Trust Monitor, but without the need to seek or obtain approval of the Bankruptcy Court, release from the Protective Holdback an amount of GUC Trust Distributable Assets whose proceeds upon liquidation would be equal to the size of such excess.

(e) General. (i) If the GUC Trust Administrator shall sell or pledge any GUC Trust Distributable Assets pursuant to this Section 6.1, or shall reserve or release from a reserve any GUC Trust Distributable Assets in respect of the Additional Holdback, Reporting and Transfer Holdback or Protective Holdback, the sale, pledge, reservation or release shall be made, to the extent practicable, from the assets of each type then held by the GUC Trust in a proportion to the total amount of such asset type then held by the GUC Trust that shall be the same as nearly as possible for each asset type.

(ii) For the purposes of this Section 6.1 and Sections 5.2, 5.3 and 5.4, (x) Cash dividends received in respect of GUC Trust Common Stock Assets and Cash received upon the sale GUC Trust Warrant Assets pursuant to Section 5.7 of this Trust Agreement shall each be deemed a separate type of asset; (y) the allocation of such assets for the satisfaction of fees, costs and expenses shall be deemed to be a "sale" of such assets and (z) the liquidation of any of the Additional Holdback, Reporting and Transfer Holdback or Protective Holdback refers to the sale or pledge of the GUC Trust Distributable Assets contained therein, in whole or in part, as the case may be.

(iii) Any Cash proceeds from the sale or pledge of GUC Trust Distributable Assets pursuant to this Section 6.1, shall be designated as Other GUC Trust Administrative Cash, and shall be used to satisfy the fees, costs and expenses of the GUC Trust for which they were sold without any order or further order of the Bankruptcy Court.

(iv) Any sale of GUC Trust Securities Assets in accordance with this Section 6.1 shall be made in compliance with an applicable exemption from the registration requirements of the Securities Act of 1933, as amended, and any equivalent securities law provisions under state law (it being understood that Section 1145 of the Bankruptcy Code is not available for such purposes).

(f) Continuing Satisfaction of Claims. Notwithstanding that as a result of the utilization, sale or pledge of GUC Trust Distributable Assets the amount of GUC Trust Distributable Assets shall or may be less than the assets required to satisfy, pursuant to Section 5.3(a)(i), Claims in the amount of the Current Total Amount, after taking into account the Protective Holdback, the Additional Holdback and the Reporting and Transfer Holdback, if any then outstanding, the GUC Trust Administrator shall continue to satisfy Disputed General Unsecured Claims, the Unresolved Term Loan Avoidance Action Claims and the Unresolved

Other Avoidance Action Claims that become Allowed General Unsecured Claims in the order they are resolved as otherwise provided in this Trust Agreement.

6.2. GUC Trust Reports.

(a) The GUC Trust Administrator shall prepare quarterly GUC Trust Reports as provided in this Section 6.2, beginning for the first calendar quarter. The GUC Trust Reports shall be filed with the Bankruptcy Court and provided to the GUC Trust Monitor and DIP Lenders no later than thirty days following the end of each calendar quarter, except that the GUC Trust Report for the end of any calendar year may be filed, provided and posted no later than forty-five days following the end of the calendar year. The GUC Trust Administrator shall arrange to have each GUC Trust Report posted to a generally accessible website at the time it is filed with the Bankruptcy Court and shall take reasonable steps to inform the beneficial holders of Units of the existence of the website and the availability of the GUC Trust Reports thereon.

(b) The GUC Trust Reports shall include financial statements consisting of:

(i) a statement of net assets as of the end of the calendar quarter or calendar year for which the report is made and as of the end of the next preceding calendar year;

(ii) a statement of changes in net assets for the calendar quarter or calendar year for which the report is made and for the comparable period of the next preceding calendar year; and

(iii) a statement of cash flows for the calendar quarter or calendar year for which the report is made and for the comparable period of the next preceding calendar year.

The financial statements shall be prepared in accordance with generally accepted accounting principles except as may be indicated in the notes thereto, and need not be audited except for the calendar year financial statements.

(c) (i) The GUC Trust Reports shall also disclose each of the following amounts outstanding at the time or times, or for the period or periods, as applicable, and/or the changes thereto, as indicated below:

	Amounts	**Reporting Times or Periods**
A.	Number of Units Outstanding	As of the end of (i) the relevant calendar quarter or calendar year; (ii) the next preceding calendar quarter (or, in the case of a report for the first calendar quarter, the Effective Date) and (iii) the next preceding calendar year.
B.	GUC Trust Common Stock Assets GUC Trust Warrant Assets GUC Trust Dividend Assets	As of the end of (i) the relevant calendar quarter or calendar year; (ii) the next preceding calendar quarter (or, in the case of a report for the first calendar quarter, the Effective Date) and (iii) the next preceding calendar year.

	other GUC Trust Distributable Cash	
C.	Total Allowed Amount Maximum Amount of all Disputed General Unsecured Claims (in the aggregate) Maximum Amount of all Unresolved Term Loan Avoidance Action Claims (in the aggregate) Maximum Amount of all Unresolved Other Avoidance Action Claims (in the aggregate) Aggregate Maximum Amount Current Total Amount	As of the end of (i) the relevant calendar quarter or calendar year; (ii) the next preceding calendar quarter (or, in the case of a report for the first calendar quarter, [each of the Initial Distribution Record Date and] the Effective Date) and (iii) the next preceding calendar year.
D.	Protective Holdback Additional Holdback Reporting and Transfer Holdback	As of the end of (i) the relevant calendar quarter or calendar year; (ii) the next preceding calendar quarter (or, in the case of a report for the first calendar quarter, the Effective Date) and (iii) the next preceding calendar year.
E.	Resolved Allowed General Unsecured Claims allowed Disputed General Unsecured Claims disallowed Unresolved Term Loan Avoidance Action Claims resolved (including by way of settlement) in favor of the respective defendants Other Avoidance Action Claims, resolved (including by way of settlement) in favor of the respective defendants	During (i) the relevant calendar quarter or calendar year; and (ii) the period beginning on the Initial Distribution Record Date and ending on the last day of the relevant calendar quarter or calendar year.
F.	Distributions of in respect of Resolved Allowed General Unsecured Claims of— GUC Common Stock Assets GUC Trust Warrant Assets GUC Trust Dividend Assets other GUC Trust Distributable Cash	During (i) the relevant calendar quarter or calendar year; and (ii) the period beginning on the Effective Date and ending on the last day of the relevant calendar quarter or calendar year.

G.	Distributions in respect of Units of— GUC Common Stock Assets GUC Trust Warrant Assets GUC Trust Dividend Assets other GUC Trust Distributable Cash	During (i) the relevant calendar quarter or calendar year; and (ii) the period beginning on the Effective Date and ending on the last day of the relevant calendar quarter or calendar year.
H.	Excess GUC Trust Distributable Assets reserved for distribution to holders of Units (but not yet distributed or withheld from distribution) of— GUC Common Stock Assets GUC Trust Warrant Assets GUC Trust Dividend Assets other GUC Trust Distributable Cash	As of the end the relevant calendar quarter or calendar year.
I.	Additional Shares received	During (i) the relevant calendar quarter or calendar year; and (ii) the period beginning on the Effective Date and ending on the last day of the relevant calendar quarter or calendar year.

(ii) The GUC Trust Reports shall also disclose such other information as the GUC Trust Administrator, in consultation with the Trust Professionals deems advisable or as the GUC Trust Monitor or DIP Lenders may reasonably request from time to time or as may be required by the Bankruptcy Court.

(d) The GUC Trust Administrator shall also timely prepare and file and/or distribute such additional statements, reports and submissions as may be necessary to cause the GUC Trust and the GUC Trust Administrator to be in compliance with applicable law, and shall prepare and deliver to the GUC Trust Monitor such statements, reports and other information as may be otherwise reasonably requested from time to time by the GUC Trust Monitor.

(e) The GUC Trust Administrator shall also provide quarterly reports to the DIP Lenders specifying the balance of the Residual Wind-Down Assets as of the last day of such quarter and as of the last day of the prior quarter.

6.3. SEC Reporting. The GUC Trust will file such reports as shall be required by the rules and regulations of the SEC, including pursuant to any no-action guidance issued to the GUC Trust by the staff of the SEC.

6.4. Budget. The GUC Trust Administrator shall prepare and submit to the GUC Trust Monitor and DIP Lenders for approval a reasonably detailed annual plan and

budget (the "Budget") at least thirty (30) days prior to the commencement of each calendar year; *provided, however*, that the first such Budget shall be agreed to as of the Effective Date. Such annual plan and Budget shall set forth (on a quarterly basis) in reasonable detail: (A) the GUC Trust Administrator's anticipated actions to administer the GUC Trust Assets; and (B) the anticipated fees and expenses, including professional fees, associated with the administration of the GUC Trust, a separate amount representing the anticipated fees and expenses of the GUC Trust Monitor and detail as to how the GUC Trust will budget and spend the Wind-Down Budget Cash. Such Budget shall be updated and submitted to the GUC Trust Monitor and DIP Lenders for review on a quarterly basis, and each such quarterly update shall reflect the variances (with explanations) between (x) the Budget, (y) any updated Budget, and (z) the actual results for the same period. For the avoidance of doubt, the DIP Lenders may object in the Bankruptcy Court with respect to any quarterly update that materially changes the Budget and the Bankruptcy Court shall resolve such dispute. All actions by the GUC Trust Administrator shall be consistent with the Budget, (as updated). The GUC Trust Administrator may obtain any required approval of the Budget on reasonable negative notice (which shall be not less than 15 days after receipt of the Budget) and approval of the Budget shall not be unreasonably withheld. In the event of any dispute concerning the Budget (or the taking of actions consistent with the Budget), the GUC Trust Administrator, the GUC Trust Monitor or the DIP Lenders may petition the Bankruptcy Court to resolve such dispute. For the avoidance of doubt, the Reporting and Transfer Costs shall not be set forth in the Budget and shall not be paid for with the Wind-Down Budget Cash.

6.5. Setoff. The GUC Trust Administrator may, but shall not be required to, setoff against or recoup from any payments to be made pursuant to the Plan in respect of any Allowed General Unsecured Claim, including in respect of any Units, any claims of any nature whatsoever that the GUC Trust, as successor to the Debtors, may have against the claimant, but neither the failure to do so nor the allowance of any General Unsecured Claim hereunder shall constitute a waiver or release by the Debtors or the GUC Trust Administrator of any such claim they may have against such claimant.

6.6. Compliance with Laws. Any and all distributions of GUC Trust Assets shall be in compliance with applicable laws, including applicable federal and state tax and securities laws.

6.7. Fiscal Year. Except for the first and last years of the GUC Trust, the fiscal year of the GUC Trust shall be the calendar year. For the first and last years of the GUC Trust, the fiscal year of the GUC Trust shall be such portion of the calendar year that the GUC Trust is in existence.

6.8. Books and Records.

(a) The GUC Trust Administrator shall maintain and preserve the Debtors' books, records and files that shall have been delivered to or created by the GUC Trust Administrator.

(b) The GUC Trust Administrator shall maintain books and records relating to the assets, liabilities, income and expense of the GUC Trust, all distributions made by the GUC Trust and the payment of fees and expenses of, and satisfaction of claims against or assumed by, the GUC Trust and the GUC Trust Administrator, in such detail and for such period of time as may be necessary to enable it to make full and proper reports in respect thereof in accordance with the provisions of this Trust Agreement and otherwise to comply with applicable provisions of law, including tax law.

6.9. Cash Payments. All distributions of GUC Trust Cash required to be made by the GUC Trust Administrator may be made in Cash denominated in U.S. dollars by checks drawn on a United States domestic bank selected by the GUC Trust Administrator or, at the option of the GUC Trust Administrator, by wire transfer from a United States domestic bank selected by the GUC Trust Administrator or as otherwise required or provided in applicable agreements; *provided*, *however*, that cash payments to foreign persons may be made, at the option of the GUC Trust Administrator, in such funds as and by such means as are necessary or customary in a particular foreign jurisdiction.

6.10. Insurance. The GUC Trust shall maintain customary insurance coverage for the protection of the GUC Trust Administrator, the GUC Trust Monitor and any such other persons serving as administrators and overseers of the GUC Trust on and after the Effective Date, in all cases in accordance with the Budget. The GUC Trust Administrator may also obtain such insurance coverage as it deems necessary and appropriate with respect to real and personal property which may become GUC Trust Assets, if any, in accordance with such Budget.

6.11. Cooperation with the Administrator of the Avoidance Action Trust. The GUC Trust Administrator shall timely provide the Avoidance Action Trust Administrator with such information as the Avoidance Action Trust Administrator shall reasonably request. Without limiting the foregoing, the GUC Trust Administrator shall provide to the Avoidance Action Trust Administrator copies of the GUC Trust Reports as soon as they become available, under appropriate arrangements of confidentiality to the extent the reports have at the time not yet been publicly disclosed. The GUC Trust Administrator will also from time to time, upon reasonable request of the Avoidance Action Trust Administrator, provide the Avoidance Action Trust Administrator with the GUC Trust Administrator's most recent determination of all Resolved Allowed General Unsecured Claims, the Disputed General Unsecured Claims, the Maximum Amounts, the Aggregate Maximum Amount and the Current Total Amount, and any other information within the custody and control of the GUC Trust Administrator as the Avoidance Action Trust Administrator shall reasonably request to make any calculation or determination or otherwise to fulfill its responsibilities under the agreement governing the Avoidance Action Trust. The provision of any such information shall be made under appropriate arrangements of confidentiality to the extent such information has at the time not been publicly disclosed. In addition, neither the GUC Trust Administrator nor the GUC Trust Monitor shall be required to provide access to or disclose any information where such access or disclosure would give rise to a material risk of waiving any attorney-client privilege. In the event that the GUC Trust Administrator or the GUC Trust Monitor does not provide access or information to the Avoidance Action Trust Administrator in reliance

on the preceding sentence, the GUC Trust Administrator and/or the GUC Trust Monitor shall use its reasonable best efforts to communicate the applicable information to the Avoidance Action Trust Administrator in a way that would not violate such privilege.

6.12. Funding in Respect of Debtors' Liquidation. Notwithstanding anything to the contrary in this Trust Agreement, any expenses, liabilities (including without limitation tax liabilities) or obligations, to the extent related to or incurred in connection with the liquidation and wind-down of the Debtors or the resolution of the Residual Wind-Down Claims or distribution of the Residual Wind-Down Assets, or to the extent otherwise related to the Residual Wind-Down Assets (including, without limitation, expenses incurred pursuant to Section 8.1(c) and expenses related to Debtor tax matters pursuant to Section 7.7) (the "Debtors' Liquidation Expenses") shall be paid or satisfied out of the Residual Wind-Down Assets, and shall not be paid out of the Wind-Down Budget Cash unless and until the complete and final distribution of all the GUC Trust Distributable Assets and the conclusion of all related activities of the GUC Trust Administrator. In no event shall any Other GUC Trust Administrative Cash be used for such purposes; *provided, however,* that to the extent the Residual Wind-Down Assets are at any time insufficient to pay the expenses related to the indemnification obligations of the GUC Trust under Sections 9.6 and 11.4, the GUC Trust Administrator may (i) utilize the Wind-Down Budget Cash to satisfy such expenses, and (ii) if the Wind-Down Budget Cash is at any time insufficient to satisfy such expenses, utilize the GUC Trust Distributable Assets to satisfy such expenses in the manner provided in Section 6.1(b).

ARTICLE VII
TAX MATTERS

7.1. Tax Treatment. For all U.S. federal income tax purposes, all parties (including the GUC Trust Beneficiaries) will treat the GUC Trust as a "disputed ownership fund" within the meaning of Treasury Regulations section 1.468B-9, which is taxable as a "qualified settlement fund," within the meaning of Treasury Regulations section 1.468B-2, except to the extent otherwise provided by Treasury Regulations section 1.468B-9 or in a private letter ruling issued by the IRS, or as determined by a court of competent jurisdiction. The "administrator" of the GUC Trust, within the meaning of Treasury Regulations section 1.468B-9, shall be the GUC Trust Administrator. The foregoing treatment shall also apply, to the extent permitted by applicable law, for state and local income tax purposes.

7.2. Valuation of Assets. As soon as practicable after the Effective Date, and in no event later than 60 days following the Effective Date, the GUC Trust Administrator shall make a good-faith valuation of the GUC Trust Assets (using the Fair Market Value of any New GM Securities contained therein), and such valuation shall be made available from time to time to the extent relevant for tax reporting purposes, and shall be used consistently by all parties (including the Debtors, the GUC Trust Administrator and the GUC Trust Beneficiaries) for all U.S. federal and applicable state and local income tax purposes.

7.3. Payment of Taxes. The GUC Trust Administrator shall be responsible for payment, out of the GUC Trust Assets or the Residual Wind-Down Assets, as applicable, of any taxes imposed on the GUC Trust or the GUC Trust Assets.

7.4. Tax Reporting. The GUC Trust Administrator shall prepare and timely file (or cause to be prepared and timely filed) Tax Returns for the GUC Trust treating the GUC Trust as a qualified settlement fund pursuant to Treasury Regulations section 1.468B-9(c)(1)(ii), except to the extent provided otherwise in a private letter ruling issued by the IRS or as determined by a court of competent jurisdiction. The GUC Trust Administrator shall also prepare and timely file (or cause to be prepared and timely filed), and/or provide to GUC Trust Beneficiaries, any other statements, returns or disclosures relating to the GUC Trust that are required by any governmental unit.

7.5. Tax Withholdings. The GUC Trust Administrator shall withhold and pay to the appropriate taxing authority all amounts required to be withheld pursuant to the Tax Code, Treasury Regulations or other applicable requirements, including any provision of any foreign, state or local tax law, with respect to any payment or distribution to the holders of Allowed General Unsecured Claims and/or Units. All such amounts withheld, and paid to the appropriate taxing authority, shall be treated as amounts distributed to such holders of Allowed General Unsecured Claims and/or Units for all purposes of this Trust Agreement. The GUC Trust Administrator shall be authorized to collect such tax information from the holders of Allowed General Unsecured Claims and/or Units (including social security numbers or other tax identification numbers) as it in its sole discretion deems necessary to effectuate the Plan, the Confirmation Order and this Trust Agreement, or to comply with any applicable withholding or reporting requirement. The GUC Trust Administrator may refuse to make a distribution to any holder of an Allowed General Unsecured Claim and/or Units that fails to furnish such information in a timely fashion, until such information is furnished; *provided*, *however*, that upon the holder of an Allowed General Unsecured Claim and/or Units furnishing such information, the GUC Trust Administrator shall make such distribution to which such holder is entitled, without interest. The GUC Trust Administrator may also hold back and retain Units otherwise issuable pursuant to Section 3.4 hereof with respect to Allowed General Unsecured Claims that are subject to withholding, and the GUC Trust Administrator shall apply amounts distributed in respect of such retained Units to satisfy such withholding obligations.

7.6. Expedited Determination of Taxes. The GUC Trust Administrator may request an expedited determination of taxes of the GUC Trust or the Debtors under Section 505(b) of the Bankruptcy Code for any or all returns filed for, or on behalf of, the GUC Trust or the Debtors for any or all taxable periods (or part thereof) through the dissolution of the GUC Trust.

7.7. Debtor Tax Matters.

(a) Following the filing of a certificate of cancellation or dissolution for MLC and to the extent that the Residual Wind-Down Assets are transferred to the GUC Trust, subject to Section 6.16(a) of the MSPA, the GUC Trust Administrator shall prepare and timely file (or cause to be prepared and timely filed), on behalf of the Debtors, the Tax Returns

required to be filed or that the GUC Trust Administrator otherwise deems appropriate, including the filing of amended Tax Returns or requests for refunds, for all taxable periods ending on, prior to, or after the Effective Date.

(b) Each of the Debtors and the GUC Trust Administrator shall cooperate fully with each other regarding the implementation of this Section 7.7 (including the execution of appropriate powers of attorney) and shall make available to the other as reasonably requested all information, records, and documents relating to taxes governed by this Section 7.7 until the expiration of the applicable statute of limitations or extension thereof or the conclusion of all audits, appeals, or litigation with respect to such taxes. Without limiting the generality of the foregoing, the Debtors shall execute on or prior to the filing of a certificate of cancellation or dissolution for MLC a power of attorney authorizing the GUC Trust Administrator to correspond, sign, collect, negotiate, settle, and administer tax payments and Tax Returns for the taxable periods described in Section 7.7(a) hereof.

(c) Following the filing of a certificate of cancellation or dissolution for MLC, subject to Sections 6.16(a) and (d) of the MSPA, the GUC Trust Administrator shall have the sole right, at the expense of the GUC Trust, to control, conduct, compromise and settle any tax contest, audit, or administrative or court proceeding relating to any liability for taxes of the Debtors and shall be authorized to respond to any tax inquiries relating to the Debtors (except with respect to any property and *ad valorem* taxes relating to the Environmental Response Trust Assets); *provided*, *however*, for the avoidance of doubt, that to the extent such expenses are Debtors' Liquidation Expenses, they shall be satisfied in accordance with Section 6.12.

(d) Following the filing of a certificate of cancellation or dissolution for MLC, subject to the MSPA, the GUC Trust Administrator shall be entitled to the entire amount of any refunds and credits (including interest thereon) with respect to or otherwise relating to any taxes of any Debtors, including for any taxable period ending on, prior to, or after the Effective Date (except with respect to any property and *ad valorem* taxes relating to the Environmental Response Trust Assets), and such refunds and credits shall be deemed Residual Wind-Down Assets.

(e) In the event of any conflict between this Trust Agreement and the MSPA relating to the allocation of rights and responsibilities with respect to the Debtors' tax matters, or in the event the MSPA addresses any such matter that is not addressed in this Trust Agreement, the provisions of the MSPA shall control; *provided, however*, that the provisions of the MSPA applicable to the Debtors shall apply, *mutatis mutandis*, to the GUC Trust Administrator following the filing of a certificate of cancellation or dissolution for MLC.

7.8. Delivery of Statement of Transfers. Following the funding of the GUC Trust (and in no event later than February 15th of the calendar year following the funding of the GUC Trust), MLC shall provide a "§ 1.468B-9 Statement" to the GUC Trust Administrator in accordance with Treasury Regulations section 1.468B-9(g).

7.9. Allocation of Distributions Between Principal and Interest. All distributions in respect of any Allowed General Unsecured Claim shall be allocated first to the principal amount of such Allowed General Unsecured Claim, as determined for federal

income tax purposes, and thereafter, to the remaining portion of such Allowed General Unsecured Claim, if any.

ARTICLE VIII
POWERS OF AND LIMITATIONS ON THE GUC TRUST ADMINISTRATOR

8.1. Powers of the GUC Trust Administrator.

(a) Pursuant to the terms of the Plan and the Confirmation Order, the GUC Trust Administrator shall have various powers, duties and responsibilities concerning the prosecution of claims, the disposition of assets, the resolution of claims, and other obligations relating to maximizing the property of the GUC Trust Assets and the administration of the GUC Trust. In addition, the GUC Trust Administrator shall coordinate with the Avoidance Action Trust Administrator to maximize efficiency in distributions to general unsecured creditors in any situation where such coordination would be beneficial.

(b) The GUC Trust Administrator shall have only such rights, powers and privileges expressly set forth in the Plan, the Confirmation Order or this Trust Agreement and as otherwise provided by applicable law. Subject to the Plan, the Confirmation Order and other provisions herein, including the provisions relating to approvals of the GUC Trust Monitor and the DIP Lenders, the GUC Trust Administrator shall be expressly authorized to undertake the following actions, in the GUC Trust Administrator's good faith judgment, in the best interests of the GUC Trust Beneficiaries and in furtherance of the purpose of the GUC Trust:

(i) hold legal title to any and all rights of the GUC Trust Beneficiaries in, to or arising from the GUC Trust Assets, for the benefit of the GUC Trust Beneficiaries that are entitled to distributions therefrom under the Plan, whether their General Unsecured Claims are Allowed on or after the Effective Date and whether they are the original holders of Units or the transferees of such holders;

(ii) manage and supervise the GUC Trust Assets;

(iii) execute all agreements, instruments and other documents, and effect all other actions necessary or appropriate to dispose of the GUC Trust Assets;

(iv) in the GUC Trust Administrator's reasonable business judgment, object to and/or withdraw objections to Disputed General Unsecured Claims, and manage, control, prosecute and/or settle on behalf of the GUC Trust, objections to Disputed General Unsecured Claims on account of which the GUC Trust Administrator (as a disbursing agent) will be responsible (if Allowed) for making distributions under the Plan and pursuant to this Trust Agreement, subject to the consent of the GUC Trust Monitor, if applicable, in accordance with Section 11.3 hereof;

(v) monitor and enforce the implementation of the Plan insofar as relating to this Trust Agreement, the GUC Trust Assets or the GUC Trust;

(vi) calculate and implement distributions of the GUC Trust Distributable Assets obtained through the exercise of its power and authority as contemplated by the Plan, the Confirmation Order and this Trust Agreement and in accordance with the interests of the holders of Allowed General Unsecured Claims;

(vii) retain, pay, oversee and direct the services of, and terminate Trust Professionals in accordance with Section 8.3 hereof to carry out its duties and obligations hereunder, *provided*, *however*, that all such expenditures, solely to the extent that they are paid from the Wind-Down Budget Cash, shall be made in accordance with the Budget;

(viii) pay the reasonable fees and expenses of the GUC Trust Administrator and GUC Trust Monitor, *provided*, *however*, that all such expenditures, solely to the extent that they are paid from the Wind-Down Budget Cash, shall be made in accordance with the Budget.;

(ix) pay the reasonable fees and expenses of the Indenture Trustees out of the Indenture Trustee Reserve Cash;

(x) incur and pay all reasonable expenses, satisfy ordinary course liabilities and make all other payments reasonable and necessary to administer and dispose of the GUC Trust Assets, in all cases in accordance with the Budget;

(xi) invest monies received by the GUC Trust, the GUC Trust Administrator or otherwise held by the GUC Trust or the GUC Trust Administrator in accordance with Section 8.4 hereof;

(xii) protect and enforce the rights to the GUC Trust Assets vested in the GUC Trust Administrator by this Trust Agreement by any method deemed reasonably appropriate, including by judicial proceedings or pursuant to any applicable bankruptcy, insolvency, moratorium or similar law and general principles of equity;

(xiii) vote any claim or interest held by the GUC Trust in a case under the Bankruptcy Code and receive any distribution therefrom for the benefit of the GUC Trust;

(xiv) to the extent required, vote or make elections with respect to the GUC Trust Securities, *provided that*, in the event a vote or election is required, the GUC Trust Administrator, unless otherwise directed by the GUC Trust Monitor or the Bankruptcy Court, shall vote or make elections with respect to the GUC Trust Securities held in the GUC Trust on the record date for such vote or election in the same manner and proportion as all other relevant securities of the same class(es) are voted or with respect to which elections are made by holders other than the GUC Trust;

(xv) make all necessary filings in accordance with any applicable law, statute or regulation;

(xvi) purchase customary insurance coverage in accordance with Section 6.10 hereof;

(xvii) pay out of the GUC Trust Administrative Cash any fees to the U.S. Trustee, to the extent required in respect of this Trust Agreement, the GUC Trust Assets or the GUC Trust;

(xviii) assert and/or waive any applicable privileges (legal or otherwise) on behalf of the GUC Trust, or with respect to the GUC Trust Assets held by the Debtors at any time (prepetition or postpetition);

(xix) maintain the books and records of the GUC Trust;

(xx) furnish information to the Avoidance Action Trust Administrator, as provided in Section 6.11; and

(xxi) perform such functions and take such actions as are provided for or permitted in the Plan, the Confirmation Order, this Trust Agreement or any other agreement executed pursuant to the Plan and take any other actions as it may deem to be reasonably necessary or appropriate to dispose of the GUC Trust Assets.

(c) In addition, if the Residual Wind-Down Assets are transferred to the GUC Trust upon the dissolution of the Debtors, the GUC Trust Administrator shall be responsible for the administration and distribution of the Residual Wind-Down Assets, in accordance with the Plan, the Confirmation Order and this Trust Agreement. In such event, and to the extent that the GUC Trust Administrator, in consultation with the GUC Trust Monitor, deems it necessary and advisable, the GUC Trust Administrator may petition the Bankruptcy Court for authorization to implement supplementary procedures (which shall not be contrary to the Plan, the Confirmation Order and this Trust Agreement) for the orderly resolution of Residual Wind-Down Claims and the administration and distribution of the Residual Wind-Down Assets. Without limiting the powers and responsibilities set forth in Section 8.1(b), the GUC Trust Administrator shall also be expressly authorized to undertake the following actions, in the GUC Trust Administrator's good faith judgment, in furtherance of such liquidation and wind-down of the Debtors:

(i) object to and satisfy the Residual Wind-Down Claims out of the Residual Wind-Down Assets; *provided that* if there are insufficient Residual Wind-Down Assets to satisfy all Disputed Residual Wind-Down Claims that became resolved Residual Wind-Down Claims during the prior calendar quarter, the GUC Trust Administrator shall distribute the remaining Residual Wind-Down Assets to the holders of such resolved Residual Wind-Down Claims pro rata by Claim amount (following the satisfaction of all other Debtors' Liquidation Expenses). Following such distribution, any remaining unsatisfied portion of such resolved Residual Wind-Down Claims, together with all remaining Disputed Residual Wind-Down Claims and all Debtors' Liquidation Expenses shall be discharged and forever barred from assertion against the GUC Trust; and *provided further that* the GUC Trust Administrator shall at all times reserve from the Residual Wind-Down Assets an amount necessary for the satisfaction of all remaining fees and expenses incurred or reasonably anticipated to be incurred by the GUC Trust Administrator in connection with the Residual Wind-Down Claims and the Residual Wind-Down Assets (including fees and expenses due or reasonably anticipated to become due to Trust Professionals);

(ii) monitor and enforce the implementation of the Plan insofar as relating to the liquidation and wind-down of the Debtors;

(iii) subject to Section 7.7 and the MSPA, file, if necessary, any and all tax and regulatory forms, returns, reports and other documents with respect to the Debtors and pay (out of the Residual Wind-Down Assets) taxes properly payable by the Debtors insofar as relating to the Residual Wind-Down Assets;

(iv) take all actions, file any pleadings with the Bankruptcy Court, and create any documents necessary to wind up the affairs of the Debtors and their Affiliates, implement the Plan, and close the bankruptcy cases;

(v) execute all agreements, instruments and other documents, and effect all other actions necessary or appropriate to dispose of the Residual Wind-Down Assets;

(vi) vote any claim or interest included in the Residual Wind-Down Assets;

(vii) make all necessary filings in accordance with any applicable law, statute or regulation insofar as relating to the liquidation and wind-down of the Debtors;

(viii) purchase (with the Residual Wind-Down Assets) customary insurance coverage in accordance with Section 6.10 hereof insofar as relating to the liquidation and wind-down of the Debtors;

(ix) act as a signatory on behalf of the Debtors for all purposes, including those associated with the novation of contracts and the liquidation and wind-down of the Debtors;

(x) cause the reduction, reinstatement or discharge of any intercompany claim and any claim held against any non-Debtor subsidiary or Affiliate by any Debtor or by any other non-Debtor subsidiary or Affiliate;

(xi) pay out of the Residual Wind-Down Assets any fees to the U.S. Trustee, to the extent required in respect of the liquidation and wind-down of the Debtors;

(xii) pay out of the Residual Wind-Down Assets the reasonable fees and expenses incurred in connection with the liquidation and wind-down of the Debtors and the resolution of the Residual Wind-Down Claims and distribution of the Residual Wind-Down Assets; and

(xiii) perform such functions and take such actions as are provided for or permitted in the Plan, the Confirmation Order, this Trust Agreement or any other agreement executed pursuant to the Plan and take any other actions as it may deem to be reasonably necessary or appropriate to effectuate the liquidation and wind-down of the Debtors, obtain an order closing the Chapter 11 Cases, and exercise the GUC Trust Administrator's powers granted herein in respect thereof.

(d) In all circumstances other than with respect to the matters addressed in Section 8.1(c), the GUC Trust Administrator shall act in the best interests of all GUC Trust Beneficiaries and in furtherance of the purpose of the GUC Trust, and, with respect to the matters addressed in Section 8.1(c), in a manner not inconsistent with the best interests of the GUC Trust Beneficiaries and consistent with the Budget. The GUC Trust Administrator shall not take any action inconsistent with the purpose of the GUC Trust, or take (or fail to take) any action that would cause the GUC Trust to fail to qualify as a "disputed ownership fund" within the meaning of Treasury Regulations section 1.468B-9.

(e) Notwithstanding any provision herein to the contrary, the GUC Trust Administrator shall not serve on the board of directors, management committee or any similar governing body of any non-Debtor subsidiary of MLC, where the charter, limited liability company agreement, partnership agreement or other similar constituent document of such subsidiary does not provide for a liquidating purpose for such subsidiary. Except as otherwise provided in this Trust Agreement, the GUC Trust Administrator will not be required to obtain the order or approval of the Bankruptcy Court, or any other court of competent jurisdiction in, or account to the Bankruptcy Court or any other court of competent jurisdiction for, the exercise of any right, power or privilege conferred hereunder. Notwithstanding the foregoing, where the GUC Trust Administrator determines, in its reasonable discretion, that it is necessary, appropriate or desirable, the GUC Trust Administrator will have the right to submit to the Bankruptcy Court or any other court of competent jurisdiction any question or questions regarding any specific action proposed to be taken by the GUC Trust Administrator with respect to this Trust Agreement, the GUC Trust, or the GUC Trust Assets, including the administration and distribution of the GUC Trust Assets and the termination of the GUC Trust. Pursuant to the Plan, the Bankruptcy Court has retained jurisdiction for such purposes and may approve or disapprove any such proposed action upon motion by the GUC Trust Administrator.

8.2. Limitations on the GUC Trust Administrator. The GUC Trust Administrator shall not be authorized to engage, in its capacity as GUC Trust Administrator, in any trade or business with respect to the GUC Trust Assets or any proceeds therefrom except to the extent reasonably necessary to, and consistent with, the purpose of the GUC Trust. The GUC Trust Administrator shall take such actions consistent with the prompt orderly disposition of the GUC Trust Assets as required by applicable law and consistent with the treatment of the GUC Trust as a disputed ownership fund under Treasury Regulations section 1.468B-9, to the extent such actions are permitted by this Trust Agreement. The GUC Trust Administrator shall, in its capacity as GUC Trust Administrator and on behalf of the GUC Trust, hold the GUC Trust out as a trust in the process of liquidation and not as an investment company. The GUC Trust Administrator shall not, and shall not cause the GUC Trust to, become, engage or encourage the services of a market-maker for the Units, list the Units on a national securities exchange or a quotation service or system, place any advertisements in the media promoting investment into the Units, collect or publish information about prices at which Units have been or may be transferred or otherwise take actions intended to facilitate or encourage the development of an active trading market in the Units. For the avoidance of doubt, any actions permitted, required or contemplated by the Plan, the Confirmation Order, this Trust Agreement (including the posting of information to a

public website as contemplated by Section 6.2 herein) or applicable law (including required reporting to the SEC) shall not be considered actions that facilitate or encourage the development of an active trading market. The GUC Trust Administrator shall, in its capacity as GUC Trust Administrator, be restricted to the liquidation of the GUC Trust on behalf, and for the benefit, of the GUC Trust Beneficiaries and the distribution and application of GUC Trust Assets for the purposes set forth in, and the conservation and protection of the GUC Trust Assets and the administration thereof, and to the matters addressed in Section 8.1(c), in each case in accordance with, the provisions of the Plan, the Confirmation Order and this Trust Agreement.

8.3. Agents and Professionals.

(a) The GUC Trust Administrator on behalf of the GUC Trust may, but shall not be required to, from time to time enter into contracts with, consult with and retain Trust Professionals, on such terms as the GUC Trust Administrator deems appropriate in accordance with Section 8.1 hereof and in accordance with the Budget. None of the professionals that represented parties-in-interest in the Chapter 11 Cases shall be precluded from being engaged by the GUC Trust Administrator solely on account of their service as a professional for such parties-in-interest prior to the Effective Date. Notwithstanding anything herein to the contrary, if the Trust Professionals will be paid from the Wind-Down Budget Cash, prior to such retention, the GUC Trust Administrator shall identify the Trust Professionals to the DIP Lenders. The DIP Lenders shall not object to the retention of Trust Professionals so long as the payment structure for such Trust Professionals is consistent with the Budget, the provisions of the Plan including section 6.2 thereof, the Confirmation order and this Trust Agreement.

(b) After the Effective Date, Trust Professionals shall be required to submit reasonably detailed invoices on a monthly basis to the GUC Trust Administrator, the GUC Trust Monitor and the DIP Lenders, including in such invoices a description of the work performed, the individuals who performed such work, and, if billing on an hourly basis, the hourly rate of such person, plus an itemized statement of expenses. Subject to withholding the applicable Holdback for each Trust Professional, the GUC Trust Administrator shall timely pay all such invoices that are not disputed by the GUC Trust Administrator and as to which the GUC Trust Monitor or the DIP Lenders do not object within fifteen days after their receipt thereof, and shall not require approval of the Bankruptcy Court in order to do so; *provided that* the GUC Trust Administrator shall not pay any amounts in excess of the Budget, measured on a yearly basis, as set forth in Section 11.3(a)(iv) without the express written consent of the DIP Lenders or with Bankruptcy Court approval, in accordance with Section 2.6(c) of this Trust Agreement, unless such Trust Professionals shall be paid from amounts other than the Wind-Down Budget Cash. In the event of any dispute concerning the entitlement to, or the reasonableness of any compensation and/or expenses of any Trust Professionals, either the GUC Trust Administrator or the affected Trust Professional may petition the Bankruptcy Court to resolve the dispute.

(c) All payments to Trust Professionals shall be paid out of the GUC Trust Administrative Cash or the Residual Wind-Down Assets, as applicable.

(d) The GUC Trust Administrator shall pay the respective Holdback amounts to the applicable Trust Professionals, in accordance with Section 2.6(c) of this Trust Agreement.

8.4. Investment of GUC Trust Cash.

(a) The GUC Trust Administrator shall set up segregated accounts for the GUC Trust Cash as follows: (i) GUC Trust Distributable Cash which shall be held in trust for the benefit of GUC Trust Beneficiaries; (ii) Other GUC Trust Administrative Cash which shall be used to first pay the administrative expenses of the GUC Trust as provided in Section 6.1, and to the extent not required for such payment, shall be held in trust for the benefit of GUC Trust Beneficiaries; (iii) Wind-Down Budget Cash which shall be used to pay the administrative expenses of the GUC Trust, and over which the DIP Lenders have a lien; (iv) Indenture Trustee/Fiscal and Paying Agent Reserve Cash, which shall be used to pay or reimburse the Indenture Trustees and the Fiscal and Paying Agents for administering distributions to holders of Note Claims and Eurobond Claims pursuant to the Plan; and (v) Residual Wind-Down Assets, which shall be used to satisfy the Residual Wind-Down Claims and pay the reasonable fees and expenses incurred in connection with the liquidation and wind-down of the Debtors, the resolution of the Residual Wind-Down Claims and distribution of the Residual Wind-Down Assets, and over which the DIP Lenders have a lien.

(b) The GUC Trust Administrator shall invest the GUC Trust Cash (including any earnings thereon or proceeds thereof) in the manner set forth in this Section 8.4, but shall otherwise be under no liability for interest or income on any monies received by the GUC Trust hereunder and held for distribution or payment to the GUC Trust Beneficiaries, except as such interest shall actually be received. Investment of any GUC Trust Cash shall be administered in accordance with the general duties and obligations hereunder. The right and power of the GUC Trust Administrator to invest the GUC Trust Cash and the proceeds thereof, or any income earned by the GUC Trust, shall be limited to investing such GUC Trust Cash (pending distribution or disbursement in accordance with the Plan or this Trust Agreement) in Permissible Investments; *provided*, *however*, that such Permissible Investments shall be limited to include only those investments that a disputed ownership fund, within the meaning of Treasury Regulations section 1.468B-9, may be permitted to hold, pursuant to the Treasury Regulations, or any modification in the IRS guidelines, whether set forth in IRS rulings, other IRS pronouncements or otherwise.

(c) For the avoidance of doubt, the GUC Trust is not, and will not hold itself out as, an "investment company" as such term is understood under the Investment Company Act of 1940, and is prohibited from investing, reinvesting or trading in securities (other than making any Permissible Investments or holding and administering the GUC Trust Securities Assets as contemplated by the Plan, the Confirmation Order and this Trust Agreement) or conducting any trade or business other than implementing the Plan, distributing GUC Trust Distributable Assets under the Plan and this Trust Agreement and effectuating the liquidation and wind-up of MLC and the other Debtors.

8.5. Termination. The duties, responsibilities and powers of the GUC Trust Administrator will terminate when the GUC Trust is dissolved pursuant to Article IV

hereof and the GUC Trust Administrator has performed all of its obligations under Section 4.3, by an order of the Bankruptcy Court or by entry of a final decree closing the Debtors' cases before the Bankruptcy Court; *provided*, *however*, that Sections 9.4, 9.5 and 9.6 hereof shall survive such termination, dissolution and entry.

ARTICLE IX
ADDITIONAL MATTERS CONCERNING THE GUC TRUST ADMINISTRATOR

9.1. Reliance by GUC Trust Administrator. Except as otherwise provided in the Plan, the Confirmation Order or this Trust Agreement, the GUC Trust Administrator may rely and shall be protected in acting upon any resolution, statement, instrument, opinion, report, notice, request, consent, order or other paper or document reasonably believed by the GUC Trust Administrator to be genuine and to have been signed or presented by the proper party or parties.

9.2. Liability to Third Persons. The GUC Trust Administrator Parties shall not be subject to any personal liability whatsoever, in tort, contract or otherwise, to any person (including, in the case of the GUC Trust Administrator, to any Trust Professionals retained by the GUC Trust Administrator in accordance with this Trust Agreement) in connection with the GUC Trust Assets, the Residual Wind-Down Assets or the affairs of the GUC Trust and shall not be liable with respect to any action taken or omitted to be taken in good faith, except for actions and omissions determined by a Final Order of the Bankruptcy Court to be due to their respective willful misconduct, gross negligence, bad faith, self-dealing, or *ultra vires* acts, and all such persons shall look solely to the GUC Trust Assets or Residual Wind-Down Assets, as applicable, for satisfaction of claims of any nature arising in connection with affairs of the GUC Trust.

9.3. Non-liability of GUC Trust Administrator for Acts of Others. Except as provided herein, nothing contained in the Plan, the Confirmation Order or this Trust Agreement shall be deemed to be an assumption by the GUC Trust Administrator of any of the liabilities, obligations or duties of the Debtors or shall be deemed to be or contain a covenant or agreement by the GUC Trust Administrator to assume or accept any such liability, obligation or duty. Any successor GUC Trust Administrator may accept and rely upon any accounting made by or on behalf of any predecessor GUC Trust Administrator hereunder, and any statement or representation made as to the assets comprising the GUC Trust Assets or the Residual Wind-Down Assets, or as to any other fact bearing upon the prior administration of the GUC Trust, so long as it has a good faith basis to do so. The GUC Trust Administrator shall not be liable for having accepted and relied in good faith upon any such accounting, statement or representation if it is later proved to be incomplete, inaccurate or untrue. Neither the GUC Trust Administrator nor any successor GUC Trust Administrator shall be liable for any act or omission of any predecessor GUC Trust Administrator, nor have a duty to enforce any claims against any predecessor GUC Trust Administrator on account of any such act or omission, unless directed in good faith to do so by the GUC Trust Monitor.

9.4. Exculpation. The GUC Trust Administrator Parties shall be and hereby are exculpated by all Persons, including holders of General Unsecured Claims, Units and

Residual Wind-Down Claims relating to the Residual Wind-Down Assets and other parties-in-interest, from any and all claims, causes of action and other assertions of liability arising out of the discharge of their respective powers and duties conferred by the Plan, the Confirmation Order, this Trust Agreement or any Order of the Bankruptcy Court entered pursuant to or in furtherance of the Plan, or applicable law or otherwise, except for actions or omissions to act that are determined by Final Order of the Bankruptcy Court to have arisen out of the willful misconduct, gross negligence, bad faith, self-dealing, or *ultra vires* acts of such GUC Trust Administrator Party. No holder of a General Unsecured Claim or other party-in-interest will have or be permitted to pursue any claim or cause of action against the GUC Trust Administrator Parties or the GUC Trust, for making payments and distributions in accordance with the Plan, the Confirmation Order or the this Trust Agreement or for implementing the provisions thereof. Any action taken or omitted to be taken with the express approval of the Bankruptcy Court or the GUC Trust Monitor will conclusively be deemed not to constitute willful misconduct, gross negligence, bad faith, self-dealing, or *ultra vires* acts; *provided*, *however*, that notwithstanding any provision herein to the contrary, the GUC Trust Administrator shall not be obligated to comply with a direction of the GUC Trust Monitor, whether or not express, which would result in a change to the distribution provisions of the Plan, the Confirmation Order or this Trust Agreement.

9.5. Limitation of Liability. In no event shall the GUC Trust Administrator Parties be liable for punitive, exemplary, consequential, special or other damages for a breach of, or otherwise in connection with, this Trust Agreement under any circumstances.

9.6. Indemnity. The GUC Trust Administrator Parties shall be indemnified by the GUC Trust solely from the GUC Trust Assets or the Residual Wind-Down Assets, as applicable, for any losses, claims, damages, liabilities and expenses, including reasonable attorneys' fees, disbursements and related expenses which the GUC Trust Administrator Parties may incur or to which the GUC Trust Administrator Parties may become subject in connection with any action, suit, proceeding or investigation brought by or threatened against one or more of the GUC Trust Administrator Parties on account of the acts or omissions in their capacity as, or on behalf of, the GUC Trust Administrator; *provided*, *however*, that the GUC Trust shall not be liable to indemnify any GUC Trust Administrator Party for any act or omission arising out of such GUC Trust Administrator Party's respective actions that are determined by a Final Order of the Bankruptcy Court to be willful misconduct, gross negligence, bad faith, self-dealing, or *ultra vires* acts. Notwithstanding any provision herein to the contrary, the GUC Trust Administrator Parties shall be entitled to obtain advances from the GUC Trust to cover their reasonable expenses of defending themselves in any action brought against them as a result of the acts or omissions, actual or alleged, of a GUC Trust Administrator Party in its capacity as such; *provided*, *however*, that the GUC Trust Administrator Parties receiving such advances shall repay the amounts so advanced to the GUC Trust immediately upon the entry of a final, non-appealable judgment or order finding that such GUC Trust Administrator Parties were not entitled to any indemnity under the provisions of this Section 9.6. Any amounts payable to any GUC Trust Administrator Party pursuant to this Section 9.6 shall be satisfied as follows: (i) first from the Wind-Down Budget Cash, (ii) second from the Other GUC Trust Administrative Cash, and (iii) third from the GUC Trust Distributable Assets

as provided in Section 6.1(b); *provided*, *however*, that the use of GUC Trust Distributable Cash or the sale and/or borrowing against GUC Trust Distributable Assets as contemplated in clause (iii) of the foregoing shall be subject to the prior approval by the Bankruptcy Court, as provided in Section 6.1(b)(iv). The foregoing indemnity in respect of any GUC Trust Administrator Party shall survive the termination of such GUC Trust Administrator Party from the capacity for which they are indemnified; *provided further*, for the avoidance of doubt, that any claim, to the extent related to the liquidation and wind-down of the Debtors or the resolution of the Residual Wind-Down Claims or distribution of the Residual Wind-Down Assets, or otherwise related to the Residual Wind-Down Assets, shall be satisfied in accordance with Section 6.12.

9.7. Compensation and Expenses. The GUC Trust Administrator shall receive fair and reasonable compensation for its services, to be paid out of the GUC Trust Administrative Cash or Residual Wind-Down Assets, as applicable, in accordance with the Budget prior to the final Distribution Date. The GUC Trust Administrator shall be entitled, without the need for approval of the Bankruptcy Court, to reimburse itself from the GUC Trust Administrative Cash or Residual Wind-Down Assets, as applicable, on a monthly basis for such compensation and all reasonable out-of-pocket expenses actually incurred in the performance of duties in accordance with this Trust Agreement and the Budget.

9.8. No Personal Financial Liability. No provision of the Plan, Confirmation Order or this Trust Agreement shall be construed as requiring the GUC Trust Administrator to expend or risk its own funds or otherwise to incur any personal financial liability (x) in the performance of any of its duties thereunder or hereunder, including but not limited to the payment of fees and expenses of the Trust Professionals, and any situation where the GUC Trust Assets and/or the Residual Wind-Down Assets are insufficient to permit the administration of the GUC Trust or distributions as contemplated herein, or (y) in the exercise of any of its rights or powers afforded hereunder or thereunder.

ARTICLE X
SUCCESSOR GUC TRUST ADMINISTRATORS

10.1. Resignation. The GUC Trust Administrator may resign from the GUC Trust by giving at least sixty (60) days' prior written notice thereof to the GUC Trust Monitor. Such resignation shall become effective on the later to occur of (x) the date specified in such written notice and (y) the effective date of the appointment of a successor GUC Trust Administrator in accordance with Section 10.4 hereof and such successor's acceptance of such appointment in accordance with Section 10.5 hereof.

10.2. Removal. The holders of a majority of the Units may at any time petition the Bankruptcy Court for the removal of the GUC Trust Administrator, but only for good cause shown. Such removal shall become effective on the date ordered by the Bankruptcy Court. The services of the GUC Trust Administrator shall also terminate upon its bankruptcy.

10.3. Effect of Resignation or Removal. The resignation, removal or bankruptcy of the GUC Trust Administrator shall not operate to terminate the GUC Trust or to revoke any existing agency created pursuant to the terms of the Plan, the Confirmation Order or this Trust Agreement or invalidate any action theretofore taken by the GUC Trust Administrator. The exculpation, indemnity and limitation of liability provisions of Article X of this Trust Agreement shall survive the resignation, removal or bankruptcy of the GUC Trust Administrator. All fees and expenses properly incurred by the GUC Trust Administrator prior to the resignation, Incompetency, removal or bankruptcy of the GUC Trust Administrator shall be paid from the GUC Trust Administrative Cash, or Residual Wind-Down Assets, as applicable, unless such fees and expenses are disputed by (x) the GUC Trust Monitor or (y) the successor GUC Trust Administrator, in which case the Bankruptcy Court shall resolve the dispute and any disputed fees and expenses of the predecessor GUC Trust Administrator that are subsequently allowed by the Bankruptcy Court shall be paid from the GUC Trust Administrative Cash or Residual Wind-Down Assets, as applicable. In the event of the resignation, removal or bankruptcy of the GUC Trust Administrator, such GUC Trust Administrator shall:

(a) promptly execute and deliver such documents, instruments and other writings as may be reasonably requested by the successor GUC Trust Administrator or directed by the Bankruptcy Court to effect the termination of such GUC Trust Administrator's capacity under this Trust Agreement;

(b) promptly deliver to the successor GUC Trust Administrator all documents, instruments, records and other writings related to the GUC Trust as may be in the possession of such GUC Trust Administrator; and

(c) otherwise assist and cooperate in effecting the assumption of its obligations and functions by such successor GUC Trust Administrator.

10.4. Appointment of Successor. In the event of the resignation, removal, Incompetency or bankruptcy of the GUC Trust Administrator, the GUC Trust Monitor shall promptly appoint a successor GUC Trust Administrator, *provided that* such appointment shall not take effect unless approved by the Bankruptcy Court upon the petition of the GUC Trust Monitor and until the successor GUC Trust Administrator shall have delivered written acceptance of its appointment as described Section 10.5 below. If a successor GUC Trust Administrator does not take office within thirty (30) days after the resignation, removal, Incompetency or bankruptcy of the retiring GUC Trust Administrator, the Bankruptcy Court, upon its own motion or the motion of the retiring GUC Trust Administrator or any GUC Trust Beneficiary, shall appoint a successor GUC Trust Administrator.

10.5. Acceptance of Appointment by Successor GUC Trust Administrator. Any successor GUC Trust Administrator appointed hereunder shall execute an instrument accepting its appointment and shall deliver one counterpart thereof to the Bankruptcy Court for filing and to the GUC Trust Monitor and, in case of the GUC Trust Administrator's resignation, to the resigning GUC Trust Administrator. Thereupon, such

successor GUC Trust Administrator shall, without any further act, become vested with all the duties, powers, rights, obligations, title, discretion and privileges of its predecessor in the GUC Trust with like effect as if originally named GUC Trust Administrator and shall be deemed appointed pursuant to Bankruptcy Code Section 1123(b)(3)(B). The predecessor GUC Trust Administrator shall duly assign, transfer and deliver to such successor GUC Trust Administrator all GUC Trust Assets held by such predecessor GUC Trust Administrator hereunder and shall, as directed by the Bankruptcy Court or reasonably requested by such successor GUC Trust Administrator, execute and deliver an instrument or instruments conveying and transferring to such successor GUC Trust Administrator upon the trusts herein expressed, all the duties, powers, rights, obligations, title, discretion and privileges of the predecessor GUC Trust Administrator.

10.6. Successor Entity to GUC Trust Administrator. Any business entity into which the GUC Trust Administrator may be merged or converted or with which it may be consolidated, or any entity resulting from any merger, conversion or consolidation to which the GUC Trust Administrator shall be a party, or any entity succeeding to all or substantially all of the corporate trust business of the GUC Trust Administrator, shall be the successor of the GUC Trust Administrator hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

ARTICLE XI
GUC TRUST MONITOR

11.1. General.

(a) The GUC Trust Monitor shall oversee the activities of the GUC Trust Administrator as set forth in this Trust Agreement. In all circumstances, the GUC Trust Monitor shall act in the best interests of all GUC Trust Beneficiaries, in furtherance of the purpose of the GUC Trust, and in accordance with this Trust Agreement.

(b) In furtherance of its rights and responsibilities under this Trust Agreement, the GUC Trust Monitor shall have access, on reasonable advance notice and during regular business hours, to all such books and records of the GUC Trust and the GUC Trust Administrator, shall have the right to consult with all such professionals engaged by the GUC Trust Administrator and shall participate in all such meetings of the GUC Trust Administrator and the Trust Professionals as the GUC Trust Monitor deems reasonably necessary or appropriate. Any documents shared between the GUC Trust Administrator and the GUC Trust Monitor shall be subject to joint privilege, and such sharing shall not be deemed to waive any attorney-client or work product privilege in respect of such documents.

(c) Without limiting the access rights of the GUC Trust Monitor generally, for each of the first twelve calendar months following the Effective Date, the GUC Trust Administrator shall provide to the GUC Trust Monitor a monthly report containing the information set forth in Sections 6.2(b) and (c), mutatis mutandis, with respect to such month, to be delivered as follows: (i) with respect to each month, other than the last month, of each calendar quarter, reports shall be delivered within 14 days after the end of the month; (ii) with respect to the last month of each calendar quarter, reports shall be delivered within 30 days

following the end of the month; and (iii) with respect to the last month of the fiscal year of the GUC Trust, the report shall be delivered within 45 days following the end of the month.

(d) Notwithstanding anything in this Section 11.1 or Section 11.2 hereof, the GUC Trust Monitor shall not take (or fail to take) any action which will cause the GUC Trust to fail to qualify as a "disputed ownership fund" within the meaning of Treasury Regulation section 1.468B-9 for U.S. federal or applicable state or local income tax purposes.

11.2. Appointment and Removal of the GUC Trust Monitor.

(a) Subject to Section 11.2(d), the GUC Trust Monitor shall serve until the earlier of (w) the final distribution of all GUC Trust Distributable Assets, (x) its resignation pursuant to subsection (b) of this Section 11.2, (y) its removal pursuant to subsection (c) of this Section 11.2 or (z) its bankruptcy.

(b) The GUC Trust Monitor may resign at any time by written notice of resignation to the GUC Trust Administrator, a copy of which shall also be filed by the GUC Trust Monitor with the Bankruptcy Court. Such resignation shall be effective no earlier than sixty (60) days from the date of such notice or such earlier time as a successor is appointed in accordance with the provisions of subsection (d) of this Section 11.2.

(c) The holders of a majority of the Units may at any time petition the Bankruptcy Court for the removal of the GUC Trust Monitor, but only for good cause shown. Such removal shall become effective on the date ordered by the Bankruptcy Court.

(d) In the event of the resignation, removal or bankruptcy of the GUC Trust Monitor, the GUC Trust Administrator shall promptly appoint a successor GUC Trust Monitor, *provided that* such appointment shall not take effect unless approved by the Bankruptcy Court upon the petition of the GUC Trust Administrator and until the successor GUC Trust Monitor shall have delivered written acceptance of its appointment as described in clause (e) of this Section 11.2 below; and *provided further that* until a new GUC Trust Monitor's appointment is effective, the resigning GUC Trust Monitor's appointment shall remain in effect, and the resigning GUC Trust Monitor shall fulfill all obligations and duties of the GUC Trust Monitor. If a successor GUC Trust Monitor does not take office within thirty (30) days after the resignation, removal, Incompetency or bankruptcy of the retiring GUC Trust Monitor, the Bankruptcy Court, upon its own motion or the motion of the retiring GUC Trust Monitor or any GUC Trust Beneficiary, shall appoint a successor GUC Trust Monitor.

(e) Any successor GUC Trust Monitor appointed hereunder shall execute an instrument accepting its appointment and shall deliver one counterpart thereof to the Bankruptcy Court for filing and to the GUC Trust Administrator.

(f) Immediately upon effectiveness of the appointment of a successor GUC Trust Monitor, all rights, powers, duties, authority, and privileges of the predecessor GUC Trust Monitor hereunder will be vested in and undertaken by the successor GUC Trust Monitor without any further act. The successor GUC Trust Monitor shall not be liable personally for any act or omission of the predecessor GUC Trust Monitor.

11.3. Approval of and Consultation with the GUC Trust Monitor.

(a) Notwithstanding anything in this Trust Agreement to the contrary, the GUC Trust Administrator shall submit to the GUC Trust Monitor for its review and prior approval the following matters, in addition to any other matters that expressly require the approval of the GUC Trust Monitor pursuant to the terms of the Plan, the Confirmation Order or this Trust Agreement:

(i) Any decision to settle or otherwise resolve any objections to Disputed General Unsecured Claims against the Debtors where the amount sought to be Allowed equals or exceeds $10,000,000;

(ii) Any decision to refrain from making any distributions to the holders of Allowed General Unsecured Claims or Units, as the case may be, in accordance with the Trust Agreement, except as expressly permitted herein;

(iii) Any decision to retain and/or to terminate the retention of Trust Professionals (other than legal counsel retained to represent the GUC Trust Administrator in connection with its role as GUC Trust Administrator, which shall be in the GUC Trust Administrator's sole discretion);

(iv) The incurrence of any cost or expense of the GUC Trust in excess of 10% of any individual line item therefor in the approved Budget, measured on a yearly basis; *provided*, *however*, that approval of the GUC Trust Monitor shall not be required in the case of any cost or expense authorized by further order of the Bankruptcy Court;

(v) The reports and Budget described in Sections 6.2 and 6.4 hereof and any changes thereto;

(vi) Any amendment of this Trust Agreement as provided in Section 13.13 hereof;

(vii) Any privately-negotiated transaction to sell the New GM Securities for the sole purpose of liquidating fractional shares or expiring warrants pursuant to Sections 5.6 and 5.7, respectively; and

(viii) Any distribution that is not made in accordance with the provisions of Article V as contemplated by Section 5.8; *provided*, *however*, that any deviation from the provisions of Article V other than as contemplated by Section 5.8 shall also require approval of the Bankruptcy Court.

Notwithstanding anything herein to the contrary, the provisions of this Section 11.3 shall not supercede or modify the rights of the DIP Lenders to approve or review the expenditure of the Wind-Down Budget Cash or the Budget.

(b) In addition to any other matters that expressly require consultation with the GUC Trust Monitor pursuant to the terms of the Plan, the Confirmation Order or this Trust Agreement, the GUC Trust Administrator shall consult with the GUC Trust Monitor in

advance of an application to the Bankruptcy Court to sell or borrow against the GUC Trust Distributable Assets in order to satisfy the fees and expenses of the GUC Trust, as contemplated by Section 6.1(b) hereof; *provided that*, the GUC Trust Administrator shall not be required to obtain the approval of the Bankruptcy Court or consult with or obtain the consent of the GUC Trust Monitor in connection with the sale of any New GM Securities in the public market for the sole purpose of liquidating fractional shares or expiring warrants pursuant to Sections 5.6 and 5.7 respectively.

(c) In the event of any disagreement between the GUC Trust Administrator and the GUC Trust Monitor regarding any matter requiring the approval or direction of the GUC Trust Monitor under this Trust Agreement, the GUC Trust Administrator and the GUC Trust Monitor shall consult and negotiate diligently and in good faith to resolve such disagreement. If despite their good faith efforts, the GUC Trust Administrator and the GUC Trust Monitor are unable to resolve any disagreement, or the GUC Trust Administrator cannot otherwise obtain approval or direction from the GUC Trust Monitor as required by this Trust Agreement, the GUC Trust Administrator may petition the Bankruptcy Court, with a copy to the GUC Trust Monitor, requesting such approval or direction.

11.4. Exculpation and Indemnification; Limitation of Liability. The GUC Trust Monitor Parties shall not be subject to personal liability, and shall be exculpated and indemnified, to the same extent as the GUC Trust Administrator Parties pursuant to Section 9.2, Section 9.4 and Section 9.6. In no event will the GUC Trust Monitor Parties be liable for punitive, exemplary, consequential, special or other damages for a breach of, or otherwise in connection with, this Trust Agreement under any circumstances.

11.5. Compensation and Expenses. The GUC Trust Monitor shall receive fair and reasonable compensation for its services, to be paid out of the GUC Trust Administrative Cash, in accordance with the Budget. The GUC Trust Monitor shall be entitled, without the need for approval of the Bankruptcy Court, to direct the GUC Trust Administrator to reimburse the GUC Trust Monitor from the GUC Trust Administrative Cash on a monthly basis, for all reasonable out-of-pocket expenses actually incurred in the performance of duties in accordance with this Trust Agreement, consistent with the Budget prepared pursuant to Section 6.4 hereof.

ARTICLE XII
ACTION BY MAJORITY OF HOLDERS OF UNITS

Holders of a majority of the Units from time to time outstanding may petition the Bankruptcy Court to remove the GUC Trust Administrator in accordance with Section 10.2 or to remove the GUC Trust Monitor in accordance with Section 11.2, but in each case only for good cause shown. In determining whether the holders of a majority of the Units have concurred in any such petition, Units held by the GUC Trust Administrator or the GUC Trust Monitor or any of their respective Affiliates shall be disregarded.

ARTICLE XIII
MISCELLANEOUS PROVISIONS

13.1. Actions Taken on Other Than Business Day. In the event that any payment or act under the Plan, the Confirmation Order or this Trust Agreement is required to be made or performed on a date that is not a Business Day, then the making of such payment or the performance of such act may be completed on the next succeeding Business Day, but shall be deemed to have been completed as of the required date.

13.2. Governing Law. This Trust Agreement shall be governed by and construed in accordance with the laws of the State of Delaware without giving effect to rules governing conflicts of law.

13.3. Jurisdiction. Subject to the proviso below, the parties agree that the Bankruptcy Court shall have exclusive and continuing jurisdiction over the GUC Trust and the GUC Trust Administrator, including the administration and activities of the GUC Trust and the GUC Trust Administrator; *provided*, *however*, that notwithstanding the foregoing, the GUC Trust Administrator shall have power and authority to bring any action in any court of competent jurisdiction to prosecute any claims or Causes of Action assigned to the GUC Trust.

13.4. Third Party Beneficiary. GUC Trust Beneficiaries are third party beneficiaries of this Trust Agreement. The GUC Trust Administrator Parties (other than the GUC Trust Administrator) are third party beneficiaries of the provisions of Section 9.2, Section 9.4 and Section 9.6 of this Trust Agreement. The GUC Trust Monitor Parties (other than the GUC Trust Monitor) are third party beneficiaries of the provisions of Section 11.4 of this Trust Agreement, and, to the extent incorporated therein, Section 9.2, Section 9.4 and Section 9.6 of this Trust Agreement. The DIP Lenders are third party beneficiaries of this Trust Agreement to the extent of their rights of approval contained herein and their residual interests in the Wind-Down Budget Cash and the Residual Wind-Down Assets. Except as aforesaid, there are no other third party beneficiaries of this Trust Agreement.

13.5. Severability. In the event any provision of this Trust Agreement or the application thereof to any person or circumstances shall be determined by a final, non-appealable judgment or order to be invalid or unenforceable to any extent, the remainder of this Trust Agreement or the application of such provision to persons or circumstances or in jurisdictions other than those as to or in which it is held invalid or unenforceable, shall not be affected thereby, and each provision of this Trust Agreement shall be valid and enforceable to the fullest extent permitted by law.

13.6. Notices. Any notice or other communication required or permitted to be made under this Trust Agreement shall be in writing and shall be deemed to have been sufficiently given, for all purposes, if delivered personally, by email, facsimile, sent by nationally recognized overnight delivery service or mailed by first-class mail:

(A) if to the GUC Trust Administrator, to:

Wilmington Trust Company
Rodney Square North
1100 North Market Street
Wilmington, Delaware, 19890-1615
Phone: (302) 636-6000
Telecopier: (302) 636-4140
Attn: Corporate Trust Administration

With a copy to:

Gibson, Dunn & Crutcher LLP
200 Park Avenue
New York, NY 10166-0193
Phone: (212) 351-4000
Telecopier (212) 351-4035
Attn: Matthew Williams and Keith Martorana

(B) if to the GUC Trust Monitor, to:

FTI Consulting, Inc.
1201 W. Peachtree St., Suite 600
Atlanta, GA 30309

(C) if to any GUC Trust Beneficiary, in the case of a holder of an Allowed General Unsecured Claim, to the last known address of such GUC Trust Beneficiary according to the Debtors' Schedules, such GUC Trust Beneficiary's proof of claim, and, in the case of holder of Units (i) if and for so long as the Units are held in book-entry form through DTC, in accordance with the practices and procedures of DTC; and otherwise (ii) to such address as appears on the books and records of the GUC Trust Administrator, or such other address as may be designated from time to time by notice given in accordance with the provisions of this Section 13.6.

(D) if to the DIP Lenders, to:

(1) U.S. Treasury

United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220
Attn: Chief Counsel, Office of Financial Stability
Telecopier: (202) 927-9225
E-mail: OFSChiefCounselNotices@do.treas.gov

with a copy to:

Cadwalader, Wickersham & Taft LLP
One World Financial Center
New York, NY 10281
Phone: (212) 504-6000
Attention: John Rapisardi and Doug Mintz
E-mail: john.rapisardi@cwt.com
E-mail: douglas.mintz@cwt.com

(2) EDC

Export Development Canada
151 O'Connor Street
Ottawa, Ontario
Canada K1A 1K3
Attention: Loans Services
Telecopy: 613-598-2514

with a copy to:

Export Development Canada
151 O'Connor Street
Ottawa, Ontario
Canada K1A 1K3
Attention: Asset Management/Covenants Officer
Telecopy: 613-598-3186

(E) if to the U.S. Treasury, to:

United States Department of the Treasury
1500 Pennsylvania Avenue, NW
Washington, D.C. 20220
Attn: Chief Counsel, Office of Financial Stability
Telecopier: (202) 927-9225
E-mail: OFSChiefCounselNotices@do.treas.gov

with a copy to:

United States Department of Justice
86 Chambers Street, Third Floor
New York, NY 10007
Phone: (212) 637-2739
Telecopier: (212) 637-2730
Attn: David S. Jones

and

Cadwalader, Wickersham & Taft LLP
One World Financial Center
New York, NY 10281
Phone: (212) 504-6000
Attention: John Rapisardi and Doug Mintz
E-mail: john.rapisardi@cwt.com
E-mail: douglas.mintz@cwt.com

13.7. Headings. The headings contained in this Trust Agreement are solely for convenience of reference and shall not affect the meaning or interpretation of this Trust Agreement or of any term or provision hereof.

13.8. Plan. The terms of this Trust Agreement are intended to supplement the terms provided by the Plan and the Confirmation Order. To the extent that the terms of sections 5.6 and 6.2 of the Plan are inconsistent with the terms set forth in this Trust Agreement with respect to the GUC Trust, then the terms of the Trust Agreement shall govern. All other provisions of the Plan shall supersede the provisions of this Trust Agreement, including section 6.15 of the Plan, which provides that the restrictions set forth in paragraph 20 of the Final Order approving the DIP Credit Agreement (ECF No. 2529) shall continue to apply.

13.9. Ambiguities and Construction.

(a) This Trust Agreement is intended to create a "disputed ownership fund" within the meaning of Treasury Regulation section 1.468B-9 for U.S. federal and applicable state and local income tax purposes and, to the extent provided by law, shall be governed and construed in all respects as such a trust and any ambiguity herein shall be construed consistent herewith and, if necessary, this Trust Agreement may be amended to comply with such U.S. federal and applicable state and local income tax laws, which amendments may apply retroactively.

(b) Unless the context otherwise requires:

(i) a term has the meaning assigned to it;

(ii) "or" is not exclusive;

(iii) words in the singular include the plural, and in the plural include the singular;

(iv) the words "hereof," "herein," "hereunder" and similar words refer to this Trust Agreement as a whole and not to any particular provisions of this Trust Agreement and any subsection, Section, and Article references are to this Trust Agreement unless otherwise specified;

(v) any pronoun shall include the corresponding masculine, feminine and neuter forms; and

(vi) "including" means including without limitation.

13.10. Entire Trust Agreement. This Trust Agreement contains the entire agreement between the parties and supersedes all prior and contemporaneous agreements or understandings between the parties with respect to the subject matter hereof.

13.11. Cooperation. The Debtors shall turn over or otherwise make available to the GUC Trust Administrator at no cost to the GUC Trust or the GUC Trust Administrator, all books and records reasonably required by the GUC Trust Administrator to carry out its duties hereunder, and agree to otherwise reasonably cooperate with the GUC Trust Administrator in carrying out its duties hereunder, subject to the obligation to preserve the confidential nature of the Debtors' books and records, as provided in Section 13.12.

13.12. Confidentiality. The GUC Trust Administrator and the GUC Trust Monitor, and their respective employees, members, agents, professionals and advisors, including the Trust Professionals (each a "Confidential Party" and collectively the "Confidential Parties") shall hold strictly confidential and not use for personal gain any material, non-public information of which they have become aware in their capacity as a Confidential Party, of or pertaining to any Debtor to which any of the GUC Trust Assets relates or which is otherwise received from the Debtors by the GUC Trust; *provided*, *however*, that such information may be disclosed if:

(i) it is now or in the future becomes generally available to the public other than as a result of a disclosure by the Confidential Parties; or

(ii) such disclosure is required of the Confidential Parties pursuant to legal process, including subpoena or other court order or other applicable laws or regulations.

In the event that any Confidential Party is requested to divulge confidential information pursuant to clause (ii), such Confidential Party shall promptly, in advance of making such disclosure, provide reasonable notice of such required disclosure to the GUC Trust Administrator (or the GUC Trust Monitor in case the GUC Trust Administrator is the disclosing party) to allow sufficient time to object to or prevent such disclosure through judicial or other means and shall cooperate reasonably with the GUC Trust Administrator (or the GUC Trust Monitor, as applicable) in making any such objection, including but not limited to appearing in any judicial or administrative proceeding in support of any objection to such disclosure.

13.13. Amendment and Waiver.

(a) The GUC Trust Administrator, with the approval of the GUC Trust Monitor, may amend or supplement this Trust Agreement without notice to or consent of the Bankruptcy Court or any GUC Trust Beneficiary for the purpose of (x) curing any ambiguity, omission, inconsistency or correcting or supplementing any defective provision; (y) evidencing and providing for the acceptance of the appointment of a successor GUC Trust Administrator or GUC Trust Monitor; or (z) making any other changes to this Trust Agreement that do not adversely affect the interests of the GUC Trust beneficiaries or the DIP Lenders in any material respect.

(b) The GUC Trust Administrator may amend or supplement this Trust Agreement for any other purpose, but only on petition to, and with the approval of, the Bankruptcy Court; *provided that* (x) no amendment or supplement to this Trust Agreement shall be inconsistent with the purpose and intent of the GUC Trust to dispose of in an expeditious but orderly manner the GUC Trust Assets in accordance with the terms of the Plan, the Confirmation Order and this Trust Agreement, and (y) this Trust Agreement shall not be amended in a manner that is inconsistent with the Plan in the form confirmed by the Bankruptcy Court, subject to any post-confirmation modifications to the Plan pursuant to Section 1127 of the Bankruptcy Code, or with the Confirmation Order.

(c) Any amendment to this Trust Agreement shall be posted on the website contemplated by Section 6.2(a).

(d) The GUC Trust Administrator may not amend Sections 2.6(a), (b) & (c), 6.4, 8.3, or 13.8 without the written consent of the DIP Lenders.

13.14. Counterparts. This Trust Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all such counterparts shall together constitute but one and the same instrument. A facsimile or portable document file (PDF) signature of any party shall be considered to have the same binding legal effect as an original signature.

[Remainder of Page Blank — Signature Pages Follows]

IN WITNESS WHEREOF, the parties hereto have executed this Trust Agreement or caused this Trust Agreement to be duly executed by their respective officers, representatives or agents, effective as of the date first above written.

MOTORS LIQUIDATION COMPANY

By:_____
Name:
Title:

MLC OF HARLEM, INC.

By:_____
Name:
Title:

MLCS, LLC

By:_____
Name:
Title:

MLCS DISTRIBUTION CORPORATION

By:_____
Name:
Title:

REMEDIATION AND LIABILITY MANAGEMENT COMPANY, INC.

By:_____
Name:
Title:

ENVIRONMENTAL CORPORATE REMEDIATION COMPANY, INC.

By:_____
Name:
Title:

WILMINGTON TRUST COMPANY, as GUC Trust Administrator

By:_____
Name:
Title:

– and –

FTI CONSULTING, INC., as GUC Trust Monitor

By:_____
Name:
Title:

Exhibit A-1

Motors Liquidation Company
GUC Trust Agreement

Hypothetical Distribution to a Holder of
an Initial Allowed General Unsecured Claim[1]

Assumptions:

Number of shares of New GM Common Stock available for distribution on the Effective Date (G_I):[2]	150,000,000
Number of New GM $10.00 Warrants available for distribution on the Effective Date (G_I):	136,363,636
Number of New GM $18.33 Warrants available for distribution on the Effective Date (G_I):	136,363,636
Total Allowed Amount (sum of Initial Allowed General Unsecured Claims) as of the Initial Distribution Record Date:	$32,000,000,000
Aggregate Maximum Amount on the Initial Distribution Record Date (sum of the Maximum Amounts of all Disputed General Unsecured Claims, Unresolved Term Loan Avoidance Action Claims and Unresolved Other Avoidance Action Claims):	$10,000,000,000
Current Total Amount (sum of the Initial General Unsecured Claims and Aggregate Maximum Amount) as of the Initial Distribution Record Date (C_I):	$42,000,000,000
Unit Issuance Ratio:	1 Unit/$1,000 of Allowed Claim

Accordingly, a holder of an Initial Allowed General Unsecured Claim in the Amount of $1,000,000 (A) would receive:

Shares of New GM Common Stock	$1,000,000 ÷ $42,000,000,000 *x* 150,000,000 = 3,571 shares
New GM $10.00 Warrants	$1,000,000 ÷ $42,000,000,000 *x* 136,363,636 = warrants to acquire 3,247 shares

[1] This illustration is purely hypothetical, uses hypothetical numbers for the amounts of allowed/disputed claims, and is not representative of the actual dollar amounts of claims in any respect.

[2] If the total claims pool exceeds $35 billion and the GUC Trust receives Additional Securities, such Additional Securities will be distributed as provided in Sections 5.3 and 5.4 of the Agreement.

New GM $18.33 Warrants	$1,000,000 ÷ $42,000,000,000 *x* 136,363,636 = warrants to acquire 3,247 shares
Units	1,000 Units

Exhibit A-2

Motors Liquidation Company
GUC Trust Agreement

Hypothetical Distribution to a Holder of
a Resolved Allowed General Unsecured Claim

Assumptions:
As of the end of the first calendar quarter:

Total Amount of Resolved Allowed General Unsecured Claims:	
Amount of Resolved Allowed General Unsecured Claims as of the Initial Distribution Record Date:	$0
Amount of Resolved Allowed General Unsecured Claims which are Allowed since the Initial Distribution Record Date:	$2,000,000,000
Total:	**$2,000,000,000**
Amount of General Unsecured Claims disallowed since the Initial Distribution Record Date:	**$500,000,000**
Aggregate Maximum Amount (sum of the Maximum Amounts of all Disputed General Unsecured Claims, Unresolved Term Loan Avoidance Action Claims and Unresolved Other Avoidance Action Claims):	**$7,500,000,000**
Total Allowed Amount (sum of amounts all Initial Allowed General Unsecured Claims and all Resolved General Unsecured Claims):	**$34,000,000,000**
Current Total Amount (C) (Sum of the Total Allowed Amount and Aggregate Maximum Amount):	**$41,500,000,000**

Accordingly, a holder of a Disputed Claim in the Amount of $2,000,000 that was Allowed in the amount of $1,000,000 (A) would receive:

Shares of New GM Common Stock	$1,000,000 ÷ $41,500,000,000 *x* 150,000,000 = 3614 shares
New GM $10.00 Warrants	$1,000,000 ÷ $41,500,000,000 *x* 136,363,636 = warrants to acquire 3,286 shares
New GM $18.33 Warrants	$1,000,000 ÷ $41,500,000,000 *x* 136,363,636 = warrants to acquire 3,286 shares
Units	1000 Units

Exhibit A-3

Motors Liquidation Company
GUC Trust Agreement

Hypothetical Distribution to a Holder of
a Unit from Excess GUC Trust Distributable Assets[3]

Assumptions:

As of the Effective Date:

Number of shares of New GM Common Stock available for distribution on the Effective Date (G_I): [4]	150,000,000
Number of New GM $10.00 Warrants available for distribution on the Effective Date (G_I):	136,363,636
Number of New GM $18.33 Warrants available for distribution on the Effective Date (G_I):	136,363,636
Total Allowed Amount as of the Initial Distribution Record Date(sum of Initial Allowed General Unsecured Claims):	$32,000,000,000
Aggregate Maximum Amount (sum of Maximum amounts of Disputed General Unsecured Claims, Unresolved Term Loan Avoidance Action Claims, and Unresolved Other Avoidance Action Claims):	$10,000,000,000
Current Total Amount (sum of Total Allowed Amount and Aggregate Maximum Amount):	$42,000,000,000
Unit Issuance Ratio:	1 Unit/$1,000 of Allowed Claim
Number of Units issuable:	42,000,000

[3] This illustration is purely hypothetical, uses hypothetical numbers for the amounts of allowed/disputed claims, and is not representative of the actual dollar amounts of claims in any respect.

[4] If the total claims pool exceeds $35 billion and the GUC Trust receives Additional Securities, such Additional Securities will be distributed as provided in Sections 5.3 and 5.4 of the Agreement.

First Distribution Date

As of the end of the first calendar quarter:

Total Amount of Resolved Allowed General Unsecured Claims:	
Amount of Resolved Allowed General Unsecured Claims as of the Initial Distribution Record Date:	$0
Amount of Resolved Allowed General Unsecured Claims since the Initial Distribution Record Date:	$2,000,000,000
Total	**$2,000,000,000**
Amount of General Unsecured Claims disallowed since the Initial Distribution Record Date (L):	**$500,000,000**
Aggregate Maximum Amount (sum of Maximum amounts of Disputed General Unsecured Claims, Unresolved Term Loan Avoidance Action Claims, and Unresolved Other Avoidance Action Claims):	**$7,500,000,000**
Total Allowed Amount (sum of Initial Allowed General Unsecured Claims and Resolved Allowed General Unsecured Claims) (T):	**$34,000,000,000**
Current Total Amount (C):	**$41,500,000,000**
Number of Units outstanding as of Effective Date	32,000,000
U_O (total number of Units outstanding, including Units distributed, or to be distributed to holders of Resolved Allowed General Unsecured Claims during the calendar quarter)	34,000,000
H (Protective Holdback and other deductions)[6]	0
$G_{X\ shares} = (G_I - H) * [T/C - T/(C + L)]$	1,462,995
$G_{X\ warrants} = (G_I - H) * [T/C - T/(C + L)]$	1,329,995

[6] Ignoring for these purposes the initial Reporting and Transfer Holdback.

Calculations:

Distributions to Holders of Units

Shares of New GM Common Stock	*On a 32,000,000 Unit basis* 32,000,000 ÷ 34,000,000 *x* 1,462,995 = 1,376,936 shares *On a 1000 Unit basis* 1000 ÷ 34,000,000 *x* 1,462,995 = 43 shares
New GM $10.00 Warrants	*On a 32,000,000 Unit basis* 32,000,000,000 ÷ 34,000,000,000 *x* 1,329,995= warrants to acquire 1,251,760 shares *On a 1,000,000 Unit basis* 1000 ÷ 34,000,000,000 *x* 1,329,995= warrants to acquire 39 shares
New GM $18.33 Warrants	*On a 32,000,000 Unit basis* 32,000,000,000 ÷ 34,000,000,000 *x* 1,329,995= warrants to acquire 1,251,760 shares *On a 1,000,000 Unit basis* 1000 ÷ 34,000,000,000 *x* 1,329,995= warrants to acquire 39 shares

Second Distribution Date

As of the End of the second calendar quarter

Total Amount of Resolved Allowed General Unsecured Claims as of the end of the calendar quarter:	
Amount of Resolved Allowed General Unsecured Claims as of the end of the prior calendar quarter:	$2,000,000,000
Amount of Resolved Allowed General Unsecured Claims during the calendar quarter:	$1,000,000,000
Total	**$3,000,000,000**
Amount of General Unsecured Claims disallowed as of the end of the calendar quarter:	
Amount of Claims disallowed as of the end of the prior calendar quarter:	$500,000,000
Amount of Claims disallowed during the calendar quarter (L):	$700,000,000
Total	**$1,200,000,000**
Aggregate Maximum Amount at the time:	**$5,800,000,000**
Total Allowed Amount (sum of Initial Allowed General Unsecured Claims and Resolved Allowed General Unsecured Claims) (T)	**$35,000,000,000**
Current Total Amount (C):	**$40,800,000,000**
Total number of Units outstanding at the end of the prior quarter	34,000,000
U_O (total number of Units outstanding, including Units distributed, or to be distributed to holders of Resolved Allowed General Unsecured Claims during the calendar quarter)	35,000,000
H (Protective Holdback and other deductions)[7]	0
$G_{X\ shares} = (G_I - H) * [T/C - T/(C + L)]$	2,170,446
$G_{X\ warrants} = (G_I - H) * [T/C - T/(C + L)]$	1,973,133

[7] Ignoring for these purposes the initial Reporting and Transfer Holdback.

Distributions to Holders of Units

Shares of New GM Common Stock	*On a 34,000,000 Unit basis:* 34,000,000 ÷ 35,000,000 *x* 2,170,446 = 2,108,434 shares *On a 1000 Unit basis:* 1000 ÷ 35,000,000 *x* 2,170,446 = 62 shares
New GM $10.00 Warrants	*On a 34,000,000 Unit basis:* 34,000,000 ÷ 35,000,000 *x* 1,973,133= warrants to acquire 1,916,758 shares *On a 1000 Unit basis:* 1000 ÷ 35,000,000 *x* 1,973,133= warrants to acquire 56 shares
New GM $18.33 Warrants	*On a 34,000,000 Unit basis:* 34,000,000 ÷ 35,000,000 *x* 1,973,133= warrants to acquire 1,916,758 shares *On a 1000 Unit basis:* 1000 ÷ 35,000,000 *x* 1,973,133= warrants to acquire 56 shares

Exhibit K

UNITED STATES BANKRUPTCY COURT

SOUTHERN DISTRICT OF NEW YORK

Case No. 09-50026(REG)

- -x

In the Matter of:

MOTORS LIQUIDATION COMPANY, et al.

f/k/a General Motors Corporation, et al.,

Debtors.

- -x

United States Bankruptcy Court

One Bowling Green

New York, New York

March 3, 2011

9:51 AM

B E F O R E:

HON. ROBERT E. GERBER

U.S. BANKRUPTCY JUDGE

HEARING re Confirmation

HEARING re Motion of Debtors for Entry of an Order Pursuant to Bankruptcy Rules 9006(b) and 9027 Enlarging the Time Within Which to File Notices of Removal of Related Proceedings

HEARING re Motion of Debtors for Entry of an Order Pursuant to 11 U.S.C. Section 365 Authorizing the Debtors to Assume and Assign Certain Contracts to the Environmental Response Trust Conditioned On and as of the Effective Date

Transcribed by: Aliza Chodoff

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P R O C E E D I N G S

THE COURT: Good morning. Have seats, please.

Okay. We're here on confirmation in Motors Liquidation Company, General Motors. Of course, as you know I entered an administrative order to provide for orderly proceedings today, which I assume will be followed through on. I see Mr. Karotkin, Mr. Smolinsky, do you folks want to give me a recommendation as to how you would like to proceed?

MR. KAROTKIN: Good morning, Your Honor, Stephen Karotkin, Weil Gotshal and Manges for the Debtors. I think, as you indicated, there's been the order to which you just referred, Your Honor, that there would be three company's statements by people in favor of the plan to the extent they wanted to make them, and we would like to make a new statement.

And then I think that Mr. Jones and Ms. Kuehler from the United States Government after they make a brief statement, I'd like to address the environmental settlement trust and issues related to the people of those agreements, and then I think it would be appropriate again, subject to however you would like to proceed to address any objections that still remain.

THE COURT: That's agreeable Mr. Karotkin so do you want to start?

MR. KAROTKIN: Yes, if I could.

As Your Honor knows, and as you just indicated right

here, we're here to consider confirmation of the plan which is the culmination of the process, Your Honor, which as you well know began on June 1st, 2009 an encompassed the expeditious sale of the General Motors enterprise. The creation of New GM and its re-Establishment in the market as a competitive force, both internationally as well as domestically, GM's rebirth, Your Honor, its recent public offering, the growth of its market share as indicated in yesterday's newspaper, the revenues it's been generating and perhaps most importantly from the perspective of the people involved in this case and I'm sure, Your Honor, the continued employment of tens of thousands of people worldwide, and we think that's a testament to the value and flexibility of our bankruptcy system and the dedication of this court to the implementation of that process.

The final winding up of Old GM, which is now called Motors Liquidation Company, the hopeful confirmation and implementation of the plan that is before Your Honor today, in which, as I will detail shortly was overwhelmingly accepted by the two classes of creditors voting on the plan, assures, among other things Your Honor a fully funded remediation of GM's former manufacturing properties and significant distributions to general unsecured creditors, and brings to a close, we hope, of a very successful administration of these Chapter 11 cases.

I would like to say that on behalf of our firm and on behalf of the debtors, on behalf of AlixPartners we want to

thank Your Honor for all the time that you devoted to the 363 sale, the administration of these estates, particularly in view of all of the challenges involved at the outset of these cases and thereafter, and in view of your very busy schedule, and we thank you for your dedication of time to this effort and we are very grateful to the Court for that.

In connection with today's hearing Your Honor we have submitted the affidavit of Thomas Morrow in support of confirmation of the plan. We have also filed a memorandum of law which includes a response to the various objections that were filed, including a chart that summarizes those objections as well as our responses.

I would note Your Honor that solicitation of votes on the plan and notice of this hearing, the deadline to file objections to the plan, and notice of all of those matters were provided in accordance with this Court's order dated December 8, 2010 which approved the debtor's disclosure statement, and also approved solicitation and voting procedures as well as the manner and form of notice.

There are various affidavits of service and publication on file which demonstrate that the procedures for giving notice and for the solicitation process were done fully in compliance with your order and I believe the Court can take judicial notice of those affidavits.

Also on file with the Court are four certifications

of the voting agents with respect to voting on the plan. As Your Honor knows there were two voting agents; the Garden City Group which dealt with the Class V solicitation as well as the Class III solicitation to the extend it did not involve public debt securities, and by Epiq which was involved in the Class III solicitation and certification process with respect to the public debt.

As I'm sure Your Honor may recall only two classes of creditors were solicited for voting, that's Class III which is the class of general unsecured claims and Class V which is the Class of asbestos personal injury claims. All other classes are either unimpaired or not entitled to vote.

The only class that is impaired and not entitled to vote is the class of equity security holders which does not receive any property or consideration under the plan.

THE COURT: And therefore is deemed to reject.

MR. KAROTKIN: That is correct, sir.

I'm pleased to report that as set forth in the supplemental declaration of James Sullivan of Epiq, filed last night -- and I would point out Your Honor that that final certification was delayed by virtue of extended solicitation in Italy to make sure that sufficient time was granted to the Italian bondholders to get their votes in, and I'm happy to report your Honor that the plan, as I indicated earlier was overwhelming accepted by both classes, III and Class V and I

could just summarize the vote Your Honor from those certifications.

With respect to Class III, which is the general unsecured creditor class which consists of the bondholders as well, in terms of dollar amount accepting the number is $18,460,970,649.08 representing 85.6 percent of those voting. The amount rejecting is $3,106,806,154.16 representing 14.4 percent.

In terms of number accepting Your Honor 91,470 votes were cast in favor of the plan, and 3,042 votes were cast rejecting the plan. And in terms of percentages that is 96.78 percent accepting and 3.22 percent rejecting.

With respect to Class V Your Honor which is the asbestos personal injury claims, as provided in your order authorizing improving the solicitation procedures, because of the nature of the asbestos plans and the fact that they are essentially all unliquidated, the procedure was one dollar per vote. And the summary of the votes in that class are as follows, the dollar -- and they will be the same since the dollar and the number, since it's one dollar, are the same.

The dollar accepting are 17,027. The dollar rejecting is 386 dollars. The percentages are 97.78 percent accepting, 2.22 percent rejecting and those same numbers without dollars attributed to them are the same for the numbers voting. So again number accepting is 97.89 percent and number

rejecting is 2.22 percent.

So as I indicated you can see the plan was overwhelmingly accepted and satisfies the requirements of the statute and therefore the only class that is essentially being crammed down on is the equity class. And I think as we've demonstrated in our pleadings, with respect to the equity class we certainly satisfied the provisions of 1129(b).

Over the past several days Your Honor we have been working to address a number of the objections to the plan, as well as addressing certain modifications to the plan and suggested modifications that have been made, which I would characterize Your Honor as technical in nature in ways to clarify various issues that have been raised or to make sure the plan works in the way it is supposed to work.

This has included certain modifications to the exhibits to the plan, most particularly what we call GUC Trust Agreement. On February 25th Your Honor a revised version of the GUC Trust Agreement was filed with the Court, put on the website as well as a blacklined version and distributed to various parties for their review.

As to all, as to both the plan, the exhibits to the plan, we have them in Court today a blacklined versions of those documents from, in terms of the GUC Trust Agreement which was filed on February 25th, in terms of the plan, what was originally filed and went out in the solicitation package, and

we have furnished copies to your chambers for your review as well. And they are available here as I indicated this morning and people have had an opportunity to look at them.

I would submit to Your Honor and as indicated as well in the pleading filed by the creditors' committee on February 25th to which the GUC Trust Agreement was attached that these documents do not include any substantively economic changes to distributions under the plan. As I indicated they're basically clarification making sure the reserves work properly, making sure fractional shares work properly so that people are treated fairly particularly with respect to that issue, and I would submit Your Honor that the modifications to the plan and the exhibits to the plan do not adversely affect the treatment of the claim of any creditor who has not accepted the modification in writing, and therefore in accordance with Section 1127(a) of the Bankruptcy Code and Bankruptcy Rule 3019, we will be seeking confirmation of the plan as modified, and we will be filing Your Honor together with hopefully a proposed confirmation order a second amended plan which will reflect those modifications. Again that document is in the courthouse today.

I will point out that in connection with the modifications that have been done to all of these documents that has been a concerted effort engaged in, with the creditors' committee, the debtors, of course, the United States

Treasury and the other committees have been involved as well and it reflects a consensual presentation of where we are today.

With respect to the objections, there were thirteen objections filed to confirmation of the plan; six of these have been fully resolved, leaving only the following seven. The Town of Salina, Onondaga County, the State of New York, California Department of Toxic Substances, what are called the Nova Scotia noteholders, the Nova Scotia Trustee, and NUMMI.

As I said we have addressed --

THE COURT: And NUMMI is still on that list?

MR. KAROTKIN: My colleague Mr. Smolinsky says it may be off.

MR. SMOLINSKY: May be.

MR. KAROTKIN: He's responsible for NUMMI, Your Honor.

As I said, we have addressed these in our brief. We will be prepared to address these at the appropriate time. I understand the creditors' committee has a position on certain of these items as well, but before we get to that as I indicated to the extent that other parties in support of the plan who wish to make statements, I think that would be appropriate at this time unless Your Honor has any questions.

I know that Mr. Jones on behalf of the United States Government and Treasury would prefer to go last and then he can

get into, at that point, the environmental trust agreements and settlement agreements.

THE COURT: Okay. I'd like to hear next from the estate fiduciaries, starting with the creditors' committee. Mr. Mayer, good morning.

MR. MAYER: Good morning, Your Honor. I'd like to take this time to address only a subcategory of the objections because I think that's the most productive use of our time, and I want to start with the Nova Scotia bondholder objections. Probably the easiest way to track this is to turn to the objection filed by Appaloosa Management because it has a sort of checklist of objections and I would propose to briefly address each one because some of them, I hope, are off the table.

THE COURT: Give me a second then, please, Mr. Mayer.

MR. MAYER: Certainly.

(Pause)

MR. MAYER: Mr. Karotkin reminds me I'm supposed to make a general opening statement and it is not appropriate to take Your Honor through the actual objections in advance. I'm sorry. Some of these have been resolved Your Honor --

THE COURT: I didn't want to be rude. I think Mr. Karotkin got it right.

MR. MAYER: Yes, Your Honor, in that case I'll be --

THE COURT: What I would like to know at this point

is any overall comments the creditors' committee has, the asbestos committee has, the future claims rep, Government -- I don't know if the UAW and the Canadian authorities and the U.S. -- well the U.S. Trustee wouldn't have a position -- want to be heard in general terms, but what I'm trying to do now is kind of get my arms around where we stand in terms of support for the plan and then I'll deal with the technical objections and other objections that have been raised by the remaining objectors.

MR. MAYER: Thank you, Your Honor, I'll be very brief. The creditors' committee wholeheartedly supports the plan by a unanimous vote of its diverse membership, and on a general basis just as Mr. Karotkin paid tribute to certain people whose work went into this plan, I would like to do so too.

In particular the administration of this, this estate going forward will be committed to a GUC Trust, there will be GUC Trustee. The GUC Trust Agreement is a detailed and complex document that has been carefully shepherded, not just through the bankruptcy process which we hope will be a successful shepherding ending today, but also through the Securities and Exchange Commission and the Internal Revenue Service with respect to a no-action letter that we hope to receive from the SEC momentarily with respect to private letter ruling that we have asked for and expect to receive from the Internal Revenue

Service.

And in connection with those efforts Your Honor should know that the involvement of the future GUC Trustee was critical because that's the institution that's actually going to be signing the statements that are filed with the SEC and is going to be the institution is signing the tax returns, and you can't do that in a vacuum. And in that connection I would therefore like to pay tribute to the business people at Wilmington Trust and to their counsel who made a very material contribution to getting this quite complex document done.

And finally going back a couple of years, we stand here today as I said before as the custodian of the deal is cut by Paul Weiss and Houlihan Lokey a month before this case filed, and we view this plan as the successful preservation and consummation of that deal.

THE COURT: Pause just a minute, please, Mr. Mayer.

(Pause)

THE COURT: Proceed, please.

MR. MAYER: We view this plan as the consummation of that deal and I wanted to pay tribute to those who negotiated it and are not here in Court today, and we urge Your Honor to confirm the plan. Thank you.

THE COURT: Thank you. Mr. Reinsel and Mr. Swett. Mr. Reinsel, good morning.

MR. REINSEL: Good morning, Your Honor. For the

record, Ron Reinsel from Caplin and Drysdale on behalf of the official committee of unsecured creditors holding asbestos claims.

Your Honor, we will be as brief as possible. We late yesterday filed a statement in support of the plan. The asbestos committee does fully support the plan, it reflects extensive negotiations by the committee, the unsecured committee, the debtor assisted by the FCR. It has been overwhelmingly accepted by the present claimants and supported, I'm sure Mr. Esserman will confirm by the future claimants' representative. So, Your Honor, we urge confirmation.

THE COURT: Very well, thank you.

Mr. Esserman.

MR. ESSERMAN: Good morning, Your Honor, Sandy Esserman of Stutzman Bromberg Esserman & Plifka on behalf of the future representative. We do support the plan. We filed a brief in favor of the plan, it's obviously a product of arm's length and extensive negotiation among a lot of people.

As Your Honor knows we brought many disputes to Your Honor. We appreciate Your Honor's patience in resolving those disputes. Many disputes were resolved outside Your Honor's presence and outside the Court as Your Honor would expect the attorneys to do of the caliber that we have here and in this case. We have done so, the future's representative has been a participant extensively in the negotiations of the trust and

applicable provisions of the plan. We think it's a fair deal and we urge approval.

This is not something that one might have thought we would have said early on in the case or even middle or even late in the case but the parties worked very, very hard and that includes Mr. Karotkin and his crew, Mr. Mayer and his crew, Mr. Reinsel and others that are unnamed. So it really was a group effort here with very competing interests. I think that's an important factor that needs to be stated. Thank you.

THE COURT: All right. Thank you.

Anybody else want to be heard before I give the Government an opportunity?

MR. WILLIAMS: Just very quickly, Your Honor. Matthew Williams of Gibson, Dunn & Crutcher for Wilmington Trust as indenture trustee. As Your Honor knows Wilmington Trust is chair of the official committee of unsecured creditors and also is the proposed Guk administrator.

In our capacity as indenture trustee we think this is the best deal for our bondholders. We think that this plan is going to get out the largest distribution they can possibly get in the most expeditious timeframe practical, and for that reason we support confirmation of the plan.

THE COURT: Mr. Williams did I have a second indenture trustee? My memory is that you had about twenty-two or twenty-three million of the total of twenty-seven -- excuse

me, billion.

MR. WILLIAMS: Twenty-three billion. Yes, there are other indenture trustees as well Your Honor, Law Debenture is an indenture trustee. There are also some fiscal paying agents, I believe Law Debenture is in the courtroom as well.

THE COURT: All right. Does Law Debenture want to comment in any way?

MR. WILLIAMS: Thank you, Your Honor.

THE COURT: Thank you.

MR. RITTER: Good morning, Your Honor. My name is David Retter of Kelley, Drye & Warren. We represent Law Debenture Trust Company of New York as indenture trustee for seven series of General Motors' bonds. The total principal amount is approximately 176 million. Law Debenture has been an active member of the creditors' committee ever since the inception of this case and we are very much in favor of the plan and we support the plan together with all of the other members of creditors' committee.

We want to use this opportunity as well to thank debtor's counsel, to thank Cream Eleven (ph) in particular, the counsel to our committee, Tom Mayer and all of his crew, all of whom did a wonderful job in shepherding this case through this court. Thank you very much.

THE COURT: All right. Thank you, Mr. Retter.

All right. Anybody else? Mr. Schein.

MR. SCHEIN: Good morning, Your Honor. Michael Schein, Vedder Price on behalf of Export Development Canada as the DIP, as one of the DIP lenders. We fully support the confirmation plan and most importantly want to thank Your Honor for all your efforts and time throughout this case.

THE COURT: Thank you.

MR. SCHEIN: Thank you.

THE COURT: Okay. Mr. Jones.

MR. JONES: Thank you, Your Honor, and may it please the court, David Jones from the U.S. Attorney's Office for the Southern District of New York for the United States. My colleague Natalie Kuehler has headed our office's efforts on environmental issues and as Mr. Karotkin explained she will address those plan provisions and state our request that they be approved under the environmental laws in a moment.

But first I wish briefly to state that the United States strongly supports prompt confirmation of the proposed plan of liquidation. The plan is overwhelmingly beneficial to the nation and to the creditor community. It honors the commitment that the United States made to fund the proper wind down of the Old GM's nonviable assets following the hugely successful launch of New GM through the 363 sale process.

It is also critical to the public interest that the plan be confirmed and become effective promptly so that creditors can be paid under the plan without further delay and

so that taxpayers of the United States can stop bearing the extraordinary and ever growing expense of running a complex, unresolved Chapter 11 proceeding.

In the United State's view the plan appropriately provides for the full wind down of debtor's affairs. I do wish briefly to comment on the DIP lenders' role, commitments and entitlements as this matter progresses through the rest of the wind down process. The DIP lenders and specifically U.S. Treasury have agreed to let MLC and the trusts use the DIP lender collateral to complete the work of the wind down of this estate subject to a budget. However, in exchange and as the documents in the case provide, the DIP lenders are keeping their liens on all of the collateral at the trust and at MLC.

And one thing I want to specifically note and is also made clear in the plan documents nothing being done today alters any parties' rights or contentions as specifically to entitlements to any proceeds of the term loan avoidance action which the court has heard about earlier in this case.

Finally to the extent assets remain following completion of the wind down, those assets under the plan will be returned to the DIP lenders. What I've given is an overview and a key component of the plan. The plan documents, as I've said make clear of what I've stated today and nothing I've said today is intended to modify or supplement those provisions at all, but we wanted to articulate at a general level on the

record today what the basis is of the DIP lenders' continuing consent to fund the wind down of the estate.

I acknowledge and join in the thanks of all counsel to the court and to all parties in interest and to the many people who, on the governmental side, including the Government's advisors who have helped to bring this case to this point. We are very satisfied and pleased to find ourselves on the brink of confirmation we hope and are very pleased we have achieved such a satisfactory resolution for all parties in interest.

At this time if the court has no questions, I will ask Ms. Kuehler to address the environmental issues that are so central to the claim before the court. Thank you.

THE COURT: Okay. Thank you.

Ms. Kuehler I'll hear from you, then I'll hear from any objectors on your environmental settlement.

MS. KUEHLER: Good morning, Your Honor, Natalie Kuehler from the U.S. Attorney's Office for the Southern District of New York on behalf of the United States.

As my colleague David Jones has stated, the United States strongly supports confirmation of the proposed plan and that plan is conditioned on and incorporates certain environmental settlements.

The first environmental settlement is what we call the Environmental Response Trust settlement. This settlement

covers eighty-nine sites in fourteen states. The second set of settlements are what we call the priority order site settlements. These are six separate settlements for non-owned properties.

The debtors will be seeking the court's approval of these settlements under bankruptcy law as part of their motion to approve the plan as a whole, and the United States is now also seeking the court's approval under the applicable environmental laws. Ultimately any ruling by the court confirming the plan will constitute a ruling approving the settlement agreements under both environmental and bankruptcy law.

Both the Environmental Response Trust settlement agreement and the priority order site settlement agreements were lodged with the court last year and the United States has taken public comments on those settlement agreements, and after reviewing those public comments has determined that the settlement agreements are fair, they are reasonable and they are consistent with environmental law.

In ruling on the Government's motion to approve the settlement agreements under environmental law the court conducts its own review of the settlement agreement's fairness. The court, however, should be deferential to the United States' determination that the settlement agreements ware in the public interest.

To reach the settlement agreements at issue here the United States, the debtors, fifteen states and a tribe conducted extensive negotiations over a period of over one year in which the parties were not only represented by experienced counsel but also by experts, and these experts were deeply involved in technical discussions at the site determining future remedial costs as well as the debtor's liability.

The settlement agreements that are now before the court are the result of these intensive arm's length negotiations and as mentioned just earlier and also in detail in the brief we submitted in approval of the settlement agreements, these agreements are fair, they're consistent with environmental law and public policy and they are in the public's interest.

I will just briefly summarize the essential terms of both settlement agreements now, and it's important to note that at the outset, at the very inception of this case as part of the budgeting process up to 536 million of the DIP loan proceeds were set aside and reserved specifically to address the debtor's priority environmental obligations.

Under the settlement agreements now before the court of those 536 million, 511 million will be placed in the Environmental Response Trust to fund the clean-up of the properties at issue in that settlement, and the remaining 25 million are allocated to the six separate priority order site

settlement agreements.

THE COURT: Did you say Ms. Kuehler that eighty-nine sites were covered under the ERT?

MS. KUEHLER: That's correct, Your Honor.

THE COURT: All right. Go on.

MS. KUEHLER: The Environmental Response Trust settlement agreement, those eighty-nine properties are all properties that are either currently owned by the debtors or were owned by the debtors at the time of the petition date and in some instances include adjacent properties that were contaminated by the debtors.

The priority order site settlement agreements in turn involve sites at which the debtors are essentially the sole potentially responsible party, and the debtors are subject to existent clean-up orders requiring them to remediate the sites.

As part of the United States' process for determining that the settlement agreements are in the public interest, the United States solicited public comments by lodging the settlement agreements with the court, publishing them in the Federal Register and in the case of the Environment Response Trust settlement agreement we also held a public meeting in Syracuse and in Onondaga County, New York where we solicited additional written and oral comments.

All the comments that we received and the transcript of that public meeting have been submitted to the court in our

papers and they have been addressed in those papers as well, so I'm not going to go into each of those in detail.

But I would like to discuss the underlying reasons for why the United States has determined that the settlement agreements are in the public interest.

In determining which of the many sites at which debtors have environmental obligations should receive funding from the available 536 million in DIP loan proceeds, the United States first identified those sites for which the strongest basis for priority treatment exists under bankruptcy law. And what I mean by that is that the debtors at those sites have direct fee enforceable injunctive obligations as opposed to the United States having mere claims for clean-up obligations.

Under the existing case law which this court in intimately familiar with --

THE COURT: Painfully familiar. I say that not because of the burdens on a court but because it is conceptually very difficult including some authority which we try to follow from the second circuit.

MS. KUEHLER: Yes, Your Honor.

THE COURT: Go on, please.

MS. KUEHLER: And under that authority the sites that have the strongest basis for priority treatment are those sites that are currently owned by the debtors or were owned by the debtors as of the petition date. And another very strong

similarly strong basis for priority treatment exists for those sites which are not owned but where there is ongoing pollution and the debtors are under an existing clean-up order requiring them to remediate and there are essentially no other viable peer piece that would conduct the clean-up in their place.

In addition to this the United States also looked to the environmental laws mandate to maximize the overall clean-up of contaminated sites and protect the public health and the environment. The sites that are addressed by the settlement agreements here would have no clean-up funding available from any source other than the debtors. As such, without the settlement agreements, the properties they address would either not be cleaned up or the clean-up costs would fall to be borne by the federal and state taxpayers with funds that then could not be used to clean up other sites.

The United States understands that the County of Onondaga which had filed an objection to the approval of the settlement agreements has or will be withdrawing that objection and the only remaining objection is that from the Town of Salina.

The Town of Salina is a PRP, potentially responsible party, at certain areas of the Onondaga Lake superfund site, and it essentially contends that those areas of the site where it has is a PRP should also be fully funded from the DIP loan proceeds.

It's important to note that the Town of Salina does not object to the general idea that there are sites that qualify for priority treatment. Rather it simply wants those sites where it is a PRP to be added to the group of sites that are receiving priority treatment, and this Your Honor is both self-serving and unjustified under the facts of this case.

Specifically the Town has requested that there be a priority treatment for the Lower Ley Creek and the Town of Salina landfill portions of the Onondaga Lake superfund site. Like so many other non-owned sites at which debtors have environmental liabilities both these portions, the Lower Ley Creek and Town of Salina landfill of the Onondaga superfund site involve numerous other PRPs, including the Town of Salina itself, the County of Onondaga but also a corporation such as Carrier, National Grid, Syracuse China, Cooper Crouse-Hinds and others.

In addition --

THE COURT: Pause, please, Ms. Kuehler. Did I understand you to say that the sites that Salina cares about are neither now owned by GM nor were they owned at the time GM filed this petition?

MS. KUEHLER: That's correct, Your Honor.

THE COURT: Continue, please.

MS. KUEHLER: In addition and this is another important point the debtors are not under any existing clean-up

orders requiring them to remediate at these sites. The clean-up order, there's one clean-up order the Town of Salina cited to and Your Honor that clean-up order directs the Town of Salina to conduct remedial actions, it does not involve Old GM or Motors Liquidation Company.

THE COURT: Have I been pronouncing the name of the town wrong all of this time?

MS. KUEHLER: We will have to ask the Town, I differ between Selena and Salina. I heard on Wednesday, I believe it was or Tuesday Salina so I'm sticking to that, I'm trying to stick to that.

THE COURT: That's what you get for just getting things by reading papers. Continue, please.

MS. KUEHLER: For these various reasons, including that the sites were not and are not owned by the debtors there are other viable PRPs at them and there are no current orders requiring the debtors to comply with clean-up obligations. There simply is no basis under the criteria set forth by the bankruptcy law or the policy furthered by the environmental laws of maximizing the protection of human health and the environment and the overall clean up of sites to add these sites into those sites receiving priority treatment from the 536 million in the DIP loan proceeds set aside to address priority environmental obligations of the debtors.

Nor, Your Honor, is there a basis in any law or logic

despite what the Town suggests in its reply that a Treasury's role as a DIP lender in this case makes the settlement agreements that were reached any less valid or the Town of Salina's demands any more reasonable. As mentioned before the settlement negotiations were extensive, involved numerous parties, including experts and conducted for a period of over one and a half years.

The Town of Salina, and I just want to mention this briefly, also mentions in its reply that it believes there are certain of the six non-owned sites that are receiving funding where there are PRPs other than MLC, and Your Honor the United States has conducted a review of those sites in the process of settlement negotiations and determined that there are in fact no other viable PRPs at these sites.

One of the PRPs identified by the Town of Salina is Chrysler which Your Honor knows has itself gone through bankruptcy proceedings. At other sites the PRPs that were identified are either a 72-year old farmer who has no assets to speak of or corporations, two of themselves in turn have also gone through bankruptcy proceedings.

I want to be very clear that the fact that the areas of the Onondaga Lake site, which the Town of Salina requests priority treatment for, are not addressed in the settlements currently before the court, does not mean that the United States is not pursuing the debtors for their environmental

obligations at those sites.

The United States and the debtors are engaged in intensive negotiations for the resolution of debtors' environmental liabilities at all of the sites that are not addressed by the settlement agreements currently before the court and is pursuing recovery for those remaining liabilities from other available assets of the estate including New GM stock.

And this brings me to another important point which is that the settlements at issue before the court do not only benefit the environment and the public at large but also here greatly benefit all of the parties in interest in this bankruptcy.

The 536 million in DIP loan proceeds that were set aside to cover the debtors' priority environmental obligations are not available for distribution under the plan to other creditors. That's because the DIP loan proceeds are not pre-existing or prepetition assets of the estate but rather funds that were provided by the DIP lenders after the debtors had already filed for bankruptcy to secure the orderly wind down of the estate, including the proper clean up of priority environmental obligations.

The settlement agreements therefore are in the interest of the debtors' estate as a whole and in particular of the general unsecured creditor community because they remove

536 million dollars worth of claims or obligations from the general unsecured claims pool that would otherwise need to be satisfied by New GM stock. This in turn means that the pro rata recovery of every general unsecured creditor is increased.

For these reasons and in light of the limited assets available in this case, the Government's funding decisions in the settlement agreement are reasonable, they are fair, and they should be upheld and the United States therefore requests that the court approve the settlement agreements under both bankruptcy and environmental law.

THE COURT: All right. Thank you.

Does the Town wish to be heard?

MR. LINDENMAN: Good morning, Your Honor. Eric Lindenman of Harris Beach for the Town of Salina, Selina (sic). I prefer to pronounce it as the Town. It's just a little easier. I think there's an upstate, downstate pronunciation issue.

THE COURT: But I thought you were upstate also.

MR. LINDENMAN: Well, Your Honor, I try not to go upstate all that often, I restrict it to New York, Long Island and New Jersey. Only when I have to visit the mother ship do I proceed north.

Your Honor, I'm operating under both a response to the United States as well as Your Honor's order limiting discussion and the parties who will be speaking with regard to

objections.

THE COURT: Can I assume Mr. Lindenman that you are going to be taking the lead on the issues that were at one time raised by Salina, Onondaga County and --

MR. LINDENMAN: New York State, Your Honor.

THE COURT: I don't know how many other environmental objections -- well I did have one at one point, but I take it you're principally the point guy at this point.

MR. LINDENMAN: Your Honor, I'm speaking now only because of the specific discussion of the Town's objection and the United States' presentation.

Ms. Leary from the New York State Attorney General will actually be handling the matter that Your Honor lists in the order as 2(a)(b)(d)(e) and (f). And if it's easier and I would defer to Ms. Leary if she'd rather discuss all of those issues and I'll come back after that, whatever either her or Your Honor prefers.

THE COURT: Well certainly on the wisdom of the Government's settlements I understood that you were the principal objector.

MR. LINDENMAN: Well Your Honor with regard to the ERT and the priority site agreements certainly we don't advocate upending it and do not request that Your Honor reject these deals if for no other reason than I would be stoned on my way out of here, and all of the money that would otherwise be

available pursuant to the trust and the priority site agreement would be gone and then the GUC holders would be dramatically increased and the numbers to be received by the unsecured creditors would be dramatically decreased.

So while I'm not advocating that it ultimately be rejected by Your Honor, I think it also a very valid purpose the concerns we have and I don't think the United States completely addresses it because I'm hearing really for the first time that in addition to what we have here in these two agreements, the United States is separately seeking to obtain additional recoveries from the debtor or other GM entities, throughout the GM assets, to remediate these sites, and that's news to us.

And perhaps if we had known about this, perhaps if we had been party to these negotiations for whatever length of time or if we had known about this when we had spoke with the debtor at length last night, perhaps I would not be raising any issue at this point, Your Honor.

We're sort of a little bit in the dark here with regard to exactly how this all happened because we weren't part of it. I can't speak to, I can't respond to the comments about the United States reviewing the other sites that we cite in our reply as having additional PRPs but nonetheless are in the ERT or on their priority site. We reviewed the EPA's website, this is what we found. I can't dispute or otherwise challenge what

the United States is saying so I will just leave it at that.

We're just hard pressed to understand why when the Inland Fisher site is receiving remediation and the Inland Fisher site is the site owned by GM that distributed the PCBs all throughout this area, into the lake, into the landfill, into the Lower Ley Creek, why there is an arbitrary cutoff outside the four corners of the property owned by GM. I don't think that CERCLA provides for that. I don't think that's what the intention is.

Really Your Honor there's not much else to address because we are not advocating that Your Honor reject these two agreements. We raised our concern, we don't think that we should be outside of that. We think we should be part of one of the other, either the ERT or the priority site agreement and the only other issue is that I would address is simply to support what my understanding is of Ms. Leary's presentation with regard to (f) on the order which deals with confirming that the Town is not subject to ADR procedures, that's our understanding from the debtor, so we no longer have that issue.

As well as (b) dealing with the concern that the Town may receive less in distribution than others who are paid prior or who have already been allowed as of the effective date. Our understanding from the debtor last night was that there will be no diminution in the value of what is received whether we are, since we are not currently allowed as of the effective date, if

we are allowed down the road that there will be no diminution of what our ultimate recovery is.

THE COURT: Forgive me, Mr. Lindenman, that is a general unsecured claim issue that was raised by a number of people including, by way of example, the Nova Scotia noteholders, if I'm not mistaken.

MR. LINDENMAN: Again, Your Honor, we've been advised by the debtor that it is not an issue. That there will be no diminution, so that's no longer an issue nor objection for us.

Really, Your Honor, that's the extent of it I don't want to run into what Ms. Leary has discussing, I don't want to be repetitive. That's our concern that we are not part of those two agreements and we still don't understand the rationale for it.

THE COURT: Okay. Thank you.

Ms. Leary, would you like to be heard?

MS. LEARY: Thank you. Salina, Your Honor.

THE COURT: Very well.

MS. LEARY: Salina. And I'm not even from upstate. I'm from New Jersey.

THE COURT: Well I'm from New Jersey as well but I thought people are allowed to call their towns whatever they want to call them.

MS. LEARY: Good morning, Your Honor, Maureen Leary on behalf the New York Attorney General's Office representing

the State of New York and the Department of Environmental Conservation.

Thank you for your February 24th order it really brought the parties, objecting parties together and we have conferred at length. I hope to be as comprehensive as possible, and I welcome the other parties on the phone who I am attempting to speak for, even though I cannot, to jump in afterwards in the event that, as Your Honor states, there is a unique issue or some material deficiency to my presentation which is quite possible.

I want to say first thank you to the court but I want to recognize the United States particularly because of the eighteen months that I've been able to observe a group of people under a huge amount of pressure representing the interests of Treasury as well as EPA, the Department of Interior and it's really just phenomenal what the Department of Justice and the U.S. Attorney's office in the Southern District has done. And they've had to put up with all of us so I just want to take this opportunity to tell you what an amazing job they've done and how much of a pleasure it is to work with them, and I think they serve their clients well, as well as the public interest and this court.

We are signatory on the Environmental Response Trust as this court may be aware and in that --

THE COURT: I must confess that that had caused me

some confusion because I had thought you had signed up to it and wouldn't have signed up unless you thought it was pretty good from a regulatory prospective.

MS. LEARY: Absolutely. It deals with two of New York's twenty-one sites, we fully support it and we fully support the plan conditionally. Our support of ERT is not conditional, however, we think that the court could approve it, you know, without further consideration. And the reason that we think it's an excellent result is because as Ms. Kuehler indicated a number of sites will be remediated around the country, two particular in New York that are highly contaminated and were previously owned by General Motors.

I do want to make clear that we have two hats here because of our signature on the ERT and our support for that, but we also stand in the Class III role as an unsecured claimant for another nineteen sites around the state, and of the two sites that are resolved in the ERT we are still an unsecured claimant as to prepetition response costs incurred at those sites.

Under the ERT we will be paid out post-petition costs but our prepetition costs are still in the Class III category. So we stand before you with sort of this double role here and what I'm going to address today are issues that I think can, to some degree, be resolved as part of the court's confirmation of the plan.

I want to just lay out a roadmap so if you don't want to go here Judge let me know now, we have raised issues with the State of California, Salina, that are similar but to some degree but slightly different so I can't pretend to speak for them. I can only speak for New York although we have conferred.

THE COURT: Let me help you with my confusion, Ms. Leary, and then you can help me.

I had thought that I heard from Ms. Kuehler vis-a-vis the two environmental trusts, the two settlements -- I suspect there are sub-settlements within the larger settlements but let me refer to it that way, and that I was called upon under federal environmental law, kind of like I was asked to do in Lyondell Chemical and Chemtura to make a finding not just that the settlements were appropriate from the perspective of the stakeholders in the Old GM estate, but also for the public interest. And that some of the concerns that have been voiced by the Town of Salina by you, by Nova Scotia noteholders and perhaps others dealt with concerns kind of that character in terms of whether I was satisfactorily protecting environmental Class III members, environmental unsecureds.

I thought our principal focus now is on what I might call the public interest perspective in terms of whether the federal government did a good enough job from its regulatory perspective. Do you -- you don't need to be diplomatic, do you

think I was not understanding these issues appropriately.

MS. LEARY: No, I'll be blatant they did a fantastic job from New York's perspective on serving the public interest here, and I attended the public meeting in Syracuse on a very snowy night, but the outreach that the United States undertook as well as the months and months and months of negotiation, there's no question in my mind that this is the best possible deal.

I mean the agony, I don't want to bore you with the details, but there is no question that ERT is in the public interest and while New York did not submit a brief as the United States did, because we were worried about our unsecured role, we could easily have supported the United States' position on the ERT being in the public interest as well as consistent.

I will say this, and this is really where the rubber hits the road, Your Honor, and I'm not talking about this case in particular, I'm talking about the issue that may have been in Lyondell as well as Chemtura, about this owned property/unowned property concept. From New York's perspective, and I'm not applying this to the ERT or otherwise, I want to raise to the court as a matter of law, CERCLA defines a facility for which a party has liability as wherever the contamination is. It doesn't stop at the property boundaries.

Having said that the issues in the bankruptcy context

are precisely as Ms. Kuehler represented, there is this -- I don't even want to use the term priority because it is a term of art in this court, but there is a overlay of how much the regulator has required at that property. What has, what is enforceable before this court and that's where Ms. Kuehler made clear, I think, that these sites being covered in the ERT were on the regulator's radar screen, they were subject to orders, they were owned by the debtor, there wasn't a big dispute about there's contamination we have to address it. Indeed General Motors was addressing in New York the contamination of both of those sites when they filed a petition in bankruptcy.

So there wasn't this sort of big dispute about, you know, big landfill site where you have 150 potentially responsible parties, GM being one of them. This is a little bit different, but this is sort of this --

THE COURT: Forgive me.

MS. LEARY: -- collision between the objectives of CERCLA, you know, saying go get it all and the objectives of the bankruptcy code pragmatic as they are and equitable as they are, addressing issues that are of a more priority nature, especially from the regulator's point of view.

So in short, just to answer your question, there's no question in my mind the ERT is absolutely in the public interest. I don't know what else I can show you other than the months and months of negotiation and the result of millions of

dollars of Treasury money being put into the states that otherwise would have to bear that burden. And New York is realizing 154 million dollars, that is a huge, huge benefit to our state right now.

So I can just speak for New York in that regard but I probably if they had the fiscal ability to be before this court, every signatory in the ERT would come before this court and say we are happy this is in the public interest. We did the best we could given the circumstances and complexity of this case, and the fact that Treasury is funding it obviously is an overlay.

So I don't think the court needs to look any further than that context to make a finding that the ERT is in the public interest.

THE COURT: Fair enough.

MS. LEARY: Thank you.

THE COURT: Thank you.

MS. LEARY: Can I move to the issues in your order or do you want me to, these are the straight objections.

THE COURT: My preference, Ms. Leary, not in the way of non-negotiable demand, I think, but my preference would be to get my arms around all of the public interest issues that were associated with the Government's threshold matter, and then to take a brief recess to be hopefully in a position where I could rule on whether the settlements past muster for 9019

law and federal public interest law points of view, and then have people deal with the more traditional 1129 issues thereafter, which I sense is most of all of what you would otherwise be talking out.

MS. LEARY: In that event, Your Honor, we respectfully request that the court approve the ERT as in the public interest, as consistent with 9019 as well as CERCLA.

THE COURT: Okay.

MS. LEARY: Thank you.

THE COURT: Does anybody else want to be heard a first time on ERT issues before I give the Government a chance to reply?

MR. MENDEZ: Yes, Your Honor.

THE COURT: Come on up, please.

Now forgive me, sir, because I think I have most of the parties accounted for in my mind and I don't recognize you, so I'm going to let you speak but I'm going to ask that you be telling me who you're acting for and to be non-duplicative in comments you wish to make.

MR. MENDEZ: Okay. Um --

THE COURT: Could you come to a microphone, please.

MR. MENDEZ: Thank you. Is that better, Your Honor?

THE COURT: Yes, thank you.

MR. MENDEZ: It's senior deputy county attorney Luis A. Mendez for Onondaga County. And as I believe was indicated

earlier Onondaga County after Tuesday's appearance we entered into discussions with counsel for the debtor, and based on those discussions we have arrived at a resolution of our objections. If counsel for the debtor would advise me so that I don't inadvertently misquote the full extent of what that resolution is --

THE COURT: Mr. Smolinsky.

MR. SMOLINSKY: Your Honor, Joseph Smolinsky, Weil, Gotshal, Manges for the debtors. We've been in discussions with the County and there is a general understanding. We informed Mr. Mendez that as part of the hundred million dollars plus that we discussed two days ago that will be set aside under the EPA's claim relating to the entire Onondaga, Onondaga County site, that in excess of 70 million dollars of that money is set aside for the lower lay portion of that site. And I think with that understanding, Onondaga County was comfortable.

THE COURT: Mr. Mendez, you may comment, if you wish.

MR. MENDEZ: Yes. That was our understanding. The only other matter is a purely administrative matter and our client, because of our official statement and other disclosure obligations, we will need to document that somehow. It's our understanding that that money is going to go into a much larger pot, that there is not going to be a specific entry made. However, we would ask that as soon as the transcript is available, that we could obtain this portion of the transcript

to -- in order to satisfy our auditors of the basis upon which this objection was resolved.

THE COURT: Well, I think that as part of my powers as a judge, I can order the debtors to give you the transcript. And I just want to be sure that Mr. Smolinsky is on the same page as you, vis-à-vis the substantive aspect.

MR. SMOLINSKY: Yes, Your Honor. I just want to make clear that what we're talking about is claims that will be part of the general reserve, and specifically tied to this site, and that we'll get the treatment for those claims when they're finally reconciled and allowed pursuant to the terms of the plan of Class III.

MR. MENDEZ: That is our understanding as well, Your Honor.

THE COURT: All right. Very good, Mr. Mendez, thank you.

MR. MENDEZ: You're very welcome.

THE COURT: Okay. And I understand now, of course, when I didn't recognize Mr. Mendez, because he'd appeared previously by telephone.

Okay. Anybody else want to be heard a first time before I give Ms. Kuehler an opportunity to respond? Mr. Karotkin?

MR. KAROTKIN: Yes, Your Honor, just quickly. As set forth in our memorandum of law, we believe the standards under

9019 have been satisfied with respect to the settlements.

THE COURT: Sure. I never understood that anybody understood that the debtor was giving away the store, as I read the objections. They were concerning as to whether or not the federal government and/or state governments had done their jobs.

Ms. Kuehler, do you want to reply in any way?

MS. KUEHLER: Your Honor, only if you have any questions for me. Otherwise, I will rest.

THE COURT: I have no questions. We're going to take a brief, hopefully brief recess, relatively brief. I'd like you back here, folks, at ten after 11:00, at which time I will hopefully be able to rule on the threshold issues.

We're in recess until 11:10.

(Recessed at 10:54 a.m.; reconvened at 11:16 a.m.)

THE COURT: Ladies and gentlemen, I'm approving the motions for approval of the ERT and priority order site settlement agreements from both 9019 and regulatory perspectives. And I'm making express findings as mixed questions of fact and law that the settlements are in the best interests of the Old GM estate and that they are fair, reasonable, in the public interest and consistent with federal law, from the perspective of the federal and state regulatory interests that those agreements are also intended to advance.

I have a very full courtroom with I don't know how

many meters running. And I don't think it's appropriate to make so many people listen to a very lengthy ruling, establishing all of the case law underpinnings for this determination.

If the Government wants to, it can give me more extensive findings of fact and conclusions of law, although my recommendation would be that a very simple order be prepared to say that for the reasons set forth on the record, both the settlements are approved from both perspectives.

If anybody wants to appeal, I will upon request, flesh out my conclusions more.

The approval of the settlement from the estate's perspective under traditional 9019 and Tmt Trailer criteria is not in dispute. There are no objections on that ground, and it's plainly well within that range of reasonableness.

I did get, of course, the objection from the Town of Salina, and originally before it was withdrawn, Onondaga County, and I'll speak briefly to those.

The function of the Court in reviewing a motion like this one is not to substitute its judgment for that of the parties. Rather, it's to confirm that the terms of the proposed environmental settlement agreement are fair and adequate and are not unlawful, unreasonable, or against public policy. See U.S. versus Hooker Chemical, 540 F.Supp. 1067 at page 1072.

My job is to confirm that the settlement agreements are consistent with CERCLA's goals. And in conducting that review, I should be deferential to the government's determination that the settlement's in the public interest. See U.S. versus Akzo Coatings, 949 F2d 1409 at page 1426.

As Mr. Mendez confirmed, Onondaga County's objections have now been resolved. I still have objections from the Town of Salina, not so much because of any substantive objections it has with respect to what was agreed upon, but rather by reason of what wasn't included as part of that settlement. By reason of the agreement's failures to also include additional favorable treatment for other areas, and dealing with those not by giving up those claims, but by providing that they would get unsecured claims treatment.

Salina objects to the agreements because some remedial needs are addressed by cash funding for clean-up of properties, while not providing cash funding, and reserving only general unsecured treatment for other areas affiliated with the Onondaga site, such as Lower Ley Creek, the Salina landfill, Old Ley Creek Channel and the lake bottom.

As the Government properly observes, those claims are getting meaningful distributions, but of course, it's obvious that they're not getting cash, and they're not getting paid in one hundred cent dollars. And it's understandable that anybody, especially a PRP, who might have to write out a larger

check because somebody else isn't picking up the tab would be disappointed with that. And I hardly fault the Town of Salina for being disappointed, and indeed, for filing the objection, but ultimately the issue is whether the government acted reasonably and was acting in the public interest, which as I've noted, I find that it did.

Given the limited funding available in this Chapter 11 case, the settlements appropriately prioritize clean-ups. They take into account overlapping principles of federal bankruptcy law and federal environmental law. Factors that are relevant to those determinations include whether properties are owned by the debtors, whether clean-up orders had been issued, and whether there are other PRPs who the government can legitimately expect to be able to write out a check, all of which inform the discretion of the government in getting the best deal it can for the public and for the taxpayers.

Unfortunately, because of limited resources available and the need to prioritize, the agreement can't be expanded to include clean-up funding for other areas affiliated with the Onondaga County sites, just as it can't be expanded to include clean-up for other environmental matters of concern elsewhere in the country for which the debtors have liability, but where no clean-up orders have been issued, and the federal and state governments with their regulatory needs and concerns can't look to other PRPs.

The Government has explained that the sites that were funded by these agreements were selected based on two criteria. First, given the limited funding available in this Chapter 11 case, and the fact that when the government comes in looking to get either future environmental compliance or the money for meeting obligations of that character, applicable bankruptcy law has to provide the strongest basis for obtaining funding for the clean-up from the debtors for the covered properties.

Second, again because of the limited available cash funding, the federal EPA had to further prioritize the debtor's environmental liabilities by limiting funding to the sites where there weren't other people to look to, or where there -- or where, excuse me, if there were other people to look to, those people had resources by which they could meet those obligations.

As many of you know, the interface between federal bankruptcy law and federal environmental law is complex. And as I noted in colloquy by Ms. Kuehler, the law that we judges follow in the bankruptcy courts and in the district courts is not always as clear as it might be.

Under the law as it's developed, at least in the 2nd Circuit, the strongest right of recovery under bankruptcy law for environmental clean-up is for sites that are actually owned. With respect to those, the regulatory authorities, the EPA in particular, can require debtors to perform clean-up

obligations, because debtors have to manage their property that they still own in accordance with applicable non-bankruptcy law, which of course, includes environmental regulations, and environmental statutes. See 28 USC Section 959.

And as you know, the debtors can't obtain confirmation of their plan without appropriate provision for property of the estate that complies with applicable law.

Similarly, a stronger case for priority can be made for non-owned sites where, in addition, clean-up orders have been issued. But when the regulatory authorities can't do that, that doesn't mean they don't have claims, but they have unsecured claims, which is what the government entities negotiated for themselves here.

It's hardly unreasonable for them to take considerations of that character into account when structuring a deal. It also makes sense for them to structure their deals, to prioritize limited funds to apply them to the sites with the highest likelihood of not being cleaned up by some other means or by other people.

It was at least reasonable for the U.S. government to arrange settlements under which less than all of the sites that might be relevant would be bankrolled with a hundred cent dollars.

The non-covered areas in the Onondaga region can't be said to satisfy the criteria that I just articulated. They

weren't owned by the debtors, the debtors didn't have injunctive clean-up orders that they had to comply with, and the debtors weren't the sole viable PRPs. That provides a very sensible basis for the government's decision to structure the deal as it did.

I find that the criteria applied by the U.S. government in entering into the agreement were eminently reasonable. It was also reasonable for the government to take into account the risks that departing from the criteria that I articulated would've made the settlement vulnerable to objection under bankruptcy law. They would've delayed presentation of a confirmable plan, they would've delayed getting the money in to procure all of these needs, which we all agree need to be addressed; and none of that is in the public interest.

Thus, I find that the Government's regulatory efforts were fully reasonable and in the public interest, and they're approved.

Ms. Kuehler, you and your colleagues may if you wish provide for more extensive papering of my decision, but that summarizes the reasons for it.

Shall we go right now into the substantive objections to confirmation, what I'll call the 1129 objections? And I think for this purpose that I need to hear from objectors having hopefully complied with my order to coordinate. Any

preliminary observations, Mr. Karotkin or Mr. Smolinsky, before we proceed?

MR. SMOLINSKY: Your Honor, if you'd like, I could walk through the withdrawn and resolved matters before we get to the objections.

THE COURT: I think that might be helpful, let's do that.

MR. SMOLINSKY: Joe Smolinsky, Your Honor. I just wanted to mention from the outset that in addition to the thirteen objections that Mr. Karotkin referred to, as Your Honor is aware, there have been numerous letters that have been sent to the Court throughout these Chapter 11 cases by individuals who have rightfully expressed the harm that's come to them as a result of the GM bankruptcy, as is the case in all bankruptcies.

We've reviewed all those letters. We don't believe that those letters give rise to substantive plan objections within the confines of what's required to confirm the plan, but we did want to raise that because we don't want to be dismissive of those individuals' interests.

Your Honor, let me just first walk through the withdrawn matters first.

The Microheat objection was withdrawn. We had a mediation a couple of days ago with Microheat. And as a result, our claims against Microheat and Microheat's claims

against us were resolved, and that caused Microheat to withdraw their objection.

NCR, as Your Honor may be aware, NCR has a pending adversary proceeding raising constructive trust issues against the debtor. We've discussed the -- their issues with them, and I think they're comfortable that they're not being prejudiced as a result of confirmation in their adversary proceeding.

Center Point Associates, they have a ground lease with the debtors. We advised them after they filed their objection that their ground lease is being assumed and assigned over to the ERT, the Environmental Response Trust, pursuant to confirmation and pursuant to the motion that's going to be before Your Honor after confirmation. And with that, they've agreed to withdraw their objection.

Finally, Your Honor, Allstate Insurance Company or it might be referred to as Northbrook, we have worked out some insurance neutrality language with them that you'll see in the confirmation order, and with the addition of that language, they've withdrawn their objection.

Moving on, there have been a couple of resolutions, or at least agreements that may, in some case will, resolve objections. The JPMorgan objection has been resolved; Mr. Toder's two and a half issues. Let me just give Your Honor a brief summary of what those resolutions are.

We have added some language to the confirmation order

that makes clear that the pendency of the term loan avoidance action won't affect individual term loan lenders' rights to receive distributions on account of unrelated claims that they might have against the debtors. And that language has been agreed to among all the parties.

THE COURT: Was there, Mr. Smolinsky, because that issue comes across in other places. I thought what the plan provides is that if your claim is objected to, you don't get distribution on that claim, but if you happen to have claims that are different or, in essence, you're coincidentally a claimant in different capacities, it doesn't go to those other capacities. Did I misunderstand the plan?

MR. SMOLINSKY: I think that's the standard, Your Honor, and we added language that specifically addresses that now.

THE COURT: And that says that in baby talk? That clarifies?

MR. SMOLINSKY: Yes. We hope baby talk, Your Honor.

THE COURT: Okay. Go on.

MR. SMOLINSKY: The second agreement is to make clear that under the plan, Motors Liquidation Company will continue in existence for a period of time, not later than the end of December of 2011. And under the plan, that will be the entity that resolves and satisfies all secured priority and administrative expense claims.

JPMorgan was looking for a clarification that after MLC dissolves, that that role will be taken over by the GUC Trust, and that, in fact, is the case, and we will confirm on the record that that's the case, so that the GUC Trust will effectively assume the obligation to satisfy any administrative expense claims that JPMorgan as trustee may have in the case.

We have been paying JPMorgan's fees throughout this case, and we will continue to do that, to the extent that the debtors believe that those fees are reasonable, under the terms of the DIP order.

The last clarification, I guess this is the half, is that the million and a half dollars that's budgeted in the GUC Trust for the payment of JPMorgan's defense fees, there's not a cap on their administrative expense claims. That's the amount that was negotiated with the U.S. Treasury, but it's not a cap on the allowed amount on the administrative expense claim. The plan does provide that all administrative expense claims, to the extent they're allowed, are paid in full.

And with that clarification, I believe that we are done addressing JPMorgan's issues.

THE COURT: Mr. Toder, do you have any problems with what he said?

MR. TODER: Absolutely no problems with what was said, Your Honor. There is one other minor change we made to paragraph 55 of the confirmation order, making clear that the

term loan agreement, as between the bank, the bank lenders, and the lenders and the agent remains in effect, it's just can't be reached with the debtors.

MR. SMOLINSKY: That's a nit, Your Honor, 2.6 issues.

MR. TODER: But I've fulfilled my commitment to the Court. I want that noted. I did not speak for anywhere close to five minutes.

THE COURT: Okay. Fair enough.

MR. JONES: Your Honor, may I --

THE COURT: Mr. Jones.

MR. JONES: Thank you, Your Honor.

Your Honor, I just quickly want to note that I've been advised the DIP lenders haven't fully signed off on the wording included in the current evolved confirmation order draft in one respect regarding the resolution with JPMorgan just described. We'll talk to them upon conclusion of the hearing, and hopefully resolve it. It's a narrow wording issue, but I don't want to fail to say that there is one concern that apparently has not been fully signed off on by the DIP lenders on this one point.

MR. TODER: Would it make sense for us to step outside so that we don't slow things down and have the discussion --

THE COURT: Well, if you can button it up in the next couple of hours, that would be helpful, but I'm not sure if I

want to ask Mr. Jones to leave a hearing of this importance, on an issue of that character --

MR. JONES: Your Honor --

THE COURT: -- especially.

MR. JONES: Your Honor, if I can suggest, I appreciate that, I would like to stay here, but suggest that Mr. Toder speak with separate counsel for Treasury who's present. They can go out and hope to reach resolution and then we'll be set.

MR. TODER: That's fine.

THE COURT: That's fine with me. I was surprised that this much lawyering on an issue of this character was required, but if you want to go out and go in the hall, go ahead and do it. I just don't want Mr. Jones pulled out of this hearing.

MR. SMOLINSKY: Thank you, Your Honor.

THE COURT: Okay.

MR. SMOLINSKY: I will not be stepping out, Your Honor.

The next resolved matter is Onondaga, just so the record is clear, Onondaga County, based on the representation that I made earlier, has agreed to withdraw not only its objection to the ERT settlement agreement, but also to the plan of confirmation.

THE COURT: Okay.

MR. SMOLINSKY: The last issue that I'd like to address of NUMMI, the NUMMI objection. I don't know whether we have fully resolved the objection, hopefully we have, but I did want to put on the record certain agreements and understandings that we've reached in discussion.

First of all, we've agreed that if there are any set-off issues between NUMMI and the debtors, that that would be addressed through the adversary proceeding through the litigation that's separately pending before Your Honor, and I so state on the record.

Second, with respect to the dissolution of NUMMI, we've agreed, I think it's a reasonable agreement, that in connection with the dissolution of NUMMI that we would comply with all of the corporate governance necessities under that vehicle, with a caveat that we, of course, as you know, need to dissolve MLC prior to December of 2011. So we'll work with them to comply with their needs, and also to address ours.

The next issue is I think one that you may have heard a couple of days ago. The debtors have fully reserved for the liquidated 500 million dollar NUMMI claim, and after discussions with them, I think that resolves the reserve portion of their objection.

And finally, with their objection that the -- they were concerned that the confirmation order would somehow impact their adversary proceeding, we've added specific language that,

in fact, it will not, and that would be paragraph 51 of the order at page 49 of the one that was circulated last night.

With that, maybe I'll pause and see if there are any comments on those specific objections.

THE COURT: Sure.

MR. MCKANE: Your Honor, for the record, Mark McKane of Kirkland and Ellis on behalf of NUMMI.

Based on the representations that Mr. Smolinsky has made today on the record, as well as the revised proposed confirmation order, we no longer have an objection to the plan. Thank you.

THE COURT: Very good. Okay. Thank you.

MR. SMOLINSKY: Your Honor, I think that that leaves, as I've been educated, the Town of Salina, the State of New York, and the various Green Wedlake Nova Scotia objections.

Mr. Karotkin will be handling the Nova Scotia objections, so I think we can address the Town of Salina and the State of New York now.

THE COURT: Do I still have an objection from California?

MR. SMOLINSKY: Oh, I'm sorry, and California. You're correct, Your Honor.

THE COURT: All right.

MR. SMOLINSKY: We've had numerous discussions with these objectors over the last several days, and at this point

rather than doing the traditional, I'll respond to their objections, I'm a little bit in the air in terms of what objections still remain. Certainly those objections may have been modified by your earlier ruling, and perhaps the best way to address it is to have those objectors speak on the various issues that you raised in your order, and then I could respond.

THE COURT: I think that'd be helpful, but there's one thing that you can do for me, Mr. Smolinsky. Forgive me and anybody who's listening in other rooms for this, because normally I keep this microphone close enough so people can hear in this room, and I gather when I do that, it gets too loud for people in the other room.

But it looked to me like Green Hunt Wedlake and the Nova Scotia noteholders had made an addition of -- to their more important points, a number of what I thought were requests for clarifications. Have those all been buttoned up or are those issues still on the table, or is that best asked to Green Hunt, Wedlake and to Nova Scotia noteholders?

MR. KAROTKIN: Your Honor, I think a number of them have been buttoned up, but there are two or three I think that still remain, I think relating to reserves, specific reserves that they're requesting for their claims, as well as --

THE COURT: Well, I didn't think the specific reserve contention was one that could be resolved by a clarification, but I thought there were about three or four bullet points that

I scratched my head, and wondered if they were really issues or not. I guess I can let them speak to it, unless, Mr. Mayer, you can help me.

MR. MAYER: Yes, Your Honor, both before the hearing, and in fact, during the break, I was able to confer with the gentleman from Greenberg, Traurig, and I believe we can go through their particular objection, tick off those bullet points that have been resolved, and focus the Court on the two or three that still remain, and I'm happy to do that now or later, as Your Honor wishes.

THE COURT: If you're happy to do it now, I wonder if that might be constructive, and then I'll give Mr. Zirinsky and I don't see Mr. Golden, is he here, or somebody from his firm? Oh, Mr. Dublin, all right.

Yeah, why don't you go ahead and do that, Mr. Mayer.

MR. MAYER: And again, Your Honor, it would be useful to have in front of you the objection of Appaloosa Management filed by Greenberg Traurig.

THE COURT: Okay. Well, I found it before when you originally spoke and then I got it mixed up with everything else. Give me a second.

MR. MAYER: Your Honor, I have an extra copy as part of a binder. Would that expedite things, I can simply hand that up?

THE COURT: Well, give me a second, because I'd

rather use my marked up one. I've got it now. Go ahead. What page did you have in mind?

MR. MAYER: If you go to the first page after the table of authorities --

THE COURT: In the preliminary statement?

MR. MAYER: That's correct.

THE COURT: Yeah. Go ahead.

MR. MAYER: The first three bullet points remain open, and will be the subject of argument. The fourth bullet point relating to Section 7.3 has been changed to eliminate the concern expressed in that bullet point. Their claims will not be subject to estimation. I stated that correctly?

The next bullet point relating to Section 510, relating to their retaining debt securities, that problem has also been fixed. I believe that language has been accepted. Yes?

All right. The next bullet point on Section 6.7 relating to the cancellation of the Nova Scotia Fiscal and Paying Agency Agreement, during the break I believe the debtors and the Nova Scotia holders and the committee agreed on language that will clarify that the Nova Scotia Fiscal and Paying Agency Agreement is being canceled, solely with respect to the debtors and their successors. Have I stated that correctly?

MR. UNIDENTIFIED: That's in principle what we agreed

to. We haven't actually seen the language, but subject to that --

MR. MAYER: All right. And this is a cousin of the issue raised by Mr. Toder, I believe.

The next issue on page two at the top, Section 610 of the plan, this has been addressed in the change in the order, so I believe that it is now clear that GM Nova Scotia is not being dissolved.

Section -- the next bullet point relates to their concerns that in between the -- the noteholder's concerns, that in between the confirmation of the plan and the effective date of the plan, it wasn't clear if the GUC Trust agreement could be changed. And we have agreed that Section 1127 will apply to any changes in the GUC Trust agreement between confirmation and the effective date, to the extent Section 1127 requires us to obtain Court approval, we will obtain Court approval.

THE COURT: Okay.

MR. MAYER: The next bullet point relating to the unit issuance ratio, we provided language acceptable to them. That is no longer an issue. Am I right about that?

MR. UNIDENTIFIED: Yes.

MR. MAYER: And finally, with respect to Section 5.9, this last bullet, this is actually -- we've got language which solves this. It appears in two different places, if I can ask the Court for one second.

(Pause)

MR. MAYER: Your Honor, it's the purpose of the GUC Trust to make sure that people get the same treatment of their claim, whether they're allowed early or late. That's what we've tried to draft.

The trust has lots of formulas that attempts to achieve this, but we thought it would be useful in connection with this objection, and it may end up being useful with respect to some objections by New York State and others, to insert in Section 5.3(b) of the trust agreement, and I believe this is the changed pages that have been delivered to chambers, but it's worth reading. It's a short sentence, but it's substantive.

"For the avoidance of doubt, it is intended that the distributions to be made to holders of resolved, allowed, general unsecured claims, in accordance with this Section 5.3, shall provide such holders as nearly as possible with the exact same amount of distributions of each asset type, as if such holders had been holders of initial allowed general unsecured claims."

I mean the English is not Shakespeare, but hopefully, it is clear enough that the purpose of this agreement is to make sure that if you're allowed early or you're allowed late, you're getting the same distributions. That's the intent of the agreement.

And in connection with that, although we will still have some arguments about issues they may want to raise in connection with that intent, in connection with this particular issue raised by the Nova Scotia noteholders, going back to their objection on page two, Section 5.9 of the GUC Trust agreement authorizes the GUC Trust to make distributions that are quote, not in technical compliance with the distributions of the GUC Trust agreement. They objected to that, and we have agreed to insert language that provides that any such distributions must comply with Section 5.3(b).

The point of this 5.9 was to provide minor flexibility to the GUC trustee to basically make everybody come out equal, and the purpose of relating it back to 5.3(b) is to limit the freedom of the GUC trustee to make those technical changes to the explicit intent in 5.3(b) that everybody comes out the same.

THE COURT: So you're saying that the purpose was to help people whose claims might later be resolved or allowed, rather than to prejudice them?

MR. MAYER: That is correct. And we've tried to make that clear through this language.

THE COURT: Okay.

MR. MAYER: That's what I have with respect to the Nova Scotia holder issues that I think have been resolved. Have I missed anything or misstated anything?

THE COURT: Mr. Ticoll, come to a microphone, please, if you want to be heard.

MR. TICOLL: Good afternoon, Your Honor, Gary Ticoll of Greenberg Traurig. I think that accurately states it. I only have, I think, one thing that Mr. Mayer forgot to mention with respect to the last point, the avoidance action trust agreement has a provision which is basically verbatim or similar to 5.9 and --

THE COURT: You wanted the same thing in the avoidance --

MR. TICOLL: -- the committee agreed --

THE COURT: -- trust that you do in the general -- the GUC trust?

MR. TICOLL: Right. That was part of what we agreed upon.

THE COURT: Do you have a problem with that, Mr. Mayer?

MR. MAYER: That is correct, Your Honor, that is our agreement, and we will make the avoidance action trust language mirror the language in the GUC trust agreement with respect to this point.

THE COURT: Okay.

MR. TICOLL: Thank you, Your Honor.

THE COURT: All right then. I think we're now up to the remaining objections, and there's been some coordination.

I'd like to show a little bit of flexibility in the order in which I take them, as long as people are coordinated. So I'll hear from Ms. Leary, or Mr. Zirinsky, or Mr. Dublin, or whomever. Ms. Leary, come on up, please.

MS. LEARY: I might take too long. Thank you, Your Honor. I think the -- last week, as difficult as it probably was for the debtors and the creditors' committee, I think both the GUC trust and the plan got better. There's still some issues outstanding, and I want to go back to your order of February 24th, which I discussed earlier in terms of coordination.

We originally -- I think we're designated to speak as sort of a representative for NUMMI. Now it's just Salina and California and New York. I think there's some easy issues here that I can very quickly dispose of, in terms of our position being presented on the record. I'm a little bit concerned about the length of time I'm up here, when there's someone else that may take a shorter period of time if --

THE COURT: I didn't get the impression he was going to take a shorter period of time.

MS. LEARY: Say no more. We did have lengthy conversation with the debtors about some language on jurisdiction. I want to talk about that first. It's 2(d) of your order. We went through the Chemtura case with Your Honor, we went back to that confirmation order, and the single big

difference is the use of that word exclusive. And I think the Court's well aware of the law in the area.

Nobody in this room can change whatever your jurisdiction is, and New York and none of the other objecting parties that we're speaking for would pretend to do that. It is what it is, but the fact is, is that there lots of different statutes under which governments and others operate that also use those words.

So we have some real concerns, and what we cited to Your Honor was the General Media case, 335 BR 66 at -- I'm sorry, we did not cite this, but I want to raise it to the Court. Jurisdiction, even though California's papers state that it essentially shrinks, I want to raise to your Court's attention, Judge Bernstein's decision in General Media at page 74, note 7, in which he makes a differentiation between a liquidating 11 and a reorganization, in terms of the shrinking.

So it doesn't shrink as much in a liquidating 11, because the potential for the Court's jurisdiction to go on and on and on and on for years is not evident. There will be an end date.

But the fact is, is that this Court is eminently able to determine its jurisdiction and to state in a plan that it's exclusive or not is inappropriate, and we would ask the Court to stay in line with the Chemtura plan and your order confirming that plan, in which the use of the word exclusive is

not there.

Let me tell you why this makes a difference, and it's fairly simple. There are lots of environmental statutes that give other courts exclusive jurisdiction. That doesn't mean that this Court doesn't have jurisdiction as well, it just means that there's an issue.

There's no one, including New York, that is going to go running into another court before we come here first. That's -- and I can make that commitment to you on behalf of my state.

We have been here since the 363 motion, and we may be back, but the fact is, is that under 362(b)(4), we have the ability to deal with public health issues and environmental issues without the automatic stay. As I mentioned in my papers, New York and all the governmental entities in this case have been enjoined since the beginning of that case. We have not had our 362(b)(4) ability to move our claims to judgment and liquidate them or to otherwise act in a way without coming to the Court.

That hasn't been prejudicial to date to any great degree, but it could be in the future. I can't predict. But I can make a commitment that we will be back to this Court if there is any question.

THE COURT: Let me tell you what's bothering me, Ms. Leary, and the problem isn't you or the kinds of interest

that you and other environmental regulatory authorities enforce. I've been here for a while now, I've been here for ten years, and the kinds of abuses I see by litigants and claimants of different character has become quite a matter of concern to me. And even vis-à-vis the 363 order that I entered in July of 2009 where dealers, in particular, tried to end run the Court by suing elsewhere. That was a matter of concern to me. So -- and if this creates a schism between you and other objectors, then we'll just have to let them be heard. I don't have a problem with letting environmental authorities exercise any concurrent jurisdiction they might have, but I have a problem with people who are trying to get cute, who are trying to get around orders that we have, to be terrorists, not in the Osama bin Laden sense, but to make mischief. And I think provisions of that character have importance for that reason. Help me on that.

MS. LEARY: I will, and I definitely see the interests that the Court, and I believe that that interest is an important one to serve. I have not been party to those kinds of abuses or understood that they were happening, although I hear Your Honor.

The fact is, is that there perhaps should be some clarification in your confirmation order. Without the use of the word exclusive, that in the abundance of caution, any party who seeks to bring an action elsewhere shall come to this Court

and talk about it. So that you can --

THE COURT: Are you suggesting then I might be a gatekeeper, and I might say, of course you should be allowed to sue in the Northern District of New York or up at Foley Square, but that you can't try to use a technique of that character to get around what I've been trying to accomplish here?

MS. LEARY: I think there's a tension here between a bigger picture than just the dealers, or those parties that abuse. And on a case by case basis, I would have confidence that the Court would be able to deal with dealers or other abusing parties, but as we cite in our papers, Mystic Tank, which is a 3rd Circuit case and NRG Energy which is, I believe, an 8th Circuit case, the exclusive jurisdiction provisions against the Government are invalid.

So if Your Honor could serve that interest --

THE COURT: Against the federal government, state governments, or both?

MS. LEARY: Well, in the situation of both Mystic Tank and NRG Energy, I believe they were both state government cases. Mystic Tank is 544 F3d. I don't seem to have written down in my notes the NRG Energy citation, but I will give that to your law secretary at the break.

And I believe that this Court in DSBD said it clearly enough, "although these provisions have the salutatory purpose --" I'm sorry, I'm confusing two cases. I believe in DSBD, you

cited the Metromedia Fiber case. And to me the law is clear that this Court has extremely broad jurisdiction of all of the matters that are listed in the plan. No question about it. We don't refute that. It's the use of the term exclusive, which seems to say that there's no one -- there's no other court that can do anything in this completely broad arena.

In fact, if we were to come to you as we likely would, should we find ourselves in a position of having to go to another court, we would be pretty confident that you would agree with us that we could go, or we wouldn't appear before you.

So I guess the question is what language could the confirmation order contain that would serve the interests of the Government, and this is a real interest to both California, particularly California and New York. California's interest obviously because of their fiscal problem is they can't come here, they don't have the money, they are under tremendous travel restrictions, and I believe Ms. Karlin or Ms. Padeer (ph) or both are on the phone to verify that.

Their big concern is that every time they have to deal in a governmental sense with the protection of human health and the environment, they've got to come here for the next however many years.

So is there a middle ground? I think so. Can I say that should just the Government have that? That's the

interests I represent, but to me, the use of the word exclusive, the case law's clear, it's not exclusive.

THE COURT: Would it meet your concerns if I inserted a provision in the confirmation order in the nature of a proviso that said, that nothing will prohibit any governmental entity from enforcing its 959 rights, 28 USC 959 rights?

MS. LEARY: I'm not sure that that's -- I don't think that that's broad enough. I don't think 959(b) rights are broad enough. Because it's all about property of the estate, and there are a lot of things that debtors do that may not have anything to do with property of the estate. And so --

THE COURT: You read 959 as not complying with law generally, but rather using your property in compliance with law?

MS. LEARY: Yes. And I think the language, the express language of 959(b) is, shall manage and operate property of the estate in compliance with the laws of the state in which the property is located. So there is a little bit of a narrowness on this owned property, not owned property. There's lots of things the debtors can do that may have nothing to do with property of the estate per se.

So that, I think it's getting there, Your Honor, and one of the things that may be helpful for us to do is for California and New York to go back and have this discussion with Mr. Smolinsky. I know that California provided some

language that was not acceptable, and so that's where, you know, we ran out of time, frankly.

THE COURT: Okay. Well, certainly I have to give Mr. Smolinsky the opportunity to be heard, but it also occurs to me and I'm going to invite you to comment on this, and also Old GM, I would think that most of the stuff that's going to be a matter of concern to you, if it's bad from a public perspective, would be done by New GM, rather than Old GM.

MS. LEARY: Well, that's a very interesting point, Your Honor, and the one question --

THE COURT: And forgive me for interrupting you, but I assume you got pretty broad rights to make New GM comply with the law?

MS. LEARY: That depends on whether somebody can trigger up the master sale and purchase agreement. I mean, one of the things that disturbed me in my discussions with the debtor was, we said we are not attempting to constrict or circumscribe the jurisdiction of the Court, it is what it is. On the -- and the question to them was, are you attempting -- you're not attempting to expand the jurisdiction of the Court, are you? And the answer to that was, yes, we are.

And the example given to me was the master sale and purchase agreement, and I'm not going to comment on whether that's appropriate or not. It's a, I see through the pendency of the case that jurisdiction has been exercised repeatedly

with respect to issues arising under that agreement.

But it's a little bit muddy in my view to just say most of what we're going to do is as to New GM. I don't know that. The scenarios are difficult for me to recount to the Court. I cannot predict to the Court in what context this might arise with MLC or the GUC Trust or whoever in the case and so forth. But the fact is that I'm trying to protect the interests of the state in being able to exercise its governmental regulatory authority, without -- and California similarly, without being concerned that every single issue must be decided by this Court, which is how I read exclusive jurisdiction.

I think that this Court is going to be the first one to recognize, as I think it did in Chemtura, where that line is, in terms of what should go to the district court and in what context. And as the Court may recall in that context, it was an adversary proceeding, the challenged fundamental orders issued by the Government on the basis of the question of whether they were dischargeable claims, whether they were actually claims within the meaning of the Code.

THE COURT: Of course, I think the decision to yank the reference was Richard Berman's, rather than mine.

MS. LEARY: That is correct, Your Honor, but I recall specifically having a conference or an appearance before you in which you were quite clear about the basis for the Government's

request to withdraw the reference. And so I'm just suggesting that this is not going to be a mystery later, but I think it's important for the governments at least to know that this exclusivity of the Court's jurisdiction doesn't really mean what it says.

THE COURT: Well, my practical problem, Ms. Leary, is knowing when I should take exclusive jurisdiction or not. It's kind of like Potter Stewart and pornography.

MS. LEARY: I -- that's my point exactly, Your Honor. That I think you're going to know when you see it, and yet you don't need that word in the confirmation order. There's going to be a big difference between when the United States or the State of New York or California comes before you and a dealer comes before you, you know, from an obvious perspective.

So somehow our interests to protect our authority has to be served. How that's done, you know, I don't mean to abandon discussions with the debtors in this regard, but they were pretty firm that they did not want that word to come out, and that's really all we're asking.

We think that the dealers can clearly see from the listing of matters that follow in Section 11.1, there's no question they can't run somewhere else. So you don't need to use that word to make sure that the message is clear in the plan, as well as the Court's confirmation order.

THE COURT: Okay. I'm with you and understand the

issues. Thank you.

MS. LEARY: Do you want me to move to the next issue or to give Mr. Smolinsky the opportunity to address the jurisdiction issue?

THE COURT: I think it would be conceptually easiest for me if he responds now, if he doesn't mind. Can you do that, Mr. Smolinsky?

MR. SMOLINSKY: Thank you, Your Honor. I think Ms. Leary aptly capsulated our position when she said that we were not willing to budge on this issue. I think because this is a liquidating case, in particular, it is very important to us that we have -- Your Honor have exclusive jurisdiction for the matters that are set forth in the plan. We don't want to be chased to various courts all over the country, from Mr. Karotkin and my perspective being the subject of a maritime lien filed in Massachusetts by Mr. Spencer, one of our creditors, I am --

THE COURT: Say that again.

MR. SMOLINSKY: One of our creditors, Barry Spencer has --

THE COURT: One of whose creditors? Your creditor or a creditor --

MR. SMOLINSKY: No, I'm sorry.

THE COURT: -- of Old GM?

MR. SMOLINSKY: I'm sorry, I pay all my bills on

time. The -- one of the debtor's creditors has been very aggressive in his pursuit of the estate, and in that regard, has filed actions in Massachusetts that we're going to have to deal with, but has also filed maritime liens against the U.S.S. Karotkin and the U.S.S. Smolinsky. But we'll get to that.

Your Honor, in trying to assess the --

THE COURT: Now you know why I said what I said about Potter Stewart. But you also understand that I am concerned about governmental agencies being allowed to do their day-to-day regulatory stuff.

MR. SMOLINSKY: Well, Your Honor, when I spoke to Ms. Leary and the State of California about their concerns and asked them to articulate what they were concerned about, Ms. Leary kept coming back to her concern that if the claims that are -- need to be resolved, for instance, Onondaga County, are not resolved consensually, that she wants to consider where else she can seek to have those claims liquidated.

Now, from my perspective --

THE COURT: Liquidating an unsecured claim in --

MR. SMOLINSKY: That's correct, Your Honor.

THE COURT: -- another court?

MR. SMOLINSKY: That's correct, Your Honor. So, you know, from my perspective, from our perspective, that's -- there could be nothing clearer that that's something which is governed under 157(b)(2)(b) as a core proceeding, 28 USC, of

course, that would be a core proceeding that would be exclusively within the purview of Your Honor, nor do we want to --

THE COURT: Well, that would be exclusively within the purview of the federal courts of the Southern District of New York, but 157 says that as a core matter I can decide it, but a district judge would still have 1334 jurisdiction, and would have the ability to determine whether there's something that makes it sufficiently oddball that he or she should hear it up at Foley Square.

MR. SMOLINSKY: And, Your Honor, there is language following the listing of the exclusive jurisdiction, which says to the extent the bankruptcy court is not permitted under any applicable law to preside over any of the foregoing matters, the reference to the bankruptcy court in this Article 11 shall be deemed to be replaced with the district court.

So we have taken into account the fact that there may be things that bring into the picture federal laws that can't be presided over by you, in which the district court would be an acceptable jurisdiction to hear that matter.

In discussing with the State of California what their issues were, their issues were that if, for example, another PRP at the Freemont, California site sued California over the property, over the site, that they did not want to be dragged to New York to have that matter heard in the bankruptcy court;

and I think that's a perfect example of a situation that wouldn't be a matter that's arising of or related to the Chapter 11, and would not be caught up under this section.

So because of the failure to articulate exactly what we're talking about, it's hard to say that Your Honor will be the gatekeeper, because I don't think we want to litigate on these types of issues before Your Honor every time these issues come up.

I think the State of California's issues are addressed --

THE COURT: Well, New GM made me do it six times.

MR. SMOLINSKY: And that's one of the examples that I gave them, that you retained jurisdiction under the APA, and to enforce the order, and this is the appropriate place to do that.

Just with respect to the Chemtura example, I don't know that Chemtura is substantively different, because the Chemtura order says that notwithstanding the entry of the confirmation order and the occurrence of the effective date, on and after the effective date, the bankruptcy court shall retain such jurisdiction, that's all the jurisdiction that the bankruptcy court had during the case; over the Chapter 11 cases and all matters arising out of or related to the Chapter 11 cases and the plan, including, and then on and on.

We went back and looked at the Adelphia order, and we

have all these orders for Your Honor to look at if you desire. The Adelphia order says the bankruptcy court shall have exclusive jurisdiction. The Lyondell order says that the bankruptcy court shall have -- shall retain exclusive jurisdiction. The BearingPoint order says that the bankruptcy court shall have exclusive jurisdiction. So this is nothing new. This is nothing that we're adding that is unique in this case, and that's not necessarily the, you know, the basis for Your Honor to approve the language.

But I think it is very important that we have comfort that Your Honor will retain the same level of jurisdiction that it had during the case as we go forward through our liquidation.

THE COURT: Mr. Smolinksy, Chemtura and Adelphia, and I don't remember whether you said Lyondell, but if you did, it would be equally true, are poster children for why I have the rule that say that we don't use prior orders as precedence unless the Judge focused on the issue and was asked to rule on it.

It seems to me that, and I may want to think about this a little more, but I understand where you're coming from and the abuses that I saw with New GM having to come in, and I mean, it took a lot of my time, but I understood why New GM had to come in to deal with those dealers, points out why you should have the protection you're asking me to give here.

But I also understand Ms. Leary's desires, at least some of them. I'm not enamored of the idea of people trying to dispute claims anywhere other than before me, unless I decide that that's appropriate, which I'm not likely to do on garden variety claims.

But the problem I have is that I think she made a decent case that you've got to have some kind of escape valve or some way to deal with the situation where having exclusive jurisdiction is nutty. And I guess the question I'm going to ask you, and I'm going to ask Ms. Leary if she wants to reply on this, is whether I should try to draw the line, or whether I'm better served having you put your noodle together with her, to try to negotiate out how you draft the language to draw the line.

MR. SMOLINSKY: Your Honor, I don't know that it would be productive to try to reach an agreement about language. I think that there's a practical answer and a legal answer.

The practical answer is that MLC will be around, Motors Liquidation Company, for a very short period of time, and then it will be gone. The GUC Trust has very little role that is crucially related to the core aspect of what it's in business to do, to reconcile claims and make distributions.

The Environmental Response Trust, from the debtor's perspective, I'm not sure that we're as concerned about that,

and we understand Ms. Leary's concern that if there is an environmental spill at one of those properties, that she needs to go elsewhere. But I would suggest that the legal response is that the language says retain jurisdiction, it doesn't say create jurisdiction.

So to the extent that something is not subject to the stay under 362, where a governmental agency can take steps to protect, you know, the health and human welfare, and they can go wherever they want, we're not trying to deal with that in the section, because it's only retaining jurisdiction.

You never had exclusive jurisdiction in regard to that in the first place. And so I don't think we're expanding what we already have, but what we have we want to retain. And I'll carve out the Environmental Response Trust for a minute, because I don't know that the debtors are the ones to speak about that in their activities going forward. Other than to say that certainly there are issues such as implementation and interpretation of the consent decree and settlement agreement that are probably before this Court if they arise in the future.

THE COURT: One last question, Mr. Smolinsky, unless you want to continue. You've got a pretty good firm and you've got an army of associates who can find anything for you if it's there. I assume that if you had a case as contrasted to past orders, you would've told me so, on point?

MR. SMOLINSKY: Your Honor, I focused on cases that were before Your Honor, and we did not do a thorough search of all orders --

THE COURT: I mean, I haven't focused on this issue before, personally. I've been generally aware of these issues when people come back to me to invoke these clauses. I am not aware of any case that has focused on this that's given me a true precedent, in the sense of saying, for the following reasons, I think it should be exclusive to this extent and not another. Are you aware of any?

MR. SMOLINSKY: I'm not, Your Honor, and it's a very difficult exercise to come up with a list of examples that should be coextensive, as opposed to exclusive.

THE COURT: Well, I think it's very easy for me to decide when I shouldn't invoke the power. I think it's just hard for me to articulate a rule in advance. I mean, that's kind of like what I meant about Potter Stewart. I know when people are trying to circumvent my orders, and I know when they're trying to be abusive, and I know when they're just trying to do, you know, their regulatory jobs or whatever.

MR. SMOLINSKY: Your Honor, I think that subject to other people -- what other people might think that in the language, to the extent of subject to further order of the Court, where you have to come here first, I don't really want that with respect to anybody, because I -- we may see a parade

of people thinking that they have the right to go elsewhere on basic matters.

THE COURT: Well, I can just tell them to pound sand and you'll earn more fees when you do it.

MR. SMOLINSKY: I'd like to think that I'm beyond the priorities of just earning fees, and I do have an interest in protecting the estate each time we have to do that, it does cost the estate money. And it does have -- the GUC Trust is going to have a very limited budget.

So I think sending out the message very clearly that if you have anything arising out of or related to the Chapter 11 case, you better come here, I think that's what this language accomplishes.

And we're not asking Your Honor to in perpetuity, necessarily be bound to hear every matter that we come before you on, to the extent that you think that it should go elsewhere, you, of course, have that right. But I do not want to put in if I could, if we can help it, actual of invite people to come in and test the boundaries of the rules to --

THE COURT: All right.

MR. SMOLINSKY: -- take jurisdiction of --

THE COURT: Fair enough. Ms. Leary, I don't know if you need to reply but if you have any ideas for drawing a line or any final thoughts, I'll take them. I do want to move on. I think I've taken a lot of time on an issue which is, of

course, important from a regulatory perspective, but which doesn't affect a lot of creditors.

MS. LEARY: Your Honor, it really is, and think of the result. The first thing that's going to happen is somebody who steps out of this exclusive jurisdiction, is that the debtors are going to come in and seek, I think, contempt or some sanction with respect to a violation of the confirmation order.

I want to clarify though a discussion that Mr. Smolinsky referred to that we had yesterday, in which I gave an example of a situation in which there would be an issue between whether this court and another court hears it. It was not with respect to an allowance of a claim, which is covered under 157(b)(2)(b), it was not about estimation, which is also under that provision, and which we readily concede, absolutely, this Court is it.

What we are permitted to do as the Government, what 362(b)(4) gives us the ability to do, is to commence or continue an action if it's enforcement of our police regulatory authority, period.

If we -- so during this case, what we would normally do if there were a major issue of impairment of human health or some threat, imminent threat, we would go to New York State Court or to a federal court under state or federal environmental law and seek that it be stopped. We would not

look for money, we would not affect the estate, what we would look for is to have our position crystallized by a judicial forum of appropriate jurisdiction.

I don't think that this Court wants to hear all about the technical environmental stuff. And the reason I raised the Chemtura matter was because in that case, as the Court may recall, we were looking at the kind of injunctive orders that deal with that protection of human health and the environment.

And under the City of New York versus Exxon, the 2nd Circuit in this -- which is precedent in this district -- has said, the Government can proceed all the way to judgment, it can liquidate its claim in another forum. Can it go beyond that to levy on any assets of the estate, absolutely not. But we have the ability to move it to liquidation.

So for Mr. Smolinsky to mischaracterize our example, which was --

MR. SMOLINSKY: No.

MS. LEARY: Yes, it was liquidation of a plan, but it was essentially seeking relief under federal or state environmental laws, and we're entitled to do that.

So the exclusive jurisdiction, and here's the scenario I gave them, just before I forget, Your Honor. What I said was, we have a number of claims in this case that arise under CERCLA and Requa (ph), federal hazardous waste or Superfund law. And let's assume we can't resolve one or more

of those claims. Obviously, we're going to have to go to the substance of those claims. Resolving the amount of an allowed claim is different than the question of whether the debtors in disputing that claim have liability for it, whether our costs are inconsistent with the national contingency plan, whether they have available defenses under CERCLA and Requa, all the kinds of federal questions that this Court may not want to hear.

Now again, I think, as a practical matter, the Government comes to you and says, this is what's going on, this is what we think we need to do, and this is where I think we need to go. And not to have that ability because the jurisdiction is framed as exclusive is a real problem. There's a sanction here that we don't want to live with. We want to be able to exercise our authority as the Code gives it, as the Code recognizes it.

So basically, I hear Mr. Smolinsky not interested in talking about this, we're going to agree to disagree about whether exclusive should be in there or not. I think Your Honor has grasped a way to get around this. Whether that actually comes down to language that we can offer or that you can come up with, I am at your service. I am willing to sit down with Mr. Smolinsky, but I think that the clarity in the plan and the confirmation are critical here for the Government, as to jurisdiction, as to where we go from here.

And remember, we have been enjoined during the entire case, 362(b)(4) went right out the window with that first day order. We asked the debtors to eliminate that provision, and nothing really came of it. Luckily, we didn't have a crisis where we would have to exercise that authority. But certainly one of the positions that I'll offer later is that I was unable to liquidate the amount of my claim in a court where my state law or federal law gives me the ability to move under 362(b)(4).

I could've gone somewhere else but for this Court's first day order, that circumscribed the Government's ability to commence or continue.

THE COURT: We're really spending a lot of time on this, but I've got to ask you, Ms. Leary. I had never understood 36 -- I still talk in terms of (b)(3), was the numbering changed?

MS. LEARY: (b)(4). Oh --

THE COURT: Somebody stick something in there. The police and regulatory power --

MS. LEARY: Yes.

THE COURT: -- that you got as an exception to the automatic stay. I always thought that gave municipalities the -- and others the power to, you know, get injunctive type of relief, to get somebody to clean something up, to stop doing something bad, to curb a nuisance, but I didn't understand it

to authorize, you know, getting claims for money.

MS. LEARY: Oh, yeah, the City of New York versus Exxon, the 2nd Circuit says it flat out, you know, CERCLA context. If the Government's looking for a response cost, go ahead, move to judgment. You cannot go beyond that point, and that's State of New York versus Enstraronsky Cooper (ph) in the Northern District, Judge McCurn, but that is the point at which you can go.

And in this circuit, I believe it was Judge Cotrell in the State of New York versus Mirant case that analyzed this very clear and obvious power. And in that case what happened was, Mirant had entered into a consent decree with the State of New York and went -- and two weeks later went bankrupt in Texas. And then when New York went to lodge the consent decree and have it approved by the district court, Mirant went screaming in the bankruptcy court, and came to Judge Cotell and said, you can't -- you cannot enter this decree, this all has to be before Judge Lynn in the district --

THE COURT: Mike Lynn in Fort Worth?

MS. LEARY: Yes.

THE COURT: Uh-huh.

MS. LEARY: And so thankfully Judge Lynn did not agree, and neither did Judge Cotell. But I think that decision, it's a published one. I don't have the -- I believe the citation is in our papers.

The distinction between the position of the Government enforcing its police and regulatory authority is very clear. And in City of New York versus Exxon, it can be seeking money, you just can't affect property of the estate, take it up to that point and no further. But the federal district court is entitled under CERCLA to set that amount, to find liability, and set response costs that are due and owing.

THE COURT: Okay. Anything else?

MS. LEARY: Thank you.

THE COURT: Mr. Smolinsky, hopefully limited to what Ms. Leary said the last round.

MR. SMOLINSKY: Yes, Your Honor. I think Ms. Leary's statements highlight exactly why we don't think it would be productive to sit down and have a discussion.

Your Honor, we're okay with concurrent jurisdiction over 362(b)(4), of course we are. We never said that police and regulatory enforcement, the kind of things that you're talking about, the injunctive relief, is going to be heard before you as a court of first instance.

But you have to understand what post effective date, you know, debtor look like. There's no property, there's nothing to administer, and therefore, we think that police and regulatory power, while it's okay, that's not the situation in Mirant.

THE COURT: So we've been talking for the last half

hour on angels on heads of pins?

MR. SMOLINSKY: Well, no, because she's going further, and Ms. Leary is saying, wait a minute, since CERCLA in a non-bankruptcy context says that you can go and get a judgment for money damages, that now she's excluded from having to come before Your Honor to liquidate the claim, and we vehemently disagree with that.

And so we would only ask Your Honor in considering this matter, if Your Honor wants to talk about police and regulatory power, which I'm fine with, it should not go beyond that to put us in the position where they're going to be arguing before some other court, some state court in New York, or some federal court other than the Southern District of New York, upon withdrawal of the reference that they have -- that that court has the right to liquidate the claims, allowance and disallowance of claims.

And that's exactly what I discussed with her. So it starts off as police and regulatory power and then all of a sudden it shifts to the fixing and allowance of a claim. And so that's the only thing I would add, Your Honor, in response to her statements.

THE COURT: Okay. Am I correct that we can now consider that discussion shut down? All right.

It's now 12:30. We have a way to go. I would love to finish this afternoon or tonight. I don't know if we can.

I can go tomorrow if we need to, but I would like to move as efficiently as we can. I think I'd like to, since we're at a natural breaking point, take a break for an hour now. Resume at 1:30, and then we'll move on.

I'd like the people in their lunch hour just work out amongst themselves what order the objectors are going to be want to be heard. Mr. Jones?

MR. JONES: Your Honor, I apologize for standing slightly late off cue, but I did want to observe, because the treatment of the Environmental Response Trust came up in the argument that you just --

THE COURT: I'm interested in that. Just come over to a microphone, closer, please.

MR. JONES: Your Honor, I just wanted to point out something that was not stated, which is that although the Environmental Response Trust was mentioned in the argument, it was not mentioned that the current plan includes a provision that -- under the exclusive jurisdiction provision, saying provided however that the bankruptcy court's jurisdiction with response to the Environmental Response Trust agreement and the consent decree and settlement agreement shall be concurrent with the jurisdiction of other courts of competent jurisdiction, over such matters to the extent such agreements provide for concurrent jurisdiction.

And in turn, the underlying agreements do preserve

concurrent jurisdiction as to environmental matters. So --

THE COURT: Can you give me a cite to that either now or with -- over the lunch break?

MR. JONES: Yes, Your Honor. It's in the proposed plan, paragraph or section, I'm not sure which is the right word, 11.1(i). The United States hasn't taken a position on this argument. We sometimes have precedential interests in whatever the order will end up saying. I will note that any ruling here can and should be confined to the unique circumstances here, including that the remaining estate post confirmation will hold no properties, because all real property will be transferred to the ERT, the Environmental Response Trust.

So given that what ordinarily might be environmental regulator policy concerns about the exclusive jurisdiction language, we think in the circumstances here, is solved by the specific treatment of the ERT.

THE COURT: All right. Thank you. Okay. We'll break until 1:45. We're in recess.

(Recessed at 12:35 p.m.; reconvened at 1:43 p.m.)

THE COURT: Have seats, everybody. Okay. Folks, do we have an understanding as to who wants to be heard next, who's going to be heard next? Mr. Smolinsky?

MR. SMOLINSKY: Your Honor, before we move forward, despite my previous comments, I think we do have language on

the exclusive jurisdiction point that we'd like to run by Your Honor, and see whether Your Honor finds it acceptable, because it is acceptable with the State of New York and the debtors.

THE COURT: You say it is acceptable to you --

MR. SMOLINSKY: Yes.

THE COURT: -- and the State of New York? Go ahead.

MR. KAROTKIN: And Treasury.

THE COURT: I beg your pardon?

MR. KAROTKIN: And Treasury.

THE COURT: And Treasury, okay.

MR. SMOLINSKY: We would add a sentence to the end of 11.1, which is the exclusive jurisdiction section that says, nothing contained in Section 11.1 shall expand the exclusive jurisdiction of the bankruptcy court beyond that permitted by applicable law.

THE COURT: Are you okay with that, Ms. Leary?

Very good. Okay. That'll be fine.

MR. SMOLINSKY: Okay.

THE COURT: And I assume it's okay with California as well? Did they have that same objection, or was this just a New York State issue?

MR. UNIDENTIFIED: Actually --

MS. KARLIN: This is Olivia Karlin for the State of California, we did have the same objection. That's fine with us.

THE COURT: Okay. Very good. All right then. That issue is off the table. Thank you.

MR. SMOLINSKY: I think in terms of moving forward, I know New York State is not done with their objections, but there has been talk about letting the Nova Scotia objections go forward at this point.

THE COURT: Okay. Is that Mr. Zirinsky?

MR. ZIRINSKY: Good afternoon, Your Honor. For the record, Bruce Zirinsky, Greenberg Traurig for Aurelius Capital, Appaloosa, Fortress, and Elliott Associates, holders of what's been referred to in these proceedings as Nova Scotia bonds.

Your Honor, we -- as Your Honor heard earlier this morning, a lot of the other technical objections have apparently been resolved that we had to the plan and confirmation order. But what remains is certainly what I would characterize as the most critical. And that goes to whether or not the plan, which includes the Nova Scotia bonds in Class III as unsecured claims, is confirmable, on the basis that unlike other claims, which are to receive distributions on the effective date of the plan, this plan expressly provides with respect to the Nova Scotia claims, as well as the Wedlake claims which are held by the trustee of the Nova Scotia bankruptcy estate in Canada, that no distributions on those claims will be made, pending further proceedings on the allowance of those claims.

Now, to put this in context, we understand that it is not all that uncommon for there to be holdbacks on distributions to claims that are under objection, but when we look at 1123, which talks about the requirement that each claim within a class gets the same treatment unless a creditor within the class has specified or agreed to something less.

And we look at the objections that -- the so-called objections that are outstanding with respect to these claims, we observe the following. One is that unlike other types of disputed claims, there is no dispute as between the debtors, New GM and other GM entities, and the noteholders, that these are valid, enforceable claims, and that they should be allowed in these proceedings in the full amount. I --

THE COURT: What's the relevance of that? Doesn't Section 502 say object -- make reference to an objection by any party of interest?

MR. ZIRINSKY: Well, I'll get to that in a moment, Your Honor, yes, it does.

THE COURT: Well, don't we normally start with textural analysis, Mr. Zirinsky?

MR. ZIRINSKY: Yes, we can start with that analysis, Your Honor, and I will go through that analysis in a moment.

502(d), if you want to get into 502, requires that a claim, in order for there to be no distribution on a claim where the basis for the objection to the claim is founded under

Section 502(d), which is what the objection is here, that somehow or another the payment of a consent fee which was done consensually, obviously, that the payment of a consent fee was somehow an avoidable transfer.

And prior to there being any determination by any court that, in fact, such a voidable transfer occurred, there is no basis for a distribution on the claim to be withheld. Not only has there been no determination that there's a fraudulent transfer or other avoidable transfer, there's not even litigation pending before the Court raising those claims.

Moreover, those claims, to the extent they had any sustenance or vitality at all, which we don't believe they do, were sold to New GM as part of the 363 sale. The estate doesn't even have any claims that could be brought, assuming a claim could be brought.

So to disallow distributions or to delay distributions on claims that are valid and enforceable based on someone's theory that there may have been some sort of an avoidable transfer is tantamount to saying that if a horse had wings, it could fly.

And the point very simply is, that as a matter of law, that is not a basis for an objection to claim. And the law and the case law is very clear to that.

Secondly, the committee's objection is premised upon a claim of equitable subordination. Well, again, there is no

claim for equitable subordination. Number one, the committee has not received leave of the court, they've never applied to the court for standing to bring a claim on equitable subordination. And secondly, again, there's no adversary proceeding pending. And again, the case law is clear, that a -- and the rules are clear, that a basis or a claim for equitable subordination shall not be contained in an objection to a claim.

So I would submit to Your Honor, those are two principle prongs of the committee's, quote, "objection," neither one of which go to the validity and enforceability of the claim. What they go to is a written statement, because it's not even a pleading. It goes to a written statement that they believe there may be some grounds which they're going to try to explore to bring a claim under one of the avoidance sections or a claim for equitable subordination, without having done so.

And again, what we're talking about is the rights of creditors holding in excess of two billion dollars of claims against this estate, creditors, who by the way, played an extremely important and valuable role in assisting the debtors through a smooth and orderly 363 sale of the business.

A sale of the Canadian business and assets could not have occurred, but for an agreement that we reached with General Motors, and GM Canada, and other affiliates just prior

to the filing of the bankruptcy. GM itself has filed a pleading, has filed papers in connection with the objections to the claims, stating affirmatively that this was a good faith intense arm's length transaction which provided very substantial benefits to GM U.S., GM Canada, and the other related entities.

And but for having been able to reach an agreement with my clients, there could not have been as smooth a transition of the business and assets to New GM, there would've been high uncertainty and risk that the transaction might not have occurred. The Canadian Government supported or provided approximately seven billion dollars in financial support in this endeavor, which was premised upon GM Canada being part of the New GM, which it is today.

And I was somewhat interested, it was somewhat ironic listening to at the outset of this hearing, you know, counsel for the debtors, and the creditors' committees and other parties, congratulating themselves on having negotiated successfully agreements that have inured to the benefit of GM, the New GM, the GM creditors, and I thought back to the time when we negotiated a deal with GM, which we thought inured to the benefit of GM, GM Canada, as well as to our clients as well, given the circumstances.

And by the way, let's remember that as part of that deal, GM Canada received a forgiveness of debt of in excess of

one billion dollars on an inter-company loan, which absolutely required the consent of the noteholders. The noteholders gave GM Canada over a billion dollar haircut on that liability, as part of that agreement.

Now, getting back into focus in terms of the objections to confirmation, I'm not here today to argue the merits of the claims. What I am here today, Your Honor, is to suggest to Your Honor that particularly in a case like this, where distributions are going to be made to creditors in the form of stock and warrants, which are volatile, subject to market vagaries, subject to events, the values fluctuate, to defer distribution of that consideration to creditors who have, on the face of it, and frankly, on the merits of it, a very strong presumption that these claims should be allowed, you have no -- you have before you no legitimate basis not to allow the claims.

I'm not suggesting the committee can't pursue a potential avoidance claim or if they wanted to seek some sort of subordination relief, or at some other litigation, they want to seek to recharacterize a consent fee as a payment of principal, which is by the way, that's all that's really in their objection, and complain about, you know, GM, New GM having engaged in certain transactions as part of the sale process, which they're now asking Your Honor to go back almost two years ago and undo portions of the sale order, and I think

a lesson can be learned from Judge Peck's recent decision in Lehman, where the creditors' committee in that case also which supported heartedly the sale to Barclay's, came back a year or two later and tried to undo it.

This was a good deal for GM at the time. It was a great deal for the GM creditors at the time. It avoided a total liquidation, a disorganized liquidation or potential for that. You heard testimony at the sale hearing that unsecured creditors in these cases would receive probably nothing if the sale did not go forward.

There is substantial value today, thankfully as a result of a lot of concessions made by a lot of people, including labor unions, dealers, other creditors, as well as my clients. All of whom made concessions in order to allow a successful sale of the assets of GM as a going concern to go to New GM.

And so here it is almost two years later, and you know, the crisis is over, and now people are saying, well, look at these guys, these Nova Scotia bondholders, they really got too good a deal, let's go to court and challenge their claims. And that's just not fair. And I don't think this Court should just allow that to happen, taking into account that creditors, my clients, as well as the trustee and counsel, Akin Gump, is here for the trustee, they can speak on his behalf more directly, but our clients are entitled to protection of their

interests. And protection of those interests means they're entitled to a distribution on those claims.

THE COURT: Mr. Zirinsky, are you going to start talking about Section 1129 any time soon?

MR. ZIRINSKY: Well, I have, Your Honor, in the sense that 1129 requires --

THE COURT: Well, please tell me which sections of 1129 you contend are violated?

MR. ZIRINSKY: The section in 1129 which provides that a plan must comply with the statute, and 1123 is part of the statute.

THE COURT: Of course it is. Now, what's your -- your 1123 contention is what, that the provision in the plan that says that claims aren't entitled to distributions until they're allowed is violative of 1123?

MR. ZIRINSKY: I'm saying the provision in the plan which speaks and addresses our claim specifically and says that they are disputed claims and are not entitled to distributions, yes, those violate 1123.

If the debtors intended to treat our claims differently from other Class III claims, they should have put them in another class, and we should've had the right to vote separately as a class.

The debtors chose to classify those claims in Class III, as a consequence of classifying us in Class III, we're

entitled to the identical treatment as other claims.

The fact that the creditors' committee has speculated in writing that there may be avoidance claims, or that there may be some -- you know, they might find some egregious grounds for equitably supporting -- subordinating the claims of the noteholders is not a basis for disallowance of the claims. It's a basis for them seeking affirmative relief if they can make the case. And thus far, they haven't made the case. They haven't even presented the case.

And as a consequence, there is no basis to withhold distributions on our claims, the effect of which is to discriminate against our claims, as opposed to other Class III claims.

THE COURT: Go on.

MR. ZIRINSKY: You know, I have represented holders of other what we call ULC or unlimited liability claims in two other cases, recent cases; one is Smurfit Stone, and one is Abitibi Bowater, both in Delaware, one before Judge Shannon, and the other before Judge Carey.

In both of those cases, where disputes were raised as to whether or not the winding up claim under Nova Scotia law and the guarantee claim, which was a direct claim of the noteholders against the debtor, were duplicative. In both of those cases, although there were objections pending at the time of confirmation, distributions were allowed on one of those two

claims.

Here, the debtors propose to distribute nothing. So we have a situation where we have two billion -- creditors holding over two billion dollars of claims, having to sit and wait while the prices of those securities go up, down, who knows, okay, over the next period of six months or a year, however long it may take for this case to be resolved, or these claims to be -- these claims by the committee to be resolved. That's almost like a prejudgment garnishment or attachment.

You're basically saying, we're not going to give you your property because somebody has a lawsuit. And that's what this is the equivalent of.

You know, there are provisions which permit this Court to make distributions. Our clients are prepared to make appropriate agreements, if there ever is a successful outcome from the committee's perspective, which we don't think there ever will be on any claims they may have filed, they can -- they know where to find us. These are not fly-by-night operations. These are large, responsible financial institutions and hedge funds.

And secondly --

THE COURT: Before you get to the secondly, Mr. Zirinsky, your argument is premised in material part or wholly on the contention that the plan inappropriately says that disputed claims don't get distributions until they're

allowed. And you cited a few cases, as did Green, Hunt, Wedlake, in which plans had provided for, I think they were partial distributions, I don't know if any of them provided for total distributions. How many cases did you and your guys go through before you found those examples of provisions that -- or plans that had provisions of that character?

MR. ZIRINSKY: I can't --

THE COURT: You've been around the block a few times. You know what has been the traditional way by which plans are formulated in this district. I can't tell you whether that's ninety percent, eighty percent, or fifty-one percent, or even thirty-five percent, but I take it you're aware of the many, many cases that have made what the plan proponents in this case put into their plan, what I think most objective observers would call the typical provision.

MR. ZIRINSKY: Typical where there's a defense to the allowance of the claim. And what I'm trying to explain, Your Honor, is that there's a difference between having a defense to an allowance of the claim, which has not been asserted. No one has disputed the enforceability of the guarantees under the indenture or under the notes.

No one has disputed the validity of those agreements. They're unconditional guarantees. And that's different from someone saying I'm not going to pay you because I think, you know, you acted badly, you committed a tort, you did something

so egregious that your claims should be equitably subordinated.

And to make it even worse, they haven't even brought a claim. All they've done is suggested in a piece of paper that they might bring a claim, that they reserve their rights to bring a claim. That's not due process. That's not the kind of objection that normally withstands the light of day.

We told Your Honor back in December that we thought these -- that we knew we were going to get to this point. We were going to be at a confirmation hearing, and we were going to be stuck, and they were going to try to withhold distributions on our claim. We asked Your Honor for leave to bring a motion for summary judgment.

Your Honor, as it is your right to do, said no, let's have full discovery. So we're engaged in discovery, but we should not have to bear the risk of diminution of loss of value of our distributions because the creditors' committee wants to go on a frolic and a folly, and you know, do a fishing expedition in the hope that they might actually find something. They won't find anything, by the way. But it's a hope and a prayer, okay.

So they're free to do that. But at the same time, we shouldn't be penalized by having our distributions withheld. Why should our distributions be withheld? There's no basis for that. They haven't said your claim -- no one has said your claim under the guarantee is invalid. And I don't think

anybody would suggest that there is a basis for saying the claim under the guarantee is invalid.

Sure, the committee might like to say that, well, you got this consent fee, and you know, we think it -- you know, we think it ought to be recharacterized. The fact is that there's a written agreement, that by the way was assumed and assigned as part of the 363 sale, which says the consent fee shall not be applied to reduce the claims. That's an agreement, it's been assumed and assigned. That's the law. That's the state of the case.

If the committee wants to upset that agreement, they have a very steep, long climb to make, and I'll be fighting them every inch of the way. But the fact of the matter is, as it stands today, there is no dispute as to the validity of our claims. These are affirmative claims that the committee would like to bring, or thinks they would like to bring. It's not a basis for holding up distributions to creditors who hold over two billion dollars of claims.

Particularly where, you know, this isn't cash in a lock box, where we can go invest it someplace and it'll be absolutely safe. We don't even have under the debtor's plan the ability to direct the investment decisions with regard to the securities that are being placed in this reserve.

So it's compounded not only by not receiving the consideration, but also having absolutely no control over your

own property while the committee spends the next two or three years litigating to its heart's content on these affirmative claims against the noteholders and the trustee.

And that's basically it in a nutshell, Your Honor. I don't want to, you know, take any more of the Court's time. I think these are very good arguments. I think these are serious arguments, and I think it does go -- it goes right to the core of what's fair and equitable in a bankruptcy proceeding. And that is, that it's not only debtors have rights, creditors have rights as well.

The Court should not be used, or a device of throwing in what's called an objection to claim, should not be used as a device to hold up distributions to large creditors, particularly where the record shows, and it's not just us saying it, it's GM saying it, where the record shows that this was a fair, arm's length negotiation whereby the GM estate derived very substantial benefits. That's the record.

There are absolutely no facts -- there are no facts in the record to contest that. The only facts, so-called facts alleged by the committee are totally conclusory allegations, allegations which as a matter of Supreme Court law, two decisions in the last several years, would not stand the light of day on a motion to dismiss.

They have not alleged any facts to support any of these claims. Their allegations are bare bone conclusory legal

allegations, and are not entitled to any credence. And if we were permitted by Your Honor to move to dismiss, I believe Your Honor, when evaluating our papers and evaluating the law, would in fact, dismiss these claims. They don't stand the light of scrutiny, as enunciated twice now in three years by the Supreme Court.

THE COURT: All right. Are you the designated speaker for any of the other Appaloosa or Green Hunt Wedlake issues?

MR. ZIRINSKY: I believe so, I don't know if anyone from Akin would like to speak or adds anything I've said on behalf of Mr. Wedlake.

THE COURT: Mr. Dublin.

MR. ZIRINSKY: Thank you, Your Honor. Yeah, let me just add, Your Honor, one other point, and I don't want this to be taken as a concession on our part, but at the very least, even if the Court were not to permit distributions at this time, at the very least, we do believe that the Court should require the debtors to establish a segregated reserve for these claims, and to give the holders of those claims appropriate discretion and direction in terms of managing the shares and warrants that would be contained in those reserves.

It's their money, subject to somebody being able to take it away from them, it's their money, and they should have the entitlement to direct how those funds or how those

securities are treated. Whether they're sold, warrants exercised, and how the proceeds are dealt with during the period that their money is being held hostage. Thank you, Your Honor.

THE COURT: All right. Mr. Dublin.

MR. DUBLIN: I'll be very brief, Your Honor. Phil Dublin, Akin Gump on behalf of Green Hunt Wedlake.

Your Honor, I'd just like to note as we set forth in our pleadings with respect to the primary issue that Mr. Zirinsky was focusing on, that we did allege a violation of 1129(a)(3) and that the company, presumably in consultation with the creditors' committee, were using the holdback of any distributions as leverage in connection with the claim objection.

The focus with respect to Green Hunt Wedlake is that our claim, at least a portion of it, not even the entirety, just a portion of it is duplicative of the guaranty claim. We understand the allegations. That's a paragraph in their twenty-odd so page claim objection, but we do note that we think that 1129(a)(3), the use of not providing for the interim distribution, at least in respect of one of the claims that are largely duplicative, and to the extent the Court deemed appropriate to reduce on account of the consent fee, but we laid that out in our pleadings. I'm not going to spend any time repeating that in front of the Court.

Your Honor, substantially all of our other issues have been resolved through conversations with the committee and the debtors. One item which I think was not addressed earlier was that with respect to our concern about setting off potential distributions on account of any allowed claim we may ultimately have. I believe the debtors were amenable -- well, their view is they don't think they have any claims to set off, but if they do, they would give us at least ten days' notice before they even sought to do any set-off, and then we could come to Court or make some other type of agreement, before that would be effectuated.

And then the last item was just on the exculpation, and we just put forth our argument in the papers, and based on the Chemtura holding, we have nothing else to add to that.

THE COURT: All right. Debtor's side, do you have any problems with what Mr. Dublin said about your deal?

MR. KAROTKIN: On the set-off, no, that's accurate.

THE COURT: Okay. All right. Who's going to respond to these, is it the debtors or the creditors' committee? Mr. Mayer?

MR. MAYER: I'm just the set-up man, Your Honor, as you know, conflicts counsel has been taking the lead on this matter, and I'd ask Mr. Seidel to come forward. I'm just briefly going to stay in line to set it up, but this is in the nature of a motion to dismiss argument, there is a disputed

claim, and it's absolutely consistent with practice that where an objection has been filed to a claim, that distributions are withheld.

I would also note, I was also involved with Mr. Zirinsky in some of the cases that he cited. They're not on all fours. Your Honor has already referred to the rule in this court that you don't take an order that's not a published decision and cite it.

This is a great example of that. The facts of the cases that are cited in their pleadings, including the Dana case, where I was counsel to the creditors' committee, and the Smurfit Stone case, where I was also counsel to the creditors' committee are not on all fours at all with what is before Your Honor, and it's difficult to respond to blank orders that don't have decisions attached to them.

With respect to the status of the litigation itself, I think it's appropriate for Mr. Seidel to --

THE COURT: Well, I'll hear from Mr. Seidel. Yeah, why don't I hear from Mr. Seidel. Remember that I'm not looking for or intending to hold a mini trial or even a mini summary judgment hearing or a mini 12(b)(6) hearing on the issues today.

MR. SEIDEL: Thank you, Your Honor. Barry Seidel, Butzel Long, special conflict counsel for the GM Creditors' committee.

I stand before Your Honor today not necessarily in a position to respond on the merits. I didn't come here to address the merits. Mr. Mayer had asked me to be prepared to address the status of the litigation, and that's why I'm standing.

We are in the midst of discovery. The allegations we've made in our claims objection relate to 502(d), as Mr. Zirinsky referenced, as well as a claim for equitable subordination. The discovery we're seeking is related to particularly the equitable subordination.

There was a lot that happened before the committee was ever formed. As Your Honor probably knows about from our papers, this is a situation where I think that the claimants have developed a cottage industry of purchasing these claims, these bonds of unlimited liability companies for cents on the dollar, and what they do is the sellers to them, sell them -- those claims fairly cheaply, not being aware of the 135 angle that they have been playing in these other cases.

This particular case is one where these claims buyers are getting the benefit for I think it's about 2.6 billion dollars of claims against this estate, when in fact, the aggregate principal amount of their bonds were only a billion dollars to start, and they got a consent fee of 360 million dollars to forebear from some litigation.

From the creditors' perspective, we think this

stinks, and the discovery is necessary to elucidate the claims objection we've made. In my experience, as well as Your Honor's, claims -- plans of reorganization withhold distributions on disputed claims. And the claims asserted by the Nova Scotia trustee and the Nova Scotia bondholders are disputed within the meaning of the statute. These are disputed claims, whether or not because they're objected to, whether or not we've alleged the equitable subordination claim, we have had preliminary discussions over a long period of time with the debtor about getting the right to bring equitable subordination in the way of a complaint, but that hasn't happened yet.

But these are all things that in the context of this ongoing litigation would be addressed. And if Your Honor has any questions about the litigation, I'll try to answer them.

THE COURT: No, not at this point. Mr. Mayer, did you want to consult with Mr. Seidel, or did you want to be heard with me?

MR. MAYER: I had one other plan point, Your Honor, related to segregated accounts. It might be useful to consider the following facts. I believe that there are, at the present time, approximately 29.5 billion dollars of allowed claims against this estate. And the total reserves are 11.5 billion dollars.

Given those two numbers, we see no need to create a special segregated reserve just for this disputed unsecured

claim. In my experience, that's highly unusual. It would also be unheard of to give a disputed creditor the right to direct the investment or disposition of planned distributions that are being held out in reserve not just for that claimant, but potentially for all the other creditors, should that claimant's claim be disallowed. And I just wanted to address those two late points. We don't believe a segregated account is required or warranted, and we think the assertion of investment control over it is unheard of.

THE COURT: All right. Mr. Karotkin.

MR. KAROTKIN: Just one statement, Your Honor, just to make sure the record's very clear. I think Mr. Zirinsky eluded to the fact that his client's Class III claims are being treated differently than other Class III claims. That is not the case. All disputed claims are treated the same way in Class III.

THE COURT: All right. What's our next issue, folks? Do I still have arguments vis-à-vis -- okay. Ms. Leary, are you coming up? That's fine. If the argument's vis-à-vis the role of Wilmington Trust, they're still being pressed by someone or anyone, I'll take brief argument on those after Ms. Leary's done.

MS. LEARY: Thank you, Your Honor. I thought jurisdiction was the easy one. And I will make a real effort to be very, very brief.

I think, going to 2(e) of your order, the release and exculpation issue, I think that's low hanging fruit. I think this is a drafting issue. If I can just take the Court through a couple of provisions.

The release and exculpation are set forth in the plan, Section 12.5 and 12.6.

THE COURT: Yeah, hang on a minute. I had pulled that at one point. Are you concerned about the part where the estate gives away its claims or the language in the exculpation which applies to third parties?

MS. LEARY: I think there needs to be some clarity in the plan, because there is no real identification of the subject matter of the releases, nor is there identification of the individuals being exculpated. There's sort of this very broad -- and I think what the Court did in Adelphia and DBSD and in Chemtura, was simply add language that says to the extent permitted by applicable law, to that provision.

In Chemtura, and I think the other cases, there was a question in the Court's mind about the enforceability of those. I don't know if that's a solution that the debtors can live with, but there's another drafting problem, which has to do with the plan very clearly setting forth the particular conduct to which the exculpation applies, which is as follows: Willful misconduct, gross negligence, bad faith, self-dealing, ultra vires act, fraud, malpractice, criminal conduct, unauthorized

use of confidential information, and breach of fiduciary duty.

Turning to the GUC Trust, however, there is not a mirror of those particular carve-outs from the exculpation, and I don't think that that was intentional, but I believe that the GUC Trust needs to do what the plan does. And that is, to -- what's missing is fraud, malpractice, criminal conduct, unauthorized use of confidential information, and breach of fiduciary duty.

Now, I'm referring specifically to that sort of string of items in 9.4 --

THE COURT: It runs on to page 73 of the plan?

MS. LEARY: I'm sorry, no. I'm moving to the GUC Trust now.

THE COURT: Oh, you're --

MS. LEARY: So --

THE COURT: But you're saying the GUC Trust needs language similar to what's on page 73 of the plan?

MS. LEARY: That is right. That is right. And, Your Honor, the reason that this is of concern is because Section 13.8 of the GUC Trust says, that the GUC Trust governs to the extent it is inconsistent with the plan on Section 6.2, which does govern -- I just think it's a drafting issue, and I will say no more. If there's a response, I'm happy to reply to it.

The section of the plan 10.7 looks an awful lot like a discharge injunction --

THE COURT: A pause, please, Ms. Leary.

MS. LEARY: Yeah.

THE COURT: Would you be okay with the exculpation, which as I read it, does enjoin third parties and not just the estate, if it had the limitations on it that appear at the top of 73 in terms of carving it back? I don't think that's what I ruled in Chemtura, but that's the question I'm asking you.

MS. LEARY: 73?

THE COURT: Well, in 73, you pointed out that this isn't a get out of jail free card for everything in the world --

MS. LEARY: Right.

THE COURT: -- it's a fairly limited exculpation, or at least it protects people unless they do stuff that's really bad. And my question is, are you asking me to strictly implement my rulings in Chemtura and its predecessor cases, or as long as it had that kind of really bad type of conduct provision in it like 73 seemingly has, that you'd be okay with it?

And if you're acting as a surrogate for others, I understand you can only speak for yourself.

MS. LEARY: That's right, Your Honor, and cognizant of the fact, and I want to reiterate our objective to have the plan confirmed, your proposal is fine to set forth, subject to California and Salina being okay with that, so.

THE COURT: All right. Can you pause for a second? Do I still have counsel for California on the line?

MS. KARLIN: Yes, you do. This is Olivia Karlin.

THE COURT: Do you want to weigh in on this, Ms. Karlin?

MS. KARLIN: We would agree with New York.

THE COURT: Okay. Salina I see out there in left field.

MR. LINDENMAN: Yes, we would agree.

THE COURT: Okay.

MS. LEARY: Your Honor, is that assuming that you would add the language to the extent permitted by law, applicable law? As you did in --

THE COURT: My tentative would be that way, but I haven't heard from your opponents yet.

MS. LEARY: Well, I would agree with your proposal if that language is added, to the extent permitted by applicable law, so that it's clear that parties can rely on this Court's analysis in this and other cases with respect to the releases and exculpations. I don't want to make a big deal out of this one at all, so.

THE COURT: Are you okay with yielding to Mr. Karotkin for a second?

MS. LEARY: Yes, of course.

MR. KAROTKIN: I'm not precisely sure what the

suggestion is. And I think that the language to the extent permitted by applicable law, as I recall, Your Honor, in your Chemtura decision, had to do with third party releases. There are no third party releases in this. The only related third party releases, as you mentioned in those decisions, is the exculpation provision. If you're -- if we're talking about adding it to that language --

THE COURT: Yeah. I thought we were talking about exculpation.

MR. KAROTKIN: All right. So we're not talking about 12.5, we're talking about 12.6?

THE COURT: I read 12.5 and I look to both of you of folks on this, and obviously you've had a very gentlemanly and womanly back and forth. I understood 12.5 to be releases by the debtors --

MR. KAROTKIN: Correct.

THE COURT: -- which are subject only to a best interest of the estate test, and which wouldn't particularly trouble me. And I'm not sure if anybody still has an objection to 12.5, but I may be wrong, and if so, somebody can correct me.

12.6 spills over to third party releases. Now, the way I read 12.6, the kinds of things that 12.6 protects the exculpated folks against, as I mentioned in my Chemtura decision, are almost entirely claims that are owned by the

estate and not by third parties.

But the language is broad enough to cover third parties, which is why I asked Ms. Leary those questions, which is in essence, her saying that even though what I said in Chemtura, she doesn't regard it as a big deal. And that's a paraphrase, but I think that's where we are.

But I thought that 12.6, exculpation, does protect creditors' committee, debtor, all the people who are listed, from a claim by somebody out in the hallway.

MR. KAROTKIN: Yes, it does.

THE COURT: And that's the legal issue I dealt with in Chemtura.

MR. KAROTKIN: Correct. And I'm not sure what the suggested fix is, that's all.

THE COURT: Well, I think what she was saying is, to the maximum extent permitted by law or words to that effect, and I've got to tell you that although I'm inclined to put in all the safeguards people want, as I did in Chemtura, and I'd hear creative suggestions for more protection, I've said a zillion times, I believe in predictability. I don't think I should be retreating from three published decisions I have in the area.

Now, as I understand it, and this is something I need your help on, Mr. Karotkin, but I understand that there's a self-correcting procedure, a mechanism at the end of the plan,

that says the plan is still confirmable, it's just modified to the extent I need -- I think it needs to be modified. But I'd like you to confirm that.

It's 12 -- no, excuse me.

MR. KAROTKIN: 12.12?

THE COURT: No, I think it was way near the end. Hang on a second.

MR. KAROTKIN: I think 12.12.

THE COURT: Yes, it is 12.12, I'm sorry.

MR. KAROTKIN: Yeah. That's fine. I --

THE COURT: Although you may have to ask.

MR. KAROTKIN: Pardon me?

THE COURT: At the request of the debtor's.

MR. KAROTKIN: Yes, we --

THE COURT: So if you're requesting me, when we're all done, if I otherwise find the plan confirmable, but I need to -- I think a term here or there needs to be tweaked, if you're asking me to confirm it anyway, you can tell me that at the end of the day.

MR. KAROTKIN: Okay. But I still have and maybe I'm being thick. I just don't understand the suggested fix to 12.6.

THE COURT: Well, I think the suggested fix by Ms. Leary, in practical effect, means you don't get those third party releases as part of the exculpation under my rulings in

Adelphia, DBSD and Chemtura.

MR. KAROTKIN: Okay. So is the fix just to add to the extent permitted by applicable law?

THE COURT: You can -- that's probably the easiest thing. Although I don't tell lawyers how to practice law, but I would suggest that you put in one or more provisions that say -- which I would be willing to approve, subject to others' rights to be heard, that before anybody wants to sue any of the protected parties on that, they've got to come to me to satisfy me that it belongs to them, and it doesn't already belong to the estate.

MR. KAROTKIN: The same language.

THE COURT: Because I think most of the kinds of things that would bug somebody in this situation would belong to the estate and not to an individual creditor.

MR. KAROTKIN: That same language you had in the Chemtura plan.

THE COURT: You may remember it better than I, but I think I did something like that there, yes.

MR. KAROTKIN: Okay. I understand.

THE COURT: Okay.

MS. LEARY: And we would find this Court's directive on coming here for clarification on the last thing that you said, whether the claim belongs to the third party or the estate, we are fine with that as well, Your Honor.

THE COURT: Okay. Salina, are you okay with that as well?

MR. LINDENMAN: I'm sorry, Your Honor?

THE COURT: Are you okay with what Ms. Leary just said?

MR. LINDENMAN: Yes.

THE COURT: Okay. California?

MS. KARLIN: California did not object to paragraph 12.6.

THE COURT: Oh, okay, fair enough. Do you want to continue then, Ms. Leary?

MS. LEARY: I just have a couple of other issues. That didn't take too much, but.

THE COURT: It isn't like I'm watching the clock. I just --

MS. LEARY: I am, Your Honor.

THE COURT: All right. Fair enough.

MS. LEARY: I have to leave, so the -- I'm going to go to 2(a), which is as the Court characterizes it, some GUC Trust issues.

Again, I think there's some fixes here, and the over-arching concern we had when we read the GUC Trust in the February 25th iteration was -- through the lack of some oversight and some protective measures, which I think in the next iteration or it may have been the one on the 25th, I got

more comfortable with that. And yet, I still think that there are issues, and they are as follows.

And I have to apologize, Your Honor, I was handed the new GUC Trust this morning, and I have not had an opportunity to review it. I am told by Ms. Macksoud of the creditors' committee that -- counsel, that the revisions to this version are primarily for tax purposes. They would not necessarily fix what is here, so I apologize if it did fix.

Here's a couple of things that we see as problematic. What the GUC Trust provides is for the retention of Wilmington Trust, I'll refer to it as WTC, AP Services --

THE COURT: No, refer -- indulge me. Acronyms drive me absolutely bananas.

MS. LEARY: Okay.

THE COURT: Unless you're talking about the UAW or the FCC, call it Wilmington Trust.

MS. LEARY: Okay. And AP Services.

THE COURT: All right.

MS. LEARY: Which I believe is AlixPartners.

THE COURT: Right. But I think they had some business reason for changing their name, so you can indulge them on that one, I know who they are.

MS. LEARY: Okay. I don't know what FTI stands for, I think it's Financial -- anybody know?

THE COURT: FTI Consulting is also a name that's

familiar enough to those in the bankruptcy community, so it's okay.

MS. LEARY: Okay. So our concern is that AP Services, I think has been operating the debtor for the last 18 months. I think that's a classic insider within the definition of insider. And so what I think might be required is a little bit more disclosure about the number of people within AP, the terms of compensation, and benefits, the affiliations, and a general statement of disinterestedness.

I don't see that. All I see in the plan and in the brief in support of the plan is a general statement that AP Services will continue to be retained by the GUC Trust, and I believe an abbreviated team or fewer people, there's an implication that there'll be fewer people.

I think it needs a little bit more in terms of making us feel comfortable that there's an entity here that can move into the GUC Trust operating role, and which is different than its role before this Court.

THE COURT: Ms. Leary, is this something that's a plan issue or is this something that anybody who cares, and I'm not sure how many people, frankly, would care, could resolve by picking up the phone?

MS. LEARY: You'd think. Perhaps. I mean, I don't know. I don't know the answer to that, Your Honor. I know that this is an overwhelming case for --

THE COURT: Okay. Well, your other points, as you can tell from the back and forth and the amount of time I spent on it, got my attention, but this one really doesn't.

MS. LEARY: Okay. Here's the bottom line for New York, we want some comfort level that we will be treated in a way that has some independence and some fairness to it. I am not suggesting that AP or any of the professionals that are going to move into the GUC Trust roles lack that.

What I am suggesting is that the GUC Trust does not necessarily provide a mechanism if that doesn't happen. And that's where I'm struggling with the GUC Trust. I'm struggling with it because there are things that will no longer be undertaken with this Court's oversight, the U.S. Trustee's oversight and so forth, the fee examiner's oversight. Those are the kinds of things that I feel, as a creditor, protected, the estate protected, unsecured creditors.

So I'm not suggesting that these parties cannot act in a way that is fully above board and so forth. What I'm suggesting is that the showing in 1129(a)(5) hasn't really been made. I don't think that that provision has been fulfilled. That doesn't mean that it can't be fulfilled. If this Court entered an order conditionally approving the plan, but requiring some additional showing, I think that would fully satisfy the state.

THE COURT: Uh-huh. Okay. Do you have other stuff?

MS. LEARY: One of the issues that New York and California raised was some concern about Wilmington Trust's roles pre and post petition, and Wilmington Trust has come in and stated that its prepetition role as indentured trustee is primarily ministerial. We don't view it that way. We think that they have a bit of discretion, including the right to assert claims against Delphi, discretionary issues with respect to distribution and allowance of claims.

You know, I think our papers set forth a question mark, rather than a line in the sand about Wilmington Trust, and it is something that I hope the Court will look at in terms of is there something more than can be provided to give a comfort level to unsecured creditors, that there is some real oversight here. This is not just more professionals being paid to dispute claims and so forth.

New York wants to be paid soon, and we are scrambling to do that because we have no dollars to devote to remedial obligations that involve this debtor. And my entire focus for the next several months is going to be to get us there. To the extent that I have a willing partner in AP Services, Wilmington Trust and so forth, I'm happy.

To the extent that I don't, if there are issues that I don't understand why we can't resolve them.

Here's an example. When New York filed its proofs of claim, there were essentially two aspects to the claim, many of

them. The first aspect was for past -- I'm sorry, prepetition response costs. These are quantifiable numbers, they were supported by affidavit, as well as documentary evidence. For whatever reason, we were a disputed claim, even though we feel that everything's there, tell us why this is not deemed allowed on the effective date, and we don't really have an answer to that.

It is what it is. The bottom line for New York, though, is that we can't wait years to get into some, you know, fourth, fifth, tenth distribution. We would have loved to have been in the first distribution, that looks like it's not necessarily going to happen.

And if I can -- and sort of moving into another issue we raised, another objection, it really does go to the question of whether there will be equal treatment. And here's the way I look at it, because I don't think this Court or the debtors or anybody in this room, or anybody in the world, can dictate what the GM stock is going to be worth.

But I envision a scenario whereby the General Motors' stock on the first distribution date is worth something, let's call it 35 cents or 35 cents on the dollar. And when that 23 billion -- 27 billion dollar stock distribution goes out into the market, the law of supply and demand indicates that the value attached to that stock is not the same after the first distribution, and it might be.

Now, the difficulty I think for the debtors is to try to assure and the committee, is how do you assure that subsequent distributions get paid the same amount. And I think there's every intention to do that. It's clear to me from the plan. The question is, is it really going to happen? And if it doesn't happen, will we know it, and if it doesn't happen, is there some remedy that the state or other unsecured creditors have to come back to the Court and say, we don't understand what happened here. They got 35 cents on the dollar and we got 15.

So there's a difference between distribution and the value of that distribution, and it's not that I want to assure getting 35 cents on the dollar, but I don't have the choice today that Wilmington Trust bondholders and others who are allowed have, which is, do I hold or do I sell, that discretion. And that's where the discrimination, I think, comes in. I don't have that ability today. And if you give it to me tomorrow on let's say the tenth distribution and it's worth ten cents of the dollar, does New York have to hold it at that point to make it get to 33 cents, to feel -- are we required to do that, or can we come back to the Court and say, this didn't work.

I don't think the GUC Trust has a mechanism for us to do that, and the reason it doesn't is because it doesn't compare apples to apples. It -- one share of stock today is

not valued at the same price as the stock -- as a share of stock tomorrow.

So what do you do about that? I think what you do is you require in a reporting context, the value that could have been, not that is, but that could've been realized on the date of distribution, the first day of distribution.

Go the second day. What is the value of that distribution to be realized, and do they match? Not what did you get, New York, or what did you get, Wilmington Trust bondholders, but let's look at what opportunity exists on the first distribution as compared with what exists on the second and subsequent distributions in terms of value.

That is what New York would like to see. We'd like to feel comfortable to have the next few months and not worry that the more the stock is traded and floods the market, and the lower it goes or whatever economic, we want an incentive as well to have our claim determined soon, early, not only to save Treasury money, but also to have in hand dollars that we can put into the ground for remedial purposes.

Because as I have said my theme today, New York has zero dollars, and I think this Court can take judicial notice of the fiscal constraints that the State of New York is under today, and I don't think anybody can dispute that.

So that's it. And if I can reserve some time for reply to the extent that there may be issues raised by

Mr. Karotkin or Mr. Smolinsky, I'd appreciate it, Your Honor.

THE COURT: Okay. Do I have somebody who wants to respond?

MR. SMOLINSKY: Your Honor, Joe Smolinsky. Let me see if I address all of the issues, if I can.

With respect to Wilmington Trust and the other professionals, I think that -- we won't take insult to the comments, but I think that Wilmington Trust is the party best served to do this work. They've been involved in the bonds, which represent 23 billion dollars' worth of the debt, since the inception. They're familiar with the distribution structure.

In terms of checks and balances, FTI will sit above as a monitor, so there are built-in protections to make sure that Wilmington Trust acts appropriately.

AlixPartners -- I mean, AlixPartners is in there, another checks and balance. They're very familiar with the claims. To bring in someone else now to do the claims reconciliation work, would be tremendously expensive, if it could be done at all.

With respect to the allowance of New York State's claims, I think we've evidenced, and the debtors have evidenced to the Court how much work we've put into the claims process. We have over 220 omnibus objections either resolved or on file. We've had numerous stipulations of large claims. We've had

estimation hearings on asbestos. We've -- if you look at our -- at the time records of Weil Gotshal and of AlixPartners, you'll see an incredible amount of time being spent on environmental matters since the very beginning of this case.

We've spent a lot of time with New York State; and what I find interesting is that there were -- if you remember, when we set up the ADR process, which has been very successful at resolving claims, all of the environmental claimants came in and said, Your Honor, not me, we shouldn't be a part of the ADR procedures, even though we were prepared to build in procedures to allow those claims to be resolved through ADR, such as bringing in special mediators that are knowledgeable on environmental matters.

But the environmental claimants didn't want to be part of that program, and you might have seen some objections to confirmation based on that issue. So without mediation ADR, it is a tiresome process, but we are engaged, we are going to continue to engage, and our efforts to resolve claims and the debtor's -- and the GUC Trust's efforts to resolve claims are not going to diminish. If anything, they will accelerate.

THE COURT: Before you move on, Mr. Smolinsky --

MR. SMOLINSKY: The last issue --

THE COURT: No, before you do.

MR. SMOLINSKY: Oh, yes.

THE COURT: On ADR, because at one time I had that.

How was that resolved? That you just shrugged your shoulders, and said anybody who doesn't want to do ADR doesn't have to do ADR?

MR. SMOLINSKY: No, Your Honor. We were requested at the time to carve out and exclude any environmental claim from the ADR procedures.

THE COURT: And you said okay to that?

MR. SMOLINSKY: Yes.

THE COURT: Yeah, that's what I meant.

MR. SMOLINSKY: The order exclusively carves out any environmental claims from being subject to the ADR program, although it does reserve the debtor's rights to seek to establish a new ADR program for environmental claims.

THE COURT: All right. At which time they could be heard in opposition, if they still don't want to do it.

MR. SMOLINSKY: That's correct, Your Honor.

THE COURT: Okay.

MR. SMOLINSKY: The last issue, which if I understand Ms. Leary correctly, she's suggesting that we don't do this plan, but we do another plan, where we determine at the time of any distribution what the value of the stock is, compare that to the size of the claim and distribute based on value, rather than number of shares.

Given the entire construct of this plan, that just isn't possible. That would mean that if in the unlikely event

that the value of New GM stock plummeted, that the estate would run -- would simply run out of shares in order to satisfy that party's claim.

That actually would create a disincentive to settle claims quickly, because a claimant, unless they were concerned about running out of shares, would get the same distribution whether claims are settled today, or tomorrow, or three years from now. We want people to settle claims, we want to settle claims, and despite the fact that it wasn't established for this purpose, the way that it's currently constructed, there is an incentive to resolve claims quickly so that you can get control as a claimant over your shares.

So the incentives are matched up, regardless of the fact that that wasn't the reason why it was set up that way.

THE COURT: Okay. Ms. Leary, based on -- oh, Mr. Mayer.

MS. LEARY: Your Honor, may I be heard?

THE COURT: Ms. Leary, I'll give you a chance to be heard, but I wonder if Mr. Mayer should be heard first.

MR. MAYER: Thank you, Your Honor. Just a couple of points. New York State has a disputed unsecured claim, the debtors have been dealing with it, the GUC Trust will continue to deal with it. And the personnel handling it, basically aren't changing very much. Wilmington Trust is coming in to be the trustee who will hold the assets, but AP Services continues

to effectively direct the affairs of what will be the successor to the estate.

There's no more conflict of interest here than there is any other situation that this Court sees every day of the week, where the same people stick around to do effectively the same jobs.

With respect to oversight, we have oversight galore, and as one of the few professionals that is not continuing on in this case, with the exception with a couple of very narrow exceptions, I was deeply involved in negotiated these. Sometimes to generating a fair amount of heat, perhaps not light, oversight.

FTI, which basically takes the place of the committee, is going to have oversight over Wilmington Trust. I don't recall New York State claiming that the committee was not representative, or not doing its job during this case. They have no basis for stating that the committee's financial advisor, which replaces the committee at some considerable savings to the estate, has any conflict of interest in its role.

But there's more. As Your Honor knows, every cash dollar that goes out the door to pay professionals, New York State talks about making sure professionals don't run wild. Well, the dollars are Treasury's dollars, and you have seen how tightly Treasury has negotiated the post effective date budget.

You know how hard it was to negotiate those numbers, and the document is replete with Treasury's budgetary controls over the expenditure of the cash.

So there is that control. But there is more. We have in this document a holdback, any professional goes over budget, there's a ten percent holdback, which can be liquidated only with the consent of this Court, and if New York State wants to come in and object, it has the ability to do so.

And finally, there is still more. If it turns out, and this is the only place where New York State could possibly be prejudiced, assuming that its claims are allowed, which I presume they will be to some extent, if you're in an allowance fight, you have an adversary, you don't have a partner, and every dollar that goes to New York State comes out of some other creditor's pocket.

Finally, if the trustee, if Wilmington Trust ends up having to sell stock to pay for professional expenses, it has to come to this Court first, over and above a five million dollar initial amount, the genesis of which is that the SEC has required some reporting, and that wasn't in Treasury's budget. So we needed to provide for five million dollars to cover that and associated costs.

But other than that, and mechanical items, such as selling warrants which are about to expire, Wilmington Trust has to come back to court to sell the assets that New York

State is concerned about before it can do so to pay expenses.

So there's tremendous amounts of oversight in this trust, and I can't see the point of requiring even more. Unless Your Honor has questions, I'll --

THE COURT: No. No, thank you. All right. Ms. Leary, do you have -- oh, forgive me.

MR. WILLIAMS: Your Honor, Matthew Williams, Gibson Dunn for Wilmington Trust.

Just a couple of things just to clear up the record. With respect to the Delphi bonds, although I don't think it would be a conflict, those are not Wilmington Trust's bonds. I just wanted to correct the record there.

And then with respect to anything else that's been raised, I'm happy to answer any questions, but I think everything is adequately dealt with.

THE COURT: Yeah, I read your brief. I'm okay.

MR. WILLIAMS: Thank you, Your Honor.

THE COURT: Thank you. All right. Ms. Leary.

MS. LEARY: I have neglected to indicate to the Court a portion of California and New York's objection that was withdrawn. And I apologize if I neglected to advise both the committee and the debtors, and it deals with the assertion that Wilmington Trust prepetition fees being paid administratively are -- is inappropriate.

Given the representation to us that the fees total

about 270,000 dollars, we are not going to continue to assert that. Having said that, Your Honor, the proffered reason that it would be acceptable to pay those fees, we want to represent clearly to the Court that we do not think that because it's standard practice in this district unless there's a decision that Your Honor has issued or another judge has issued in this district, directly on this point, we don't think because it's standard practice that it is a good enough reason.

THE COURT: Well, if you'd pressed the objection, I would've asked you whether my recent decision in Adelphia changes the terrain in that, but if you're not pushing the objection, I would just as soon not issue a precedent on something where I don't have to.

MS. LEARY: No. And I want to indicate Mr. Smolinsky represented yesterday a substantial contribution underlying those fees, and California and New York felt that it was not necessary to press.

Another issue that has -- it's in our brief, but it didn't occur to me to press it until Mr. Mayer raised it, really about the GUC Trust monitor, and whether it is, in fact, a monitor. And that's the issue I hope the Court looks at.

The bottom line is, Your Honor, whether I'm standing here as an objecting party or not, this Court is going to give a hard look particularly in the spirit of the Supreme Court's Espinosa case, to everything in this plan to see whether it is

consistent with the Code.

And sometimes things are --

THE COURT: Do you read Espinosa as saying that a bankruptcy judge has the duty to fly speck a 79-page single spaced plan? I mean, I'm properly respectful of the Supreme Court, but -- and I will do whatever the Supreme Court tells me that I have to do with sufficient clarity, of course, but how could a bankruptcy judge, especially in this district, with the paper that parties lay on him or her, ever live in an Espinosa world?

MS. LEARY: I knew I shouldn't have raised that case, Your Honor. I knew it the minute it came out of my mouth. The reason I raised it simply is because that's your -- whether Espinosa is past or not, that is I, in my view, how this Court has viewed plans in the past, particularly with respect to Chemtura and others. That's all I meant. You don't need Espinosa to do what you normally do.

THE COURT: When it's in my face and I see it, I don't close my eyes on it.

MS. LEARY: Right.

THE COURT: But I must confess to you that I focused on -- to the world, to the newspapers, to DebtWire, I focused on the objections to confirmation, and anything that is so noteworthy that it catches my attention. I can't rule out the possibility that in 79 single spaced pages on the plan alone or

any of its ancillary documents there's something in there that got by me.

MS. LEARY: Thank you, Your Honor.

THE COURT: Okay. Mr. Karotkin.

MR. KAROTKIN: I believe that's it, Your Honor. To which Mr. Smolinsky has to clarify, I don't believe there are any more objections.

THE COURT: Okay. Mr. Smolinsky, you can rise with that, and then I'll give a chance to anybody who is on the phone a chance to be heard, whose points raised pass muster under the standard I articulated in my February 24th order.

MR. SMOLINSKY: Your Honor, I just want to stand to identify two issues that the parties continue to work on, just so Your Honor could take them into consideration, in connection with your order. Both involve New GM.

The first is an amendment to the master sale and purchase agreement. You may recall that there's an additional two percent of New GM shares that are available, to the extent the claims exceed 35 billion dollars, but less than 42 billion. That's the cap. And the procedure that's in the master sale and purchase agreement requires that the debtors come back to court and have a hearing to estimate the amount of claims, which would require Your Honor to sit and decide at some point in time in the near future what the Nova Scotia claims are worth, and what the NUMMI claims are worth, and it becomes very

difficult and puts a tremendous burden on Your Honor.

So the parties are discussing a construct that would no longer require that kind of a hearing, and would permit distributions of additional shares to be based on true allowed claims.

The accountants are still discussing it, but you should expect, hopefully, to see something in the near future to address that issue.

The second issue, which perhaps is more immediate, because we'd like to get it inserted into the sale order, involves the treatment of the master of sale --

MR. UNIDENTIFIED: I think you mean confirmation.

MR. SMOLINSKY: Oh, I'm sorry, confirmation. What I'd say?

MR. UNIDENTIFIED: Been there/done that sale.

MR. SMOLINSKY: The other issue which is more immediate and will hopefully find its way in the confirmation order involves the treatment of the master sale and purchase agreement itself.

Because we're taking the debtor's ongoing activities and moving them into two separate trusts, there are benefits and obligations under the master sale and purchase agreement that are important to both surviving entities, as well as the post effective date debtor.

So we are trying to come up with language that would

allow the Environmental Response Trust to continue to have the benefits of that agreement, and the obligations to continue, for example, to lease property back to New GM, as the debtors have been doing, and at the same time, allow the GUC Trust to continue to utilize the benefits of the sale agreement in order to do its duties.

So we expect over the next few hours to have further conversations on that, but you won't see it, I don't think in the current version of the order that you're looking at.

I think that's it, Your Honor.

THE COURT: Okay. I'll say -- ask first the people in the courtroom. Is there anybody who filed a written objection who feels that he or she wants to be heard because the designated presenter of any argument didn't do a satisfactory job?

No response. Same question to those on the phone.

MS. KARLIN: This is California. New York did address the majority of our objections, but I would just add with regard to Wilmington Trust multiple roles, the possible prejudice to the creditors is heightened because the liability for the breach of fiduciary duties excluded from the carve-out in the indemnification privileges of the GUC Trust, I haven't hear that there was a new or revised GUC Trust provided to that, I haven't seen it.

If they're not excluded from the plan in Section

12.6, but the GUC Trust says that that governs in version 13.8 of the GUC Trust, so I would add that to Ms. Leary's objection.

THE COURT: Thank you for raising that. My memory is that Ms. Leary raised that issue. She said she thought it might just be a drafting bug or drafting issue. And can I ask whether there is an intentional distinction or -- and I think she asked whether the specification of the particular bad acts that was in the plan might also be put into the GUC Trust document, unless I misunderstood her point.

MR. WILLIAMS: Your Honor, Matthew Williams, Gibson, Dunn. At least from that --

THE COURT: Can you pull the mic closer to you, please, Mr. Williams.

MR. WILLIAMS: I'm sorry, Matthew Williams of Gibson, Dunn.

At least from the proposed GUC Trust administrator's point of view, we'd be happy to mirror the two provisions, so the GUC Trust would have similar release and exculpation language.

THE COURT: Anybody have a different view than Mr. Williams just articulated?

Okay. Then I'm going to consider that issue satisfactorily resolved.

Okay. Anything else? Anybody? Mr. Karotkin?

MR. KAROTKIN: I think, Your Honor, I think you said

at the end of the hearing whether we would have any objection to you exercising the rights under Section 12.12 with respect to exercising certain provisions of the plan, and we have no objection to it.

THE COURT: All right. Ladies and gentlemen, give -- oh, Mr. Jones.

MR. JONES: I'm sorry, Your Honor. Excuse me. I just want to make one housekeeping or ministerial note.

Your Honor had regarding the approval of the environmental settlements previously ruled on, Your Honor had referenced possibly the submission of an independent order on those. I just wanted to let the Court know we anticipate if the plan is confirmed, that the confirmation and order itself will include the appropriate findings and holdings embodying Your Honor's rulings. Thank you.

THE COURT: All right. Under those circumstances, and with Mr. Karotkin having confirmed that the plan is self-correcting, I can tell you based upon my review of the papers and the oral argument I've heard today, that this plan will be confirmed. The issue is the extent to which I might require provisions to be modified in any way.

I will have a written decision on that, some of these issues warranting written attention as soon as possible. We're adjourned.

MR. SMOLINSKY: Thank you, Your Honor. Your Honor,

we do have some other motions, two other motions on the calendar.

THE COURT: All right. Anybody who is here strictly on what we've dealt with so far is free to leave, and then I'll hear from Mr. Smolinsky.

(Pause)

THE COURT: Mr. Smolinsky, whenever you're ready.

MR. SMOLINSKY: Thank you, Your Honor. Before we get to the two motions, I just want to mention that we have two stipulations with the United States Government. One with regard to the EPA claims that they've filed, and one with respect to the U.S. Treasury DIP, Debtor-in-Possession financing claims.

There are numerous claims. We've consolidated them down into one, and those stipulations are needed in order to go effective on the plan. So if it's okay with Your Honor, we'd just like to submit those in connection with confirmation.

THE COURT: Sure. Provide them to Ms. Blum (ph), who I imagine at this hour will still be here.

MR. SMOLINSKY: We will, Your Honor.

The first motion on the calendar is a motion seeking to enlarge the time within to remove actions, consistent with Bankruptcy Rules 9006(b) and 9027.

Your Honor, part of the ADR procedure, this is an unusual case, in that there are so many claims that are subject

to potential removal. But consistent with the ADR procedures, as we go forward in the post confirmation world, hopefully we need an extension of time in which to remove actions, so that if the mediation is unsuccessful, we can then seek to remove those actions to federal court.

THE COURT: Which is to put these cases in the Southern District of New York before a district judge, hearing car wreck cases?

MR. SMOLINSKY: Well, under the Code, it's either the district court where the case is pending or the Southern District of New York.

THE COURT: Uh-huh.

MR. SMOLINSKY: Whether or not we would come up with some way of dealing with them in the Southern District of New York on a consolidated basis, we haven't really thought about. We've only removed one case recently and that's the Chun Lee (ph), Chun Sang Lee (ph) case. But as we go forward, so we're seeking at this point, the one year extension, and if we need to come back, we reserve the right to come back once again.

THE COURT: I'm not aware of there being any objection, are there?

MR. SMOLINSKY: There are no objections, Your Honor.

THE COURT: All right. The cause has plainly been shown for this request and it's granted.

MR. SMOLINSKY: Thank you, Your Honor. The last

motion is a motion to assume or assign a contract subject to the occurrence of the effective date to the Environmental Response Trust.

We only have two changes to the schedule of contracts to be assumed and assigned; one is an easement and access agreement with Lear Case Simpson (ph), and an easement and access agreement with Red Oak Holdings. We will notify them by writing that we have excised them from the schedule and contracts to be assigned and assigned. And other than that, there are no objections to this motion.

THE COURT: Very well. It's approved.

MR. SMOLINSKY: Thank you, Your Honor.

THE COURT: Does that take care of all of our business for today?

MR. SMOLINSKY: That does, Your Honor.

THE COURT: All right. We're adjourned, thank you.

MR. SMOLINSKY: Thank you.

(Whereupon these proceedings were concluded at 3:04 p.m.)

I N D E X

R U L I N G S

C E R T I F I C A T I O N

I, Aliza Chodoff, certify that the foregoing transcript is a true and accurate record of the proceedings.

Aliza Chodoff

Digitally signed by Aliza Chodoff
DN: cn=Aliza Chodoff, c=US, o=Veritext
Reason: I am the author of this document
Date: 2011.03.04 15:17:53 -05'00'

_____

ALIZA CHODOFF

Veritext

200 Old Country Road

Suite 580

Mineola, NY 11501

Date: March 4, 2011

Exhibit N

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(212) 351-4000
Matthew J. Williams
Joshua Weisser

Attorneys for the Motors Liquidation Company GUC Trust

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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

MOTORS LIQUIDATION COMPANY GUC TRUST
QUARTERLY GUC TRUST REPORTS AS OF SEPTEMBER 30, 2011

The Motors Liquidation Company GUC Trust (the "**GUC Trust**"), by its undersigned counsel, pursuant to Section 6.2 of the Motors Liquidation Company GUC Trust Agreement dated March 30, 2011 and between the parties thereto (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 attached GUC Trust Reports (as defined in the GUC Trust Agreement and annexed hereto as Exhibits A and B) for the most recently ended fiscal quarter of the GUC Trust.

Financial statements required under Section 6.2(b) of the GUC Trust Agreement are annexed hereto as Exhibit A.

Additional reporting required under Section 6.2(c) of the GUC Trust Agreement is annexed hereto as Exhibit B.

The GUC Trust Reports are not intended to constitute, and should not be construed as, investment advice. The GUC Trust Reports have been provided to comply with the GUC Trust Agreement and the Confirmation Order and for informational purposes only and may not be relied upon to evaluate the merits of investing in any securities or interests referred to herein.

The GUC Trust has no officers, directors or employees. The GUC Trust and Wilmington Trust Company, solely it 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 these 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
October 28, 2011

GIBSON, DUNN & CRUTCHER LLP

By: /s/ Matthew J. Williams

Matthew J. Williams
Joshua Weisser
200 Park Avenue
New York, NY 10166-0193
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Attorneys for the Motors Liquidation Company GUC Trust

EXHIBIT A

Motors Liquidation Company GUC Trust
STATEMENT OF NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)
September 30, 2011
Unaudited
(Dollars in thousands)

ASSETS		
Cash and Cash Equivalents	$	75
Cash Due from Motors Liquidation Company		4,535
Investments		48,093
Securities Due From Motors Liquidation Company		1,269,962
Other Assets & Deposits		1,869
TOTAL ASSETS	$	1,324,534
LIABILITIES		
Accounts Payable & Other Liabilities	$	13,716
Liquidating Distributions Payable		96,372
Reserves for Expected Costs of Liquidation		40,808
TOTAL LIABILITIES	$	150,896
NET ASSETS IN LIQUIDATION	$	1,173,638

Motors Liquidation Company GUC Trust
STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)
Unaudited
(Dollars in thousands)

	Three Months Ended September 30, 2011	Six Months Ended September 30, 2011
Net Assets in Liquidation, beginning of period	$ 2,145,973	$ -
Transfer of interest in securities due from Motors Liquidation Company	0	9,254,045
Adjustment of reserves for costs of liquidation	0	(5,657)
Liquidating distributions of securities	(96,372)	(8,067,508)
Net change in fair value of securities due from Motors Liquidation Company	(875,982)	(7,290)
Net income - Interest income	20	49
Net Assets in Liquidation, end of period	$ 1,173,638	$ 1,173,638

Motors Liquidation Company GUC Trust
STATEMENT OF CASH FLOWS (LIQUIDATION BASIS)
Unaudited
(Dollars in thousands)

	Six Months Ended September 30, 2011
Cash flows from (used in) operating activities	
Cash receipts from interest	$ 47
Cash paid for professional fees, governance costs and other adminstrative costs	(4,605)
Net cash flows from operating activities	(4,558)
Cash flows from (used in) investing activities	
Cash used to purchase investments	(204,174)
Cash from maturities of investments and sales of investments	156,073
Net cash flows from investing activities	(48,101)
Cash flows from (used in) financing activities	
Cash transfer from Motors Liquidation Company to fund expected costs of liquidation	52,734
Net cash flows from financing activities	52,734
Net increase in cash and cash equivalents	75
Cash and cash equivalents, beginning of period	-
Cash and cash equivalents, end of period	$ 75

Reconciliation of Net Income to Net Cash Used By Operating Activities:

Net income	$ 49
Adjustments to reconcile net income to net cash provided by operations:	
Change in assets and liabilities	
Other assets & deposits	(832)
Accounts payable & other liabilities	12,684
Reserves for expected costs of liquidation	(17,581)
Cash due from Motors Liquidation Company	1,122
Net cash flows from operating activities	$ (4,558)

Motors Liquidation Company GUC Trust
Notes to Financial Statements
Unaudited
September 30, 2011

1. Purpose of Trust and Plan of Liquidation

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 Motors Liquidation Company GUC Trust Agreement (the "GUC Trust Agreement"), dated as of March 30, 2011, 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 Corp. ("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, 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 New GM Common Stock and New GM Warrants are not required for the satisfaction of previously Disputed General Unsecured Claims (as defined below)) 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").

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 (the "Initial Allowed

Motors Liquidation Company GUC Trust
Notes to Financial Statements
Unaudited
September 30, 2011

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 reserve for unliquidated disputed claims ("Disputed General Unsecured Claims"), but does not reflect potential Avoidance Action General Unsecured Claims (as defined below). The total aggregate amount of general unsecured claims, both allowed and disputed, asserted against the Debtors, inclusive of the potential Avoidance Action General Unsecured Claims (as defined below), 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. The GUC Trust Agreement provides the GUC Trust Administrator with the authority to file objections to such Disputed General Unsecured Claims within 180 days of the Effective Date (which date may be 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. The GUC Trust Administrator and its professionals are currently prosecuting multiple objections to Disputed General Unsecured Claims.

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 and will be entitled to a distribution from the GUC Trust as if it were an Allowed General Unsecured Claim on the Effective Date (such claims, "Resolved Disputed Claims").

In addition to the Allowed General Unsecured Claims (including Resolved Disputed Claims) and the Disputed General Unsecured Claims, there may be additional general unsecured claims against the Debtors, in a currently unknown amount, which may potentially arise in the event that the Debtors (or an alternative designated plaintiff) commence and are successful in prosecuting legal actions arising under the Bankruptcy Code to compel certain recipients of transfers from the Debtors to disgorge the value of such disputed transfers (such actions, "Avoidance Actions"), and in recovering the proceeds of such legal actions.

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"), has been commenced. The Term Loan

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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. To the extent that the Committee is successful in obtaining a judgment against the defendant(s) therein, general unsecured claims will arise in the amount of any transfers actually avoided (that is, disgorged) pursuant to the Term Loan Avoidance Action (such general unsecured claims "Avoidance Action General Unsecured Claims," and together with Resolved Disputed Claims, the "Resolved Allowed Claims").

It is not clear, however, whether any amounts actually avoided pursuant to the Term Loan Avoidance Action would flow into the GUC Trust. On June 6, 2011, the Committee commenced a separate adversary complaint seeking a declaratory judgment 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. This action is still pending.

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"). In addition, the agreement governing the sale of substantially all of the assets of the Debtors and related sale documentation together provide that in the event that the Bankruptcy Court enters an order that includes a finding that the estimated aggregate Allowed General Unsecured Claims against the Debtors exceed $35 billion, New GM will be required to issue additional shares of New GM Common Stock for the benefit of the GUC Trust's beneficiaries (the "Additional Shares"). The number of Additional Shares to be issued will be equal to the number of such shares, rounded up to the next whole share, calculated by multiplying (i) 30 million shares (adjusted to take into account any stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, reorganization or similar transaction with respect to such New GM Common Stock from and after the closing of such sale and before issuance of the Additional Shares) and (ii) a fraction, (A) the numerator of which is the amount by which Allowed General Unsecured Claims exceed $35 billion (such excess amount being capped at $7 billion) and (B) the denominator of which is $7 billion. No Additional Shares have been issued as of September 30, 2011.

Funding for GUC Trust Costs of Liquidation

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The GUC Trust has and will have 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 expenses incurred by the GUC Trust Administrator (including fees and expenses for professionals retained by the GUC Trust) ("Wind-Down Costs"). 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. If the GUC Trust Administrator determines that the GUC Trust Administrative Fund is not sufficient to satisfy the current or projected costs and expenses of the GUC Trust, the GUC Trust Administrator, with the approval of the GUC Trust Monitor, is authorized to reserve New GM Securities for this purpose. The GUC Trust Administrator may then liquidate such reserved New GM Securities to fund the Wind-Down Costs, in most cases, with the required approval of the Bankruptcy Court. New GM Securities that are reserved or sold in this manner will not be available for distribution to the beneficiaries of GUC Trust Units.

In addition, as permitted by the GUC Trust Agreement, the GUC Trust requested the sale of 87,182 shares of New GM Common Stock and 79,256 warrants of each series of New GM Warrants by MLC in order to provide additional funds for the payment of a portion of expenses related to certain regulatory reporting requirements and actions provided for by the GUC Trust Agreement ("Reporting Costs"), including those directly or indirectly relating to reports to be filed by the GUC Trust with the Securities and Exchange Commission (the "SEC") or otherwise pursuant to applicable rules, regulations and interpretations of the SEC, the application 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, and the Term Loan Avoidance Action. The sale, which occurred May 27, 2011, resulted in cash proceeds of approximately $5.7 million ("Other GUC Trust Administrative Cash"). These funds are currently maintained at MLC. Cash or investments held to fund Reporting Costs, if any, which remain at the termination of the GUC Trust will be distributed to holders of Allowed General Unsecured Claims or holders of the GUC Trust Units, as the case may be. If the GUC Trust Administrator determines that the Other GUC Trust Administrative Cash is not sufficient to satisfy the current or projected Reporting Costs of the GUC Trust, the GUC Trust Administrator, with the approval of the GUC Trust Monitor, is authorized to reserve New GM Securities to satisfy such costs. The GUC Trust Administrator may then liquidate such reserved New GM Securities to fund the Reporting Costs, with the approval of the Bankruptcy Court. New GM Securities that are reserved or sold in this manner will not be available for distribution to the beneficiaries of GUC Trust Units.

The GUC Trust has initiated a review of expected costs related to the budgets for Wind-Down Costs and Reporting Costs. In the event that the GUC Trust Administrative Fund and the Other GUC Trust Administrative Cash is not sufficient to cover the expected Wind-Down Costs and Reporting Costs, the GUC Trust Administrator may take steps to reserve New GM Securities for sale to satisfy such costs and the reserves for expected liquidation costs would be increased.

MLC Wind-Down

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Upon the dissolution of the Debtors, which is required to occur no later than December 15, 2011, the GUC Trust will be 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 the date of dissolution of the Debtors, the Debtors shall transfer to the GUC Trust cash in an amount necessary to satisfy the ultimate allowed amount of such Residual Wind-Down Claims, as estimated by the Debtors (the "Residual Wind-Down Assets").

Should the cost of satisfying and resolving the Residual Wind-Down Claims ("the Residual Wind-Down Expenses") 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 Expenses, such costs will be satisfied by Other GUC Trust Administrative Cash. If there is no remaining Other GUC Trust Administrative Cash, the GUC Trust Administrator is authorized to, with GUC Trust Monitor approval, reserve and, with Bankruptcy Court approval, sell New GM Securities to cover the shortfall. To the extent that New GM Securities are reserved 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 Expenses could reduce the assets of the GUC Trust available for distribution. After the GUC Trust has concluded its affairs, any funds remaining that were obtained from the New GM Securities sold to fund the wind-down process or the resolution and satisfaction of the Residual Wind-Down Claims will be distributed to the beneficiaries of the GUC Trust Units.

2. Basis of Presentation and Significant Accounting Policies

Liquidation Basis of Accounting

The GUC Trust was created for the purposes described above in Note 1 and has a finite life. As a result, 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. Under the liquidation basis of accounting, assets are stated at their estimated net realizable value, which is the non-discounted amount of cash or its equivalent, into which an asset is expected to be converted in the due course of business less direct costs, while liabilities are reported at their estimated settlement amount, which is the non-discounted amount of cash, or its equivalent, expected to be paid to liquidate an obligation in the due course of business, including direct costs. Additionally, under the liquidation basis of accounting, a reserve has been established for estimated costs expected to be incurred during the liquidation (exclusive of interest expense). These estimates are periodically reviewed and adjusted as appropriate.

The valuation of assets at net realizable value and liabilities at anticipated settlement amount represent estimates, based on present facts and circumstances, and are subject to change.

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Fiscal Year

The GUC Trust's fiscal year begins on April 1 and ends on the following March 31. The Trust's second quarter in the fiscal year is from July 1 to September 30. 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 which is the beginning of the current six month period ended September 30, 2011 presented in the accompanying financial statements.

Cash and Cash Equivalents

Cash and cash equivalents at September 30, 2011 consist of amounts held in a money market fund.

Cash Due From MLC

Cash due from MLC consists of the GUC Trust's interest in a segregated cash account held by MLC which contains funds from the sale of New GM Securities to fund regulatory Reporting Costs.

Securities Due From MLC

Securities due from MLC represents the GUC Trust's interest in New GM Securities held by MLC for future distribution in respect of Allowed General Unsecured Claims and the GUC Trust Units (as defined below). The securities held by MLC consist of shares of New GM Common Stock and New GM Warrants as further described in Note 1 and Note 5. The GUC Trust has valued its interest in the securities due from MLC at their fair value based on quoted market prices.

Investments in Marketable Securities

Investments in marketable securities consist of investments in corporate and municipal commercial paper and demand notes. The GUC Trust has valued these securities at fair value based on quoted market prices or quoted prices for similar securities in active markets.

Other Assets

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

Reserves for Estimated 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 1, consist principally of professional fees, costs of governance, and other administrative expenses. These amounts may vary significantly due to, among other things, the time required to complete all

distributions under the Plan. The GUC Trust has recognized reserves for expected liquidation costs that represent estimated costs to be incurred over the remaining liquidation period. As the GUC Trusts 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.

Accounts Payable & 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 or will be transferred to the GUC Trust are passive investments, the GUC Trust will be taxed as a Qualified Settlement Fund ("QSF") pursuant to Treasury Regulation Section 1.468-9(c)(1)(ii).

In general, a QSF pays Federal income tax using the C corporation 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 will not recognize gross income on the transfer of assets from Motors Liquidation Company. The GUC Trust is expected to generate gross income in the form of interest income and possibly gains and/or losses on the ownership of shares of New GM Common Stock and New GM Warrants, which will be reduced by administrative expenses and any accumulated net operating losses, to compute modified gross income.

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.

As the GUC Trust is taxable for Federal income tax purposes a current income tax liability is recognized for estimated taxes payable or refundable on tax returns for the year. Deferred tax liabilities are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. The deferred tax assets are periodically reviewed for recoverability and valuation allowances are provided as necessary.

The GUC Trust may also be subject to state income taxes. State deferred tax liabilities and assets are recorded consistent with the treatment for Federal income tax purposes.

The GUC Trust has a net operating loss for income tax purposes for the three and six months ended September 30, 2011. However, a valuation allowance has been recorded for the related deferred tax asset as the Trust does not believe the tax benefit of the net operating loss is likely to be realizable.

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Use of Estimates

The preparation of financial statements on a liquidation basis in conformity with accounting principles generally accepted in the United States 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, fair value of investment securities and allowed amounts of general unsecured claims. Actual results could differ from those estimates.

Subsequent Events

The accompanying financial statements and related disclosures include evaluation of events up through and including October 31, 2011, which is the date the financial statements were available to be issued.

3. 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 current and future holders of Allowed General Unsecured Claims and GUC Trust Units (as defined below) ("Trust Beneficiaries"). Certain assets of the GUC Trust are reserved for funding the expected costs of liquidation and not available to the Trust Beneficiaries. Other assets of the GUC Trust, primarily securities due from MLC, as described in Notes 1 and 5, are available to be distributed to the Trust Beneficiaries ("GUC Trust Distributable Assets") in accordance with the Plan. The net assets available in liquidation, presented in the accompanying financial statements, corresponds to the amount of GUC Trust Distributable Assets as of September 30, 2011.

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) and cash, if any, remaining at the dissolution of the GUC Trust. The GUC Trust will issue, by credit on its books and records, 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.

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The GUC Trust will make quarterly distributions in respect of the Trust Units to the extent that certain previously Disputed General Unsecured Claims asserted against the estate of MLC 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 resulting amount of Excess GUC Trust Distributable Assets (as defined in the Trust Agreement) as of the end of the relevant quarter exceeds thresholds set forth in the Trust Agreement.

On or about July 8, 2011, the GUC Trust issued 29,770,826 GUC Trust Units to holders of Allowed General Unsecured Claims as of the Effective Date. In addition, on or about July 28, 2011, in connection with the second quarterly distribution, the GUC Trust issued a further 64,393 GUC Trust Units to new holders of Allowed General Unsecured Claims which had been allowed after the Effective Date and on or before the record date for the second quarter distribution. As of September 30, 2011, the record date for the third quarterly distribution by the GUC Trust, the GUC Trust was obligated to distribute New GM Securities and issue 41,349 GUC Trust Units in respect of the Allowed General Unsecured Claims which had been allowed during the quarter ended September 30, 2011.

The following presents the total GUC Trust Units which the GUC Trust issued or was obligated to issue as of September 30, 2011:

	Trust Units
Units outstanding as of April 1, 2011	-
Units issued on or about July 8, 2011 for the initial distribution	29,770,826
Units issued on or about July 28, 2011 for the second quarterly distribution	64,393
Units issuable as of September 30, 2011 for third quarterly distribution	41,349
Total units outstanding or issuable at September 30, 2011	29,876,568

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 the Term Loan Avoidance Action Claim.

The following table presents a summary of the Allowed and Disputed General Unsecured Claims and Term Loan Avoidance Action Claim for the quarter ended September 30, 2011:

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(in thousands)	Allowed General Unsecured Claims	Disputed General Unsecured Claims	Term Loan Avoidance Action Claim	Maximum Amount of Unresolved Claims	Total Claim Amount (1)
Total, July 1, 2011	$ 29,835,202	$ 7,043,392	$ 1,500,000	$ 8,543,392	$ 38,378,594
New Allowed General Unsecured Claims	41,325	-	-	-	41,325
Adjustments to Disputed General Unsecured Claims	-	1,303	-	1,303	1,303
Disputed General Unsecured Claims resolved or disallowed	-	(785,286)		(785,286)	(785,286)
Total, September 30, 2011	$ 29,876,527	$ 6,259,409	$ 1,500,000	$ 7,759,409	$ 37,635,935

(1) Total Claim Amount represents the sum of Allowed General Unsecured Claims and Maximum Amount of Unresolved Claims.

The following table presents a summary of the Allowed and Disputed General Unsecured Claims and Term Loan Avoidance Action Claim for the six months ended September 30, 2011:

(in thousands)	Allowed General Unsecured Claims	Disputed General Unsecured Claims	Term Loan Avoidance Action Claim	Maximum Amount of Unresolved Claims	Total Claim Amount (1)
Total, April 1, 2011	$ 29,770,812	$ 8,153,860	$ 1,500,000	$ 9,653,860	$ 39,424,672
New Allowed General Unsecured Claims	105,715	-	-	-	105,715
Adjustments to Disputed General Unsecured Claims	-	1,303	-	1,303	1,303
Disputed General Unsecured Claims resolved or disallowed	-	(1,895,754)	-	(1,895,754)	(1,895,754)
Total, September 30, 2011	$ 29,876,527	$ 6,259,409	$ 1,500,000	$ 7,759,409	$ 37,635,935

(1) Total Claim Amount represents the sum of Allowed General Unsecured Claims and Maximum Amount of Unresolved Claims.

4. Liquidating Distributions

On or about April 21, 2011 and supplemented by a secondary distribution on May 26, 2011, the GUC Trust made its initial distribution to holders of Allowed General Unsecured Claims as of March 31, 2011, distributing an aggregate of 113,194,172 shares of New GM Common Stock

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and 205,807,642 New GM Warrants (102,903,821 of each of the New GM Series A and New GM Series B Warrants).

On or about July 28, 2011 the GUC Trust made its second distribution. The second quarter distribution comprised (i) a distribution of New GM Securities and GUC Trust Units to holders of Allowed General Unsecured Claims which had been allowed after the record date for the first quarterly distribution and on or before June 30, 2011, the record date for such second distribution and (ii) a distribution in respect of all outstanding GUC Trust Units. In the second quarterly distribution, the GUC Trust distributed an aggregate of 3,342,580 shares of New GM Common Stock and 6,077,344 New GM Warrants (3,038,672 of each of the New GM Series A and New GM Series B Warrants).

Pursuant to section 5.6 (b) of the Plan, which prohibits the receipt of fractional New GM Securities in respect of Trust Beneficiaries' GUC Trust Units, on or about August 4, 2011, the GUC Trust sold 245 shares of New GM Common Stock and 518 New GM Warrants (259 of each of the New GM Series A and New GM Series B Warrants) realizing net proceeds of $13,068 for distribution to claimants for fractional shares in respect of their GUC Trust Units.

As of September 30, 2011, the record date for the third quarterly distribution by the GUC Trust, the GUC Trust was obligated to distribute New GM Securities (a) to all holders of newly Allowed General Unsecured Claims (which had become allowed after the record date for the second quarterly distribution and on or before September 30, 2011, the record date for the third quarterly distribution), both in respect of their Allowed General Unsecured Claims and in respect of the prior quarterly distribution on the GUC Trust Units which such holders had not then been allocated, and (b) to all holders of GUC Trust Units, including such newly Allowed General Unsecured Claims, in respect of the third quarterly distribution on such Units. In aggregate for all such distributions, the GUC Trust was obligated at September 30, 2011 to distribute 2,538,108 shares of New GM Stock, 2,307,269 Series A New GM Warrants and 2,307,269 Series B New GM Warrants, and, except as set out below, all of these securities were distributed on or about October 28, 2011:

(a) an aggregate of 59,159 shares of New GM Common Stock, 53,739 New GM Series A Warrants and 53,739 New GM Series B Warrants which were otherwise then distributable to certain holders of Allowed General Unsecured Claims were not so distributed because such holders had not then satisfied certain informational requirements necessary to receive these securities, and

(b) an aggregate of 144 shares of New GM Common Stock, 43 New GM Series A Warrants and 43 New GM Series B Warrants that have not been distributed to holders of Allowed General Unsecured Claims in respect of certain debt securities previously issued, due to the rounding requirements under the rules and procedures of the various clearing systems in which such debt securities were held.

As of September 30, 2011, the GUC Trust had accrued liquidating distributions payable of $96,372,273 in respect of the securities then distributable pending satisfaction of informational

requirements, the rounding of partial shares due to DTC requirements, and the securities distributed on or about October 28, 2011.

5. Securities Due from MLC

Pursuant to the terms of the Plan, MLC currently holds the New GM Securities distributable to holders of Allowed General Unsecured Claims. The GUC Trust has the authority to request, and MLC is required to provide, an amount of New GM Securities necessary to make distributions pursuant to the Plan and the GUC Trust Agreement. On or after December 15, 2011, but by no later than December 29, 2011, all remaining undistributed New GM Securities held at MLC are required under the Plan and the GUC Trust Agreement to be transferred from MLC to the GUC Trust (the "GUC Trust Transfer Date").

At September 30, 2011, the securities due from MLC, at fair value, consisted of the following:

	Number	Value (in thousands)
New GM Common Stock	33,445,711	$ 674,934
New GM Series A Warrants	30,405,062	353,915
New GM Series B Warrants	30,405,062	241,112
Total		$ 1,269,962

The number of common stock shares and warrants due from MLC presented above include that number of shares of common stock and warrants which, as of September 30, 2011, were pending distribution to certain holders of Allowed General Unsecured Claims who had not at such date satisfied the information requirements necessary to receive such distributions. These pending distributions comprised 59,159 shares of New GM Common Stock, valued at $1,193,828, 53,739 New GM Series A Warrants, valued at $625,523, and 53,739 New GM Series B Warrants, valued at $426,150 as of September 30, 2011. If any such holder of Allowed General Unsecured Claims does not provide such information by the time of the GUC Trust's termination, the securities to which the holder would have been entitled will instead be available to the remaining holders of GUC Trust Units.

Further, the numbers and values of New GM Securities due from MLC at September 30, 2011 and in the table above include an aggregate of 144 shares of New GM Common Stock, 43 New GM Series A Warrants and 43 New GM Series B Warrants have not been distributed to holders of Allowed General Unsecured Claims in respect of certain debt securities previously issued, due to the rounding requirements under the rules and procedures of the various clearing systems in which such debt securities were held. In addition, the numbers and values of New GM Securities due from MLC at September 30, 2011 and set out in the table above include 2,478,805 shares of New GM Common Stock, valued at $50,022,285, 2,253,487 New GM Series A Warrants and

2,253,487 New GM Series B Warrants valued at $26,230,588 and $17,870,152, respectively, which were distributed on or about October 28, 2011. A liquidating distribution payable has been recognized in the accompanying statement of net assets for all distributions pending as of September 30, 2011. See Note 4.

6. 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 following table presents information about the GUC Trust's assets measured at fair value on a recurring basis at September 30, 2011, and the valuation techniques used by the GUC Trust to determine those fair values.

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

Level 2 – Fair value 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 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. These level 3 fair value measurements are based primarily on management's own estimates using pricing models, discount cash flow methodologies, or similar techniques taking into account the characteristics of the asset. There were no assets or liabilities recorded that are measured with Level 3 inputs at September 30, 2011.

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.

The GUC Trust also holds other assets and liabilities not measured at fair value on a recurring basis, including accounts payable and other liabilities. The fair value of these liabilities is equal to the carrying amounts in the accompanying financial statements due to the short maturity of such instruments.

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The following table summarizes the fair values of those financial instruments measured at fair value at September 30, 2011:

(in thousands)	Level 1	Level 2	Level 3	Balance as of September 30, 2011
Cash equivalents:				
Money market funds	$ 75	$ -	$ -	$ 75
Investments:				-
Municipal commercial paper and demand notes		38,100		38,100
Corporate commercial paper		9,993		9,993
Securities due from MLC				
New GM Common Stock		674,934		674,934
New GM Warrants		595,027		595,027
Total	$ 75	$ 1,318,055	$ -	$ 1,318,130

The Trust's policy is to recognize transfers between levels of the fair value of the hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no significant transfers between levels of the fair value hierarchy during the quarter ended September 30, 2011.

During the quarter ended September 30, 2011 it was determined that the investments in municipal commercial paper and demand notes and corporate commercial paper, which were previously classified as Level 1 assets in the notes to the financial statements dated June 30, 2011, should have been classified as Level 2 assets. Accordingly, these investments have been classified as Level 2 assets based on the fair value hierarchy.

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7. Reserves for Expected Costs of Liquidation

The following is a reconciliation of the reserves for expected costs of liquidation, including expected reporting costs, for the quarter ended September 30, 2011:

(in thousands)	Reserve for Expected Wind Down Costs	Reserve for Expected Reporting Costs	Total Reserve for Expected Costs of Liquidation
Balance, July 1, 2011	$ 43,809	$ 4,733	$ 48,542
Less liquidation costs incurred during quarter:			
Trust Professionals	(5,045)	(2,077)	(7,122)
Trust Governance	(502)	-	(502)
Other Administrative Expenses	(50)	(60)	(109)
Balance September 30, 2011	$ 38,212	$ 2,596	$ 40,808

The following is a reconciliation of the reserves for expected costs of liquidation, including expected reporting costs, for the six months ended September 30, 2011:

(in thousands)	Reserve for Expected Wind Down Costs	Reserve for Expected Reporting Costs	Total Reserve for Expected Costs of Liquidation
Balance, April 1, 2011	$ 52,734	$ 5,657	$ 58,391
Less liquidation costs incurred during the six months ended September 30, 2011:			
Trust Professionals	(13,375)	(2,923)	(16,298)
Trust Governance	(1,027)	-	(1,027)
Other Administrative Expenses	(120)	(138)	(257)
Balance September 30, 2011	$ 38,212	$ 2,596	$ 40,808

Motors Liquidation Company GUC Trust
Notes to Financial Statements
Unaudited
September 30, 2011

8. Related Party Transactions

The GUC Trust has entered into a transitional services agreement ("TSA") with MLC under which MLC will continue to provide certain services to the GUC Trust until the earlier of December 15, 2011, the date on which the GUC Trust notifies MLC that the services are no longer required, or a date mutually agreed upon by the parties. Under the TSA the GUC Trust will reimburse MLC monthly for the costs of providing such services. The GUC Trust paid $106,238 during the six months ending September 30, 2011 to MLC to fully satisfy its obligation as described in the TSA for services.

EXHIBIT B

Motors Liquidation Company GUC Trust
Claims and Distribution Summary

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		Per section 6.2 (c)(i)			Supplemental Information		
		As of Effective Date	As of June, 30, 2011	As of September 30, 2011 (1)	In respect of October 2011 Distribution	Cumulative total including amounts in respect of October 2011 Distribution	*Notes*
A.	Number of Units Outstanding	0	29,770,826	29,835,219	41,349	29,876,568	(2)
B.	**GUC Trust Distributable Assets**						(3)
	GUC Trust Common Stock Assets	150,000,000	36,718,646	33,375,815	(2,468,218)	30,907,597	
	GUC Trust Warrant Assets "A"	136,363,635	33,380,558	30,341,622	(2,243,834)	28,097,788	
	GUC Trust Warrant Assets "B"	136,363,635	33,380,558	30,341,622	(2,243,834)	28,097,788	
	GUC Trust Dividend Assets	$ 0	$ 0	$ 0	$ 0	$ 0	
	other GUC Trust Distributable Cash (whether held by MLC or the GUC Trust)	$ 0	$ 0	$ 0	$ 0	$ 0	
C.	**Claims Summary**						(4)
	Total Allowed Amount (i.e., all currently Allowed General Unsecured Claims as of date specified)	$ 29,770,812,132	$ 29,835,202,557	$ 29,876,527,365			
	Maximum Amount of all Disputed General Unsecured Claims (in the aggregate)	$ 8,153,859,851	$ 7,044,695,099	$ 6,259,408,672			
	Maximum Amount of all Unresolved Term Loan Avoidance Action Claims (in the aggregate)	$ 1,500,000,000	$ 1,500,000,000	$ 1,500,000,000			
	Maximum Amount of all Unresolved Other Avoidance Action Claims (in the aggregate)	$ 0	$ 0	$ 0			
	Aggregate Maximum Amount (i.e., Maximum Amount of all Disputed General Unsecured Claims, Term Loan Avoidance Action Claims and Unresolved Other Avoidance Action Claims	$ 9,653,859,851	$ 8,544,695,099	$ 7,759,408,672			
	Current Total Amount	$ 39,424,671,983	$ 38,379,897,655	$ 37,635,936,037			
D.	**Holdback**						(5)
	Protective Holdback - GUC Common Stock Assets	0	0	0			
	Additional Holdback - GUC Common Stock Assets	0	0	0			
	Reporting and Transfer Holdback - GUC Common Stock Assets	95,060	0	0			
	Taxes on Distribution Holdback - GUC Common Stock Assets	0	0	0			
	Protective Holdback - GUC Trust Warrant Assets "A"	0	0	0			
	Additional Holdback - GUC Trust Warrant Assets "A"	0	0	0			
	Reporting and Transfer Holdback - GUC Trust Warrant Assets "A"	86,414	0	0			
	Taxes on Distribution Holdback - GUC Trust Warrant Assets "A"	0	0	0			
	Protective Holdback - GUC Trust Warrant Assets "B"	0	0	0			
	Additional Holdback - GUC Trust Warrant Assets "B"	0	0	0			
	Reporting and Transfer Holdback - GUC Trust Warrant Assets "B"	86,414	0	0			
	Taxes on Distribution Holdback - GUC Trust Warrant Assets "B"	0	0	0			
E.	**Claim Disposition**						(4)
	Resolved Allowed General Unsecured Claims allowed	Not applicable	$ 64,390,424	$ 41,324,809			
	Disputed General Unsecured Claims disallowed	Not applicable	$ 1,044,774,328	$ 743,961,619			
	Unresolved Term Loan Avoidance Action Claims resolved in favor of the respective defendants	Not applicable	$ 0	$ 0			
	Other Avoidance Action Claims, resolved in favor of the respective defendants	Not applicable	$ 0	$ 0			

Motors Liquidation Company GUC Trust
Claims and Distribution Summary

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F.	**Distributions in respect of Resolved Allowed General Unsecured Claims of -**						(6)
	GUC Common Stock Assets	0	113,194,172	244,827	161,403	113,600,402	
	GUC Trust Warrant Assets "A"	0	102,903,821	222,572	146,729	103,273,122	
	GUC Trust Warrant Assets "B"	0	102,903,821	222,572	146,729	103,273,122	
	GUC Trust Dividend Assets	$ 0	$ 0	$ 0	$ 0	$ 0	
	other GUC Trust Distributable Cash	$ 0	$ 0	$ 0	$ 0	$ 0	

G.	**Distributions in respect of Units of -**						(7)
	GUC Common Stock Assets	0	0	3,098,004	2,306,815	5,404,819	
	GUC Trust Warrant Assets "A"	0	0	2,816,364	2,097,105	4,913,469	
	GUC Trust Warrant Assets "B"	0	0	2,816,364	2,097,105	4,913,469	
	GUC Trust Dividend Assets	$ 0	$ 0	$ 0	$ 0	$ 0	
	other GUC Trust Distributable Cash	$ 0	$ 0	$ 0	$ 0	$ 0	

H.	**Excess GUC Trust Distributable Assets reserved for distribution to holders of Units of -**					
	GUC Common Stock Assets	0	3,098,004	2,306,815		
	GUC Trust Warrant Assets "A"	0	2,816,364	2,097,105		
	GUC Trust Warrant Assets "B"	0	2,816,364	2,097,105		
	GUC Trust Dividend Assets	$ 0	$ 0	$ 0		
	other GUC Trust Distributable Cash (whether held by MLC or the GUC Trust)	$ 0	$ 0	$ 0		

I.	Additional Shares received (whether held by MLC or the GUC Trust)	0	0	0		

Memo	**Supplemental Information - In respect of distributions to newly Resolved Allowed General Unsecured Claims at next quarterly distribution**					
	Number of Units to Resolved Allowed General Unsecured Claims				41,349	
	Distributions in respect of Resolved Allowed General Unsecured Claims of -					
	GUC Common Stock Assets				161,403	
	GUC Trust Warrant Assets "A"				146,729	
	GUC Trust Warrant Assets "B"				146,729	
	Excess GUC Trust Distributable Assets					
	GUC Common Stock Assets				2,306,815	
	GUC Trust Warrant Assets "A"				2,097,105	
	GUC Trust Warrant Assets "B"				2,097,105	

Motors Liquidation Company GUC Trust
Claims and Distribution Summary

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Notes

(1) The Initial Distribution Date took place on or about April 21, 2011 (with a secondary distribution on or about May 26, 2011 to certain holders of allowed claims as of the initial distribution but who did not receive the April 21 distribution). The second quarterly distribution took place on or about July 28, 2011. The next quarterly distribution date is to take place on or as soon as promptly as practicable after October 1, 2011. That distribution will be made based upon the GUC Trust's books and records as of September 30, 2011, as reflected herein.

(2) Pursuant to the GUC Trust Agreement, each holder of an allowed general unsecured claim is deemed to receive "Units" in the GUC Trust evidenced by appropriate notation on the books and records of the GUC Trust calculated at a ratio of one Unit for each $1,000 in amount of allowed general unsecured claim (such that if all Disputed General Unsecured Claims as of September 30, 2011 are subsequently allowed, the Trust would issue approximately 37.64 million units). Units represent the contingent right to receive, on a pro rata basis as provided in the Plan, Excess GUC Trust Distributable Assets (as described in greater detail in Sections G and H hereof). A copy of the GUC Trust Agreement, as amended, is available at the Motors Liquidation Company GUC Trust website at https://www.mlcguctrust.com/.

Units in respect of general unsecured claims allowed as of the Initial Distribution were not evidenced on the GUC Trust's books and records until after the Effective Date. Hence, for purposes of this presentation only, Units outstanding as of the Effective Date is deemed to be zero. The 29,835,219 Units outstanding as of September 30, 2011 correlate to the $29,835,202,557 in allowed claims as of June 30, 2011. The Number of Units outstanding as of September 30, 2011 does not directly correspond to allowed claims as of June 30, 2011 on a 1 to 1,000 basis because 16 additional Units were issued due to rounding.

(3) The amounts reported as GUC Trust Distributable Assets are net of liquidating distributions payable as further described in footnotes 4 and 5 of the Notes to the Financial Statements.

The numbers and values reported for GUC Trust Distributable Assets as of June 30, 2011, as stated on this report, have been reduced by 36 shares of New GM Common Stock and 11 New GM Series A Warrants and 11 New GM Series B Warrants to reflect securities that have not been distributed to holders of Allowed General Unsecured Claims in respect of certain debt securities previously issued, due to the rounding requirements under the rules and procedures of the various clearing systems in which such debt securities were held.

(4) In section C, the Current Total Amount as of June 30, 2011 reflects an adjustment of $1,303,684 for claims that were reclassified from Allowed General Unsecured Claims to Allowed Administrative Claims. Corresponding adjustments are also reflected in section C in the Maximum Amount of all Disputed General Unsecured Claims and Aggregate Maximum Amount and section E in the Disputed General Unsecured Claims disallowed amount. For Financial Statement purposes this adjustment is disclosed in Note 3 of the Notes to the Financial Statements in the current quarterly financial statements.

(5) On May 24, 2011, the GUC Trust sold 87,182 common shares and 79,256 warrants of each class of warrant related to the Reporting and Transfer Holdback. The sale resulted in cash proceeds of $5,649,328 which, pursuant to the Plan, is being used to fund certain reporting, tax and litigation costs. These funds are currently held by Motors Liquidation Company for the benefit of the GUC Trust. As of September 30, 2011, no additional assets have been identified for holdback.

(6) Distributions to holders of Resolved Allowed General Unsecured Claims include (a) distributions such claimants would have received had their claims been allowed as of the Initial Distribution and (b) to the extent Excess GUC Trust Distributable Assets have previously been made available to Unit holders and/or are being made available at the time of the relevant distribution, additional assets in the form of New GM Securities and/or cash in respect of their being beneficiaries of certain numbers of GUC Trust Units.

The numbers and values reported for Distributions to holders of Resolved Allowed General Unsecured Claims as of June 30, 2011, as stated on this report, have been increased by 36 shares of New GM Common Stock and 11 New GM Series A Warrants and 11 New GM Series B Warrants to reflect securities that have not been distributed to holders of Allowed General Unsecured Claims in respect of certain debt securities previously issued, due to the rounding requirements under the rules and procedures of the various clearing systems in which such debt securities were held.

(7) Pursuant to the Plan, no portion of the initial distribution to claimants was made "in respect of Units". Only subsequent distributions of Excess GUC Trust Distributable Assets are made "in respect of Units". As soon as reasonably practicable after October 1, 2011, distributions of the Excess GUC Trust Distributable Assets as of September 30, 2011 (see section H) will be made on account of 29,876,568 Units (i.e., 29,835,219 Units deemed outstanding as of September 30, 2011 plus 41,349 Units subsequently deemed issued in connection with claims resolved between July 1, 2011 and September 30, 2011). A total of 2,306,815 shares of New GM Common Stock and 2,097,105 warrants from each of the series of New GM Warrants shall be distributed in respect of the 29,876,568 Units outstanding.