

WACHTELL, LIPTON, ROSEN & KATZ

MARTIN LIPTON
HERBERT M. WACHTELL
PAUL VIZCARRONDO, JR.
PETER C. HEIN
HAROLD S. NOVIKOFF
THEODORE N. MIRVIS
EDWARD D. HERLIHY
DANIEL A. NEFF
ANDREW R. BROWNSTEIN
PAUL K. ROWE
MARC WOLINSKY
DAVID GRUENSTEIN
STEVEN A. ROSENBLUM
JOHN F. SAVARESE
SCOTT K. CHARLES
JODI J. SCHWARTZ
ADAM O. EMMERICH
GEORGE T. CONWAY III
RALPH M. LEVENE
RICHARD G. MASON
MICHAEL J. SEGAL

DAVID M. SILK
ROBIN PANOVKA
DAVID A. KATZ
ILENE KNABLE GOTTS
JEFFREY M. WINTNER
TREVOR S. NORWITZ
BEN M. GERMANA
ANDREW J. NUSSBAUM
RACHELLE SILVERBERG
STEVEN A. COHEN
DEBORAH L. PAUL
DAVID C. KARP
RICHARD K. KIM
JOSHUA R. CAMMAKER
MARK GORDON
JOSEPH D. LARSON
LAWRENCE S. MAKOW
JEANNEMARIE O'BRIEN
WAYNE M. CARLIN
STEPHEN R. DIPRIMA
NICHOLAS G. DEMMO

**51 WEST 52ND STREET
NEW YORK, N.Y. 10019-6150
TELEPHONE: (212) 403-1000
FACSIMILE: (212) 403-2000**

GEORGE A. KATZ (1965-1989)
JAMES H. FOGELSON (1967-1991)
LEONARD M. ROSEN (1965-2014)

OF COUNSEL

WILLIAM T. ALLEN
MICHAEL H. BYOWITZ
PETER C. CANELLOS
DAVID M. EINHORN
KENNETH B. FORREST
THEODORE GEWERTZ
MAURA R. GROSSMAN
RICHARD D. KATCHER
MEYER G. KOPLOW
DOUGLAS K. MAYER
ROBERT B. MAZUR
MARSHALL L. MILLER
PHILIP MINDLIN
ROBERT M. MORGENTHAU
DAVID M. MURPHY
DAVID S. NEILL
BERNARD W. NUSSBAUM
LAWRENCE B. PEDOWITZ
ERIC S. ROBINSON
PATRICIA A. ROBINSON*
ERIC M. ROTH
MICHAEL W. SCHWARTZ
STEPHANIE J. SELIGMAN
ELLIOTT V. STEIN
WARREN R. STERN
PATRICIA A. VLAHAKIS
ANTE VUCIC
AMY R. WOLF

* ADMITTED IN THE DISTRICT OF COLUMBIA

COUNSEL

DAVID M. ADLERSTEIN
AMANDA K. ALLEXON
LOUIS J. BARASH
FRANCO CASTELLI
DIANNA CHEN
ANDREW J.H. CHEUNG
PAMELA EHRENKRANZ
UMUT ERGUN
KATHRYN GETTLES-ATWA
ADAM M. GOGOLAK
PAULA N. GORDON
NANCY B. GREENBAUM
MARK A. KOENIG
LAUREN M. KOFKE
J. AUSTIN LYONS
ALICIA C. MCCARTHY
AMANDA N. PERSAUD
S. CHRISTOPHER SZCZERBAN
JEFFREY A. WATIKER

IGOR KIRMAN
JONATHAN M. MOSES
T. EIKO STANGE
DAVID A. SCHWARTZ
JOHN F. LYNCH
WILLIAM SAVITT
ERIC M. ROSOF
MARTIN J.E. ARMS
GREGORY E. OSTLING
DAVID B. ANDERS
ANDREA K. WAHLQUIST
ADAM J. SHAPIRO
NELSON O. FITTS
JOSHUA M. HOLMES
DAVID E. SHAPIRO
DAMIAN G. DIDDEN
IAN BOCKZO
MATTHEW M. GUEST
DAVID E. KAHAN
DAVID K. LAM
BENJAMIN M. ROTH

JOSHUA A. FELTMAN
ELAINE P. GOLIN
EMIL A. KLEINHAUS
KARESSA L. CAIN
RONALD C. CHEN
GORDON S. MOODIE
DONGJU SONG
BRADLEY R. WILSON
GRAHAM W. MELI
GREGORY E. PESSIN
CARRIE M. REILLY
MARK F. VEBLEN
VICTOR GOLDFELD
EDWARD J. LEE
BRANDON C. PRICE
KEVIN S. SCHWARTZ
MICHAEL S. BENN
SABASTIAN V. NILES
ALISON ZIESKE PREISS

DIRECT DIAL: (212) 403-1226

DIRECT FAX: (212) 403-2226

E-MAIL: MWOLINSKY@WLRK.COM

April 15, 2016

By Hand, Email and ECF

The Honorable Martin Glenn
United States Bankruptcy Court for the Southern District of New York
One Bowling Green
New York, NY 10004-1408

Re: *Motors Liquidation Company Avoidance Action Trust v. JPMorgan Chase Bank, N.A., et al.*, Adv. Pro. No. 09-00504 (MG)

Dear Judge Glenn:

I write on behalf of defendant JPMorgan Chase Bank, N.A. ("JPMorgan") in the above-captioned adversary proceeding and with the concurrence of the Defendants' Steering Committee. As directed by the Court, the parties have been negotiating proposed modifications to the August 17, 2015 scheduling order, most recently at an April 13, 2016 in-person meeting. Despite these efforts, the parties were not able to agree on a common order and agreed to submit

The Honorable Martin Glenn
April 15, 2016
Page 2

separate proposed orders. Defendants therefore respectfully submit the enclosed proposed amendment to the August 17, 2015 scheduling order (the “Defendants’ Proposed Order,” attached as Exhibit A), which they believe provides a sensible, efficient process for narrowing the key disputes between the parties.¹

BACKGROUND

As the Court recognized at the March 22 status conference, two fundamental issues in this case are: (1) “what is a fixture”; and (2) “what are the valuation principles that are applicable.” Dkt. No. 475 at 26:5-9.

As for the fixture issue, plaintiff and JPMorgan have now exchanged asset ledgers in which each identified the GM assets it has currently concluded represent surviving collateral for the Term Loan. Our analysis of those lists shows that the parties dispute the fixture status of over 150,000 assets, and agree on the fixture status of only 10,714 assets — a stark difference of position.

As for valuation, defendants have been clear that they believe that the “fresh start” asset values established by New GM, with the assistance of KPMG, for use in New GM’s own financial statements are the appropriate starting point. Based on the work of our experts, defendants believe that New GM’s fresh start values should be modified to remove a single accounting adjustment, the “total invested capital” or “TIC” adjustment. Indeed, in a preliminary

¹ Defendants have framed their proposed order as an amendment (that sets out additional proceedings for two key issues) to the current August 17, 2015 scheduling order (Dkt. No. 153) because they believe an amendment is more efficient than replacing the entire scheduling order. If the Court prefers a fully revised scheduling order, however, defendants will submit one.

The Honorable Martin Glenn
April 15, 2016
Page 3

valuation of New GM's assets, KPMG did not make the TIC adjustment. There are also a small number of assumptions made by KPMG in the course of its work that defendants believe should be corrected. While plaintiff has agreed that the assets sold to New GM should be valued on the basis of their "value in use," plaintiff still has not indicated what principles it believes should be applied in determining that value or how that value is to be ascertained. As for the fresh start values used by New GM, plaintiff took the position in its letter to the Court that those values do not "provide even a useful guidepost for valuing the surviving collateral." Dkt. No. 476 at 4.

DEFENDANTS' PROPOSED ORDER

In order to resolve these core disputes, the Defendants' Proposed Order provides for the litigation on these two issues to go forward on a more accelerated basis:

1. The Collateral Identification Issues — The parties hold fundamentally different views about what constitutes a fixture. From defendants' perspective, the applicable test evaluates three factors: "First, annexation to the realty, either actual or constructive; second, adaptation or application to the use or purpose to which that part of the realty to which it is connected is appropriated; and third, intention to make the article a permanent accession to the freehold." *Cincinnati Ins. Co. v. Fed. Ins. Co.*, 166 F. Supp. 2d 1172, 1179 (E.D. Mich. 2001) (quoting *Wayne Cnty. v. Britton Trust*, 563 N.W.2d 674, 678 (Mich. 1997)). Applying this test, the *Cincinnati Insurance* Court held that a 200-ton milling machine used by a manufacturer of automobile and aerospace parts was a fixture, notwithstanding that the machine "could be removed from the . . . building." *Id.* at 1180.

From plaintiff's statements at our April 13 meeting, our understanding is that plaintiff's position is that an asset is not a fixture if it can be or has been removed from an auto

The Honorable Martin Glenn
April 15, 2016
Page 4

manufacturing facility. Defendants do not believe that this is the correct test. *See, e.g., In re Joseph*, 450 B.R. 679, 694 (Bankr. E.D. Mich. 2011) (dishwasher that had been “actually removed” from a home was a fixture); *Tuinier v. Bedford Charter Tp.*, 599 N.W.2d 116, 119 (Mich. Ct. App. 1999) (“It is sufficient if the item is intended to remain where affixed until worn out, until the purpose to which the realty is devoted is accomplished or until the item is superseded by another item more suitable for the purpose.”) (internal citation omitted).

Our understanding also is that plaintiff believes that the test of whether an asset is a fixture turns on the manner in which the asset is attached to the realty and what the asset is attached to. But courts have consistently explained that “even slight attachment,” whether “actual or constructive,” is sufficient. *Pal-O-Mar Bar, IV, Inc. v. Badger Mut. Ins. Co.*, 2013 WL 6182640, at *1, *2 (Mich. Ct. App. Nov. 26, 2013) (cooking range “only attached through a gas line” was a fixture because it was used for the “purpose of the bar business” and was “intended to complement the realty”).

Under Defendants’ Proposed Order, the Court would resolve this fundamental disagreement by establishing the test for determining whether an asset is a fixture and then applying that test to 20 representative assets selected by the parties from two plants in close proximity to each other in Michigan, GM Assembly Lansing Delta Township and GM Warren Transmission. In order to assist the Court in making its determination, defendants propose that the Court physically inspect the representative assets at the two GM plants, which are a 1 hour 30 minute drive from each other. Defendants believe that, with the benefit of the Court’s reasoned decision, the parties should be able to extend the Court’s rulings to the remaining assets. The

The Honorable Martin Glenn
April 15, 2016
Page 5

parties have spoken to New GM about inspecting both plants, and while discussions are ongoing, New GM believes an inspection of GM Assembly Lansing Delta Township and GM Warren Transmission would be possible during the latter half of May or, potentially, the first week of June, which is in accord with Defendants' Proposed Order.

In an April 12 email to defendants and our subsequent meeting, plaintiff agreed for the first time that the Court should adjudicate the fixture classification issue by considering a selection of representative assets. However, as seen in plaintiff's proposed Case Management and Scheduling Order, plaintiff proposes that the Court rule with respect to 150 assets that would be picked by plaintiff alone.

As an initial matter, if the goal is to obtain determinations that will assist the parties in coming to a joint resolution, it makes no sense for one side to select all of the representative assets. Moreover, the GM categories from which plaintiff proposes to pick its 150 assets exclude several categories in which, after the parties' April 13 meeting, even plaintiff acknowledges there may be fixtures, and in which defendants contend there is a significant amount of surviving collateral.²

But even more fundamentally, there is simply no need for the Court to be burdened with resolving the fixture issue with respect to 150 assets. The core disagreement

² Plaintiff's proposal also provides defendants with only one week from the end of plant inspections to file their brief and expert report on Collateral Identification Issues, and only one week for defendants to file their reply brief, while giving plaintiff more than three weeks to file its opposition. If plaintiff's proposed Case Management and Scheduling Order were adopted in whole or in part, this timing should be adjusted.

The Honorable Martin Glenn
April 15, 2016
Page 6

between the parties turns on the definition of what constitutes a fixture; once that issue is decided and applied to a relatively small selection of assets, the vast gulf between the parties should be substantially, if not entirely, closed.

For example, plaintiff has taken the position that none of GM's metal stamping presses are fixtures. A representative photo of a stamping press, a AA Transfer Press, is enclosed as Exhibit B. Within a typical AA Transfer Press, there are 4 to 6 individual stampers; the entire AA Transfer Press is approximately 200-feet long, 40- to 50-feet wide, and 30- to 40-feet high, and weighs more than 2,800 tons. GM attaches the press to its real property with a specialized, poured concrete foundation that is approximately 25- to 30-feet deep, and further stabilizes the press with tons of girders and support steel. GM's buildings and supporting structures are customized around the press in various ways, and the press is integrated with a large number of other fixed systems that, among other things, move sheet metal blanks into the press and stampers, install and remove the dies used to form the raw material, progressively transfer parts into a finished product, and remove waste metal trimmed during manufacturing.

Plaintiff likewise classified all of the computer-controlled metal milling machines, known as "CNC," or "computer numerical control machines," as non-fixtures. A photo of a representative CNC machine is attached as Exhibit C. A CNC machine usually weighs approximately 20 tons. Approximately 20 of these machines are integrated into a transfer line to manufacture components like engine blocks and cam shafts. These machines are typically bolted to a specially poured, steel-reinforced concrete foundation that is stabilized to prevent any movement of the machine while it is in operation in order to assure that the milled part is

The Honorable Martin Glenn
April 15, 2016
Page 7

manufactured to tolerances as small as 1 micron, *i.e.*, one tenth the diameter of a human hair. Moreover, these machines are typically integrated with cooling and scrap run-off systems (which are themselves integrated into the real property), connected to the main air systems and power supplies of the factory (which are also integrated into the real property), and integrated into an extensive series of overhead cranes and conveyor belts (which are themselves integrated into the real property). GM typically also erects overhead cranes and conveyance systems that transform a line of CNC machines into an integrated system designed to produce a completed, high-precision part.

While a decision on even these two types of disputed assets would significantly narrow the parties' fixture/non-fixture disputes, we believe that a decision on 20 representative assets, properly selected, could be extended to the overwhelmingly vast majority of the remaining disputed assets. And, most importantly, while there are over 150,000 line items in dispute, the reality is that GM's largest assets likewise have the largest values, and as Willie Sutton put it, "that is where the money is."³ A decision as to whether those large, valuable assets are fixtures will very significantly narrow the dollar gap.

For example, GM-owned stamping press systems and CNC and other metal milling machines each account for approximately 12% of the adjusted fresh start value.

³ Defendants' current estimate is that just 11.2% of the approximately 150,000 assets in dispute account for 90% of the adjusted fresh start value associated with those disputed assets. And for that 11.2% subset, assets within just 18 categories developed by defendants (*e.g.*, inground conveyors, overhead conveyors, stamping presses, milling machines) account for 90% of the value.

The Honorable Martin Glenn
April 15, 2016
Page 8

Conveyance systems, including inground, overhead and other types of conveyors (all of which defendants have identified as fixtures and plaintiff as non-fixtures), account for approximately 20% of adjusted fresh start value. A decision with respect to an element of an overhead material conveyance system could be readily applied to other elements of the same system and, from there, to an inground conveyance system.

And while plaintiff claims that the Court needs to assess the manner in which each asset is attached to the realty in order to decide whether an asset is a fixture, the reality is that there are a limited number of ways in which auto manufacturing assets are attached; they are typically bolted to the structure of the factory, connected to the plant's power network, and integrated into an overall manufacturing system, be it stamping, machining, assembly or paint shop. Moreover, this is a case in which "more would be less" because litigating more than 20 assets, and certainly anywhere near 150 assets, would inherently mean less detailed engagement with the individual assets and inevitable and unnecessary delay.⁴

2. The Valuation Principles Issue — As for valuation, Defendants'

Proposed Order provides for resolution through additional discovery, briefing, expert discovery, and an evidentiary hearing of the parties' dispute as to the valuation principles the Court should apply, and which materials and information the Court should rely upon, to determine the value of

⁴ Defendants' Proposed Order also incorporates a number of additional specific issues that plaintiff has identified as appropriate for resolution, including: (a) whether the surviving collateral includes assets at locations other than the 26 fixture filing plants identified in the Term Loan Agreement; (b) whether the surviving collateral includes leased assets; and (c) whether the test governing whether an asset is a fixture leads to different results for assets located at plants in Ohio and Louisiana.

The Honorable Martin Glenn
April 15, 2016
Page 9

the surviving collateral (the “Valuation Principles Issue”). As noted, the fundamental issue is whether the Court should rely upon New GM’s fresh start values and, if it does, whether any adjustments to those values should be applied, or whether the Court instead should apply a different methodology. As the Court knows, the defendants have been clear as to their position. Plaintiff has not been, including at our April 13 meeting. Although plaintiff did reiterate its stated need for further discovery on this issue, it still has not identified why that discovery cannot be completed in the timeframe provided in Defendants’ Proposed Order.

While defendants do not believe that further discovery of any witness other than KPMG is necessary to resolve this issue, broader discovery is nonetheless already underway. Plaintiff has already subpoenaed New GM’s accountant, Deloitte, which has produced documents, and the parties have been engaged in ongoing discussions with the Department of Treasury to obtain evidence from that agency. However, Treasury has already advised the parties that it did not conduct an independent valuation of Old GM’s assets.

Moreover, Defendants’ Proposed Order provides for an additional 6-week window after the parties initially disclose their positions on valuation to allow plaintiff to obtain any additional information it believes to be necessary before it is required to submit its expert report on valuation. And, importantly, under the Defendants’ Proposed Order, briefing on the valuation issue would be completed at essentially the same time as briefing on the fixture issue, thereby putting the Court in a position to resolve these two core issues in the same time frame and enabling the parties to focus on any remaining issues standing in the way of an overall resolution, either through further court proceedings or settlement.

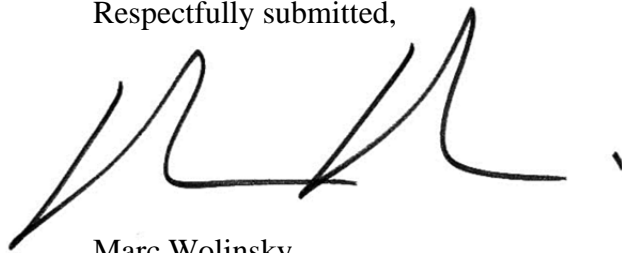
The Honorable Martin Glenn
April 15, 2016
Page 10

Plaintiff's proposed Case Management & Scheduling Order, on the other hand, does not even mention the Valuation Principles Issue or propose any accelerated timeframe for resolution of that issue, amounting to a stay the course proposal on this key issue.⁵ Yet without a resolution on the Valuation Principles Issue, no overall resolution will be possible as the gulf between the parties will remain too wide. There is simply no reason to postpone the resolution of this central aspect of the parties' dispute.

* * *

In sum, we believe that Defendants' Proposed Order sets forth a reasonable schedule for proceedings related to classification and valuation of the surviving collateral. We look forward to discussing these issues further at the April 18 conference.

Respectfully submitted,



Marc Wolinsky

cc: Counsel of Record (by email and ECF)

Enclosures

⁵ Indeed, plaintiff appears to have backtracked on this issue. Plaintiff's portion of the parties' joint April 5, 2016 letter provided for FRCP 26(a)(2) expert disclosures in May 2016. Plaintiff's Proposed Case Management and Scheduling Order contains no such requirement, leaving the Court and the parties in a position where plaintiff will not have to disclose any information regarding its position on valuation until mid-August.

Exhibit A

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

In re:	:	Chapter 11 Case
	:	
MOTORS LIQUIDATION COMPANY, <i>et al.</i> ,	:	Case No. 09-50026 (MG)
	:	
Debtors.	:	(Jointly Administered)
	:	
	:	
MOTORS LIQUIDATION COMPANY AVOIDANCE ACTION TRUST, by and through the Wilmington Trust Company, solely in its capacity as Trust Administrator and Trustee,	:	Adversary Proceeding
	:	
Plaintiff,	:	Case No. 09-00504 (MG)
	:	
vs.	:	
	:	
JPMORGAN CHASE BANK, N.A., individually and as Administrative Agent for Various lenders party to the Term Loan Agreement described herein, <i>et al.</i> ,	:	
	:	
Defendants.	:	
	:	
	:	

**[PROPOSED] ORDER AMENDING THE AUGUST 17, 2015 “ORDER
REGARDING DISCOVERY AND SCHEDULING” TO PROVIDE FOR PROCEEDINGS
ON COLLATERAL IDENTIFICATION AND VALUATION**

WHEREAS, pursuant to the Court’s instructions at the March 22, 2016 status conference, Plaintiff Motors Liquidation Company Avoidance Action Trust (“Plaintiff”) and Defendant JPMorgan Chase Bank, N.A. (“JPMorgan”) exchanged asset listings on April 6, 2016 that provided each party’s current views as to which assets of General Motors Corporation (“GM”) were collateral for the Term Loan in which the Term Loan Lenders had a perfected security interest as of June 1, 2009 (the “Surviving Collateral”);

WHEREAS, counsel for Plaintiff and counsel for Defendants’ Steering Committee (as defined below) met and conferred on April 13, 2016 with respect to (a) which assets constitute Surviving Collateral, including (i) which assets at the 26 plants named in the fixture filings are

fixtures; (ii) whether fixtures in nine additional facilities identified by Defendants (the “Additional Facilities”)¹ also constitute Surviving Collateral; (iii) whether fixtures subject to capital leases or sale/leasebacks (“Leased Assets”) constitute Surviving Collateral; (iv) whether the standard to be applied to determine which assets are fixtures and therefore Surviving Collateral is different for assets at Ohio and Louisiana plants (collectively, the “Collateral Identification Issues”); and (b) what principles should be applied in valuing the Surviving Collateral, including what date should be used for purposes of valuation (the “Valuation Principles Issue”);

WHEREAS, the Court has determined to amend the August 17, 2015 Order Regarding Discovery and Scheduling (Docket No. 153) to provide for additional proceedings on two issues, while otherwise leaving the August 17, 2015 Order in effect;

IT IS HEREBY ORDERED AS FOLLOWS:

1. Amended Discovery Schedule for Certain Issues: The August 17, 2015 Order is amended, with respect only to the Collateral Identification Issues and the Valuation Principles Issue, as follows:

Apr. 27, 2016 The parties shall file with the Court a list identifying 20 representative assets from two plants, GM Warren Transmission and GM Lansing Delta Township, for which an adjudication by the Court as to whether those assets are fixtures could allow the parties to extend the Court’s reasoning to other disputed assets that have substantial value (the “Representative Assets”). If the parties are unable to reach agreement as to 20 representative assets, Plaintiff and Defendants will each identify up to 10 non-duplicative representative assets from the two plants and jointly file their respective lists of 10 representative assets with the Court.

Apr. 29, 2016 Plaintiff and Defendants shall simultaneously exchange their position as

¹ The Additional Facilities are: (i) GM MFD Flint; (ii) GM MFD Fairfax; (iii) GM MFD Lansing Regional Stamping; (iv) GM MFD Lordstown; (v) GM Powertrain Engineering Building (Pontiac); (vi) GM Powertrain Engineering Pontiac; (vii) GM Powertrain Headquarters (Pontiac); (viii) GM SPO Pontiac; and (ix) GM Powertrain Moraine Engine.

to the valuation principles the Court should apply, and which materials the Court should rely upon, to determine the value of the Surviving Collateral for each principal category of asset.² Plaintiff and Defendants shall also exchange their position as to the relevant valuation date for each principal category of asset. The parties shall also make FRCP 26(a)(2) disclosures with respect to any experts on which the parties anticipate affirmatively relying with respect to the Valuation Principles Issue.

(May 3, 2016) (In the event that the list of 20 Representative Assets filed on April 27, 2016 is comprised of 10 assets each identified by Plaintiff and Defendants, either side may submit a single letter to the Court by this date requesting that the Representative Assets list be modified or expanded by no more than 10 additional assets.)

(May 6, 2016) (If a party believes that the other side, on April 29, 2016, provided insufficient detail as to the valuation principles the other believes should be applied, that party may seek relief from the Court.)

May 6-June 15, 2016 Additional discovery takes place on the Valuation Principles Issue, including fact depositions any party deems relevant.

May 10, 2016 Plaintiff and Defendants shall make FRCP 26(a)(2) disclosures with respect to any experts on which each anticipates affirmatively relying with respect to the Collateral Identification Issues.

May 20, 2016 Plaintiff and Defendants shall file simultaneous opening briefs that address the Collateral Identification Issues with respect to the Representative Assets.³ The briefs will be accompanied by the parties' opening expert reports on the Collateral Identification Issues.

May 23-June 22, 2016 The parties and the Court inspect the Representative Assets at GM Warren Transmission and GM Lansing Delta Township (or, if appropriate, reasonably similar assets and installations).

June 29, 2016 Plaintiff and Defendants shall file simultaneous opening briefs on the Valuation Principles Issue, stating their positions as to the appropriate

² Categories are: (i) assets in operating plants sold to New GM; (ii) assets in closed plants sold to New GM; (iii) assets in closed plants transferred to RACER Trust; (iv) assets in the plant that was transferred to RACER Trust and operated under a lease by New GM; and (v) assets that were in closed plants that were transferred to RACER Trust in June 2009, but which were purchased as part of the § 363 sale by New GM and were transferred to an operating New GM plant after the petition date.

³ JPMorgan has requested additional documents from New GM regarding the Leased Assets. If those materials are not produced on or before May 10, 2016, Plaintiff and Defendants shall submit a revised schedule for briefing the Leased Assets issue to the Court for its approval.

valuation principles and the materials on which the Court should rely in determining asset values under such valuation principles. The briefs will be accompanied by the parties' expert reports on the Valuation Principles Issue.

- July 5-18, 2016** Expert depositions related to the Valuation Principles Issue.
- July 6, 2016** The parties shall simultaneously exchange rebuttal expert reports on the Collateral Identification Issues.
- July 13, 2016** Plaintiff and Defendants shall file simultaneous reply briefs on the Collateral Identification Issues.
- July 29, 2016** Plaintiff and Defendants shall exchange rebuttal expert reports on the Valuation Principles Issue.
- Aug. 5, 2016** Plaintiff and Defendants shall file simultaneous reply briefs on the Valuation Principles Issue.
- TBD** The Court holds oral argument on the Collateral Identification Issues and, to the extent required, an evidentiary hearing, and thereafter issues a final decision on the Collateral Identification Issues.
- TBD** The Court holds an evidentiary hearing on the Valuation Principles Issue and thereafter issues a final decision.
- Two weeks after the Court's decision on Collateral Identification Issues** The parties exchange revised asset lists implementing the Court's ruling. One week thereafter, the parties shall report to the Court on the extent to which the Court's ruling has resolved the Collateral Identification Issues. The Court will then schedule a conference to evaluate the scope of any remaining issues related to the identification of Surviving Collateral and determine what proceedings, if any, should follow.

2. Limited stay of discovery: Discovery (including plant inspections) will be stayed with regard to the Collateral Identification Issues except as to the Representative Assets and Leased Assets.

3. Defendants Steering Committee: For purposes of the adjudication of the Collateral Identification Issues and the Valuation Principles Issue, counsel for JPMorgan and a Steering Committee of counsel for the other Term Loan Lenders (Jones Day, Munger Tolles, Kasowitz Benson, Davis Polk and Hahn & Hessen) will coordinate regarding any action to be taken by Defendants.

4. Adjustments to the Schedule: Each party reserves its rights to apply to the Court to alter any of the deadlines herein, and each party reserves its right to oppose any such application.

5. August 17, 2015 Order Otherwise Remains in Effect: Except as set out herein, the Court's August 17, 2015 Order Regarding Discovery and Scheduling for this adversary proceeding remains in full force and effect.

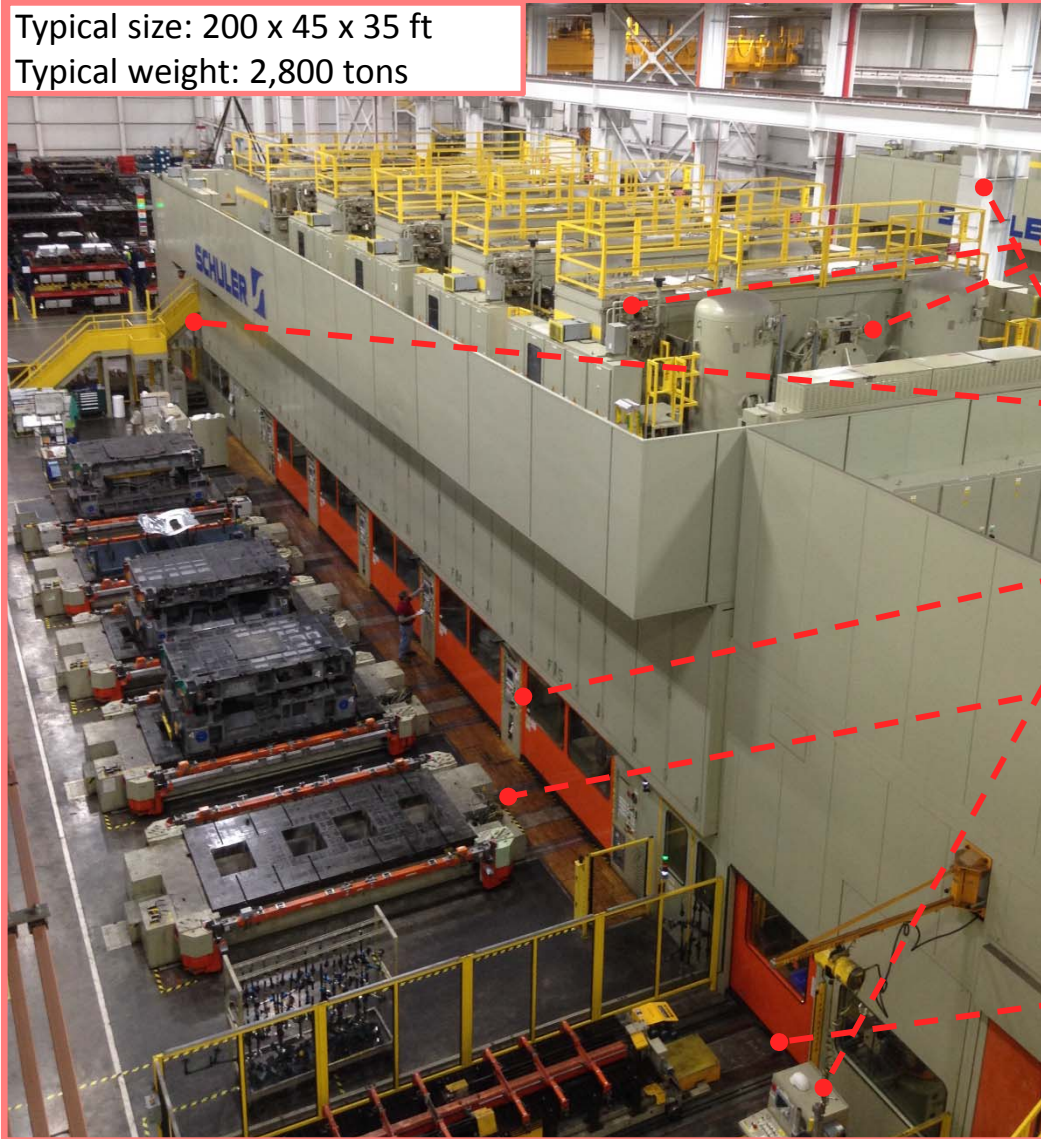
DATED: _____
New York, New York

SO ORDERED: _____
Hon. Martin Glenn
UNITED STATES BANKRUPTCY JUDGE

Exhibit B

5-stage AA Transfer Press

Typical size: 200 x 45 x 35 ft
Typical weight: 2,800 tons



Connected to main air and power supply

Building and supporting structures customized around machine

Fully automated with integrated controls

Integrated with die bolsters

Attached through foundation laid in floor

Exhibit C

CNC Machines within a CNC Transfer Line

Typical size: 8 x 4 x 6 ft
Typical weight: 20 tons

Connected to main air and
power supply

Integrated with conveyance
system

Automation through
integrated workstations

Temperature and humidity
inside of machine and in the
room controlled to meet
tolerance requirements

Bolted to the floor, to anti-
vibration foundation to meet
tolerance required for engines
and transmissions

Building and supporting
structures customized around
machine

