

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re : Chapter 11 Case No.
: :
MOTORS LIQUIDATION COMPANY, *et al.*, : 09-50026 (REG)
f/k/a General Motors Corp., *et al.* :
: :
Debtors. : (Jointly Administered)
: :
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BOYD BRYANT, on behalf of himself and : Adversary No. 09-00508
(REG) :
all others similarly situated, :
Plaintiffs, :
vs. :
: :
MOTORS LIQUIDATION COMPANY, *et al.*, :
f/k/a General Motors Corp., *et al.* :
: :
Defendants. :
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**~~PROPOSED~~ ORDER PRELIMINARILY APPROVING SETTLEMENT,
CONDITIONALLY CERTIFYING SETTLEMENT CLASS, APPROVING CASH
DISBURSEMENT AND FORMS OF NOTICE, AND SETTING FAIRNESS
HEARING**

Upon the Motion, dated July 23, 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 Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”) and Rule 23 of the Federal Rules of Civil Procedure (the “**Federal Rules**”), for entry of an order (the “**Order**”)

¹ Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Motion. Where the terms of the Motion and the Settlement Agreement conflict, the Settlement Agreement shall govern.

preliminarily approving the agreement attached to the Motion as **Exhibit “A,”** and as amended by the First Amendment to Settlement Agreement (the “**Settlement Agreement**”), by and between the Debtors, Plaintiff Boyd Bryant (“**Bryant**”), on behalf of himself and a nationwide class of others similarly situated (the “**Settlement Class**”), conditionally certifying the Class and approving of the forms of class notice; approving of a cash disbursement in the amount of one hundred thousand dollars (\$100,000.00) from the Debtors’ bankruptcy estates; and setting a date for a fairness hearing; 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 the Court having preliminarily found and determined that the settlement and Settlement Agreement are fair, reasonable, adequate, and in the best interest of the Class as a whole; and the Court having conditionally found 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, it is, therefore, and hereby

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

ORDERED that this Court has jurisdiction to consider this matter; and it is further

ORDERED that the Settlement Agreement, and the settlement contemplated thereby, are preliminarily approved as being in the best interests of the Debtors, their estates, creditors, and all parties in interest, including as to all members of the Class, and as including a settlement amount that is within the range of reasonableness pursuant to and within the meaning of Rule 9019 of the Bankruptcy Rules and Rule 23 of

the Federal Rules. In so ordering, the Court specifically finds that: (i) the Settlement Agreement resulted from extensive arm's-length negotiations, and (ii) the settlement evidenced by the Settlement Agreement is sufficient to warrant notice thereof to members of the Settlement Class, as well as a full hearing. The Court makes no finding on the ultimate issues to be determined at the Fairness Hearing, but it also specifically approves the establishment and funding of the Cash Settlement Fund under the Court's jurisdiction in accordance with the terms of the Settlement Agreement, including the payment by the Debtors to Class Counsel (defined below) in the amount of one hundred thousand dollars (\$100,000.00) cash disbursement to defray Administration Expenses pursuant to the Settlement Agreement and otherwise directs the Parties to proceed with said settlement pursuant to the terms and conditions of the Settlement Agreement and exhibits thereto, subject to this Court's authority to determine whether to finally approve said settlement; and it is further

ORDERED that because the Miller County Action was certified prepetition as a nationwide class under the requirements of Arkansas Rule of Civil Procedure 23, and the Arkansas Court appointed Mr. Bryant class representative and his counsel, Messrs. David Crowe, John Arnold, Jim Wyly, and Sean Rommel, as class counsel, and because the Parties to the Settlement Agreement have stipulated, solely for purposes of settlement and entry of this Order, that the Arkansas class certification can be fully acknowledged and adopted by the Court, the Court conditionally certifies, for settlement purposes only, the following Class pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules:

Any “owner” or “subsequent owner” of 1999-2002 1500 Series pickups and utilities originally equipped with an automatic transmission and a PBR 210x30 Drum-in-Hat parking brake system utilizing a high-force spring clip retainer, that registered his vehicle in any state in the United States.

Excluded from the Class are the following individuals or entities:

- a. Individuals or entities, if any, who timely opt out of this proceeding using the correct protocol for opting out that will be formally established by the Court;
- b. Any and all federal, state, or local governments, including, but not limited to, their departments, agencies, divisions, bureaus, boards, sections, groups, counsels, and/or subdivisions;
- c. Any currently sitting Arkansas state court judge or justice in the current style and/or any persons within the third degree of consanguinity to such judge or justice;
- d. Any person who has given notice to GM, by service of litigation papers or otherwise, and alleged he or she has suffered personal injury or collateral property damage due to an alleged defect in any braking component, including the parking brake, in 1999-2002 1500 Series pickups and utilities originally equipped with an automatic transmission and a PBR 210x30 Drum-in-Hat parking brake system utilizing a high-force spring clip retainer;
- e. Any person, “owner”, or “subsequent owner” whose GM vehicle was included in GM’s July 2005 recall bulletin No. 05042, or any supplements or amended versions of that bulletin issued during 2005;

and it is further

ORDERED that Mr. Bryant is provisionally designated as the appointed Class Representative, and Messrs. Crowe, Arnold, Wyly, and Rommel as appointed Class Counsel. In so ordering, the Court preliminarily finds Mr. Bryant, as Class Representative, has not received unduly preferential treatment, that no excessive compensation award has been proposed for Class Counsel, and that the Class

Representative and Class Counsel are fair and adequate representatives of the interests of the Class with, as to the Class Representative, claims typical of members of the Class.

This conditional certification of the Class is for settlement purposes only and shall not constitute, nor be construed as, an admission on the part of the Debtors that this litigation, or any other proposed or certified class action, is appropriate for class treatment pursuant to Rule 23 of the Federal Rules or any similar class action statute or rule. If the Settlement Agreement is terminated or is not consummated for any reason, the foregoing conditional certification of the Class and provisional designation of Class Representative and Class Counsel shall be void and of no further force and effect; and it is further

ORDERED that the Court approves, as to both form and content, the Mailed Notice and the Published Notice, and finds that each meets the requirements of Rule 23 and due process, is appropriate notice to the Class, and shall constitute due and sufficient notice to all persons entitled thereto, and complies fully with the requirements of federal law, the United States Constitution, and any other applicable law.

Accordingly, the Debtors shall mail, at their cost and expense, the Mailed Notice, in the form annexed hereto as **Exhibit A**, via first class mail, and at least forty (40) days before the date of the Fairness Hearing, to the last known address of members of the Class that they can reasonably obtain through Class member warranty information or other data reasonably accessible and from either their own records or from those of New GM, to the extent reasonably available. The Class Representative and Class Counsel, in association with the Claims Administrator, shall publish the Published Notice, as defined in the

Settlement Agreement and in the form annexed hereto as **Exhibit B**, in *USA Today* on three (3) separate days, any Monday through Thursday, beginning as soon as it is reasonably feasible to do so after the date of entry of this Order. The Class Representative and Class Counsel, in association with the Claims Administrator, also shall establish a website and 1-800 number, which shall be identified in the Mailed Notice and Published Notice, for the purpose of enabling members of the Class to obtain copies of the Mailed Notice and Published Notice and to make inquiries with respect to the Settlement Agreement. It shall be the responsibility of Class Counsel, in connection with the Claims Administrator, to respond to inquiries of Class Members as appropriate; and it is further

ORDERED that non-substantive changes necessary to correct any inconsistency between the forms of Mailed Notice and Published Notice approved by the Court and the Settlement Agreement may be made by the mutual agreement of Class Counsel and Debtor's Counsel without further order of this Court; and it is further

ORDERED that the Clerk of the Court is authorized, directed, and ordered to sign and date the Mailed Notice and Published Notice approved by this Order, with such modifications as may be authorized by this Order; and it is further

ORDERED that any member of the Class may enter an appearance in the above-referenced action, at their own expense, individually or through counsel of their own choice. If they do not enter an appearance or otherwise opt out (as set forth below), they will be represented by Class Counsel and be part of the Settlement Class; and it is further

ORDERED that any member of the Class wishing to object to the Settlement Agreement must file a written statement with the Clerk of Court and provide a copy of that objection to Class Counsel and the Debtors' Counsel no later than ten (10) days before the Fairness Hearing. The written statement must contain the following information:

- a) A heading referring to the adversary proceeding case number and to the United States Bankruptcy Court for the Southern District of New York;
- b) A statement as to whether the objector intends to appear at the Fairness Hearing, either in person or through counsel, and, if through counsel, identifying counsel by name, address, and telephone number;
- c) A detailed statement of the specific legal and factual basis for each and every objection;
- d) A list of any witnesses the objector may call at the Fairness Hearing, together with a brief summary of each witness's expected testimony;
- e) A list and copies of any exhibits which the objector may seek to use at the Fairness Hearing;
- f) A list of any legal authority the objector may present at the Fairness Hearing;
- g) The objector's current address;
- h) The objector's current telephone number;
- i) The objector's signature; and
- j) If an objector intends to appear at the Fairness Hearing, a certification that he/she is willing to present himself for deposition no later than ten (10) days before the Fairness Hearing, and a statement of where and when he/she would prefer that his/her deposition occur.

Any member of the Class who fails to timely file such written statement and provide the required information will not be permitted to present any objections at the Fairness Hearing; and it is further

ORDERED that as further set forth in the Mailed Notice, any member of the Class that requests to opt out and be excluded from the Class must send a written request, via certified mail, return receipt requested, pursuant to the instructions in the Mailed Notice, no later than ten (10) days before the Fairness Hearing; and it is further

ORDERED that at least thirty (30) days after the date of the Fairness Hearing, members of the Class who do not opt out and wish to receive a disbursement under the Settlement Agreement must complete and return a Reimbursement Claim Form to the Claims Administrator, as more fully set forth in the Mailed Notice; and it is further

ORDERED that Class Counsel and/or Debtors' Counsel shall file and serve upon each other all papers in support of their request for final approval of the Settlement Agreement at least seven (7) days before the Fairness Hearing; and it is further

ORDERED that a Fairness Hearing shall be held in this Court on October 26 at 8:45 a.m. to determine (i) whether the proposed Settlement Agreement is fair, reasonable, and adequate and should be finally approved by the Court; (ii) whether the Settled Claims should be dismissed with prejudice as to the Debtors pursuant to the terms of the Settlement Agreement; (iii) whether members of the Settlement Class should be bound by the release of the Settled Claims as set forth in the Settlement Agreement; (iv) the amount of Class Counsel's Attorney Fee Award and Reimbursable Costs and Expenses Awarded; (v) the amount of any Incentive Award to Mr. Bryant as class

representative; and (vi) any other matter that may be relevant to approving the Settlement Agreement; and it is further

ORDERED that the Court reserves the right to adjourn the date of the Fairness Hearing without further notice to the Class members and retains jurisdiction to consider all further applications arising out of or connected with the proposed settlement. The Court may, at the Fairness Hearing, approve the Settlement Agreement, with such modifications as may be agreed to by the Parties, if appropriate, without further notice to the Class; and it is further

ORDERED that, unless and until the Settlement Agreement is terminated pursuant to its provisions and/or the Settled Case dismissed in the Judgment, all discovery, motions, pleadings, and other activity in the Settled Case affecting the Parties shall be stayed except to the extent necessary to effectuate the Settlement Agreement; and it is further

ORDERED that the Settlement Agreement and all papers in support thereof shall be available for inspection at the office of the Clerk of the Court.

Signed this *9th day of August, 2010.*

Dated: New York, New York
August 9, 2010

s/Robert E. Gerber
United States Bankruptcy Judge

EXHIBIT A

EXHIBIT "C"

NOTICE OF CLASS ACTION SETTLEMENT

THIS NOTICE IS SENT TO YOU BECAUSE CERTAIN RECORDS REVEAL THAT, FOR A PERIOD OF TIME, YOU MAY HAVE OWNED A 1999 THROUGH 2002 CHEVROLET, GMC, OR CADILLAC PICKUP TRUCK OR SPORT UTILITY VEHICLE ("SUV") EQUIPPED WITH AN AUTOMATIC TRANSMISSION AND MANUFACTURED BY GENERAL MOTORS CORPORATION ("GM").

THIS NOTICE MAY AFFECT YOUR RIGHTS SO PLEASE READ IT CAREFULLY. THIS NOTICE RELATES TO A PROPOSED SETTLEMENT OF A CLASS ACTION UNDER TERMS OF A SETTLEMENT AGREEMENT ("THE SETTLEMENT AGREEMENT"). IF YOU ARE A CLASS MEMBER, THIS NOTICE CONTAINS IMPORTANT INFORMATION AS TO YOUR RIGHTS CONCERNING THE SETTLEMENT.

WHO IS IN THE CLASS?

Any "owner" or "subsequent owner" of 1999-2002 1500 Series pickups and utilities originally equipped with an automatic transmission and a PBR 210x30 Drum-in-Hat parking brake system utilizing a high-force spring clip retainer,¹ that registered his vehicle in any state in the United States.

Excluded from the Class² are the following individuals or entities:

- a. Individuals or entities, if any, who timely opt out of this proceeding using the correct protocol for opting out that will be formally established by the Court;
- b. Any and all federal, state, or local governments, including, but not limited to, their departments, agencies, divisions, bureaus, boards, sections, groups, counsels, and/or subdivisions;
- c. Any currently sitting Arkansas state court judge or justice in the current style and/or any persons within the third degree of consanguinity to such judge or justice;

¹ These automatic-transmission vehicles are: 1500 Chevrolet Silverado pickups; 1500 GMC Sierra pickups; 1500 Chevrolet Tahoes; 1500 Chevrolet Suburbans; 1500 GMC Yukons; 1500 GMC Yukon XLs; and 1500 Cadillac Escalades, model-year and model-coded as follows:

| | |
|----------------------|-----------------------|
| 1500 Series Pickup: | C-K15703 (MY 99-02) |
| | C-K15753 (MY 99-02) |
| | C-K15903 (MY 99-02) |
| | C-K15953 (MY 99-02) |
| 1500 Series Utility: | C-K15706 (MY 00-02) |
| | C-K15906 (MY 00-02) |
| | C-K15936 (MY 02 only) |

² All capitalized terms used herein shall have the same meaning as defined in the Settlement Agreement.

d. Any person who has given notice to GM, by service of litigation papers or otherwise, and alleged he or she has suffered personal injury or collateral property damage due to an alleged defect in any braking component, including the parking brake, in 1999-2002 1500 Series pickups and utilities originally equipped with an automatic transmission and a PBR 210x30 Drum-in-Hat parking brake system utilizing a high-force spring clip retainer;

e. Any person, "owner," or "subsequent owner" whose GM vehicle was included in GM's July 2005 recall bulletin No. 05042, or any supplements or amended versions of that bulletin issued during 2005;

(the "Class").

CHOICES OF SETTLEMENT CLASS MEMBERS

- ***Remain in the Class.*** You can participate in the settlement, without objecting to it. If the Bankruptcy Court finally approves the proposed Settlement Agreement, you are an eligible member of the Class, you properly follow the instructions below as to how to submit the enclosed Reimbursement Claim Form, and the contents of the Reimbursement Claim Form are deemed valid, you will receive the monetary benefits of the settlement. You will then be bound by the terms of the Settlement Agreement, any Final Judgment that is entered, and any release of the Class's claims against the Released Parties, which includes MLC.
- ***Object to the Class.*** You can remain in the Class and file written objections asking the Bankruptcy Court to not approve the proposed Settlement Agreement. Any such objection must contain the information set forth in the "Your Right to Object and Appear" section below, and it also must be mailed or delivered so as to be received by the deadline set forth in that same section. If the Bankruptcy Court does not approve the proposed Settlement Agreement, the lawsuit would continue against MLC and no Class Member would receive payment under the proposed Settlement Agreement. In such a case, your participation in any recovery that may be obtained from MLC through a trial or later settlement will depend on the results of the lawsuit, or the terms of any later settlement.
- ***Opt Out of the Class.*** You can opt out of the Class and be excluded from participation in the Settlement Agreement, if it is approved. A Class Member who elects to opt out and be excluded from participation in the settlement will receive no settlement payment under the Settlement Agreement, or under any later resolution of the lawsuit if the Settlement Agreement is not approved. A Class Member who opt outs and is excluded from the settlement will not be bound by the Settlement Agreement or any Final Judgment entered in the lawsuit, and will not release any claims against the MLC. **However, as explained below, MLC is presently involved in bankruptcy proceedings. In those proceedings, the Bankruptcy Court, via its Bar Date Order, established a claims bar date of November 30, 2009 at 5:00 EST. Because that date is now expired, any Class Member electing to opt out of the Settlement Agreement will likely be barred from filing proofs of claim in MLC's bankruptcy, and thus will effectively be barred from pursuing further litigation against MLC relating to the alleged defect in the Parking Brake.** In order to opt out and be excluded from the settlement, a Class Member must complete and submit a request for exclusion, discussed below, and the request for exclusion must be mailed or delivered so as to be received by the deadline set forth in the Opt Out/Exclusion from the Class section below.

If a Class Member wishes, he may hire his own attorney, at his own expense, to represent his interests in connection with the proposed Settlement Agreement, or the lawsuit involving the Class Member's claims against MLC. If a Class Member remains in the Class but does not hire his own

attorney, Class Counsel and the representative plaintiff, Mr. Boyd Bryant (“**Mr. Bryant**”), will represent the interests of the Class Member(s) in this lawsuit. You are advised that Mr. Bryant, David W. Crowe, and John W. Arnold of Bailey/Crowe & Kugler, LLP, and James C. Wyly and Sean F. Rommel of Wyly-Rommel, PLLC (“**Class Counsel**”) believe the proposed Settlement Agreement is in the best interest of the Class. Accordingly, they intend to support the proposed Settlement Agreement at the scheduled Fairness Hearing. Unless you retain your own attorney, you will not be responsible for any attorneys’ fees, court costs, litigation expenses, or administrative expenses in connection with the Settlement Agreement (or any continuation of the lawsuit if the Settlement Agreement is not approved), except as those amounts may be deducted from the Cash Settlement Fund upon approval of the Settlement Agreement by the Bankruptcy Court (or from any other ultimate recovery if the Settlement Agreement is not approved).

The foregoing options are explained more fully below.

DESCRIPTION OF THE LAWSUIT

On February 4, 2005, Boyd Bryant, on behalf of himself and all others similarly situated (“**Plaintiffs**”) filed an original Class Action Complaint styled *Boyd Bryant, on behalf of himself and all others similarly situated v. General Motors Corporation d/b/a Chevrolet, GMC, Cadillac, Buick and Oldsmobile* in the Circuit Court for Miller County, Arkansas (the “**Miller County Action**”). The Miller County Action is a purported nationwide class action based on an alleged defective Parking Brake in 1999-2002 Chevrolet, GMC, Cadillac pickups and/or SUVs. The Class Action Complaint, as amended, alleges causes of action for: 1) breach of express warranty; 2) breach of the implied warranty of merchantability; 3) violation of the Magnuson-Moss Warranty Act (“**MMWA**”), 15 U.S.C. § 2301 *et seq.*; 4) unjust enrichment; and 5) fraudulent concealment.

After reviewing evidence submitted by Plaintiffs and GM, and oral argument concerning class certification, the Circuit Court for Miller County, Arkansas (the “**Miller County Court**”), on January 11, 2007, certified the Miller County Action as a nationwide class action pursuant to Ark. R. Civ. P. 23. The Miller County Court also appointed Mr. Bryant as the class representative and charged him with “all duties such an appointment entails.” Finally, the Miller County Court appointed counsel from Bailey/Crowe & Kugler, LLP and Wyly-Rommel, PLLC as Class Counsel. GM appealed the class certification order to the Arkansas Supreme Court, which ultimately affirmed the order in June 2008. GM then filed a petition for *writ of certiorari* to the United States Supreme Court. The United States Supreme Court, however, denied the petition in January 2009.

The commencement of chapter 11 cases by GM on June 1, 2009, before the United States Bankruptcy Court for the Southern District of New York (the “**Bankruptcy Court**”), stayed all proceedings related to the Miller County Action. Shortly thereafter, GM filed a motion pursuant to 11 U.S.C. §§ 105, 363(b), (f), (k), and (m), and 365 and Federal Rule of Bankruptcy Procedure 2002, 6004, and 6006 to essentially sell its assets and transfer certain liabilities to Vehicle Acquisition Holdings, LLC (“**VAH**”), which has now changed its name to General Motors Company (“**New GM**”). New GM is a Delaware corporation.

On July 5, 2009, the Bankruptcy Court issued an order approving the asset-sale motion (“**Sale Order**”). Of relevance to this matter, the Sale Order transferred some of GM’s liabilities to New GM, while transferring other liabilities to Motors Liquidation Company (“**MLC**”). Mr. Bryant, on behalf of the Class, has taken the position that liability for all claims or causes of action asserted in the Miller County Action, except for unjust enrichment and fraudulent concealment, has been transferred to New GM under the Sale Order.

On or about July 9, 2009, and over Plaintiffs' strenuous objection, MLC removed the Miller County Action to the United States Bankruptcy Court for the Western District of Arkansas (the "**Arkansas Bankruptcy Court**"). Despite a motion for abstention and remand having been filed, the Arkansas Bankruptcy Court transferred venue of the removed Miller County Action to the Bankruptcy Court. The removed case is docketed in the Court as Adversary No 1:09-ap-508. **Its specific style is as follows: *Boyd Bryant, On Behalf of Himself and All Others Similarly Situated v. Motors Liquidation Company, et al.*; Adversary No. 09-00508 (REG); In the United States Bankruptcy Court for the Southern District of New York.**

On or about September 16, 2009, the Bankruptcy Court entered its 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) (the "**Bar Date Order**"). The Bar Date Order, *inter alia*, set November 30, 2009 at 5:00 EST as the deadline for any person or entity to file a proof of claim against MLC to assert any claim, as defined by Section 101(5) of the Bankruptcy Code, that arose prior to or as of June 1, 2009. Section 101(5) defines "claim" as follows:

The term "claim" means—

(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) 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.

The Bar Date Order further provides that "any holder of a Claim against MLC 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, stopped, and enjoined from asserting such Claim against MLC.

In view of this Bar Date deadline, and his status as appointed representative of the Class, Mr. Bryant, on November 27, 2009, filed proofs of claim nos. 58625, 58626, and 58627 asserting MLC's bankruptcy estate should compensate him and the Class for the defective Parking Brakes based on theories of (i) unjust enrichment and (ii) fraudulent concealment (the "**Claim**"). In addition, Mr. Bryant filed with the Bankruptcy Court a Motion For An Order Allowing Plaintiffs To File a Class Proof of Claim And For The Application of Federal Rule of Bankruptcy Procedure 7023 Pursuant to Federal Rule of Bankruptcy Procedure 9014. That motion remains pending before the Bankruptcy Court and has not yet been ruled upon. MLC has indicated it will oppose this motion.

PRELIMINARY SETTLEMENT CLASS CERTIFICATION

Mr. Bryant, on behalf of himself and the Class, has now agreed with MLC to resolve the "**Settled Claims**," which are defined in the Settlement Agreement, Paragraph 1.47, as follows:

Settled Claims. "Settled Claims" means the Claim against the Released Parties asserted by the Settlement Class, and any and all manner of claims, demands, rights, liabilities, losses, obligations, duties, damages, costs, debts, expenses, interest, penalties, sanctions, fees, attorneys' fees, actions, potential actions, causes of action, suits, agreements, judgments, decrees, disputes, and controversies of any kind, nature, or description

whatsoever, under federal, state, or foreign common law, statute, or regulation, whether known or unknown, disclosed or undisclosed, accrued or unaccrued, apparent or not apparent, foreseen or unforeseen, matured or not matured, suspected or unsuspected, liquidated or not liquidated, fixed or contingent, including Unknown Claims, whether direct, indirect, derivative, individual, representative, legal, equitable, or of any other type, or in any other capacity, related to or derived from the Claim, including but not limited to claims for breach of express warranty, breach of the implied warranty of merchantability, violation of the Magnuson-Moss Warranty Act, 15 U.S.C. § 2301 et seq., unjust enrichment, and fraudulent concealment. "Settled Claims" does not mean the Claim, or any portion thereof, that can or may be asserted by Plaintiffs against New GM. It is expressly understood by the Parties that Plaintiffs are settling nothing as to New GM, and reserve all of their rights and abilities to substitute New GM into these proceedings, or into other proceedings, and to litigate against New GM as they may see fit in the Miller County Action, or elsewhere.

On _____, 2010 the Bankruptcy Court entered an Order of Preliminary Approval preliminarily approving of the Settlement Agreement. In that order and for settlement purposes only, the Bankruptcy Court adopted the prior Class certification in the Miller County Action, and preliminarily determined all relevant Rule 23 settlement factors had been satisfied. The Bankruptcy Court will make a final determination of whether to finally approve of the Settlement Agreement following the Fairness Hearing, which date and time is set forth below.

RELIEF AVAILABLE TO CLASS MEMBERS

Under the Settlement Agreement, Class Members, if they participate and do not opt out of the Class after the Notice of Settlement is disseminated, and the deadline to opt out is expired ("**Participating Class Members**"), may receive the benefit of a twelve million dollar (\$12,000,000) Allowed Claim in MLC's bankruptcy ("**the Allowed Claim**"). Because the Allowed Claim is not received in the form of cash, it will have to be converted to cash in order to pay Participating Class Members as per the three reimbursement tiers below. Under the Settlement Agreement, the Allowed Claim may be converted to cash by: i) selling, transferring, assigning, and/or otherwise monetizing the Allowed Claim, either individually or through a broker; and/or ii) selling any New GM shares, warrants, options, or other property of MLC as part of any chapter 11 plan in any commercially reasonable manner. Once the Allowed Claim is converted to cash or monetized in this manner, Participating Class Members may obtain the following reimbursement benefit upon submission of proper documentation:

TIER ONE: On a *pro rata* basis, up to the amount of money actually spent by any Participating Class Member to repair the defective Parking Brake within the warranty period (which is for 3 years/36,000 miles, but longer warranty period for Cadillacs). Must be an actual out-of-pocket expense, and proof of expenditure for Parking Brake repairs is required in order to receive this reimbursement.

TIER TWO: On a *pro rata* basis, up to \$150.00 for any Participating Class Member who actually spent money to repair the defective Parking Brake up to two (2) years beyond expiration of the vehicle's warranty period (which is for 3 years/36,000 miles, but longer warranty period for Cadillacs). Must be an actual out-of-pocket expense, and proof of expenditure for Parking Brake repairs is required in order to receive this reimbursement.

TIER THREE: For any Participating Class Member who actually spent money to repair the defective Parking Brake more than two (2) years beyond the expiration of the vehicle's limited warranty period (which is for 3 years/36,000 miles, but longer warranty period for Cadillacs), on a *pro rata* basis, a payment of up to \$75.00, but proof of expenditure for Parking Brake repairs is required in order to receive this reimbursement.

The *pro rata* nature of the reimbursement payments under each of these three tiers is based on the nature of the Net Cash Settlement Fund, whose definition and creation is discussed in Settlement Agreement, Paragraphs 1.29, and 2.5-2.10. The Net Cash Settlement Fund could lack funds sufficient to pay all properly submitted Class Member claims on a 100% basis, especially once deductions from the Cash Settlement Fund (to create the Net Cash Settlement Fund) are made for an initial attorney fee payment, Reimbursable Costs and Expenses, Administration Expenses, an Incentive Award to Bryant, and applicable taxes, if any, all as set forth in the Settlement Agreement. However, if there exists a Final Unclaimed Fund (defined below), then it is possible for some Class Members that have submitted an approved Reimbursement Claim Form to receive additional reimbursement for their Parking Brake repairs, as discussed in Settlement Agreement, Paragraph 4.1. In relevant part, Settlement Agreement, Paragraph 4.1 reads as follows:

(2) in the event a Final Unclaimed Fund exists, members of the Settlement Class that have submitted and had approved by the Claims Administrator a Reimbursement Claim Form will, to the extent possible (but, if necessary, subject to *pro rata* reduction) be made one hundred percent (100%) whole with respect to their claimed out-of-pocket expenditures for Parking Brake repairs; if, after these additional "make whole" payments are made, additional Final Unclaimed Fund monies exist, and if Class Counsel's initial attorney fee payment was less than the greater of thirty three percent (33%) of the Allowed Claim or \$4,000,000 cash, then Class Counsel shall be entitled to receive additional monies from the Final Unclaimed Fund as an Attorney Fee Award, but never to exceed a total Attorney Fee Award of 33% of the Allowed Claim, or \$4,000,000 cash, whichever is greater.

Under the Settlement Agreement, Paragraph 1.23, the term "**Final Unclaimed Fund**" means the Net Cash Settlement Fund, less the amount of money represented by those Distribution Checks which are endorsed and presented for payment by Participating Class Members within thirty (30) days after the Distribution Date, plus interest, if any, that has accrued on the amount of money in the Final Unclaimed Fund.

Under the Settlement Agreement, Paragraph 2.12, within thirty (30) days after the Distribution Date, the Claims Administrator shall certify to the Parties the amount in the Final Unclaimed Fund, including all funds unused for the payment of claims, plus all interest accrued. The Parties will stipulate in the Debtors' Motion for Preliminary Approval of Settlement, for Conditional Certification of Settlement Class, to Approve Cash Disbursement and Forms of Class Notice, and to Set Fairness Hearing that they agree to the concept of the Bankruptcy Court vesting in the Circuit Court of Miller County, Arkansas where the Miller County Action was originally filed the exclusive right, ability, and power to issue orders, judgments or decrees effecting the distribution of the Final Unclaimed Fund.

Only those Participating Class Members who properly complete and return the enclosed Reimbursement Claim Form within 30 days after the date on which the Fairness Hearing will be held, and whose Reimbursement Claim Forms are approved by the Claims Administrator, will be eligible for Reimbursement. Reimbursement to Participating Class Members will occur only after the Effective Date. Class Members that elect to opt out or exclude themselves are not eligible for reimbursement.

DISMISSAL AND RELEASE OF ALL CLAIMS

If the proposed Settlement Agreement is ultimately approved by the Bankruptcy Court, the Judgment is entered by the Bankruptcy Court, and the Judgment becomes a Final Judgment, the Settled Claims against MLC will be dismissed with prejudice, and the Settled Claims asserted by the Settlement Class against MLC will be released. Once the dismissal with prejudice and release occur, no Settled Claims may thereafter be asserted by anyone in the Settlement Class against MLC. If the Bankruptcy Court does not approve the Settlement Agreement, the Settlement Agreement will terminate, shall be null and void, and the Miller County Action, as removed and transferred to the Bankruptcy Court, shall remain pending.

HOW WILL I KNOW IF THE SETTLEMENT HAS BEEN APPROVED?

The Bankruptcy Court has scheduled a date to conduct a Fairness Hearing and consider final approval of the Settlement Agreement. On the date or after the Fairness Hearing is conducted, the Bankruptcy Court will issue an order either granting or denying final approval of the Settlement Agreement. If the Bankruptcy Court grants final approval, and if no appeal or post-judgment motion is filed within thirty (30) days after entry of Judgment, the Settlement Agreement will become final and the reimbursement benefits, as described in this notice, will become available to Settlement Class members whose Reimbursement Claim Forms are timely submitted, reviewed, and approved. In the event the Bankruptcy Court grants a final approval, but an appeal is filed, the reimbursement benefits may become available, depending on how the appeal is decided. If you remain in the Settlement Class and wish to know the status of the final approval and the availability of reimbursement, you may call 1-800-_____ to listen to a recorded message about the status of the approval.

OPT OUT/EXCLUSION FROM THE CLASS

To request opt-out/exclusion from the Class, you must send a written request, via certified mail, return receipt requested, to each of the following individuals:

Settlement Class Counsel

David W. Crowe
John W. Arnold
BAILEY/CROWE & KUGLER, LLP
6550 Bank of America Plaza
901 Main Street
Dallas, TX 75202

James C. Wyly
Sean F. Rommel
WYLY ROMMEL, PLLC
2311 Moores Lane
Texarkana, Texas 75503

Rakhee V. Patel
Pronske & Patel, P.C.
2200 Ross Avenue
Suite 5350
Dallas, TX 75201

Counsel for MLC
Harvey R. Miller
Stephen Karotkin
Joseph H. Smolinsky
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153

Vance L. Beagles
WEIL, GOTSHAL & MANGES LLP
200 Crescent Court, Suite 300
Dallas, TX 75201

You must include in your request for exclusion, in clear, easily understood writing and language:
1) your name, address, and telephone number; 2) a statement that you want to be excluded from the Class;
3) the style of this lawsuit in the Bankruptcy Court (*see* bolded text in section entitled "Description of the
Lawsuit" above); and 4) your signature.

If you exclude yourself from the Class, you will not be eligible for any settlement relief or be permitted to participate in the proposed Settlement Agreement. Your written request for exclusion must be postmarked no later than ten (10) days before the Fairness Hearing, or you will lose your right to request exclusion, and you will be bound by the settlement and by all orders, judgments, and releases as contemplated in the Settlement Agreement, even if you have pending or subsequently attempt to initiate litigation against MLC relating to any of the Settled Claims. **Moreover, as discussed, given the Bankruptcy Court's Bar Date Order, you will, in any event, likely be barred from pursuing further litigation against Debtors relating to or arising from the Settled Claims.**

FAIRNESS HEARING DATE, TIME AND PLACE

The date, time and place for this Fairness Hearing is as follows:

Date: _____

Time: _____

Place: Courtroom 621, One Bowling Green, New York, NY 10004-1408.

The Fairness Hearing will occur in the courtroom (Courtroom 621, Sixth Floor) of the Hon. Robert E. Gerber, United States Bankruptcy Judge.

YOUR RIGHT TO OBJECT AND APPEAR

You have the right to remain in the Class and object to the proposed Settlement Agreement. Persons who desire to object must file a written statement with the Bankruptcy Court clerk and provide a copy of that objection to Class Counsel and counsel for MLC no later than ten (10) days before the Fairness Hearing. The written statement must contain the following information:

- 1) A heading referring to the Class case number and to the United States Bankruptcy Court for the Southern District of New York;

- 2) A statement as to whether the objector intends to appear at the Fairness Hearing, either in person or through counsel, and, if through counsel, identifying counsel by name, address and telephone number;
- 3) A detailed statement of the specific legal and factual basis for each and every objection;
- 4) A list of any witnesses the objector may call at the Fairness Hearing, together with a brief summary of each witness's expected testimony;
- 5) A list and copies of any exhibits which the objector may seek to use at the Fairness Hearing;
- 6) A list of any legal authority the objector may present at the Fairness Hearing;
- 7) The objector's current address;
- 8) The objector's current telephone number; and
- 9) The objector's signature.
- 10) If an objector intends to appear at the Fairness Hearing, a certification that he is willing to present himself for deposition no later than ten (10) days before the Fairness Hearing, and a statement of where and when he would prefer that his deposition occur.

ANY MEMBER OF THE SETTLEMENT CLASS WHO FAILS TO TIMELY FILE SUCH WRITTEN STATEMENT AND PROVIDE THE REQUIRED INFORMATION WILL NOT BE PERMITTED TO PRESENT ANY OBJECTIONS AT THE FAIRNESS HEARING.

Once again, your written statement containing your objection must be received by the court clerk for filing no later than ten (10) days before the Fairness Hearing. The mailing address of the court clerk is as follows:

Vito Genna
Clerk of the Court
United States Bankruptcy Court
for the Southern District of New York
One Bowling Green
New York, NY 10004

Complete copies of your written objection must be mailed (certified mail, return receipt requested) or delivered to the following individuals such that they are received no later than ten (10) days before the Fairness Hearing:

David W. Crowe
John W. Arnold
BAILEY/CROWE & KUGLER, LLP
6550 Bank of America Plaza
901 Main Street
Dallas, TX 75202

James C. Wyly
Sean F. Rommel
WYLY ROMMEL, PLLC
2311 Moores Lane
Texarkana, Texas 75503
Rakhee V. Patel
Pronske & Patel, P.C.
2200 Ross Avenue
Suite 5350
Dallas, TX 75201

Harvey R. Miller
Stephen Karotkin
Joseph H. Smolinsky
WEIL, GOTSHAL & MANGES LLP
767 Fifth Avenue
New York, New York 10153

Vance L. Beagles
WEIL, GOTSHAL & MANGES LLP
200 Crescent Court, Suite 300
Dallas, TX 75201

If you remain in the Class and object to the settlement agreement, but the Bankruptcy Court overrules you and approves the Settlement Agreement, you will still receive any benefits allocated to you under the Settlement Agreement, and will still be bound by the Settlement Agreement and any Judgment or Final Judgment dismissing the Settled Claims.

ATTORNEYS' FEES, COSTS AND INCENTIVE AWARD

As noted, the Bankruptcy Court has preliminarily approved the request by Class Counsel, lawyers from Bailey/Crowe & Kugler, LLP and Wyly-Rommel, PLLC, for an Attorney Fee Award that is described in Paragraph 4.1 of the Settlement Agreement. That paragraph, in relevant part, reads as follows:

Attorneys' Fees. Class Counsel submits they are entitled under their contingency fee agreement, and based on the work performed in this matter, to an Attorney Fee Award in an amount not to exceed thirty three percent (33%) of the Allowed Claim, or \$4,000,000 cash, whichever is greater. Debtors agree to not object to any motion by Class Counsel seeking an Attorney Fee Award of an amount not to exceed the greater of thirty three percent (33%) of the Allowed Claim or \$4,000,000 cash, payable to Class Counsel as described in this Paragraph. Class Counsel will apply to the Bankruptcy Court for an Attorney Fee Award to be paid as follows: (1) thirty three percent (33%) of the Cash Settlement Fund in the sequence described in Paragraph 1.29; (2) in the event a Final Unclaimed Fund exists, members of the Settlement Class that have submitted and had approved by the Claims Administrator a Reimbursement Claim Form will, to the extent possible (but, if necessary, subject to pro rata reduction) be made one hundred percent (100%) whole with respect to their claimed out-of-pocket expenditures for Parking Brake repairs. If, after these additional "make whole" payments are made, additional Final Unclaimed Fund monies exist, and if Class Counsel's initial attorney fee payment was

less than the greater of thirty three percent (33%) of the Allowed Claim or \$4,000,000 cash, then Class Counsel shall be entitled to receive additional monies from the Final Unclaimed Fund as an Attorney Fee Award, but never to exceed a total Attorney Fee Award of 33% of the Allowed Claim, or \$4,000,000 cash, whichever is greater

In addition, the Bankruptcy Court has preliminarily approved requested reimbursed litigation costs to class counsel of two hundred ninety thousand dollars (\$290,000.00), and a requested incentive award for Mr. Bryant of ten thousand dollars (\$10,000.00). Upon final approval, the amount of attorneys' fees, reimbursed litigation costs, and the incentive award will be deducted from the Cash Settlement Fund or the Final Unclaimed Fund in the sequence and manner described above.

AVAILABILITY OF ADDITIONAL INFORMATION

This Notice of Class Action Settlement contains only a summary of the proposed Settlement Agreement. For more detailed information about it, you are referred to the pleadings and orders in the Bankruptcy Court's file, which may be inspected during regular business hours at the Office of Clerk of the Court, United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, NY 10004. If you would like to review the proposed Settlement Agreement, a copy is attached as an exhibit to the Debtors' Motion for Preliminary Approval of Settlement, for Conditional Certification of Settlement Class, to Approve Cash Disbursement and Forms of Class Notice, and to Set Fairness Hearing, which is also on file there. In addition, you may review the Settlement Agreement at the following web address: www._____.com.

You may also obtain a copy of the Settlement Agreement from Class Counsel by requesting it from Class Counsel either by mail or telephone. Further, if you wish to address further questions to Class Counsel, you may contact them by mail or telephone. Class Counsel's contact information is as follows:

David W. Crowe
John W. Arnold
BAILEY/CROWE & KUGLER, LLP
6550 Bank of America Plaza
901 Main Street
Dallas, TX 75202

James C. Wylly
Sean F. Rommel
WYLY ROMMEL, PLLC
2311 Moores Lane
Texarkana, Texas 75503

Rakhee V. Patel
Pronske & Patel, P.C.
2200 Ross Avenue
Suite 5350
Dallas, TX 75201

You may, of course, seek the advice and guidance of your own attorney if you desire. **PLEASE DO NOT TELEPHONE THE COURT, THE COURT CLERK'S OFFICE OR MLC'S COUNSEL FOR INFORMATION.**

The form, content and method of delivery of this Notice of Class Action Settlement have been approved by order of the Hon. Robert E. Gerber, United States Bankruptcy Judge.

Dated: _____

CLERK OF COURT
UNITED STATES BANKRUPTCY JUDGE

EXHIBIT B

Attention: 1999-2002 GMC, Chevrolet, Cadillac Pickup and SUV Owners

If you originally purchased or now own a model-year 1999-2002 GMC, Chevrolet, or Cadillac pickup truck or SUV, you may have rights in a class-action settlement regarding a defective parking brake in your vehicle. Preliminary approval of the class action settlement was made by the Hon. Robert Gerber, United States Bankruptcy Judge for the Southern District of New York in the following matter: *Boyd Bryant, On Behalf of Himself and All Others Similarly Situated v. Motors Liquidation Company et al;* Adversary No. 09-00508 (REG); In the United States Bankruptcy Court for the

Southern District of New York. If you are a Class Member who, since 1998 has paid out of pocket for parking brake repairs on your model-year 1999-2002 GMC, Chevrolet, or Cadillac pickup truck or SUV, and possess proof of such payment, you may be entitled to *pro rata* cash reimbursement under the terms of a Settlement Agreement. If you are a Class Member, you may i) remain in the Class and send in your Reimbursement Claim Form ("RCF"); ii) remain in the Class, but object to it; or iii) opt out of the Class and be excluded from participating in

the Settlement Agreement. To view the steps necessary to submit an RCF, to object to the Settlement Agreement, or to opt out of the Class; to view the terms of the Settlement Agreement; or to view the full version of this Notice, please call (800) _____ (toll free), or visit www._____.com. A final hearing to approve the Settlement Agreement will occur on _____, 2010 at ____ a.m. before the Hon. Robert Gerber. Objections and opt outs are due by _____, 2010; RCFs must be submitted by no later than _____, 2010.