

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION

IN RE GENERAL MOTORS CORP.
SECURITIES AND DERIVATIVE LITIGATION

MDL No. 1749
Master Case No. 06-md-1749
Hon. Gerald E. Rosen
This Document Relates to:
2:06-cv-12258-GER
2:06-cv-12259-GER

**NOTICE OF PROPOSED SETTLEMENT, MOTION FOR
ATTORNEYS' FEES AND REIMBURSEMENT OF EXPENSES
AND FAIRNESS HEARING (THE "NOTICE")**

This Notice provides you with important information concerning the settlement (the "Settlement") in the above-captioned action (the "GM Securities Action"), which has been brought against General Motors Corporation ("GM") and other persons and entities (identified below) relating to publicly traded securities of GM, including common and preferred stock and debt securities of any kind, and exchange-traded options on GM common stock ("GM Securities") during the period described below. Your rights may be affected by this Notice. If you wish to participate in the Settlement you must act by March 6, 2009. You should read this Notice carefully.

TO: The "Class," consisting of all persons and entities who purchased or otherwise acquired publicly traded securities of GM, during the period between April 13, 2000 and March 30, 2006, inclusive (the "Class Period"), and who suffered damages thereby, including all persons and entities who acquired shares of GM common stock and preferred stock in the secondary market, all persons or entities who acquired debt securities of GM in the secondary market or pursuant to a registration statement or prospectus, and all persons who purchased or wrote (sold) exchange-traded options on GM common stock.

A federal court authorized this notice. This is not a solicitation from a lawyer.

- The Settlement resolves class action litigation brought by Deka Investment GmbH and Deka International S.A., Luxembourg (collectively, "Lead Plaintiffs"), on behalf of the Class concerning misrepresentations and omissions allegedly made by Defendants throughout the Class Period regarding the financial condition of GM.
- The Settlement provides for a recovery of \$303,000,000 ("Settlement Amount"). The Class will also receive interest on the Settlement Amount. The Settlement Amount plus interest, will be referred to as the Gross Settlement Fund. The Gross Settlement Fund, less any award of attorneys' fees, reimbursement of litigation expenses and other Court-approved costs (the "Net Settlement Fund"), will be distributed solely to Class Members who timely submit (or who have already submitted) acceptable Proofs of Claim (see Response to Question 9 below).
- In exchange for the payment set forth above, the Class shall release any and all Released Claims (defined below) against Defendants and the Released Parties (defined below).
- Defendants disagree with Lead Plaintiffs on the amount of damages, if any, that could have been recovered from Defendants if the Class prevailed against Defendants on each claim at trial. Lead Plaintiffs estimate that the average recovery per share of GM common stock under the Settlement is \$.27 per share before deduction of Court-awarded attorneys' fees and expenses. This estimate is based on an estimate of a maximum of 623 million affected GM shares, assumes that all Authorized Claimants file claims under this Settlement and takes into account the amount that would be paid to such Authorized Claimants who purchased GM Notes or Bonds or options during the Class Period pursuant to the Plan of Allocation after approval by the Court. (See also Response to Question 8 below). **Please note that these amounts are only estimates.**
- **YOU MUST SUBMIT A PROOF OF CLAIM FORM IN ORDER TO PARTICIPATE IN THE SETTLEMENT.**
- Co-Lead Counsel intend to seek an award of attorneys' fees of up to 19% of the Gross Settlement Fund, plus interest earned at the same rate earned by the Class. In addition, at the Fairness Hearing, Co-Lead Counsel will seek reimbursement of the litigation expenses they have incurred in connection with the prosecution of this GM Securities Action, which will not exceed \$1.75 million. If the Court approves Co-Lead Counsels' fee and expense application, the average recovery per share of GM common stock will be reduced to approximately \$.23.
- In reaching the Settlement, Lead Plaintiffs and Defendants have avoided the cost and time of a trial, and Lead Plaintiffs have agreed to the Settlement to avoid the risk of the dismissal of some or all of the claims of the Class against

Defendants as well as continued risks from further litigation, including further deterioration in the financial condition of GM. Defendants do not believe that they violated the federal securities laws, and deny all allegations of wrongdoing asserted against them. Accordingly, Defendants assert that they are not liable to the Class for any amount of damages.

YOUR LEGAL RIGHTS AND OPTIONS:	
SUBMIT A CLAIM FORM (March 6, 2009)	This is the only way to receive payments in connection with the Settlement. See Response to Question 9 below.
EXCLUDE YOURSELF (December 8, 2008)	If you request to be excluded at this time, you will receive no payment from the Settlement Fund. This is the only option that allows you to ever be part of any other lawsuit against Defendants or the other Released Parties in the Settlement concerning the legal claims being released in the Settlement. See Response to Question 13 below.
OBJECT (December 8, 2008)	File with the Clerk of Court your written concerns or objections to the Settlement, the Bar Order, or the attorneys' fees and reimbursement of litigation expenses requested in connection with the Settlement. See Response to Question 16 below.
ATTEND A HEARING (December 22, 2008)	Ask to speak in Court about the fairness of the Settlement, the Bar Order or the attorneys' fees and reimbursement of expenses requested in connection with the Settlement. See Responses to Questions 17-18 below.
DO NOTHING	If you do not respond to this Notice by submitting a Proof of Claim form, you will receive no payment from the Net Settlement Fund. And you will give up your right to file your own lawsuit or participate in any other lawsuit against Defendants or the Released Parties concerning the legal claims being released in the Settlement. See Response to Question 19 below.

- These rights and options – **and the deadlines to exercise them** – are explained in this Notice. Please note the date of the Fairness Hearing – currently scheduled for December 22, 2008 – is subject to change without further notice. If you plan to attend the hearing, you should check with Co-Lead Counsel as set forth herein to be sure that no change to the date and time of the hearing has been made.
- The Court in charge of this case still has to decide whether to approve the Settlement. Payments will be made to Class Members only if certain conditions set forth in the Stipulation are satisfied, including the Court approving the Settlement and that approval being upheld in appeals that are filed, if any.
- Further information regarding the Settlement may be obtained by contacting Co-Lead Counsel: Grant & Eisenhofer P.A., James J. Sabella, 485 Lexington Avenue, 29th Floor, New York, New York 10017, (646) 722-8500, and Labaton Sucharow LLP, Jonathan M. Plasse, 140 Broadway, New York, New York 10005, (212) 907-0700.

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BASIC INFORMATION

1. Why did I receive this notice package?

You or someone in your family may have purchased or otherwise acquired GM Securities between April 13, 2000 and March 30, 2006, inclusive. If the description above applies to you, you may be part of the Class and may have a right to know about the proposed Settlement of the GM Securities Action and about all of your options.

2. What is this lawsuit about?

The GM Securities Action was initially filed on September 19, 2005 in the United States District Court for the Southern District of New York. The Court subsequently appointed the Lead Plaintiffs to represent the Class, and approved Lead Plaintiffs' selection of Lead Counsel.

On April 17, 2006, the Judicial Panel on Multidistrict Litigation transferred the cases pending in the Southern District of New York to the Honorable Gerald E. Rosen in the United States District Court for the Eastern District of Michigan.

On August 15, 2006, following an extensive investigation of their claims, including interviews of former GM employees and current and former employees of entities with which GM engaged in transactions during the Class Period, Lead Plaintiffs filed the 180-page Third Amended Complaint For Violations of the Federal Securities Laws ("Complaint").

The Complaint asserts claims against General Motors Corporation ("GM"), General Motors Acceptance Corporation ("GMAC"), Peter R. Bible, Walter G. Borst, John M. Devine, G. Richard Wagoner, Jr., Alan G. Lafley, Philip A. Laskawy, Eckhard Pfeiffer (the "Individual Defendants"), and Deloitte & Touche LLP ("Deloitte & Touche") (collectively, "Defendants") and sets forth in detail the manner in which Defendants carried out the alleged scheme to inflate the price of GM Securities. More specifically, in the Complaint, Lead Plaintiffs assert claims for alleged violations of the Securities Act of 1933 and the Securities Exchange Act of 1934. The Complaint alleges that Defendants issued false and misleading statements and made material omissions regarding GM's revenues, expenses, cash flows, and earnings (among other financial disclosures) and its financial condition during the Class Period. Deloitte & Touche acted as GM's outside auditor during the Class Period, auditing GM's financial statements and issuing unqualified opinions thereon. The Complaint alleges that such opinions, which were included in various registration statements and prospectuses filed with the Securities Exchange Commission, and which were disseminated to the investing public, were false and misleading. The Complaint further alleges that, as a result of the Defendants' false and misleading statements, the value of GM Securities was inflated, and that members of the Class who purchased or acquired those securities were damaged when the truth about GM's financial condition was revealed and the value of its securities dropped.

In October 2006, the Defendants moved to dismiss the Complaint. Lead Plaintiffs opposed those motions. On December 14, 2006, Lead Plaintiffs moved for leave to file a Fourth Amended Complaint. These motions have not been decided.

On October 16, 2007, the Court appointed Honorable Layn R. Phillips, an experienced mediator and former federal judge, as a Special Master for settlement negotiations. As part of the settlement process, GM and Deloitte & Touche produced to Lead Plaintiffs a large volume of documents relevant to the claims at issue in the case.

On July 21, 2008, the parties agreed to the Settlement, memorialized in a Stipulation and Agreement of Settlement dated September 16, 2008 (the "Stipulation").

Based upon Lead Plaintiffs' independent investigation and the significant volume of documents and information Lead Plaintiffs received from GM and Deloitte & Touche, Lead Plaintiffs and Co-Lead Counsel believe that the Settlement is an excellent recovery for Class Members. Based on their evaluation, Lead Plaintiffs and Co-Lead Counsel have determined that the Settlement set forth in the Stipulation is fair, reasonable and adequate and in the best interests of the Class.

Defendants, while affirmatively denying wrongdoing, fault and liability, consider it desirable and in their best interests that the GM Securities Action be disposed of according to the terms of the proposed Settlement in order to avoid the further expense, uncertainty and distraction of protracted litigation.

3. Why is this GM Securities Action a Class Action?

In a Class Action, one or more people or entities, called a lead plaintiff or a representative plaintiff, sue on behalf of other investors who have similar claims based upon their transactions in a given security. All of those people and/or entities are referred to collectively as a "Class," or individually as a "Class Member." One court resolves the issues for all Class Members, except for those persons or entities who exclude themselves from the Class (as explained below).

4. Why is there a Settlement?

The Court did not decide in favor of either the Lead Plaintiffs or Defendants in this GM Securities Action. Instead, Lead Plaintiffs and Defendants agreed to settle before obtaining final rulings from the Court or a jury in the GM Securities Action. As explained above, the Lead Plaintiffs and Co-Lead Counsel believe the Settlement is beneficial for all Class Members. Defendants consider it desirable and in their best interests that the GM Securities Action be dismissed against them under the terms of the proposed Settlement in order to avoid the further expense, uncertainty and distraction of protracted litigation.

5. How do I know if I am included in the Settlement?

You are a Class Member only if you purchased or acquired GM Securities during the Class Period. "GM Securities" does not include securities issued by GMAC. The Class was certified by the Court, for settlement purposes only, as follows:

All persons and entities who purchased or otherwise acquired GM Securities, including GM Securities purchased or otherwise acquired in any non-U.S. offering or on any non-U.S. exchange or market, during the period between April 13, 2000 and March 30, 2006 and who suffered damages thereby, including all persons and entities who acquired shares of GM common stock and preferred stock in the secondary market, all persons or entities who acquired GM debt securities in the secondary market or pursuant to a registration statement or prospectus, and all persons who purchased or wrote (sold) exchange-traded options on GM common stock.

You are not a Class Member if you are one of the following: (i) any Defendant; (ii) any member of the family of any of the Individual Defendants; (iii) any subsidiary of any Defendant and any entity in which any Individual Defendant has a controlling interest; (iv) any director or officer of GM; any director or officer of GMAC who is an employee of GM; and any partner of Deloitte & Touche, or (v) the legal representatives, heirs, successors or assigns of any such excluded party.

Also excluded from the Class are Persons who exclude themselves from the Settlement by filing a request for exclusion in accordance with the requirements set forth in this Notice as described in the Response to Question 13 below.

If one of your retirement plans or mutual funds purchased or owns GM Securities, that alone does not make you a Class Member. Contact your broker to see whether you purchased GM Securities during the Class Period.

6. What if I still am not sure whether I am included?

If you are still not sure whether you are included, you can ask for free help. You can call (866) 879-0481 toll free from the U.S., or, for international callers, (503) 597-7692, or you can fill out and return the claim form described in the Response to Question 9 to see if you qualify.

7. What does the Settlement Provide?

GM has agreed to pay \$277,000,000 to the Class, and Deloitte & Touche has agreed to pay \$26,000,000 to the Class. Such amounts will be divided, after taxes, fees, and expenses, among all Class Members who submit a valid Proof of Claim form.

The Settlement Amount, plus interest, is referred to herein as the Gross Settlement Fund. After the payment of various expenses, the Net Settlement Fund will be distributed solely to Class Members who submit acceptable Proofs of Claim (see Response to Question 9 below).

The Settlement, if approved, will result in the dismissal of the Complaint and the release by all Class Members of all Settled Claims against the Released Parties, as defined below in the Response to Question 11.

As stated above, Co-Lead Counsel estimates that the average recovery under the Settlement will be \$.27 per share of GM common stock. This estimate is based on an estimate of a maximum of 623 million affected GM shares, assumes that all Authorized Claimants file claims under this Settlement and takes into account the amount that would be paid to such Authorized Claimants who purchased GM Notes or Bonds or options during the Class Period pursuant to this action's Plan of Allocation, after approval thereof by the Court. The actual recovery of any particular Class Member will depend on the following: (1) the number of claims filed; (2) when a Class Member purchased or acquired GM Securities during the Class Period; (3) whether a Class Member sold or retained their GM Securities during the Class Period and if sold, when that transaction took place; (4) taxes and administrative costs, including the costs of this Notice; and (5) the amount awarded by the Court for attorneys' fees and expenses. Distributions to Class Members will be made based on the Plan of Allocation.

Defendants do not agree with Lead Plaintiffs as to the maximum amount that the Class could have recovered had Lead Plaintiffs prevailed at trial and on appeal. In this regard, Defendants disagree with Lead Plaintiffs regarding the following issues in connection with liability and damages: (1) whether Defendants made any false and misleading statements or whether such statements could be attributed to them; (2) whether Defendants engaged in any deceptive or manipulative conduct; (3) whether Defendants' conduct or statements were actionable under any law, including the federal securities laws; (4) whether Defendants made the statements or engaged in the conduct with the requisite knowledge to constitute fraud; (5) the appropriate economic model for determining the amount by which GM Securities were allegedly artificially inflated (if at all) during the Class Period; (6)

the extent to which the various matters that Lead Plaintiffs allege were materially false or misleading (if at all) influenced and artificially inflated (if at all) the trading price of GM Securities at various times during the Class Period; (7) whether Deloitte & Touche and the Individual Defendants conducted appropriate due diligence in connection with various GM bond offerings; (8) whether the Class's claims could be barred in whole or in part by the applicable statutes of limitations or by a truth on the market defense; and (9) the extent to which external factors, such as general market conditions, influenced the trading prices of GM Securities (if at all) at various times during the Class Period.

The Net Settlement Fund will be divided among all Class Members who submit valid proof of claim forms before the deadline for submission.

8. Payment pursuant to the Settlement

Your share of the funds will depend on the number of valid Proof of Claim forms that Class Members send in, the quantity of GM Securities you purchased or acquired, when you purchased or acquired those securities, and when and if you sold those securities.

The proposed Plan of Allocation is available in its entirety on the website relating to the Settlement of the GM Securities Action, GMsecuritiescase.com. Any member of the Class who wants a complete copy of the Plan of Allocation can also request same from the Claims Administrator, which will promptly send such copy to him, her or it by mail. A summary of the Plan of Allocation appears in the Response to Question 20 below.

9. How can I receive a payment in the Settlement?

You must send in a Proof of Claim to qualify for a payment from the Settlement. You cannot obtain a payment from the Settlement Fund without submitting a Proof of Claim form.

A Proof of Claim form is enclosed with this Notice. You may also obtain a Proof of Claim form from Co-Lead Counsel or the Claims Administrator, at PO Box 4068, Portland, OR 97208-4068. Please read the instructions carefully, fill out the Proof of Claim form, include all the documents the form asks for, sign it, and mail it postmarked no later than March 6, 2009.

10. When will I receive my payment in the Settlement?

The Court will hold a Fairness Hearing on December 22, 2008, at 10:00 a.m. to decide whether to approve the Settlement. Even if the Court approves the Settlement, it could take more than a year before the Net Settlement Fund is distributed to the Class Members because the Claims Administrator must process all of the Proof of Claim forms, check the results and follow up to cure any deficient claims. As a result, the processing of claims is a complicated process which can take many months to complete.

11. What am I giving up to receive my payment in the Settlement?

Unless you exclude yourself, you are agreeing to remain in the Class and that means that if the Settlement is approved you will release all "Settled Claims" against the "Released Parties" (as defined below and in the Stipulation, which is available through the mail upon request, and in the Proof of Claim Form). This means that you no longer have the right to pursue these claims in a court of law against Defendants or any of the Released Parties. If you remain a member of the Class, all of the Court's orders will apply to you and legally bind you.

"Settled Claims" means any and all claims, debts, demands, rights or causes of action, suits, matters, and issues or liabilities whatsoever (including, but not limited to, any claims for damages, interest, attorneys' fees, expert or consulting fees, and any other costs, expenses or liability whatsoever), whether based on federal, state, local, statutory or common law or any other law, rule or regulation, whether fixed or contingent, accrued or unaccrued, liquidated or unliquidated, at law or in equity, matured or unmatured, whether class or individual in nature, including both known claims and Unknown Claims (as defined herein), (i) that have been asserted in the GM Securities Action against any of the Released Parties, or (ii) that could have been asserted in any forum by the Class Members or any of them or the successors and assigns of any of them against any of the Released Parties which arise out of, are based upon, or relate to the same subject matter, allegations, transactions, facts, matters or occurrences, representations or omissions involved, set forth, or referred to in the GM Securities Action and related to the purchase, acquisition or holding of GM Securities.

"Released Parties" means GM, GMAC, Peter R. Bible, Walter G. Borst, John M. Devine, G. Richard Wagoner, Jr., Alan G. Lafley, Philip A. Laskawy, Eckhard Pfeiffer, Deloitte & Touche, Deloitte Touche Tohmatsu, a Swiss Verein ("DTT"), and DTT associate and member firms, and all their respective, past, present and future parent companies, subsidiaries, affiliates, divisions, related entities, joint ventures, subcontractors, agents, attorneys, insurers, subrogees, co-insurers, reinsurers and servants, all their respective, past, present and future officers, directors, employees, members, partners, principals, shareholders and owners and all their respective heirs, executors, administrators, personal representatives, predecessors, successors, transferees and assigns.

“Unknown Claims” means any and all claims that any of the Lead Plaintiffs or Class Members do not know or suspect to exist in his, her or its favor as of the Effective Date of the Settlement, and any and all claims that Defendants do not know or suspect to exist in their favor as of the Effective Date, which if known by him, her or it might have affected his, her or its decision(s) with respect to the Settlement. With respect to any and all Settled Claims, the parties stipulate and agree that upon the Effective Date, the Lead Plaintiffs and Defendants shall expressly waive, and each Class Member shall be deemed to have waived, and by operation of the Judgment shall have expressly waived, any and all provisions, rights and benefits conferred by any law of any state of the United States, or principle of common law or otherwise, which is similar, comparable, or equivalent to California Civil Code § 1542, which provides:

A general release does not extend to claims which the creditor does not know or suspect to exist in his or her favor at the time of executing the release, which if known by him or her must have materially affected his or her settlement with the debtor.

The Lead Plaintiffs and Class Members and the Released Parties may hereafter discover facts in addition to or different from those that he, she, it or they now know or believe to exist or to be true with respect to the subject matter of the Settled Claims, but the Lead Plaintiffs and Defendants shall have, and each Class Member and Released Party, upon the occurrence of the Effective Date and by operation of the Final Judgment, shall be deemed to have fully, finally, and forever settled and released any and all Settled Claims, including Unknown Claims. Lead Plaintiffs and Defendants acknowledge, and Class Members by operation of law shall be deemed to have acknowledged, that the inclusion of “Unknown Claims” in the definition of Settled Claims was separately bargained for and was a key element of the Settlement.

12. What is the effect of the Bar Order?

The Settling Parties have agreed to “bar” all claims for contribution, among other claims, that arise out of or are related to the Settled Claims (as defined above) against any of the Released Parties (the “Bar Order”). This Bar Order includes a provision modeled after a mandatory provision in the Private Securities Litigation Reform Act, 15 U.S.C. § 78u-4(f)(7)(A). The practical effect of this Bar Order is that no person or entity may file or prosecute any lawsuit for contribution against any of the Released Parties that is (i) related to or arises out of the Settled Claims or this lawsuit, or (ii) arises from or relates to any person’s or entity’s alleged liability to the Class or any Class Member. The Bar Order also contains a provision for the reduction of any future judgment that Lead Plaintiffs or a Class Member may obtain against any person or entity that is deemed to arise out of or relate to the Settled Claims. In such a case, the future judgment shall be reduced by an amount calculated pursuant to a formula or method described in the Stipulation. The full Bar Order provision set forth in the Stipulation is set out below:

The Bar Order shall bar claims:

(i) by any person or entity against the Released Parties for contribution arising out of the Settled Claims; and
(ii) by the Released Parties against any person or entity for contribution arising out of the Settled Claims, other than a person whose liability has been extinguished by the Settlement, each to the fullest extent permitted by 15 U.S.C. § 78u-4(f)(7)(A) and any other applicable law or regulation. For avoidance of doubt, this shall not be construed to bar any claim by any Defendant against an insurer to recover some or all of the amount paid in this Settlement under a policy of insurance.

Any person or entity receiving or having the Notice, or having actual knowledge of the Notice, or having actual knowledge of sufficient facts that would cause such person to be charged with constructive knowledge of the Notice (“Barred Persons”) shall be permanently barred, enjoined, and restrained from commencing, prosecuting, continuing, or asserting any claim against the Released Persons arising under federal, state, or foreign statutory or common law, however styled, whether for indemnification or contribution or otherwise, where the claim or alleged injury of such Barred Person is or arises from or relates to the Barred Person’s alleged liability to the Class or to any Class Member (“Barred Claims”).

The Bar Order shall provide that no Defendant shall be enjoined from bringing Barred Claims against a Barred Person if for any reason such Barred Person asserts, or such Barred Person is legally not barred by the Bar Order from bringing, Barred Claims against such Defendant.

Any future final verdict or judgment that may be obtained by or on behalf of the Class or a Class Member against any Released Party shall be reduced in accordance with the provisions of 15 U.S.C. § 78u-4(f)(7)(B).

13. How do I exclude myself from the Settlement?

If you do not want a payment from the Settlement Fund, but you want to keep the right to sue or continue to pursue any Settled Claim you may have against Defendants and the other Released Parties, on your own, about the legal issues in this case, then you must take steps to get out. This is called “excluding yourself” or “opting out” of the settlement class.

If you exclude yourself from the Class, you will not receive any payment from the Net Settlement Fund.

To exclude yourself from the Settlement, you must send a letter by mail to the Claims Administrator saying that you want to be excluded from *In re GM Securities and Derivative Litigation*, MDL No. 1749, Case Nos. 06-12258 and 06-12259. If you wish to

exclude yourself from the Class, be sure to include your name, address, telephone number, and signature, and mail your exclusion request postmarked no later than December 8, 2008 to:

In re General Motors Corporation Securities Litigation Settlement
c/o Epiq Systems
Exclusions
Claims Administrator
PO Box 4068
Portland, OR 97208-4068

Requests for exclusion must also list the amount and type of all GM Securities purchased, acquired, or sold during the Class Period, the prices paid or received, the date of each transaction and the amount or number of GM Securities held as of the beginning of the Class Period on April 13, 2000 and at the end of the Class Period on March 30, 2006.

You cannot exclude yourself by telephone or by e-mail. **If you do not follow these procedures – including meeting the date for exclusion set out above – you will not be excluded from the Class, and you will be bound by all of the orders and judgments entered by the Court regarding the Settlement.** You must exclude yourself even if you already have a pending case against any of the Released Parties based upon any Settled Claims.

If you are excluded, you will not receive a payment from the Settlement, and you cannot object to the Settlement. You will not be legally bound by anything that happens in this lawsuit.

14. Do I have a lawyer in the case?

The Court approved Co-Lead Counsel to represent you and the other Class Members in the Settlement. If you need to reach an attorney at one of these firms to discuss any aspect of the Settlement, please address your inquiries to the attorneys named in the Response to Question 16, below.

If you want to be represented by your own lawyer, you may hire one at your own expense.

15. How will the lawyers for the Class in the Settlement be paid?

Co-Lead Counsel have litigated the GM Securities Action on an entirely contingent basis, and have advanced the expenses of litigation with the expectation that if they were successful in recovering money for the Class, they would receive fees and be reimbursed for their expenses from any recovery, as is customary in this type of litigation. Co-Lead Counsel intend to apply for a fee of up to 19% of the Gross Settlement Fund, plus interest earned at the same rate as the Class. Co-Lead Counsel are also seeking reimbursement of the costs and expenses they advanced in connection with the GM Securities Action, in an amount that will not exceed \$1,750,000, plus interest earned at the same rate as the Class. Lead and Named Plaintiffs are also seeking reimbursement for expenses, costs and lost wages directly related to their representation of the Class in this case, in an amount not to exceed \$160,000.

16. How do I notify the Court if I am opposed to any part of the Settlement, the Bar Order or the request for attorneys' fees and reimbursement of expenses in the Settlement?

If you are a Class Member, you may object to any aspect of the Settlement if you do not like any part of it, including the Bar Order or the request for attorneys' fees and reimbursement of expenses.

To object, you must send a letter stating that you are a Class Member, that you object to the Settlement in *In re GM Securities and Derivative Litigation*, MDL No. 1749, Case Nos. 06-12258 and 06-12259, and the reasons why you object.

In your objection, you must include your name, address, telephone number, and your signature. You must also include information concerning your transactions in GM Securities during the Class Period, including the dates, prices paid or received and amounts purchased, acquired or sold and held at the end of the Class Period, so that the Court may determine that you are part of the Class and have an economic interest in any aspect of the Settlement. If you intend to present any witnesses at the Fairness Hearing, you must also so state. Your objection must be filed with the Court and received no later than December 8, 2008, by counsel listed below:

Co-Lead Counsel for Plaintiffs

James J. Sabella, Esq.
 Grant & Eisenhofer P.A.
 485 Lexington Avenue, 29th Floor
 New York, New York 10017

Jonathan M. Plasse, Esq.
 Labaton Sucharow LLP
 140 Broadway
 New York, New York 10005

Liaison Counsel/Additional Plaintiffs' Counsel

Alexander Reus, Esq.
 Diaz Reus & Targ LLP
 100 SE Second Street, Suite 2610
 Miami, Florida 33131

Defendants' Counsel

Robert J. Kopecky, Esq.
 Kirkland & Ellis LLP
 200 East Randolph Drive
 Chicago, IL 60601

Linton J. Childs, Esq.
 Sidley Austin LLP
 One South Dearborn Street
 Chicago, IL 60603

Stephen A. Radin, Esq.
 Weil, Gotshal & Manges LLP
 767 Fifth Avenue
 New York, NY 10153

17. When and where will the Court decide these matters?

The Fairness Hearing for the Settlement will be held at 10:00 a.m. on December 22, 2008, at the United States District Court for the Eastern District of Michigan, Theodore Levin Courthouse, 231 W. Lafayette Blvd., Detroit, Michigan, 48226, in Courtroom 733. At this hearing, the Court will consider whether (i) the Settlement is fair, reasonable and adequate; (ii) whether the claims against Defendants should be dismissed with prejudice as set forth in the Stipulation; and (iii) whether the application by Co-Lead Counsel for an award of attorneys' fees and reimbursement of litigation expenses from the Gross Settlement Fund should be approved. The Court may decide to adjourn the Fairness Hearing without further notice to the Class.

18. Am I required to appear at the fairness hearing and may I speak?

You do not need to attend the Fairness Hearing. However, if you have filed an objection to any aspect of the Settlement as provided above, you may ask the Court for permission to speak at the Fairness Hearing for the Settlement. To do so, you must include with your objection the statement, "I hereby give notice that I intend to appear at the Fairness Hearing for the Settlement in *In re GM Securities and Derivative Litigation*, MDL No. 1749, Case Nos. 06-12258 and 06-12259" (the "Notice of Intention to Appear"). Be sure to include your name, address and telephone number, identify all relevant data concerning your GM Securities, including the dates, prices paid or received and amounts purchased, acquired or sold, and held as of the end of the Class Period, specify whether you continue to hold your GM Securities as of the date of the Notice of Intention to Appear, and sign the letter. If you intend to have any witnesses testify or to introduce any evidence at the Fairness Hearing, you must list the witnesses and evidence in your objection. Your Notice of Intention to Appear must be postmarked no later than December 8, 2008, and be sent to the Clerk of the Court and the counsel listed above in the answer to Question 16. You cannot speak at the hearing if you excluded yourself from the Settlement.

19. What will happen if I am a Class Member in the GM Securities Action and I do nothing at all?

If you do nothing, you will not receive a recovery from this Settlement, and you will be precluded from asserting a Settled Claim, on your own or as part of any other current or future lawsuit, against Defendants or the Released Parties.

20. How will the Settlement proceeds be allocated?

The proposed Plan of Allocation, which provides for distribution of the Net Settlement Fund to Authorized Claimants, can be viewed at a website relating to the Settlement, GMsecuritiescase.com, or can be obtained from the Claims Administrator. The following is a summary of the Plan of Allocation.

SUMMARY OF PLAN OF ALLOCATION

Each Person claiming to be a Class Member entitled to share in the Net Settlement Fund ("Authorized Claimant") shall be required to submit a separate Proof of Claim signed under penalty of perjury and supported by such documents as specified in the Proof of Claim as are reasonably available to the Authorized Claimant. Each Proof of Claim must separately set forth: 1. each claimant's opening securities position in GM common stock, preferred stock, bonds/notes, or put/call options as of April 12, 2000, the day before the first day of the Class Period; 2. each transaction, i.e., purchase, acquisition, or sale made during the Class Period in any such GM security; and 3. each claimant's ending securities position in GM common stock, preferred stock,

bonds/notes or options, both at the close of business on March 30, 2006, the last day of the Class Period, and at the close of business on June 27, 2006, in order to see if Claimants' Section 10(b) Recognized Loss Claims will be limited by calculations relating to the 90 day look back rules of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). In addition, claimants will be asked in the Proof of Claim form to list purchases and sales of GM Securities made during the 90 day look back period of March 30, 2006 to June 27, 2006.

All Proof of Claim forms must be postmarked or received by March 6, 2009, addressed as follows:

In re General Motors Corporation Securities Litigation Settlement
c/o Epiq Systems
Claims Administrator
P.O. Box 4068
Portland, OR 97208-4068

Unless otherwise ordered by the Court, any Class Member who fails to submit a properly completed and signed Proof of Claim within such period as may be ordered by the Court shall be forever barred from receiving any payments pursuant to the Stipulation, but will in all other respects be subject to the provisions of the Stipulation and the final judgment entered by the Court.

The Gross Settlement Fund, less all taxes, approved costs, fees and expenses (the "Net Settlement Fund") shall be distributed to members of the Class who submit acceptable Proofs of Claim ("Authorized Claimants").

The Claims Administrator shall determine each Authorized Claimant's *pro rata* share of the Net Settlement Fund based upon each Authorized Claimant's "Recognized Loss Claim." The Recognized Loss Claim formula is not intended to be an estimate of the amount that a Class Member might have been able to recover after a trial; nor is it an estimate of the amount that will be paid to Authorized Claimants pursuant to the Settlement. The Recognized Loss Claim formula is the basis upon which the Net Settlement Fund will be proportionately allocated to the Authorized Claimants.

The Recognized Loss for a claimant's transactions will be calculated by the Claims Administrator in consultation with Co-Lead Counsel in accordance with the provisions of this Plan of Allocation.

Factors generally considered in developing the Plan of Allocation, include, among others:

1. The time period in which a GM security was purchased;
2. Whether a security was purchased or acquired on the open market, or as a result of some other type of transaction, such as pursuant to a registration statement or prospectus, or by gift;
3. Whether the security was held until the end of the Class Period (March 30, 2006), or whether it was sold during the Class Period, and if so, when it was sold;
4. The relative strength of the claims available to a Class Member;
5. The artificial inflation in the price of GM securities at different times during the Class Period attributable to Defendants' false and misleading statements as alleged in this case ("artificial inflation") as calculated by Lead Plaintiffs' Damages Consultant, Scott Hakala from the CBIZ Valuation Group, LLC. (Based on the opinions of this Consultant, Co-Lead Counsel assumed, for purposes of determining the Recognized Loss, that there were varied amounts of artificial inflation in prices of GM Securities during the Class Period, based on the assumption that Lead Plaintiffs could adequately allege and prove liability for that entire period);
6. Co-Lead Counsel and their Damages Consultant applied weighting factors which are incorporated into artificial inflation tables, separately for both the GM common stock and for the GM debt securities to account for the relative strengths of claims throughout the Class Period, on such matters as causation and damages, given the varying time periods when Class Members purchased, acquired and/or sold GM Securities. In assessing the relative strength of claims of Class Members, Co-Lead Counsel and their Damages Consultant considered, among other things, Co-Lead Counsels' factual and legal investigation and analysis of the claims of Class Members.

The Plan of Allocation generally measures the amount of loss that a Class Member can claim under the Settlement for the purpose of making *pro rata* allocations of the cash in the Net Settlement Fund to Class Members who submit acceptable Proofs of Claim. The Plan of Allocation is not a formal damage analysis. The following proposed Plan of Allocation reflects plaintiffs' allegations that the prices of GM Securities were artificially inflated during the Class Period (April 13, 2000 – March 30, 2006) due to misrepresentations and/or omissions regarding GM's revenues, expenses, cash flows, and earnings (among other financial disclosures) and its financial condition during the Class Period. The plaintiffs allege that corrective disclosures affecting trading on April 13-14, 2005; October 5, 2005; October 10-12, 2005; October 27, 2005; November 10, 2005; January 26, 2006; March 17, 2006; March 29, 2006; and March 30, 2006 removed artificial inflation from the prices of GM Securities.

The Plan of Allocation covers the following GM securities: (i) common stock; (ii)-(ix) the following eight GM Bonds/Notes with respect to which Class Members may have claims under Section 11 or Section 12 of the Securities Act of 1933, as listed below:

- 1) 7.250% Senior Eurobond Notes due 07/03/2013 (Common # 17194275, ISIN # XS0171942757)
- 2) 8.375% Senior Eurobond Notes due 07/05/2033 (Common # 17194364, ISIN # XS0171943649)
- 3) 6.250% Convertible Bonds due 07/15/2033 (CUSIP # 370442717)
- 4) 8.375% Senior Debentures due 07/15/2033 (CUSIP # 370442BT1)
- 5) 7.500% Senior Notes due 07/01/2044 (CUSIP # 370442121)
- 6) 7.375% Senior Notes due 05/15/2048 (CUSIP # 370442725)
- 7) 7.125% Senior Notes due 07/15/2013 (CUSIP # 370442BS3)
- 8) 8.250% Senior Debentures due 07/15/2023 (CUSIP # 370442BW4)

(hereinafter, collectively, the “GM Sections 11 or 12 Bonds/Notes”); (x) 7.375% Senior Notes due 10/01/2051 (CUSIP # 370442766); (xi) 7.250% Senior Notes due 02/15/2052 (CUSIP # 370442758); (xii)-(xxxiii) 22 other GM Bonds/Notes or issues of GM preferred stock, with respect to which Class Members have claims only under Section 10(b) of the Securities Exchange Act of 1934 (hereinafter, collectively, the “GM Section 10(b) Debt Securities”) as listed below:

- 1) 6.250% Bond due 5/1/2005 (CUSIP # 370442AX3)
- 2) 7.100% Bond due 3/15/2006 (CUSIP # 370442AS4)
- 3) 6.375% Bond due 5/1/2008 (CUSIP # 370442AY1)
- 4) 6.850% Bond due 10/15/2008 (CUSIP # 370448AA0)
- 5) 8.950% Bond due 7/2/2009 (CUSIP # 37045GAB9)
- 6) 7.200% Bond due 1/15/2011 (CUSIP # 370442BB0)
- 7) 9.450% Bond due 11/1/2011 (CUSIP # 37045EAS7)
- 8) 8.375% EuroBond due 12/7/2015 (Common # 17192264, ISIN # 0171922643)
- 9) 7.700% Bond due 4/15/2016 (CUSIP # 370442AU9)
- 10) 8.800% Bond due 3/1/2021 (CUSIP # 370442AJ4)
- 11) 9.400% Bond due 7/15/2021 (CUSIP # 370442AN5)
- 12) 9.400% Bond due 7/15/2021 (CUSIP # 37045EAG3)
- 13) 8.875% EuroBond due 7/10/2023 (Common # 17190806, ISIN # XS0171908063)
- 14) 8.100% Bond due 6/15/2024 (CUSIP # 370442AV7)
- 15) 7.400% Bond due 9/1/2025 (CUSIP # 370442AR6)
- 16) 6.750% Bond due 5/1/2028 (CUSIP # 370442AZ8)
- 17) 5.250% Convertible Preferred due 3/6/2032 (CUSIP # 370442733)
- 18) 4.500% Convertible Preferred due 3/6/2032 (CUSIP # 370442741)
- 19) 7.750% Bond due 3/15/2036 (CUSIP # 370442AT2)
- 20) 7.250% Preferred due 4/15/2041 (CUSIP # 370442816)
- 21) 7.250% Preferred due 7/15/2041 (CUSIP # 370442774)
- 22) 7.375% Bond due 5/23/2048 (CUSIP # 370442BQ7);

and (xxxiv) GM put and call options.

At present, only 20 out of the 22 GM preferred and debt securities specified above are known to have incurred some loss due to the alleged fraud. (Lead Plaintiffs’ Damages Consultant has determined that the 6.250% Bond due May 1, 2005 [#1, above] and the 7.100% Bond due March 15, 2006 [#2, above] matured during the Class Period, had insignificant identified losses, and had limited trading during the relevant post-corrective disclosure portion of the Class Period, leading to his conclusion that these two Bonds had no damaged investors for purposes of the Settlement.) If claims are presented by claimants who during the Class Period acquired other GM preferred and debt securities not listed above, accompanied by evidence of losses on those securities due to the alleged fraud, those claims will be evaluated on a security-by-security basis.

A GM Security must be held past a corrective disclosure in order to be eligible for a recovery in the Settlement; that is, a GM Security purchased or otherwise acquired during the first part of the Class Period, from April 13, 2000 through April 13, 2005, must be held until or beyond April 13, 2005, the first trading day after the first corrective disclosure. Similarly, a GM Security purchased or otherwise acquired on or after April 13, 2005 must be held until October 6, 2005, the next trading day after the second corrective disclosure, in order to be eligible for a recovery, and so on through a total of seven more corrective disclosures, running through March 30, 2006, the last day of the Class Period. If you did not hold a GM Security referred to above which was purchased during the nine different parts of the Class Period described above and below (see the artificial inflation Tables available at www.GMSecuritiesCase.com for both the GM common stock and the GM preferred stock and Bonds/Notes) past the nine corrective disclosure dates indicated, the Recognized Loss per share or per Bond/Note is \$0. The Recognized Loss for these transactions will be calculated as zero because it has been determined that the artificial inflation between each disclosure and arising from the circumstances underlying the allegations of Lead Plaintiffs' Complaint was constant.

To the extent a Claimant had a gain from his, her or its separate transactions during the Class Period with respect to any particular GM Security specified above, the value of the Recognized Loss Claim for that particular type of security will be zero. Such claimants will in any event be bound by the Settlement. You may wish to consider this when deciding whether to opt out.

Class Members who do not submit acceptable Proofs of Claim will not share in the settlement proceeds. Class Members who do not submit a request for exclusion and do not submit an acceptable Proof of Claim will nevertheless be bound by the Settlement and the Judgment of the Court dismissing the General Motors Securities Action.

Distributions will be made to Authorized Claimants only after the Court has finally approved the Settlement, the Effective Date has occurred and after all claims have been processed. If any funds remain in the Net Settlement Fund by reason of un-cashed distributions or otherwise, then, after the Claims Administrator has made reasonable and diligent efforts to have Class Members who are entitled to participate in the distribution of the Net Settlement Fund cash their distributions, any balance remaining in the Net Settlement Fund one (1) year after the initial distribution of such funds shall be re-distributed to Class Members who have cashed their initial distributions and who would receive at least \$10.00 from such re-distribution, after payment of any unpaid costs or fees incurred in administering the Net Settlement Fund for such re-distribution. If after six months after such re-distribution, any funds shall remain in the Net Settlement Fund, then such balance shall be contributed to non-sectarian, not-for-profit organizations designated by Co-Lead Counsel after notice to the Court and subject to direction, if any, by the Court.

Lead Plaintiffs, the Settling Defendants, their respective counsel, and all other Released Parties shall have no responsibility for, or liability whatsoever, relating to distributions from the Gross Settlement Fund or the Net Settlement Fund, or with respect to the Plan of Allocation, or the determination, administration, calculation, or payment of any Proof of Claim, or non-performance of the Claims Administrator, the payment or withholding of taxes owed by a Settlement Fund, or any losses incurred in connection therewith.

OTHER PROVISIONS OF THE PLAN

A payment to any Class Member from the Net Settlement Fund that would amount to less than \$10.00 in total will be included in the calculation of the Net Settlement Fund in the following manner. If payment to a claimant calculates to less than \$10, than payments to all such claimants shall be equal to \$5. Payment in this manner shall be deemed conclusive against all Authorized Claimants.

The determination of the price paid and the price received for a particular security shall be exclusive of all commissions, taxes, fees and charges. Claimants need to list in their Proofs of Claim all purchases, acquisitions, and sales of GM Securities during the relevant time period.

The Court has reserved jurisdiction to modify, amend, or alter the Plan of Allocation without further notice, or to allow, disallow or adjust the claim of any Class Member on equitable grounds, to ensure a fair and equitable distribution of funds. No person shall have any claim against the Lead Plaintiffs or their counsel or any claims administrator or other agent designated by the Lead Plaintiffs or their counsel, or against Defendants or their counsel, based on distributions made substantially in accordance with the Stipulation and the Settlement contained therein, the Plan of Allocation, or further orders of the Court.

The Defendants and their counsel shall have no involvement in, or responsibility for, or liability whatsoever for the distribution of the Gross Settlement Fund or the Net Settlement Fund, for the Plan of Allocation, for the determination, administration and calculation of, or payment pursuant to, Proofs of Claim, for the payment or withholding of taxes owed by the Gross or Net Settlement Funds, or for acts or omissions of the Escrow Agent or any losses incurred in connection therewith.

The Gross Settlement Fund, less any deductions for fees and costs allowed by the Court, taxes due and other deductions pursuant to the terms of the Stipulation, shall be maintained by the Escrow Agent for the benefit of the Class, as provided in the Stipulation.

Under no circumstances will a Recognized Loss Claim exceed the out-of-pocket loss, not including commissions, taxes or other fees.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

The Court has ordered that if you purchased or acquired GM Securities during the Class Period as nominee for a beneficial owner, then within seven (7) calendar days after you receive this Notice, you must either: (a) send a copy of this Notice by first class mail to all such beneficial owners; or (b) provide a list of the names and addresses of such beneficial owners to the Claims Administrator at the following address so that the Claims Administrator can provide them with a copy of this Notice.

In re General Motors Corporation Securities Litigation Settlement
Epiq Systems
Claims Administrator
PO Box 4068
Portland, OR 97208-4068

You are entitled to reimbursement of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation.

GETTING MORE INFORMATION

This Notice summarizes the proposed Settlement. More details are contained in the Stipulation and Plan of Allocation. Details may also be found at a website relating to the Settlement, GMsecuritiescase.com. If you have questions regarding how to obtain copies of documents related to this Settlement, completing your Proof of Claim form, correspondence you have received from the Claims Administrator, or the calculation of your Recognized Claim, you may write to Epiq Systems at the address listed above, or E-Mail it at info@gmsecuritiescase.com, or call it at (866) 879-0481 toll free for U.S. callers, or, for international callers, at (503) 597-7692.

PLEASE DO NOT CONTACT THE COURT