

# **IMPORTANT NOTICE**

**National Securities Clearing Corporation**



**A#:** 6824 Revised – May 19, 2009  
**P&S#** 6394  
**Date:** May 18, 2009  
**To:** ALL PARTICIPANTS  
**Attention:** MANAGING PARTNER/OFFICER  
OPERATIONS PARTNER/OFFICER  
MANAGER P&S DEPARTMENT  
MANAGER DATA PROCESSING DEPARTMENT  
MANAGER, REORGANIZATION DEPARTMENT  
CASHIER  
**From:** CASHIERING  
**Subject:** GENERAL MOTORS - VARIOUS CORPORATE ACTIONS

## **1. Voluntary Offer to Convert General Motors Corp Debentures/Notes to Common Stock**

Members are advised that after extensive internal discussion and after reviewing this issue with members of the SIFMA Corporate Actions Division Executive Committee, NSCC intends to process the majority of the Voluntary Corporate Actions involving General Motors Corp that are scheduled to expire on May 26, 2009 (unless extended). Processing of this offer will be unusual since it will include the option for Long Participants to claim CNS for the Solicitation Fees associated with this offer. In the past, NSCC has exited from CNS any security that is undergoing a Voluntary Corporate Action that includes Solicitation Fees. This notice outlines the procedures for how Members that wish to participate in the offer should submit their liability notices to CNS and how liabilities will be allocated. This process is being adopted pursuant to Rule 13 – Exception Processing.

### **CUSIP'S to be EXITED from CNS**

**370442691 1.50% Series D Convertible Sr. Debentures due 6/1/09**

Due to the potential for extraordinary processing with regards to possible extensions of the offer and the requirement for a Forbearance Agreement, this security **will be exited** from CNS on Thursday May 21, 2009 (two business days prior to the scheduled effective date) in accordance with our normal CNS exit procedures.

## **CUSIP'S to Processed in CNS during the Voluntary Offer**

<b>370442BB0</b>	<b>7.20% Notes due January 15, 2011</b>
<b>37045EAS7</b>	<b>9.45% Medium-Term Notes due November 1, 2011</b>
<b>370442BS3</b>	<b>7.125% Senior Notes due July 15, 2013</b>
<b>370442AU9</b>	<b>7.70% Debentures due April 15, 2016</b>
<b>370442AJ4</b>	<b>8.80% Notes due March 1, 2021</b>
<b>37045EAG3</b>	<b>9.4% Medium-Term Notes due July 15, 2021</b>
<b>370442AN5</b>	<b>9.40% Debentures due July 15, 2021</b>
<b>370442BW4</b>	<b>8.25% Senior Debentures due July 15, 2023</b>
<b>370442AV7</b>	<b>8.10% Debentures due June 15, 2024</b>
<b>370442AR6</b>	<b>7.40% Debentures due September 1, 2025</b>
<b>370442AZ8</b>	<b>6 3/4% Debentures due May 1, 2028</b>
<b>370442741</b>	<b>4.50% Series A Convertible Senior Debentures due March 6, 2032</b>
<b>370442733</b>	<b>5.25% Series B Convertible Senior Debentures due March 6, 2032</b>
<b>370442717</b>	<b>6.25% Series C Convertible Senior Debentures due July 15, 2033</b>
<b>370442BT1</b>	<b>8.375% Senior Debentures due July 15, 2033</b>
<b>370442AT2</b>	<b>7.75% Discount Debentures due March 15, 2036</b>
<b>370442816</b>	<b>7.25% Quarterly Interest Bonds due April 15, 2041</b>
<b>370442774</b>	<b>7.25% Senior Notes due July 15, 2041</b>
<b>370442121</b>	<b>7.5% Senior Notes due July 1, 2044</b>
<b>370442725</b>	<b>7.375% Senior Notes due May 15, 2048</b>
<b>370442BQ7</b>	<b>7.375% Senior Notes due May 23, 2048</b>
<b>370442766</b>	<b>7.375% Senior Notes due October 1, 2051</b>
<b>370442758</b>	<b>7.25% Senior Notes due February 15, 2052</b>

According to the published terms of the offer, participants will have the option to surrender their shares of the above securities in exchange for 225 shares of General Motors Common Stock (CUSIP 370442105) for each \$1,000.00 Principal Amount of the above debentures/notes. Additionally, there will be a 1 for 100 Reverse Split of the General Motors Corp. Common Stock that will be effective prior to the distribution of the common stock paid as part of this Tender Offer. No fractional shares will be paid as a result of this exchange/reverse split. As a result, NSCC Members that submit a liability notice for 1,000 Principal Amount will receive 225 shares of General Motors Common Stock (old) which will, as a result of the Reverse Split will result in a final payment of 2 shares of General Motors Common Stock (new - CUSIP not known at this time) with fractions dropped.

The current Expiration Date for this Voluntary event is Tuesday, May 26, 2009. Members that have Long Positions in CNS at the Close of Business on May 22, 2009 or who are projected to have Long Settling Trades in CNS on May 26, 2009 and wish to participate in this offer should submit their liability/protect instruction to CNS on Friday, May 22, 2009 in accordance with our normal CNS Liability Input procedures. Members with short positions will be notified on the morning of May 22, 2009 of their Potential Liability and will receive their Final Liability Report on the Morning of May 27, 2009 (normal processing).

In order to effectively process transactions for liabilities submitted with and without the right to receive solicitation fees, NSCC will process this event as two separate offers. Members wishing to participate in the event WITHOUT claiming solicitation fees must submit their instructions for liability/protect into the CNS Reorg Sub Account G. Members wishing to participate in the event WITH a claim for solicitation fees must submit their liability/protect into the CNS Reorg Sub Account H.

In accordance with our normal procedures, NSCC will move all Member positions for which valid liability instructions have been received into the CNS Reorg Sub Accounts G & H on the day following the effective date of the offer. Relevant short positions of Members that are being held liable will also be moved into the CNS Reorg Sub Accounts and will be debited the cash value of the offer on effective date plus one. Solicitation fees will be processed as a separate item (see below). Payment of the terms of the voluntary offer to long Members will be made in accordance with our normal procedures.

**All of the dates specified above are based on an expiration date of May 26, 2009. If NSCC receives notification that the offer has been extended, we will return all positions to the original CNS Sub account(s) and long Members will need to submit new instructions on effective date minus one of the new expiration date. Accordingly, short Members will receive potential and final liability reports on effective date minus 1 and effective date plus 1 respectively.**

Participants are advised to read the prospectus and other related documents for additional information regarding this offer.

## **2. Processing of Solicitation Fees for Qualified Shares**

According to the terms of the offer, General Motors will pay a solicitation fee of \$5.00 for each \$1,000.00 Principal Amount for each customer that participates in this offer **who holds a position with a maximum value of \$250,000.00 or less** Principal Amount per shareholder (maximum solicitation fee of \$1,250.00 per customer). **Holders of more than \$250,000.00 principal amount would not be entitled to the solicitation fee.**

In order to process these solicitation fees for qualified shares in CNS, NSCC will establish two (2) separate Voluntary Corporate Action events. CNS will use the CNS Reorg Sub Account G to process liabilities/protects submitted WITHOUT the solicitation fees and will use the CNS Reorg Sub Account H to process liabilities/protects submitted WITH the solicitation fees. Therefore, Members that are eligible to receive solicitation fees must submit their liability/protect instructions for the CNS H Account in accordance with our normal liability input procedures. Short Member liability will be determined based on our normal liability processing algorithm. Therefore, Members with CNS short positions may be held liable for solicitation fees in addition to the terms of the offer.

**Members are advised that NSCC WILL NOT process adjustments to move shares submitted incorrectly from one CNS Reorg Sub Account to another once the final liability positions have been established.**

**Members are advised that by submitting a liability instruction that includes solicitation fees, they are representing that they are legally entitled to receive those fees based on the terms of the offer and must be able to produce a list of qualified customers on request.**

On Effective Date + one, NSCC will debit the short Members the \$5.00 per \$1,000.00 Principal Amount solicitation fee and hold those funds until we receive confirmation from the agent that the solicitation fees have been paid at which time the fees will be paid to the qualifying long Members. As solicitation fees are not normally paid as part of the offer, this payment will likely be made some time after the payment of the voluntary offer proceeds. These debits to short Members and subsequent credits to long Members will be processed manually as CNS does not have the required automation to process these solicitation fee charges systematically.

Below are some examples of shares that would qualify for solicitation fees and what CNS Reorg Sub Accounts Members should use to protect themselves.

1. A Member has a total CNS Long position of \$800,000.00 principal amount for which he has 5 customers with the following denominations:

Customer 1	\$200,000.00 PA
Customer 2	\$150,000.00 PA
Customer 3	\$200,000.00 PA
Customer 4	\$175,000.00 PA
Customer 5	\$ 75,000.00 PA

Since each of the underlying customers own less than \$250,000.00 Principal Amount, the long Member would be entitled to receive solicitation fees for the entire \$800,000.00 and could submit their entire liability instruction in the CNS Reorg Sub Account H if they so choose.

2. A Member has a total CNS Long position of \$1,000,000.00 principal amount for which he has 3 customers with the following denominations:

Customer 1	\$250,000.00 PA
Customer 2	\$250,000.00 PA
Customer 3	\$500,000.00 PA

Since one of the underlying customers owns more than the \$250,000.00 Principal Amount that is entitled to receive solicitation fees, the Member may only submit a liability instruction for a maximum of \$500,000.00 principal amount in the CNS Reorg Sub Account H. This represents the total quantity of shareholders that own \$250,000.00 principal amount or less. The liability for the remaining \$500,000.00 principal amount (The customer that owns more than \$250,000.00 PA) must be submitted into the CNS Reorg Sub Account G and would not be entitled to receive the solicitation fees.

3. A Member has a total CNS Long position of \$2,000,000.00 principal amount for which he has 1 customer with the following denomination:

Customer 1	\$2,000,000.00 PA
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Since the single underlying customer owns more than \$250,000.00 principal amount, the member would not be entitled to receive solicitation fees and the liability must be submitted into the CNS Reorg Sub Account G

Participants are advised to read the prospectus and other related documents to determine if they are eligible to receive solicitation fees. As stated above, participants that submit liability/protect instructions into the CNS Reorg Sub Account H are representing that they are entitled to receive solicitation fees based on the terms on the offer and must be able to produce a list of qualified customers on request.

### **3. Processing of Reverse Split on General Motors Corp Common Stock**

Members that have positions in CNS in General Motors Corp Common Stock (old) will also receive the 1 for 100 Reverse Split into the General Motors Corp Common Stock (new) and WILL receive Cash in Lieu for fractional shares resulting from that event. The effective date of the Reverse Split has not yet been announced. Effectiveness of the Reverse Split on the common stock is contingent upon the successful processing of the above mentioned voluntary event and may be cancelled.

### **4. Processing of Mini-Tender on General Motors Corp Common Stock**

In addition to the events described above, a third-party Mini-Tender has been announced targeting 16,000,000 shares of General Motors Corp Common Stock. Due to certain conditions that are part of this offer, NSCC would, under normal circumstances, exit this security from CNS. **However, due to high trading volume in this security, and the large number of Receive and Deliver instructions that exiting this security would create, Members are advised that NSCC WILL NOT be exiting this security from CNS. Rather, the specific positions of Members wishing to participate in the mini-tender will need to be individually exited.**

Members with long positions or projected long settling trades in CNS that wish to participate in the Mini-Tender should notify CNS at least two (2) days prior to the effective date of the Mini-Tender (when announced). NSCC will assign liability to short positions in accordance with normal reorganization liability procedures and exit those specific long positions for which exits are requested from CNS along with the appropriate short position in accordance with our normal CNS exit procedures.

Participants are advised to read the prospectus and other related documents for additional information regarding this offer.

## **5. CNS Opt Out**

Members wishing to opt out of the CNS processing described above should notify CNS as early as possible and NSCC will attempt to find a counterparty to exit relevant transactions.

Questions regarding this notice can be directed to Louis Colacino, Manager @ 212-855-7205, George Novitsky, Team Lead @ 813-470-1022, the undersigned at 813-470-2650 or your Relationship Manager.

Kevin A. Brennan  
Director, Operations