

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

Case No. 09-50026

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In the Matter of:

GENERAL MOTORS CORPORATION, et al.,

Debtors.

- - - - -x

U.S. Bankruptcy Court
One Bowling Green
New York, New York

June 18, 2009
11:02 AM

B E F O R E:

HON. ROBERT E. GERBER
U.S. BANKRUPTCY JUDGE

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Hearing re: Motion by Debtors for Entry of Order Pursuant to
11 U.S.C. Section 365 Authorizing the Rejection of Aircraft and
Airport Lease Agreements and for Related Relief

Transcribed By: Hana Copperman

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A P P E A R A N C E S :

WEIL, GOTSHAL & MANGES LLP

Attorneys for Debtors

767 Fifth Avenue

New York, NY 10153

BY: JOSEPH H. SMOLINSKY, ESQ.

HONIGMAN MILLER SCHWARTZ AND COHN LLP

Attorneys for Debtors

2290 First National Building

660 Woodward Avenue

Detroit, MI 48226

BY: ROBERT B. WEISS, ESQ.

KRAMER LEVIN NAFTALIS & FRANKEL LLP

Proposed Counsel for the Committee of Unsecured Creditors

1177 Avenue of the Americas

New York, NY 10036

BY: ROBERT T. SCHMIDT, ESQ.

GORDON Z. NOVOD, ESQ.

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VEDDER PRICE P.C.

Attorneys for Export Development Canada

1633 Broadway

47th Floor

New York, NY 10019

BY: ERIN ZAVALKOFF-BABEJ, ESQ.

LATHAM & WATKINS LLP

Attorneys for NBC Universal and GE Capital Corporation

885 Third Avenue

New York NY 10022-4802

BY: GEORGE ROYLE, V, ESQ.

UNITED STATES DEPARTMENT OF JUSTICE

U.S. Attorney's Office

Southern District of New York

86 Chambers Street

New York NY 10007

BY: MATTHEW L. SCHWARTZ, AUSA

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MONARCH ALTERNATIVE CAPITAL LP

535 Madison Avenue

New York, NY 10022

BY: ROBERT BURNS, ESQ.

(TELEPHONICALLY)

DENNIS A. PRIETO, IN PRO PER (TELEPHONICALLY)

For Aurelius Capital

P R O C E E D I N G S

1
2 THE COURT: General Motors. Mr. Smolinsky, good
3 morning. Well, I see Mr. Schmidt here.

4 MR. SCHMIDT: Good morning, Your Honor. Robert
5 Schmidt and Gordon Novod from Kramer Levin, proposed counsel to
6 the committee.

7 THE COURT: Welcome. Go ahead, Mr. Smolinsky.

8 MR. SMOLINSKY: Good morning, Your Honor,
9 Joe Smolinsky from Weil, Gotshal & Manges on behalf of the
10 debtors. We only have one matter on this morning, Your Honor,
11 which will be handled by my cocounsel, Robert Weiss, from
12 Honigman Miller Schwartz and Cohn. I stand before we handle
13 that just to note for Your Honor that we have scheduled for
14 tomorrow a notice of presentment which seeks to modify the
15 automatic stay to allow Travelers to access a surety policy.
16 Objections are due by 11 o'clock tomorrow morning. I just
17 wanted to note for Your Honor that we're available to handle
18 any questions that Your Honor has. There's some importance to
19 get the order entered tomorrow to assure the uninterrupted flow
20 of workers' comp benefits in certain states.

21 THE COURT: Has anybody telegraphed to you,
22 Mr. Smolinsky, an intention to file an objection?

23 MR. SMOLINSKY: No, Your Honor. We spoke to the
24 committee about it. We don't believe they have an objection.
25 They may want to confirm that. If they do we'll address it.

1 THE COURT: Mr. Schmidt?

2 MR. SCHMIDT: That's correct, Your Honor. We've
3 reviewed it, and I'll just check with my colleagues back at the
4 office just to confirm that we had no issues, but I don't think
5 we will.

6 THE COURT: Okay. Here's what I want you to do,
7 Mr. Smolinsky. Detail one of your associates promptly at 11
8 o'clock, or maybe 5 after 11 to allow a little bit of room for
9 error, to confirm with Mr. Schmidt's folks, and by checking the
10 docket and by checking your mailroom, whatever it takes, that
11 there was no objection, and then to follow up with my chambers
12 with Mr. Pollak. I have an evidentiary hearing tomorrow in
13 another matter that's scheduled to start early, but which may
14 keep me on the bench then, but by your doing that you can
15 ensure that no balls fall between the outfielders.

16 MR. SMOLINSKY: Your Honor, we can also file a
17 certificate of no objection tomorrow so that we have a record.

18 THE COURT: That would be helpful, but I still need
19 you to detail a live human being to work with a live human
20 being in my chambers --

21 MR. SMOLINSKY: We will do that, Your Honor.

22 THE COURT: -- to ensure that things get accomplished.

23 MR. SMOLINSKY: Thank you very much.

24 THE COURT: Thank you. Mr. Weiss, come on up here,
25 please. Welcome.

1 MR. WEISS: Good morning, Your Honor. For the record,
2 Robert Weiss of Honigman Miller Schwartz and Cohn, proposed
3 special counsel to the debtor. We're before the Court this --

4 THE COURT: Mr. Weiss, can you pull that microphone
5 closer to you, please?

6 MR. WEISS: We're before the Court this morning in
7 connection with the debtors' motion for entry of an order
8 pursuant to Section 365 authorizing the rejection of aircraft
9 and airport lease agreements and for related relief. Your
10 Honor, we're talking about seven corporate aircraft leases and
11 one facility lease, which we referred to in the motion as the
12 airport lease. I'm pleased to report to the Court that there
13 were no objections filed, although there were substantive
14 discussions and negotiations with regard to the form of the
15 order with counsel for the lessors, counsel for the creditors'
16 committee, and counsel for the Wayne County road commissioners,
17 which are responsible for the airport lease.

18 Yesterday evening when we concluded our negotiations
19 we contacted the Court's chambers, advised of the settlement,
20 and also provided by e-mail a copy of the redline proposed
21 revised form of order. I hope that the Court has had an
22 opportunity to review that, but I'm --

23 THE COURT: Yes. And we have a number of measures to
24 save time and, more importantly, to put money into the pockets
25 of creditors by deeming allegations and motions that are

1 uncontested to be true under the provisions of my case
2 management order and imposing deadlines for objections in this
3 case. You don't, therefore, need to repeat anything, and if I
4 heard you right it's certainly my understanding such that there
5 are no objections.

6 MR. WEISS: That's correct, Your Honor.

7 THE COURT: I don't think you need to say any more.
8 This one time, as a courtesy, I'll give Mr. Schmidt a chance to
9 be heard if he chooses to.

10 MR. SCHMIDT: Just briefly, Your Honor. The committee
11 is very much in favor of the debtors' decision to reject the
12 plane leases. We are obviously concerned about the potential
13 impact that has vis-à-vis claims, but we believe the order
14 adequately protects the rights of all parties to review the
15 claims and interpose objections, if necessary.

16 THE COURT: Okay. Fair enough. All right, Mr. Weiss,
17 your motion is granted.

18 MR. WEISS: May I present?

19 THE COURT: Well, what I'm going to ask you and other
20 folks in this case to do when you get your motions granted is
21 to drop it off with my courtroom deputy across the hall. What
22 I'm also going to ask parties, and, Mr. Weiss, you just happen
23 to be the first guy in this position, is that it's very common
24 that people have a dialogue and massage the order between the
25 time that a motion is filed and the time that it's approved in

1 concept. I just need you to be able to give a representation
2 to my courtroom deputy that anybody who would care about the
3 form of the order, such as those who you are negotiating with,
4 has had a chance to see the way you implemented the changes.

5 MR. WEISS: That's fine, Your Honor. We'll do that.

6 THE COURT: Good enough. Okay. Anything else today?
7 Mr. Smolinsky? Mr. Weiss?

8 MR. SMOLINSKY: No, Your Honor. Thank you very much.

9 THE COURT: All right, folks. Thanks. Have a good
10 day. We're adjourned.

11 MR. SMOLINSKY: Thank you, Your Honor.

12 MR. SCHMIDT: Thank you.

13 (Proceedings concluded at 11:08 AM)

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

HANA COPPERMAN
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Veritext LLC
200 Old Country Road
Suite 580
Mineola, NY 11501

Date: June 19, 2009