

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)
: :
-----X
: :
KELLY CASTILLO, NICHOLE BROWN, : Adv. Proc. No. 09-00509
BRENDA ALEXIS DIGIAN DOMENICO, :
VALERIE EVANS, BARBARA ALLEN, :
STANLEY OZAROWSKI, AND DONNA :
SANTI, :
Plaintiffs, :
v. :
GENERAL MOTORS COMPANY, f/k/a NEW :
GENERAL MOTORS COMPANY, INC., :
Defendant. :
-----X
GENERAL MOTORS LLC, :
Counterclaimant, :
v. :
KELLY CASTILLO, NICHOLE BROWN, :
BRENDA ALEXIS DIGIAN DOMENICO, :
VALERIE EVANS, BARBARA ALLEN, :
STANLEY OZAROWSKI, DONNA SANTI, :
LAKINCHAPMAN LLC, ROBERT W. :
SCHMIEDER, II, AND MARK L. BROWN, :
Counterdefendants. :
-----X

DECLARATION OF L. JOSEPH LINES, III

I, L. Joseph Lines, III, declare and state:

1. I am an attorney, a member in good standing of the State Bar of Michigan, and a member of the GM Legal Staff. I have personal knowledge of the matters contained herein and could and would competently testify thereto under oath.

2. Prior to the July 10, 2009 Closing of the section 363 transaction between Motors Liquidation Company (formerly known as General Motors Corporation) and the purchaser (later known as General Motors Company) (“New GM”), the purchaser indicated that it was unwilling to assume executory class action liabilities related to products produced pre-petition; this included the *Castillo* Settlement which is the subject of the present adversary proceeding. This determination was consistent with the purchaser’s decision not to assume any liabilities which were not integral to the business on a going forward basis.

3. As a result of this determination, I and GM Legal Staff employees working under my direction and supervision scheduled certain settlement agreements, including the *Castillo* matter, for rejection by the debtor. Because, as the result of the automatic stay, no payments or other settlement benefits were immediately due and payable by the debtor, there was no need to file a motion to reject the *Castillo* settlement immediately. Accordingly, the decision was made to place the *Castillo* matter in the “reject later” category.

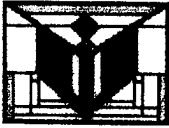
4. Attached hereto as Exhibit 1 is a true and correct copy of an e-mail message from Janine A. LaMore, a legal assistant working under my direction and supervision, forwarding her June 30, 2009 e-mail which transmitted an attached list of executory contracts to be either assumed or placed in the “reject later” category. The attachment has been redacted to remove information concerning other executory contracts unrelated to this proceeding which were being designated for assumption or rejection later. The unredacted portion of the list shows that the *Castillo* settlement was designated for rejection later.

5. If, contrary to the decision reflected in Exhibit 1, New GM had agreed to assume liability under the Settlement, the debtor would have been required to follow specified procedures under the Assumption and Assignment Procedures set forth in the Court’s Sale Procedures Order [Docket No. 274], including specified notification to plaintiffs. None of these

procedures was ever followed with respect to the *Castillo* matter. To the contrary, the *Castillo* Settlement remained in the “reject later” category, pursuant to the June 30, 2009 designation contained in Exhibit 1, until the debtor filed its motion to reject the Settlement on November 16, 2009, which I understand plaintiffs have now stipulated that the Court may grant.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct and that this declaration is executed at Detroit, Michigan on December 17, 2009.

[s] L. Joseph Lines, III

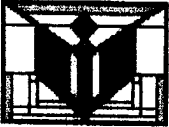


Janine A
LaMore/US/GM/GMC
11/17/2009 03:10 PM

To Lawrence S. Buonomo/US/GM/GMC@GM, Lawrence J.
Lines III/US/GM/GMC@GM
cc
bcc
Subject Contract Template Legal - Submission to AlixPartners Kelly
Castillo et al v GM Stipulation of Settlement

The initial template submission to AlixPartners on 6/30/2009 is below identifying the Kelly Castillo Stipulation of Settlement and GM's decision.

----- Forwarded by Janine A LaMore/US/GM/GMC on 11/17/2009 03:03 PM -----



Janine A
LaMore/US/GM/GMC
06/30/2009 01:34 PM

To dgoldwin@alixpartners.com, rwhitlock@alixpartners.com
cc Suzanne M. Miklos/US/GM/GMC@GM
Subject Contract Template Legal

The attached template contains new Legal contract receipts to be assumed and/or reject later. If there are any questions please let me know.

Janine A. LaMore

Legal Assistant
313-665-7371
248-267-4461 (Fax)
janine.lamore@gm.com
GM Legal Staff, 400 Renaissance Center,
M/C 482-026-601, Detroit, MI 48265-4000

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GML_DMS-#2688421-v1-CONTRACT_TEMPLATE_LEGAL_-_ALIXPARTNERS_2009-06-30.XLSX

	A	B	C	D	E	F	G	H	I	J	K
	AP Category	AltPartnersKNumber	Counterpartyname	ContractDescription	ContractName	Contracttype	Decision	ContractLocation	Contractnumber	Businessunit	Departmentfunction
1											
2											
3											
4											
5											
6			Stipulation of Settlement: Kelly Castillo, Nichole Brown and Barbara Glisson v General Motors Corporation, Case No. 2:07-CV-02142 WBS-GGH	Settlement Agreement for litigation involving 2002, 2003, 2004 or 2005 MY Saturn VUE or 2003, 2004 MY Saturn ION equipped with a continuously variable VTI transmission.	Stipulation of Settlement: Kelly Castillo, Nichole Brown and Barbara Glisson v General Motors Corporation, Case No. 2:07-CV-02142 WBS-GGH	Settlement Agreement	Reject Later	USA	16555890	Legal	Powertrain
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8											
9											
10											
11											
12											
13											

	O	P	Q	R	S	T	U	V	W	X	Y		
1	Projected Total Annual Spend (\$) - can be appropriate if not know (e.g., last 12 months DACOR spend)	Can this Contract Strategic (i.e., High priority to reject quickly)? Y/N											
2													
3													
4													
5													
6	Named Plaintiffs Incentive Fees: not in excess of \$2,500 per Plaintiff												
7	Attorneys' Fees: Not in excess of \$4,250,000	Yes											
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			16555890		Lawrence J. Lines	Lawrence J. Lines		Settlement Agreement	Named Plaintiffs Incentive Fees: not in excess of \$2,500 per Plaintiff	Attorneys' Fees: Not in excess of \$4,250,000	Yes	Several million dollars plus attorney fees and costs	Settler Agreer litigation I 2002, 200 2005 MY ; or 2003, 2 Saturn 101 with a cor variable V transmissi

	AC	AD	AE	AF
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6	No Preference	No Issue	Avoid necessity to pay claims	
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