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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

-----X	
In re:	: Chapter 11
	: :
GENERAL MOTORS CORP., <i>et al.</i> ,	: Case No. 09-50026 (REG)
	: :
Debtors.	: (Jointly Administered)
-----X	

**MOTION OF AD HOC COMMITTEE OF CONSUMER VICTIMS OF GENERAL
MOTORS FOR APPOINTMENT OF OFFICIAL COMMITTEE OF TORT
CLAIMANTS PURSUANT TO 11 U.S.C. §1102(a)(2)**

The Ad Hoc Committee of Consumer Victims of General Motors (the “Ad Hoc Consumer Committee”), by and through its undersigned counsel, hereby moves this Court, pursuant to Section 1102(a)(2) of the United States Bankruptcy Code (the “Bankruptcy Code”) to enter an Order appointing an Official Committee of Tort Claimants. In support thereof, the Ad Hoc Consumer Committee respectfully represents as follows:

BACKGROUND

1. On June 1, 2009 (the “Petition Date”), General Motors Corp. and certain of its affiliates (“GM” or the “Debtors”) filed voluntary petitions for relief under Chapter 11 of the Bankruptcy Code.

2. On June 1, 2009, the Court entered an Order directing the joint administration of the Debtors' Chapter 11 cases. The Debtors' cases are consolidated for procedural purposes only.

3. GM is one of the "Big Three" U.S. automakers. Each year it sells millions of vehicles to American consumers, some of whom unfortunately suffer injuries, sometimes catastrophic, as a result of manufacturing defects and other legally culpable conduct on the part of the Debtors.

4. The Ad Hoc Consumer Committee was formed to advance the mutual interests of its members and others similarly with regard to the financial reorganization of Chrysler.

5. The Ad Hoc Consumer Committee has more than 300 members who each have tort claims involving personal injuries (including derivative claims and wrongful death actions) against GM. The members of Ad Hoc Consumer Committee are individuals who reside throughout the country. The personal injury claims held by the Ad Hoc Consumer Committee members are valued by the members and their counsel at a total of more than \$1.25 Billion.

6. By letter dated April 7, 2009, counsel for the Ad Hoc Consumer Committee advised counsel for GM that the Ad Hoc Consumer Committee had been formed and requested an opportunity to discuss the concerns of the members of the Ad Hoc Committee with regard to Chrysler's restructuring. A true and correct copy of the April 7, 2009 letter is attached as Exhibit A.

7. By letter dated June 1, 2009, Counsel for the Ad Hoc Consumer Committee requested that the Trustee appoint an Official Committee of Tort Claimants. A true and correct copy of the June 1, 2009 letter is attached as Exhibit B.

JURISDICTION AND VENUE

8. The Court has jurisdiction over this matter pursuant to 28 U.S.C. §§ 157 and 1334.

9. This is a core proceeding pursuant to 28 U.S.C. § 157.

10. Venue is proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409.

11. The statutory predicate for the relief requested herein is 11 U.S.C. §1102(a)(2).

RELIEF REQUESTED AND BASIS THEREFOR

12. By this Motion, the Ad Hoc Consumer Committee requests that the Court enter an Order directing the appointment of an Official Committee of Tort Claimants to represent and protect the interests of persons holding personal injury, asbestos, and environmental tort claims against the Debtors.

13. Section 1102(a)(2) of the Bankruptcy Code provides that “the court may order the appointment of additional committees of creditors or of equity security holders if necessary to assure the adequate representation of creditors or of equity security holders.”

14. “The statute affords no test of adequate representation, leaving the bankruptcy courts with discretion to examine the facts of each case to determine if additional committees are warranted.” *In re Beker Industries Corp.*, 55 B.R. 945, 948 (Bankr. S.D. N.Y. 1985).

15. “Because each case is distinct, there is no hard and fast rule.” *In re McLean Indus., Inc.*, 70 B.R. 852, 861 (Bankr. S.D.N.Y. 1987).

16. When evaluating whether an additional committee is necessary to ensure adequate representation, courts have examined a number of factors, including: the ability of the creditors’ committee to function; the nature of the case; the standing and desires of various constituencies; the motivation of the movants; the cost incurred by the appointment of the additional committee;

and the tasks that a committee or separate committee is to perform. *See In re Enron Corp.*, 279 B.R. 671, 685 (Bankr. S. D. N.Y. 2002).

17. Large, complex cases “strongly indicate” the need for additional committees representing different interests. *See In re Beker Indus. Corp.*, 55 B.R. at 949; *See also In re Mansfield Ferrous Castings, Inc.*, 96 B.R. 779, 781 (Bankr. N.D. Ohio 1988) (“the size and complexity of debtor’s bankruptcy proceedings weigh in favor of the appointment of an additional committee”).

18. The formation of an additional committee separate and apart from the creditors committee that will be appointed by the United States Trustee is essential to the adequate representation of the tort claimants.

19. The tort claimants have mutual interests that are clearly distinct from those of unsecured bondholders, dealers, suppliers and other unsecured creditors.

20. GM has filed a motion seeking approval of a sale of substantially all of its assets free and clear of all products liability and other personal injury claims arising from vehicles sold by GM prior to the closing.

21. Under the proposed transaction, other unsecured claimant constituencies will not be left out in the cold. The unsecured bondholders will receive an ownership interest in the new GM company¹ and suppliers and dealers with assumed contracts will have their pre-petition claims satisfied by the new GM. Furthermore, in exchange for an obligation of \$20.56 billion,

¹ The Affidavit of Frederick Henderson, CEO of GM, discloses only that the 10% of the equity interests in the New GM being contributed to the Debtors will be disposed of in the Debtors’ Chapter 11 cases. However, it has been widely-reported that the unsecured bondholders will receive this equity stake in the new GM. *See Exhibit C.*

the UAW Voluntary Employee Beneficiary Association will receive 17.5% of new GM's common stock, a \$2.5 billion note, \$6.5 billion of preferred stock and additional consideration.

22. The Chrysler LLC ("Chrysler") Chapter 11 bankruptcy case is illustrative. In Chrysler, the debtors also sought a sale free and clear of tort claims. Although a tort claimant and an asbestos claimant were appointed to the official unsecured creditors' committee in the Chrysler case, the official committee, dominated by parties whose claims will be satisfied in one way or another through the sale transaction, supported the sale. The tort claimants, who are individuals with limited financial resources, were left alone to attempt to press an objection to the sale.

23. Tort claimants will also likely have special concerns regarding: (a) the circumstances under which relief from the stay will be granted to permit the liquidation of personal injury claims in the forum where they are pending; (b) the extent that relief from the stay will be granted to permit the tort claimants to recover from insurance proceeds, to the extent that any are available; (c) the extent that insurance is to be required to be maintained by the proposed asset purchaser; and (d) any special procedures that the Debtors may seek to impose regarding the adjudication of personal injury claims.

24. The tort claimants are an economically fragile constituency. Many of the tort claimants' lives have been devastated by severe injuries suffered as a result of defects in vehicles manufactured by GM. Without a voice and a champion for their mutual cause funded by the Debtors' estates, the tort claimants could be left alone, unprotected and effectively disenfranchised.

25. For these reasons, the Ad Hoc Consumer Committee requests that the Court enter an order requiring the appointment of an Official Committee of Tort Claimants.

NOTICE

26. Notice of this Motion has been given to: (a) the U.S. Trustee; (b) the 50 largest creditors; (c) counsel for the agent under GM's prepetition secured term loan agreement; (d) counsel to the agent under GM's prepetition amended and restated secured revolving credit agreement; (e) counsel to the UAW; (f) counsel to the U.S. Treasury; (g) counsel for the International Union of Electronic, Electrical Salaried, Machine and (h) counsel for the ad hoc bondholders committee. The Ad Hoc Consumer Committee submits that no other or further notice need be provided.

NO PRIOR REQUEST

27. No prior request for the relief sought in this Motion has been made to this or any other Court.

WHEREFORE, the Ad Hoc Committee of Consumer Victims of General Motors respectfully requests that the Court grant its motion for an Order requiring the United States Trustee to appoint an Official Committee of Tort Claimants.

SCHNADER HARRISON SEGAL
& LEWIS LLP

Dated: June 2, 2009

By: /s/ Benjamin P. Deutsch
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*Attorneys for the Ad Hoc Committee of
Consumer Victims of General Motors*

EXHIBIT A

April 7, 2009

Barry E. Bressler
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Direct Fax 215-972-7221
E-mail bebressler@schnader.com

Harvey R. Miller, Esquire
Weil Gotshal & Manges
767 Fifth Avenue
New York, New York 10153

Re: General Motors Corporation

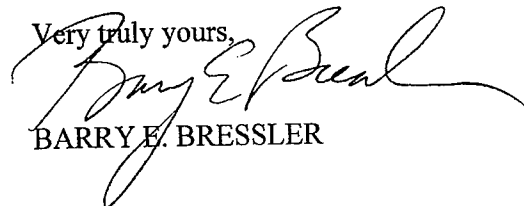
Dear Mr. Miller:

We represent the Committee of Consumer-Victims of General Motors Corporation (the "Committee"). The members of the Committee are holders of tort claims involving personal injuries (including derivative claims and wrongful death actions). The Committee was formed to advance the mutual interests of its members with regard to the financial reorganization of General Motors Corporation ("GM"). The Committee has more than 200 members who hold personal injury claims against GM. If GM files for bankruptcy, the Committee intends to seek the appointment of an official committee of tort claimants under Section 1102(a) of the Bankruptcy Code.

We would appreciate the opportunity to discuss with you the concerns of the Committee members with regard to GM's restructuring. Of particular importance are the provisions of any pre-packaged or other Chapter 11 plan of reorganization specifically addressing tort claims.

The Committee looks forward to working with GM toward a successful reorganization. Please contact me as soon as convenient to discuss these matters.

Very truly yours,



BARRY E. BRESSLER

Cc: Fritz Henderson, CEO

EXHIBIT B

June 1, 2009

Barry E. Bressler
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Via Facsimile #212-668-2255
and Electronic Mail

Diana G. Adams
United States Trustee
33 Whitehall Street, 21st Floor
New York, NY 10004
Diana.adams@usdoj.gov

Re: In re General Motors Corporation, et al., Debtors

Dear Ms. Adams:

We represent the Ad Hoc Committee of Consumer Victims of General Motors (the "Consumer Tort Claimants Committee"). The Consumer Tort Claimants Committee has more than 300 members who each have tort claims involving personal injuries (including derivative claims and wrongful death actions) against the General Motors Debtors ("GM"). The members of the Consumer Tort Claimants Committee are individuals who reside throughout the country, many of whom who have suffered catastrophic, life-altering injuries. The claims held by the members of the Consumer Tort Claimants Committee are valued by the members and their counsel at a total of more than \$1.25 Billion.

The Consumer Tort Claimants Committee requests that the United States Trustee appoint an official committee of tort claimants pursuant to 11 U.S.C. §1102(a)(1) to represent and protect the interests of product liability, asbestos and environmental tort claimants in this case. The formation of an additional committee separate and apart from the official committee is essential to the adequate representation of tort claimants.

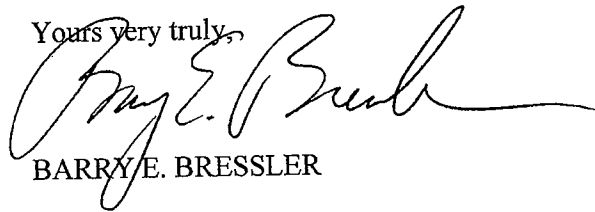
The tort claimants have mutual interests that are clearly distinct from those of dealers, suppliers and other unsecured creditors. The GM bankruptcy will attempt to follow the same path as the Chrysler LLC case. Like Chrysler, GM is seeking a sale free and clear of tort claims. In Chrysler, the Debtors offered virtually no recovery for present and future tort claimants. Although a tort claimant and an asbestos claimant were appointed to the official creditors' committee, the official committee, dominated by the PBGG, UAW and suppliers, all members whose claims will be satisfied in one way or

Diana G. Adams, U.S. Trustee
June 1, 2009
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another through the sale transaction, supported the sale. The tort claimants, who are individuals with limited financial resources, were left alone to press an objection to the sale. If an official committee of tort claimants is not appointed here, it is likely that the tort claimants will again be placed at a severe disadvantage in trying to protect their interests, effectively disenfranchising them, while the Debtors' professionals and officers are paid (even including success fees and bonuses) out of the Debtors' estate.

Please contact me if you have any questions or require any additional information in considering this request.

Yours very truly,



BARRY E. BRESSLER

BEB/sh

Cc: Brian S. Masumoto, Esq. (brian.masumoto@usdoj.gov)
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EXHIBIT C

The Washington Post

Majority of GM Bondholders Accept Exchange Offer

By Kendra Marr
Washington Post Staff Writer
Sunday, May 31, 2009 3:14 PM

A majority of GM bondholders agreed today to a sweetened deal to swap \$27.2 billion of the automaker's debt for equity in the new GM, paving the way for quick and orderly bankruptcy proceedings.

Under orders from the Treasury Department, the company offered bondholders a 10 percent stake in the new GM, and has added to the offer warrants for another 15 percent stake. In accepting the proposal, bondholders also agreed not to oppose GM should it pursue a sale under Section 363 of the bankruptcy code, which allows the automaker to sell its assets and create a new company.

"In terms of the bankruptcy process, we expect the likely bondholder assent to smooth the process," Brian A. Johnson, a Barclays Capital analyst, said in a note.

GM is speeding toward its day of reckoning, as the automaker will likely file for bankruptcy protection tomorrow.

Last week, lenders rejected a previous offer to drop claims in exchange for a 10 percent stake in the company. GM had asked at least 90 percent of the lenders to agree.

Small individual bondholders, who represent a fifth of the \$27.2 billion in unsecured debt, were shut out from voting on the offer.

The "Main Street Bondholders," representing some of those individuals, said the deal unfairly gave the United Auto Workers' retiree health-care trust fund 66 cents on the dollar, while offering bondholders 13 cents on the dollar, assuming the new GM is worth \$25 billion. This group of bondholders vowed to fight back using a section of the bankruptcy code, which could give them their own standing.

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GM prepares for bankruptcy protection announcement

By *KIMBERLY S. JOHNSON and TOM KRISHER, AP Auto Writers Kimberly S. Johnson And Tom Krisher, Ap Auto Writers* Sun May 31, 7:41 pm ET

DETROIT – With the clock ticking on a June 1 government deadline to restructure, General Motors Corp. worked feverishly Sunday to shore up its global businesses to clear the way for a speedy reorganization in bankruptcy court.

A majority of the Detroit automaker's unsecured bondholders announced they had accepted a deal viewed as crucial to reorganization, and Germany agreed to loan \$2 billion to GM's German unit, Opel, as part of its acquisition by a Canadian auto parts supplier.

The moves don't change much for GM, but shore it up for a bankruptcy protection filing, said Rebecca Lindland, an auto analyst for the consulting firm IHS Global Insight.

"The more agreements GM has with its interests, the better the bankruptcy is going to go," she said. "It's not a game changer at all."

GM, part of American life for more than 100 years and once the country's largest employer, is expected to file for Chapter 11 bankruptcy protection at 8 a.m. EDT Monday, according to people familiar with the company's plans. They declined to be identified because the plans haven't been officially announced.

It would be the largest industrial bankruptcy in U.S. history, and the fourth-largest overall. In addition, a GM bankruptcy would be unprecedented as the federal government would pump billions more into the company, and take a 72.5 percent interest in the automaker.

On Sunday a group of large, institutional bondholders, representing 54 percent of GM bondholders, agreed to exchange their unsecured bonds for a 10 percent stake in a newly restructured company, plus warrants to purchase a greater share later. They had balked at an earlier offer, that gave them 10 percent of the company without the warrants.

The Treasury, which has been guiding the Detroit automaker toward a rescue plan, notified the company Sunday the response was sufficient to move forward with a pre-packaged bankruptcy filing. In a previous exchange offer, the Treasury demanded participation of 90 percent of bondholders, representing unsecured debt of \$24 billion.

President Barack Obama is expected to give a speech addressing the Detroit automaker's future just before noon Monday. GM Chief Executive Fritz Henderson has scheduled a news conference in New York to directly follow the president's remarks at 12:15 p.m. EDT.

GM already has received about \$20 billion in government loans and could get \$30 billion more to make it through what is expected to be a 60- to 90-day reorganization in bankruptcy court.

Beyond the bankruptcy announcement Monday, GM is expected to reveal 14 plants it intends to close and name the buyer of its Hummer division.

In Germany on Sunday, the government agreed to loan GM's Opel unit \$2.1 billion, a move necessary for Magna International Inc. to acquire the company.

The Canadian auto parts supplier Magna will take a 20 percent stake in Opel and Russian-owned Sberbank will take a 35 percent, giving the two businesses a majority. GM retains 35 percent of Opel, with the remaining 10 percent going to employees.

The German funds are available to Opel immediately, as it attempts to shield itself from cuts if GM files for bankruptcy protection. Opel employs 25,000 people in Germany, nearly half of GM Europe's work force. Under the deal, four factories in Germany would stay open saving jobs.

But jobs in other European countries may not be safe, Lindland said.

"As those (German) jobs are becoming protected, other jobs in other parts of Europe are put at risk," she said.

Treasury Secretary Timothy Geithner, who was traveling to China, followed the developments closely. The Treasury on Thursday offered bondholders 10 percent of a newly formed GM's stock, plus warrants to buy 15 percent more to erase the debt. Last week, GM withdrew an offer of 10 percent equity after only 15 percent of the thousands of bondholders signed up.

The current 54 percent acceptance represents only \$14.6 billion, but by lining up support in advance of a bankruptcy protection filing, GM is likely to find it easier to persuade a judge to apply terms of the sweetened offer to the rest of its unsecured debt.

It could also help the automaker get through the court process more quickly, said Robert Gordon, head of the corporate restructuring and bankruptcy group at Clark Hill PLC in Detroit.

"The more consensus you have, the more likely it is you'll be able to move through the bankruptcy process in an expeditious fashion with less resistance," Gordon said.

The company made a huge stride toward restructuring Friday when the United Auto Workers union agreed to a cost-cutting deal.

GM's fate and the federal government's intervention was scrutinized on several Sunday morning talk shows.

"I think the government auto bailout was a big mistake," said Sen. Mitch McConnell, R-Ky., on CNN's "State of the Union" program. "We could have let these companies go through the bankruptcy process much earlier...without all of the additional government money, and ended up in the same place."

In a typical Chapter 11 bankruptcy case, the company files a plan of reorganization that must be voted on by creditors. In each class of creditors, the plan would have to be approved by holders of two-thirds of the claims and a majority of the number of individual creditors who vote.

But the GM case is anything but ordinary, and it appears the company will sell some or all of its assets to a new entity that would become the new GM, rather than submit a plan to reorganize the old company.

Under a so-called Section 363 sale, the prospective buyer and seller present a fully negotiated asset purchase agreement for approval by the court.

Creditors still can lodge objections, but GM could avoid the drawn-out fights between competing creditors, such as bondholders and workers, that often occur.

Chrysler LLC, which filed for bankruptcy protection April 30, chose a similar path. A judge heard three days of testimony and arguments last week over the sale of most of Chrysler's assets to Italian carmaker Fiat Group SpA.

U.S. Judge Arthur Gonzalez is expected to approve the sale Monday, pushing Chrysler closer to its goal of a speedy exit from bankruptcy protection. But an appeal is likely from three Indiana state pension and construction funds, which invested in Chrysler debt and say the deal isn't fair. That may force Chrysler to further postpone the deal's closing.

GM's stock tumbled to the lowest price in the company's 100-year history on Friday, closing at just 75 cents after trading as low as 74 cents. In a Chapter 11 bankruptcy reorganization, the shares would become virtually worthless.

AP Business Writer Harry R. Weber in Atlanta and Associated Press Writer Ken Thomas in Washington contributed to this report.

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