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March 18, 2016

By Hand, ECF and Email

The Honorable Martin Glenn
United States Bankruptcy Court
Southern District of New York
One Bowling Green
New York, NY 10004-1408

Re: *Motors Liquidation Company Avoidance Action Trust v.
JPMorgan Chase Bank, N.A.*, Case No. 09-00504 (MG)

Dear Judge Glenn:

We are co-counsel with Kelley, Drye & Warren LLP to defendant JPMorgan Chase Bank, N.A. In advance of the case management conference scheduled for March 22, 2016, we write to respond briefly to the letters submitted by counsel for the Motors Liquidation Avoidance Action Trust (the "AAT") on March 15 and counsel for certain Term Lenders on March 18. For further background, JPMorgan also respectfully refers the Court to our letter filed in this proceeding on April 21, 2015 [D.I. 84].

The letters submitted by the AAT and the Term Lenders are generally accurate in summarizing the status of discovery in this action. As explained in those letters, the parties are

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March 18, 2016
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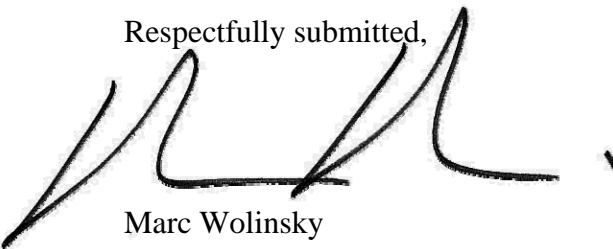
working cooperatively to manage the discovery process, including with respect to the extensive discovery required of third parties. In addition, the parties are close to reaching an agreement on a simple case management order for the Court's consideration, as well as a revised scheduling order that would extend the discovery deadlines relating to the cross claims by four months. At the same time, as noted by counsel for the AAT, substantial and important discovery remains to be taken, including ongoing document productions by third parties, depositions and inspection of General Motors plants.

Although there is no need to burden the Court at this stage with a detailed discussion of the parties' claims and contentions, one point in the AAT's letter warrants a response: The AAT characterizes the Second Circuit's decision of January 21 2015, as sustaining plaintiff's "central contention in this case," and asserts that "any surviving perfected collateral has relatively little value." JPMorgan strongly disagrees.

The Second Circuit's decision addressed the threshold question of whether the mistaken filing by GM's counsel of a UCC-3 termination statement had the effect of terminating a single UCC-1 financing statement that had been filed in Delaware. It is undisputed that, in addition to the Delaware UCC-1, the Term Lenders' security interests were perfected by: (a) 26 separate fixture filings in the county clerks' offices where certain of GM's U.S. plants and facilities were located; and (b) a Delaware UCC-1 applicable to Saturn Corporation. Based on its ongoing investigation, JPMorgan expects to show that the value of the fixtures and Saturn assets in these GM plants exceeds the amounts repaid to JPMorgan and other Term Lenders, and that, as a result, JPMorgan and the term lenders were fully secured at the filing date and have no obligation to repay any amounts. Expert testimony will be particularly important on these issues, given that third-party productions to date establish that there were over 200,000 assets in the facilities covered by the unaffected filings, the vast majority of which were acquired by New GM to be used in its ongoing manufacturing operations. JPMorgan has also asserted additional defenses to the AAT's claims, including defenses based on the doctrines of earmarking and constructive trust.

Accordingly, critical issues raised by the AAT's claims, including the value of the fixture collateral, remain to be adjudicated by this Court. At the upcoming conference, we look forward to discussing the most efficient way to address those issues over the coming months.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "M. Wolinsky", with a large, sweeping flourish at the end.

Marc Wolinsky

cc: Counsel of Record (by email)