

Hearing Date and Time: April 29, 2010 at 9:45 a.m. (Prevailing Eastern Time)
Objection Deadline: April 26, 2010 at 4:00 p.m. (Prevailing Eastern Time)

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Attorneys for Fee Examiner

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

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In re: : Chapter 11
: :
MOTORS LIQUIDATION COMPANY, *et al.*, : Case No. 09-50026
f/k/a General Motors Corp., *et al.*, : (Jointly Administered)
: :
Debtors. : Honorable Robert E. Gerber
: :
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**NOTICE OF HEARING ON FEE EXAMINER’S MOTION
FOR CLARIFICATION OF APPOINTMENT ORDER**

PLEASE TAKE NOTICE that upon the April 12, 2010 *Motion for Clarification of Appointment Order* (the “**Motion**”) of the Fee Examiner in the above-referenced chapter 11 cases, appointed on December 23, 2009, for an order clarifying the retention order entered that day to expressly permit the Fee Examiner to comment upon—and, if necessary, to object on fee-related grounds to—any applications filed by any party in interest for authority to retain a professional person or firm under the Bankruptcy Code to be paid by the estate upon application to the Court, all as more fully described in the accompanying Motion. A hearing will be held before the Honorable Robert E. Gerber, United States Bankruptcy Judge, in Room 621 of the United States Bankruptcy Court for the Southern District of New York, One Bowling Green, New York, New York 10004, on **April 29, 2010 at 9:45 a.m. (Prevailing Eastern Time)**, or as soon thereafter as counsel may be heard.

PLEASE TAKE FURTHER NOTICE that responses or objections to the Motion, if any, shall be in writing, shall conform to the Bankruptcy Rules and the Local Rules of the Bankruptcy Court for the Southern District of New York, shall set forth the name of the objecting party, the basis for the objection and the specific grounds, shall be filed with the

Bankruptcy Court electronically in accordance with General Order M-242 (which may be found at www.nysb.uscourts.gov) by registered users of the Bankruptcy Court's case filing system and by all other parties in interest, on 3.5 inch disk, preferably in Portable Document Format (PDF), or any other Windows-based word processing format (with two hard copies delivered directly to Chambers) and shall be served upon: (i) the chambers of the Honorable Robert E. Gerber, One Bowling Green, New York, New York 10004, Courtroom 601; (ii) Weil, Gotshal & Manges, LLP, attorneys for the Debtors, 767 Fifth Avenue, New York, New York 10153 (Attn: Harvey R. Miller, Stephen Karotkin, and Joseph H. Smolinsky); (iii) the Debtors, c/o Motors Liquidation Company, 300 Renaissance Center, Detroit, Michigan 48265 (Attn: Ted Stenger); (iv) General Motors Company, 300 Renaissance Center, Detroit, Michigan 48265 (Attn: Lawrence S. Buonomo); (v) Cadwalader, Wickersham & Taft LLP, attorneys for the United States Department of the Treasury, One World Financial Center, New York, New York 10281 (Attn: John J. Rapisardi); (vi) the United States Department of the Treasury, 1500 Pennsylvania Avenue NW, Room 2312, Washington, D.C. 20220 (Attn: Joseph Samarias); (vii) Vedder Price, P.C., attorneys for Export Development Canada, 1633 Broadway, 47th Floor, New York, New York, 10019 (Attn: Michael J. Edelman and Michael L. Schein); (viii) Kramer Levin Naftalis & Frankel LLP, attorneys for the statutory committee of unsecured creditors (the "**Committee**"), 1177 Avenue of the Americas, New York, New York 10036 (Attn: Thomas Moers Mayer, Amy Caton, Adam C. Rogoff, and Gregory G. Plotko); (ix) the Office of the United States Trustee for the Southern District of New York, 33 Whitehall Street, 21st Floor, New York, New York, 10004 (Attn: Diana G. Adams); (x) the U.S. Attorney's Office, S.D.N.Y., 86 Chambers Street, Third Floor, New York, New York, 10007 (Attn: David S. Jones and Natalie Kuehler); (xi) Caplin & Drysdale, Chartered, attorneys for the Official Committee of Unsecured Creditors Holding Asbestos Related Claims (the "**Asbestos Claimants' Committee**"), 375 Park Avenue, 35th Floor, New York, New York 10152-3505 (Attn: Elihu Inselbuch); (xii) Dean M. Trafelet, the legal representative for holders of future asbestos personal injury claims (the "**Future Claimants' Representative**"), 50 West Schiller, Chicago, Illinois 60610, and (xiii) Godfrey & Kahn, S.C., 780 North Water Street, Milwaukee, Wisconsin 53202 (Attn: Timothy F. Nixon), **so as to be filed and received no later than April 26, 2010, at 4:00 p.m. (Prevailing Eastern Time) (the "Objection Deadline").**

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PLEASE TAKE FURTHER NOTICE that if no objections are timely filed and served with respect to the Motion, the Fee Examiner may, on or after the Objection Deadline, submit to the Bankruptcy Court an order substantially in the form of the proposed order that accompanies the Motion, which order may be entered with no further notice or opportunity to be heard offered to any party.

Dated: Madison, Wisconsin
April 12, 2010.

GODFREY & KAHN, S.C.

By: /s/ Katherine Stadler
Timothy F. Nixon (TN 2644)
Katherine Stadler (KS 6831)

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Debtors. : Honorable Robert E. Gerber
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**FEE EXAMINER'S MOTION FOR
CLARIFICATION OF APPOINTMENT ORDER**

TO: Hon. Robert E. Gerber
U.S. Bankruptcy Judge

MOTION

The Fee Examiner of General Motors Corporation (n/k/a/ Motors Liquidation Company), appointed on December 23, 2009, moves the Court to enter an order clarifying the retention order entered that day to expressly permit the Fee Examiner to comment upon—and, if necessary, to object on fee-related grounds to—any applications filed by any party in interest for authority to retain a professional person or firm under the Bankruptcy Code to be paid by the estate upon application to the Court.

SUMMARY STATEMENT

Since his appointment late last year, the Fee Examiner has routinely reviewed the initial applications submitted by interested parties for authority to retain professionals. For example, on January 14, 2010, the Debtors filed a *Notice of Presentment of Order Pursuant to 11 U.S.C. § 327(a) Authorizing the Employment and Retention of Togut, Segal & Segal, LLP as Conflicts Counsel for the Debtors Nunc Pro Tunc to December 21, 2009* [Docket No. 4815] and, on March 9, 2010, the Debtors filed a *Notice of Hearing on Motion of Debtors for Entry of Order Pursuant to Sections 105 and 1109 of the Bankruptcy Code Appointing Dean M. Trafelet as Legal Representative for Future Asbestos Personal Injury Claimants* [Docket No. 5214]. On March 18, 2010, the Creditors' Committee filed its *Application to Retain and Employ Caplin & Drysdale, Chartered as Counsel to the Official Committee of Unsecured Creditors Holding Asbestos-Related Claims Nunc Pro Tunc to October 6, 2009* [Docket No. 5302].

In some instances, the Fee Examiner concluded that the applications were vague or imprecise in some respects or raised fee-related questions that should be resolved at the outset of the retention—rather than deferred months later to the submission of an application for fees and reimbursement of expenses. However, some interested parties have questioned the Fee Examiner's authority to raise questions about, or to object to, initial retention applications. The Fee Examiner has considered it implicit in his assignment. This motion would clarify that the Fee Examiner has explicit authority to comment on, or to object to, fee-related aspects of professionals' initial retention applications.

BACKGROUND

1. Commencing on June 1, 2009, General Motors Corp. and certain of its affiliates (“**Debtors**”) filed in this Court voluntary cases under chapter 11 of the Bankruptcy Code. The Debtors' chapter 11 cases have been consolidated for procedural purposes only and are being

jointly administered pursuant to Federal Rule of Bankruptcy Procedure 1015(b). The Debtors are authorized to operate their businesses and manage their properties as debtors in possession pursuant to 11 U.S.C. §§ 1107(2) and 1108.

2. On June 3, 2009, Diana G. Adams, the United States Trustee for the Southern District of New York, appointed the statutory committee of unsecured creditors pursuant to 11 U.S.C. § 1102.

3. On December 23, 2009, the United States Trustee, the Debtors, and the Creditors' Committee proposed by stipulation the appointment of Brady C. Williamson as examiner in the above-captioned chapter 11 cases (the "**Fee Examiner**") and, without objection and through the Fee Examiner Order entered that same day, the Court approved the appointment.

4. On January 5, 2010, the Fee Examiner submitted an *Application for Authorization to Employ and Retain Godfrey & Kahn, S.C. as Counsel to the Fee Examiner, Nunc Pro Tunc to December 28, 2009* and, without objection, the Court entered an Order authorizing the employment of Godfrey & Kahn, S.C. ("**Godfrey & Kahn**") on January 19, 2010 [Docket No. 4833].

GROUND FOR MOTION

5. From time to time, the Fee Examiner has contacted counsel for newly-retained professionals to discuss matters directly related to those professionals' terms of compensation and the ultimate submission of fee applications subject to the Fee Examiner's review. These conversations have, in several instances, provided the Fee Examiner with a better understanding of the need for additional case professionals, the way in which the new professionals should complement the work of existing case professionals, and the preliminary basis for the newly-retained professionals' compensation.

6. For example, on March 30, 2010, the Fee Examiner and his counsel conferred with Dean Trafelet, the proposed legal representative for future asbestos personal injury claimants, and Mr. Trafelet's counsel to acquire a better understanding of the asbestos claim valuation process and its significance to this proceeding. Through that conversation, the Fee Examiner will be better able, when the time comes, to evaluate the fee petitions of both Mr. Trafelet and other asbestos-related case professionals.

7. In conjunction with several new retention applications, the Fee Examiner has sought similar information from counsel for other interested parties, including the Debtors, who have questioned the Fee Examiner's authority to raise questions about, or to object to, initial retention applications as they relate to fees and fee applications. The Fee Examiner has considered that authority implicit in his assignment.

8. The *Stipulation and Order with Respect to Appointment of a Fee Examiner* [Docket No. 4708] provides, in paragraph 9, that "[i]n addition to the reporting requirements set forth above...the Fee Examiner may file periodic reports with respect to additional subjects regarding professional fees and expenses as he deems appropriate."

9. Any uncertainty about the Fee Examiner's authority can be eliminated by adding, at the conclusion of paragraph 9, the following clarifying language: "In this regard, the Fee Examiner shall have standing to review, to comment upon and, if warranted, to object to any retention application filed by any interested party in this proceeding if that retention anticipates that the retained party will apply for an award of interim or final compensation for fees and the reimbursement of expense from the estate."

10. Without the clarifying language, newly-retained professionals and their counsel may not respond promptly or completely to the Fee Examiner's initial inquiries, making the Fee

Examiner's ultimate evaluation of the reasonableness of the case professional's fee application more difficult than if any questions had been addressed at the outset of the new retention.

RELIEF SOUGHT

WHEREFORE, the Fee Examiner moves the Court to clarify the original appointment order by adding the following sentence to paragraph 9: "In this regard, the Fee Examiner shall have standing to review, to comment upon and, if warranted, to object to any retention application filed by any interested party in this proceeding if that retention anticipates that the retained party will apply for an award of interim and final compensation for fees and the reimbursement of expense from the estate."

Dated: Madison, Wisconsin
April 12, 2010.

GODFREY & KAHN, S.C.

By: /s/ Katherine Stadler
Timothy F. Nixon (TN 2644)
Katherine Stadler (KS 6831)

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**ORDER CLARIFYING THE
FEE EXAMINER'S APPOINTMENT ORDER**

Upon the April 12, 2010 *Motion for Clarification of Appointment Order* (the “**Motion**”) of the Fee Examiner in the above-referenced chapter 11 cases, appointed on December 23, 2009, for an order clarifying the retention order entered on that day to expressly permit the Fee Examiner to comment upon—and, if necessary, to object on fee-related grounds to—any applications filed by any party in interest for authority to retain a professional person or firm under the Bankruptcy Code to be paid by the estate upon application to this Court, and there being due and sufficient notice of the Motion; and this Court having considered the objections thereto; and a hearing having been held on April 29, 2010; and after due deliberation thereon, and good and sufficient cause appearing therefor, it is hereby,

ORDERED AND ADJUDGED AS FOLLOWS:

1. The Motion is granted.

2. The following sentence is hereby added at the conclusion of paragraph 9 of the *Stipulation and Order with Respect to Appointment of a Fee Examiner* (the “**Appointment Order**”) [Docket No. 4708] to clarify the scope of the Fee Examiner’s authority:

“In this regard, the Fee Examiner shall have standing to review, to comment upon and, if warranted, to object to any retention application filed by any interested party in this proceeding if that retention anticipates that the retained party will apply for an award of interim or final compensation for fees and the reimbursement of expenses from the estate.”

Dated: New York, New York
_____, 2010.

Hon. Robert E. Gerber
United States Bankruptcy Judge