

PRESENTMENT DATE AND TIME: October 7, 2010 at 12:00 noon (Eastern Time)
OBJECTION DATE AND TIME: October 7, 2010 at 11:30 a.m. (Eastern Time)

KING & SPALDING LLP
1185 Avenue of the Americas
New York, New York 10036
Telephone: (212) 556-2100
Facsimile: (212) 556-2222
Arthur Steinberg
Scott Davidson

ISAACS CLOUSE CROSE & OXFORD LLP
21515 Hawthorne Boulevard, Suite 950
Torrance, California 90503
Telephone: (310) 316-1990
Facsimile: (310) 316-1330
Gregory R. Oxford

Attorneys for General Motors LLC

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

-----X
In re : **Chapter 11**
:
MOTORS LIQUIDATION COMPANY, et al., : **Case No.: 09-50026 (REG)**
f/k/a General Motors Corp., et al. :
:
Debtors. : **(Jointly Administered)**
-----X

**NOTICE OF SETTLEMENT OF ORDER DENYING THE ORAL
APPLICATION OF RALLY AUTO GROUP, INC. FOR A STAY
PENDING APPEAL OF THE ORDER GRANTING MOTION OF
GENERAL MOTORS LLC TO ENFORCE 363 SALE ORDER
AND APPROVED DEFERRED TERMINATION AGREEMENT,
EXCEPT TO THE LIMITED EXTENT SET FORTH HEREIN**

PLEASE TAKE NOTICE that, pursuant to Rule 9074-1 of the Local Rules of Bankruptcy Procedure for the Southern District of New York, the proposed order, a copy of which is annexed hereto, denying the oral application of Rally Auto Group, Inc. for a stay pending appeal of the *Order Granting Motion of General Motors LLC to Enforce 363 Sale Order and Approved Deferred Termination Agreement* except to the limited extent set forth therein, will be presented for signature and entry to 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 **October 7, 2010 at 12:00 noon (Eastern Time)**.

PLEASE TAKE FURTHER NOTICE that objections or proposed counter-orders must be made in writing and shall conform to the Federal Rules of Bankruptcy Procedure and the Local Rules of the Bankruptcy Court, and shall be filed with the Bankruptcy Court (a) electronically in accordance with General Order M-242 (which can be found at www.nysb.uscourts.gov) by registered users of the Bankruptcy Court's filing system, and (b) by all other parties in interest, on a 3.5 inch disk, preferably in Portable Document Format (PDF), WordPerfect, or any other Windows-based word processing format (with a hard copy delivered directly to Chambers), in accordance with General Order M-182 (which can be found at www.nysb.uscourts.gov), and served in accordance with General Order M-242, and on (i) King & Spalding LLP, 1185 Avenue of the Americas, New York, New York 10036 (Attn: Arthur Steinberg, Esq. and Scott Davidson, Esq.); (ii) Isaacs Clouse Crose & Oxford LLP, 21515 Hawthorne Boulevard, Suite 950, Torrance, California 90503 (Attn: Gregory R. Oxford, Esq.); and (iii) General Motors, LLC, 400 Renaissance Center, Detroit, Michigan 48265 (Attn: Lawrence S. Buonomo, Esq.), so as to be received no later than **October 7, 2010, at 11:30 a.m. (Eastern Time)**.

Dated: New York, New York
October 5, 2010

Respectfully submitted,

/s/ Arthur Steinberg
Arthur Steinberg
Scott Davidson
KING & SPALDING LLP
1185 Avenue of the Americas
New York, New York 10036
Telephone: (212) 556-2100
Facsimile: (212) 556-2222

Gregory R. Oxford
ISAACS CLOUSE CROSE & OXFORD LLP
21515 Hawthorne Boulevard, Suite 950
Torrance, California 90503
Telephone: (310) 316-1990
Facsimile: (310) 316-1330

Attorneys for General Motors LLC
f/k/a General Motors Company

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re : Chapter 11
MOTORS LIQUIDATION COMPANY, *et al.*, : Case No.: 09-50026 (REG)
f/k/a General Motors Corp., *et al.* :
Debtors. : (Jointly Administered)
:

**ORDER DENYING THE ORAL APPLICATION OF RALLY AUTO
GROUP, INC. FOR A STAY PENDING APPEAL OF THE ORDER
APPROVING THE MOTION OF GENERAL MOTORS LLC TO ENFORCE
363 SALE ORDER AND APPROVED DEFERRED TERMINATION
AGREEMENT, EXCEPT TO THE LIMITED EXTENT SET FORTH HEREIN**

General Motors LLC (f/k/a General Motors Company) (“**New GM**”)¹ having filed a Motion, dated September 10, 2010 (the “**Motion to Enforce**”), of pursuant to Sections 105 and 363 of Title 11, United States Code (the “**Bankruptcy Code**”), for entry of an order (a) enforcing the terms of the 363 Sale Order and the terms of the Court-approved Wind-Down Agreement, and directing Rally Auto Group, Inc. (“**Rally**”) to specifically perform all of its obligations thereunder; (b) directing Rally and all persons acting in concert with it to cease and desist from prosecuting that certain civil action pending in the United States District Court for the Central District of California, Southern Division (the “**California District Court**”), No. SACV10-01236 DOC (Ex) (the “**California Action**”) or the claims asserted therein or attempted to be asserted therein, and from taking any action or attempting in any way to avoid the terms of the Chevrolet Wind-Down Agreement, including any effort to prevent, delay or interfere with

¹ Capitalized terms used herein and not otherwise defined herein shall have the meanings ascribed to such terms in the Motion to Enforce.

establishment of the new Chevrolet dealership, or to aid or assist the City of Palmdale or anyone else in attempting to prevent, delay or interfere with the establishment of the new Chevrolet dealership, in Lancaster, California, or elsewhere; and (c) directing Rally to dismiss the California Action with prejudice forthwith, all as more fully set forth in the Motion to Enforce; and Rally having filed an Objection, dated September 23, 2010 (the “**Objection**”), in response to the Motion to Enforce; and New GM having filed a Reply, dated September 29, 2010, in response to the Objection and in further support of the Motion to Enforce; and the Court having held a hearing (the “**Hearing**”) with respect to the Motion to Enforce on October 4, 2010; and at the Hearing the Court having rendered an opinion (the “**Opinion on Motion to Enforce**”) with respect to the Motion to Enforce as set forth on the record of the Hearing; and the Court having found and determined (as set forth in the Opinion on Motion to Enforce) that the legal and factual bases set forth in the Motion to Enforce establish just cause for the relief granted therein; and Rally having made an oral application (the “**Stay Application**”) at the Hearing immediately following the Court rendering its Opinion on Motion to Enforce for a stay of the order (the “**Order Granting Motion to Enforce**”) approving the Motion to Enforce pending appeal; and upon the record made at the Hearing and the Court having rendered an opinion at the Hearing (the “**Opinion on Stay Application**”) with respect to the Stay Application, the result of which is set forth herein; and after due deliberation and sufficient cause appearing therefore: it is hereby

ORDERED that the Stay Application is denied except to the limited extent set forth in the next decretal paragraph; and it is further

ORDERED that the Stay Application is granted solely to the limited extent of providing Rally with a stay of the Order Granting Motion to Enforce through 5:00 p.m. on October 11, 2010 so as to provide it with time, if it chooses, to seek stay relief with respect to the

Order Granting Motion to Enforce from the United States District Court for the Southern District of New York, and Rally shall not seek any relief with respect to the subject matter of the Motion to Enforce or the Order Granting Motion to Enforce in any other court including, without limitation, the California District Court; and it is further

ORDERED that this Court shall retain exclusive jurisdiction to hear and determine all matters arising from or related to this Order.

Dated: October __, 2010
New York, New York

UNITED STATES BANKRUPTCY JUDGE