

STATE OF MICHIGAN  
DEPARTMENT OF ATTORNEY GENERAL



**MIKE COX**  
ATTORNEY GENERAL

P.O. Box 30212  
LANSING, MICHIGAN 48909

April 22, 2009

Mr. Frederick A. Henderson  
President and Chief Executive Officer  
General Motors Corporation  
300 Renaissance Center  
P.O. Box 300  
Detroit, MI 48265-3000

Dear Mr. Henderson:

As Michigan's Attorney General, I represent the interests of the People of the State of Michigan. My department is also counsel for every state department, agency, board and commission as authorized by the Michigan Constitution and Michigan Compiled Laws. Given General Motors' long and storied history in the Great Lakes State, the State of Michigan is a creditor of General Motors in a myriad of ways, including everything from Michigan Business and Single Business Tax obligations to workers' compensation claims, unemployment insurance and environmental settlements.

On March 31, 2009, President Obama spoke to the American people from the White House regarding the work of his Auto Task Force and the challenges facing the American automobile industry. The President particularly noted the impact of those challenges on Michigan when he stated "More than one in 10 Michigan residents is out of work – the most of any state." Indeed, as you know, the impact of the domestic automobile industry in Michigan reaches far beyond the original equipment manufacturers (OEMs) like Chrysler, General Motors, and Ford. According to the Center for Automotive Research,<sup>1</sup> Tier One, Tier Two, and Tier Three auto suppliers have 130,656 Michigan citizens on their payrolls, while new car dealers employ another 35,921 Michiganders, and auto parts wholesalers employ 13,757. In other words, excluding the employees of the Big Three, some 180,334 Michigan citizens are employed by Michigan-based suppliers, wholesalers, and dealers. As President Obama correctly commented, "[t]his industry is like no other - - it's an emblem of the American spirit; a once and future symbol of America's success."

In the course of that same March 31st speech, President Obama raised the possibility of bankruptcy as a restructuring tool for GM (and Chrysler). He stated, "Now, while Chrysler and

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<sup>1</sup> Detroit Free Press, December 2, 2008

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GM are very different companies with very different paths forward, both need a fresh start to implement the restructuring plan they develop. That may mean using our bankruptcy code as a mechanism to help them restructure quickly and emerge stronger." Later that same day, the White House posted on its website the "Obama Administration New Path to Viability for GM & Chrysler." In a section entitled "General Motors/New Framework for a Fresh Start Restructuring," the Administration wrote: "The restructuring must substantially reduce GM's outstanding debt and existing liabilities...In order to execute a new, more aggressive restructuring plan within 60 days, we will work with GM to use all available tools to implement this plan. The best path to achieve this may well be an expedited, court-supervised process to extinguish unsustainable liabilities, should an out-of-court restructuring not be possible." Since these public statements there has been a great deal of speculation in the national and local press regarding a possible bankruptcy filing by General Motors.

Recent speculation in the media has focused on a possible bankruptcy filing in New York or Delaware. Consequently, I write to request a meeting with you and your legal counsel to discuss the venue of any possible bankruptcy filing. As the legal counsel for numerous state entities that are potential creditors and the elected state constitutional officer duly authorized to represent the legal interests of the people of the State of Michigan, I am gravely concerned about the impact of any bankruptcy filing in a jurisdiction outside Michigan. Since Billy Durant formed the General Motors Company in 1908, Michigan has been GM's home. Michigan is the site of your corporate headquarters, most of your manufacturing facilities, hundreds of thousands of your active and retired employees, and home to the vast majority of your suppliers and their employees. The financial health of General Motors and Michigan has been intertwined for decades. Accordingly, any potential bankruptcy filing outside the State of Michigan seems bizarre. More importantly, such a filing would inconvenience and unfairly impact the vast majority of your creditors who are located in Michigan. The costs for many of these creditors to participate in a New York or Delaware bankruptcy is overwhelming and would undoubtedly lead to unjust results. I am confident that you, as a lifelong Michigander and the leader of one of Michigan's most beloved institutions, would want to avoid that potential outcome.

Like President Obama – and millions of Michigan citizens – I support the goal of a stronger and more viable General Motors. If you ultimately decide to choose bankruptcy as the vehicle to a stronger General Motors, I respectfully ask that you and your representatives meet with me and attorneys from my office before any filing is made. Please feel free to contact me at any time, day or night, to discuss this matter.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mike Cox", with a stylized flourish at the end.

MIKE COX  
Attorney General