

Motors Liquidation Co  
Form 10-K  
June 11, 2018  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**  
**Washington, D.C. 20549**

**FORM 10-K**

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT  
OF 1934**

**For the fiscal year ended March 31, 2018**

**or**

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE  
ACT OF 1934**

**For the transition period from \_\_\_\_\_ to \_\_\_\_\_**

**Commission File No. 001-00043**

**Motors Liquidation Company GUC Trust**  
**(Exact name of registrant as specified in its charter)**

**Delaware**  
**(State or other jurisdiction of**

**incorporation or organization)**

**c/o Wilmington Trust Company,**

**as trust administrator and trustee**

**45-6194071**  
**(IRS Employer**

**Identification No.)**

**Attn: David A. Vanaskey Jr., Administrative Vice President**

**Rodney Square North**

**1100 North Market Street**

**Wilmington, Delaware**  
**(Address of principal executive offices)**

**(302) 636-6019**

**19890-1615**  
**(Zip Code)**

**(Registrant's telephone number, including area code)**

**(Former Name or Former Address, if Changed Since Last Report)**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No \*

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See definitions of large accelerated filer, accelerated filer, smaller reporting company, and emerging growth company in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer (Do not check if a smaller reporting company)

Smaller Reporting Company

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by checkmark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes No \*

\* The registrant is not required to file reports pursuant to Sections 12, 13 or 15(d) of the Securities Exchange Act of 1934, but has filed all reports required pursuant to the relief granted to the registrant in a No Action Letter from the Division of Corporation Finance of the Securities and Exchange Commission to the registrant dated May 23, 2012.

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**FORWARD-LOOKING STATEMENTS**

This Annual Report on Form 10-K (the "Form 10-K") contains forward-looking statements about the assets, financial condition and prospects of the Motors Liquidation Company GUC Trust, or the GUC Trust. Actual results could differ materially from those indicated by the forward-looking statements because of various risks and uncertainties, including, without limitation, the outcome of and the ultimate recovery on the Term Loan Avoidance Action (as defined below) and any related incurrence of Allowed General Unsecured Claims (as defined below), the Bankruptcy Court's ruling on the Settlement Agreement (as defined below) if the Settlement Agreement is not approved, the ultimate outcome of the Late Claims Motions (as defined below), the GUC Trust's incurrence of professional fees and other expenses in connection with administration of the GUC Trust, changes in tax and other governmental rules and regulations applicable to the GUC Trust, and other risks. Some of these risks and uncertainties are beyond the ability of the GUC Trust to control, and in many cases, risks and uncertainties that could cause actual results to differ materially from those indicated by the forward-looking statements cannot be predicted. These forward-looking statements should therefore be considered in light of various important factors, including those set forth in this Form 10-K. When used in this Form 10-K, the words "believes," "estimates," "plans," "expects," "intends," and "anticipates" and expressions are intended to identify forward-looking statements.

**GLOSSARY**

A glossary of defined terms used in this Form 10-K is provided beginning on page 16.

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**PART I**

**Item 1. Business.**

The GUC Trust was formed on March 30, 2011 as a statutory trust under the Delaware Statutory Trust Act, as amended, or the Delaware Act, upon the execution of the Motors Liquidation Company GUC Trust Agreement, or the GUC Trust Agreement, by Motors Liquidation Company, or MLC, MLC of Harlem, Inc., MLCS, LLC, MLCS Distribution Corporation, Remediation and Liability Management Company, Inc. and Environmental Corporate Remediation Company, Inc., Wilmington Trust Company, not in its individual capacity but solely in its capacity as trust administrator and trustee of the GUC Trust, or the GUC Trust Administrator, and FTI Consulting, Inc., solely in its capacity as trust monitor of the GUC Trust, or the GUC Trust Monitor, and upon the filing of the Certificate of Trust of Motors Liquidation Company GUC Trust with the Office of the Secretary of State of the State of Delaware.

The GUC Trust has no officers, directors or employees. The GUC Trust is administered by the GUC Trust Administrator, which is authorized by the GUC Trust Agreement to engage professionals, or GUC Trust Professionals, to assist the GUC Trust Administrator in the administration of the GUC Trust. Accordingly, the GUC Trust and GUC Trust Administrator rely on receiving accurate information, reports and other representations from (i) the GUC Trust professionals, (ii) the GUC Trust Monitor, and (iii) other service providers to the GUC Trust. Notwithstanding such reliance, the GUC Trust Administrator is ultimately responsible for the disclosure provided in this Form 10-K. Among other rights and duties, pursuant and subject to the GUC Trust Agreement, the GUC Trust Administrator has the powers and authority as set forth in the GUC Trust Agreement, including, without limitation, the power and authority to hold, manage, sell, invest and distribute the assets comprising the corpus of the GUC Trust, prosecute and resolve objections to Disputed General Unsecured Claims (as defined below), take all necessary actions to administer the wind-down of the affairs of the Debtors (as defined below), and resolve and satisfy (to the extent allowed) any administrative expenses, priority tax claims, priority non-tax claims and secured claims, or collectively the Residual Wind-Down Claims. The activities of the GUC Trust Administrator are overseen by the GUC Trust Monitor. As further described below, the GUC Trust was formed for the purposes of implementing the Plan (as defined below) as a post-confirmation successor to MLC and resolving Disputed General Unsecured Claims against MLC and its affiliated debtors and debtors-in-possession, or the Debtors, and winding-down the Debtors' affairs, with no objective to engage in the conduct of a trade or business. The GUC Trust is a post-confirmation successor to MLC within the meaning of Section 1145 of title 11 of the United States Code, or the Bankruptcy Code.

*Background: The General Motors Corporation Bankruptcy*

General Motors Corporation, or Old GM, which is also known as MLC, and certain of its direct and indirect subsidiaries Chevrolet-Saturn of Harlem, Inc., n/k/a MLC of Harlem, Inc., Saturn, LLC, n/k/a MLCS, LLC and Saturn Distribution Corporation, n/k/a MLCS Distribution Corporation filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code, in the United States Bankruptcy Court for the Southern District of New York, or the Bankruptcy Court, on June 1, 2009. On October 9, 2009, Remediation and Liability Management Company, Inc. and Environmental Corporate Remediation Company, Inc., each of which was a subsidiary of Old GM, filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code with the Bankruptcy Court.

On July 5, 2009, the Bankruptcy Court authorized the sale of substantially all of the assets of the Debtors to an acquisition vehicle principally formed by the United States Department of the Treasury, or the U.S. Treasury. On July 10, 2009, the acquisition vehicle, NGMCO, Inc., acquired substantially all of the assets and assumed certain liabilities of the Debtors pursuant to a Master Sale and Purchase Agreement, or, as amended, the MSPA, among Old GM and certain of its debtor subsidiaries and NGMCO, Inc., in a transaction under Section 363 of the Bankruptcy

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Code, or the 363 Transaction. In connection with the 363 Transaction, Old GM changed its name to Motors Liquidation Company and the acquisition vehicle, pursuant to a holding company reorganization, became General Motors Company, or (together with its consolidated subsidiaries) New GM.

The primary consideration provided by New GM to the Debtors under the MSPA was 150 million shares of common stock of New GM, or the New GM Common Stock, issued by General Motors Company, amounting to approximately 10% of the outstanding New GM Common Stock at the time of the closing of the 363 Transaction, a series of warrants to acquire 136,363,635 newly issued shares of New GM Common Stock with an exercise price set at \$10.00 per share, which were scheduled to expire on July 10, 2016, or the New GM Series A Warrants, and another series of warrants to acquire 136,363,635 newly issued shares of New GM Common Stock with an exercise price set at \$18.33 per share, that were scheduled to expire on July 10, 2019, or the New GM Series B Warrants, and, collectively, the New GM Warrants. Together, the New GM Warrants constituted approximately 15% of the New GM Common Stock on a fully-diluted basis at the time of their issuance. Collectively, the New GM Common Stock and the New GM Warrants are referred to as the New GM Securities. As described below, all of the GUC Trust's holdings of the New GM Securities were liquidated in July and August 2015.

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Additional consideration was also provided in the form of (i) the assumption of certain liabilities by New GM, (ii) a credit bid of certain outstanding obligations under (a) certain prepetition debt held by the U.S. Treasury and (b) a debtor-in-possession credit agreement, or the DIP Credit Agreement, held by, as lenders thereunder, the U.S. Treasury and the Governments of Canada and Ontario (through Export Development Canada), and together with the U.S. Treasury, the DIP Lenders, and (iii) the cancellation of certain warrant notes issued to the U.S. Treasury.

In the event that the Bankruptcy Court enters an order, or orders, that include a finding that the estimated aggregate Allowed General Unsecured Claims against the Debtors exceed \$35 billion, New GM will be required, pursuant to the MSPA, to issue additional shares of New GM Common Stock, or Additional Shares, for the benefit of the GUC Trust's beneficiaries. The number of Additional Shares to be issued will be equal to the number of such shares, rounded up to the next whole share, calculated by multiplying (i) 30 million shares (adjusted to take into account any stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, reorganization or similar transaction with respect to such New GM Common Stock from and after the closing of the 363 Transaction and before issuance of the Additional Shares) and (ii) a fraction, (a) the numerator of which is the amount by which Allowed General Unsecured Claims exceed \$35 billion (such excess amount being capped at \$7 billion) and (b) the denominator of which is \$7 billion. No Additional Shares have been issued as of the date of filing of this Form 10-K. Notwithstanding the foregoing, if the Settlement Agreement is approved by the Bankruptcy Court, any Additional Shares issued as a result of the entry of a claims estimation order relating to certain claims underlying the Late Claims Motions will be placed in a fund for the exclusive benefit of certain plaintiffs with respect to such claims, and the holders of beneficial interests in the GUC Trust and the defendants in the Term Loan Avoidance Action will be deemed to irrevocably waive and release any and all right to the Additional Shares.

On March 18, 2011, the Debtors filed the Debtors' Second Amended Joint Chapter 11 Plan, or the Plan, with the Bankruptcy Court, and on March 29, 2011, or the Confirmation Date, the Bankruptcy Court entered an order confirming the Plan, or the Confirmation Order. The Plan became effective on March 31, 2011, or the Effective Date. On December 15, 2011, or the Dissolution Date, as required by the Plan, MLC filed a Certificate of Dissolution with the Secretary of State of the State of Delaware and MLC was dissolved as of such date. On April 18, 2013, the Bankruptcy Court entered an order granting the GUC Trust's request for entry of a final decree administratively closing each of the Debtors' chapter 11 cases other than that of MLC.

### *The Plan and the Formation of the GUC Trust*

The Plan treats all creditors and equity interest holders in accordance with their relative priorities under the Bankruptcy Code, and designates six distinct classes of claims or equity interests: secured claims, priority non-tax claims, general unsecured claims, property environmental claims, asbestos personal injury claims and equity interests in MLC. The GUC Trust is primarily tasked with the resolution and satisfaction of general unsecured claims. Under the terms of the Plan, for each \$1,000 in amount of allowed general unsecured claims against the Debtors, or the Allowed General Unsecured Claims, the holders of such claims are currently entitled to receive (upon delivery of any information required by the GUC Trust) approximately \$296 in cash (which dollar value shifts slightly due to rounding as required by the Plan), which represents the net cash value of the New GM Securities that otherwise would have been distributed to such claimant prior to entry of the Liquidation Order (as defined below), together with associated cash in lieu of fractional shares and Dividend Cash (as defined below), as well as one GUC Trust Unit. Any holders of disputed general unsecured claims against the Debtors, or the Disputed General Unsecured Claims, will receive subsequent distributions of cash and GUC Trust Units, in respect of such claims, only if and to the extent that their Disputed General Unsecured Claims are subsequently allowed, or Resolved Disputed Claims. There are currently no unresolved Disputed General Unsecured Claims. (See Functions and Responsibilities of the GUC Trust Resolution of Disputed General Unsecured Claims below.)



The Plan provides for the formation of the GUC Trust to, among other duties, administer the prosecution, resolution and satisfaction of general unsecured claims and Residual Wind-Down Claims against the Debtors. As further described below, the GUC Trust is responsible for implementing the Plan, including distributing the assets comprising the corpus of the GUC Trust and GUC Trust Units to holders of Allowed General Unsecured Claims in satisfaction of their claims, resolving (that is, seeking allowance or disallowance of all or part of such claims) Disputed General Unsecured Claims that were outstanding as of the Effective Date and distributing cash and GUC Trust Units in satisfaction of the Resolved Allowed Claims (as defined below).

Under the Plan, the Debtors were required to be dissolved no later than the Dissolution Date. Upon the dissolution of MLC, the GUC Trust assumed responsibility for the winding down of the affairs of the Debtors and resolving and satisfying the Residual Wind-Down Claims.

The GUC Trust had an initial stated term of three years from the Effective Date. The Bankruptcy Court has entered orders extending the duration of the GUC Trust to March 31, 2019. The duration of the GUC Trust may in the future be shortened or further extended upon application to and approval by the Bankruptcy Court as necessary to complete the resolution of all potential claims, the wind-down of the Debtors' affairs and the distribution of any remaining assets of the Debtors. The GUC Trust will remain under the jurisdiction of the Bankruptcy Court throughout the term of its existence.

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### *The GUC Trust Assets*

As of the Effective Date, the corpus of the GUC Trust consisted solely of approximately \$52.7 million in cash contributed by the Debtors to fund the administrative fees and expenses (including certain tax obligations), or the Wind-Down Costs, incurred by the GUC Trust in administering its duties pursuant to the Plan and the GUC Trust Agreement, or the Administrative Fund. The cash comprising the Administrative Fund was obtained by MLC from the DIP Lenders and is subject to a lien held by the DIP Lenders pursuant to the DIP Credit Agreement, with any excess funds remaining in the Administrative Fund required to be returned to the DIP Lenders after (i) the satisfaction in full of all Wind-Down Costs and other liabilities of the GUC Trust (subject to the terms of the GUC Trust Agreement) and (ii) the winding up of the GUC Trust's affairs. As such, the Administrative Fund cannot be utilized for distributions to holders of Allowed General Unsecured Claims.

Moreover, the usage of the Administrative Fund for the payment of fees and expenses of the GUC Trust is subject to a budget (the "Budget"), which must be submitted on an annual basis to the GUC Trust Monitor and the DIP Lenders for their approval and is updated quarterly as needed. The GUC Trust Agreement provides that any Wind-Down Costs incurred by the GUC Trust that exceed or are not covered by the Budget cannot be paid from the Administrative Fund, except with written consent of the DIP Lenders or Bankruptcy Court approval, in limited circumstances.

The GUC Trust Agreement provides that the Administrative Fund may not be utilized to fund certain specified costs, fees and expenses, which are referred to as Reporting Costs, including those directly or indirectly relating to (i) reports to be prepared and filed by the GUC Trust pursuant to applicable rules, regulations and interpretations of the U.S. Securities and Exchange Commission (the "SEC"), (ii) the transfer, registration for transfer and certification of GUC Trust Units, (iii) the application by the Committee (as defined below) to the Internal Revenue Service (the "IRS") for a private letter ruling regarding the tax treatment of the GUC Trust and the holders of Allowed General Unsecured Claims in respect to the distribution of New GM Securities, which is discussed in more detail below under the heading "Income Tax Liabilities for Certain Capital Gains, Investment Income and Dividends on New GM Common Stock," and (iv) certain legal proceedings relating to the Term Loan Avoidance Action. In addition, the Administrative Fund cannot be used to fund any current or projected tax liabilities of the GUC Trust, other than those included in the Budget. However, the GUC Trust Agreement provides the GUC Trust Administrator with the authority to set aside from distribution and appropriate Distributable Cash (as defined below) to fund such Reporting Costs (the "Reporting and Transfer Cash") and projected tax liabilities (other than those included in the Budget), with the approval of the Bankruptcy Court and/or the GUC Trust Monitor, in each case as described below. Prior to the sale of all New GM Securities previously held by the GUC Trust in July and August 2015 as described below, the GUC Trust Administrator was authorized to set aside from distribution and sell New GM Securities to fund such Reporting Costs and projected tax liabilities with the approval of the Bankruptcy Court and/or the GUC Trust Monitor as described below.

The GUC Trust Agreement affords the GUC Trust Administrator, with the approval of the GUC Trust Monitor, the authority to set aside from distribution Distributable Cash (previously New GM Securities were set aside) in amounts sufficient to satisfy (i) any current or projected Wind-Down Costs of the GUC Trust that exceed the amounts budgeted or were not budgeted in the Administrative Fund, including U.S. federal income taxes on dividends received by the GUC Trust on New GM Common Stock previously held by the GUC Trust ("Dividend Taxes") and on investment income earned on Distributable Cash ("Investment Income Taxes"), (ii) any current or projected Reporting Costs that exceed the then current Reporting and Transfer Cash, or (iii) any current or projected Taxes on Distribution (as defined below). This process is not related to, and is separate from, the process of recording any current and deferred income tax liabilities, as well as reserves for expected costs of liquidation in the Statement of Net Assets in Liquidation as a matter of financial reporting, which is only required for expected costs of liquidation for which there is a reasonable basis for estimation under applicable accounting standards. See "Critical Accounting Policies and

Estimates Reserves for Expected Costs of Liquidation and Income Taxes in Item 7 ( Management s Discussion and Analysis of Financial Condition and Results of Operations ) below. The GUC Trust Administrator reevaluates, on a quarterly basis, the amount of Distributable Cash needed to be set aside from distribution for purposes of funding projected liquidation and administrative costs (including projected Dividend Taxes and Investment Income Taxes) and potential Taxes on Distribution.

The GUC Trust Administrator may appropriate Distributable Cash (previously New GM Securities were sold) that has been set aside from distribution to fund (with the required approval of the Bankruptcy Court) the current or projected Wind-Down Costs (including any Dividend Taxes and Investment Income Taxes) or Reporting Costs of the GUC Trust and (with the required approval of only the GUC Trust Monitor) any current and projected Taxes on Distribution of the GUC Trust. Such appropriated Distributable Cash (previously the cash proceeds of sales of New GM Securities and the marketable securities in which such cash proceeds were invested) is referred to as Other Administrative Cash. Pursuant to the GUC Trust Agreement, any cash or marketable securities constituting Other Administrative Cash which remain at the winding up and conclusion of the GUC Trust will be distributed to the holders of GUC Trust Units.

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Prior to the liquidation of all New GM Securities in July and August 2015 described above, the GUC Trust was authorized, with the approval of the GUC Trust Monitor, to set aside from distribution New GM Securities for the funding of Wind-Down Costs and Reporting Costs described above and to sell such set aside New GM Securities with the approval of the Bankruptcy Court. The Bankruptcy Court previously approved in March and December 2012, and again in January 2015, the sale of New GM Securities to fund certain accrued and projected Wind-Down Costs which were in excess of the amounts budgeted in the Administrative Fund for such costs, and certain projected Reporting Costs. Prior to the liquidation of all the GUC Trust's holdings of New GM Securities described above, sales of New GM Securities to fund projected Wind-Down Costs and Reporting Costs through calendar year 2015 aggregated approximately \$61.7 million, including Dividend Cash of \$0.2 million and approximately \$5.7 million expressly authorized by the GUC Trust Agreement to be liquidated shortly after the Effective Date for the purposes of funding certain Reporting Costs, which is referred to as the Initial Reporting Cash. In December 2015, February 2017 and March 2018, the Bankruptcy Court approved the appropriation of Distributable Cash aggregating approximately \$35.6 million to fund the projected costs and expenses of the GUC Trust through calendar year 2018. Such appropriations reduced Distributable Cash and increased Other Administrative Cash. As of March 31, 2018, approximately \$21.2 million remained in Other Administrative Cash and was recorded in cash and cash equivalents and marketable securities in the Statement of Net Assets in Liquidation.

As described in Item 3 ( Legal Proceedings ), the GUC Trust has executed the Settlement Agreement with certain plaintiffs. If approved by the Bankruptcy Court, the Settlement Agreement would provide for the Settlement Payment to such plaintiffs of \$15.0 million and for the payment of noticing costs of up to \$6.0 million, among other provisions. On May 2, 2018 and May 3, 2018, respectively, the GUC Trust Administrator filed motions seeking authority from the Bankruptcy Court to appropriate Distributable Cash of \$6.0 million for the purpose of satisfying such noticing costs and \$15.0 million for the purpose of satisfying the Settlement Payment. No hearing date has been scheduled with respect to the Settlement Payment or the noticing costs.

Prior to the dissolution of MLC, certain designated assets and the New GM Securities were maintained at MLC (the latter was retained by MLC to avoid federal income taxes that might have been payable by the GUC Trust upon distribution of the New GM Securities with respect to any appreciation of the securities while in possession of the GUC Trust, or Taxes on Distribution; see discussion below). As required by the Plan, MLC transferred to the GUC Trust on the Dissolution Date (i) record ownership of all remaining undistributed New GM Securities, which consisted of 30,967,561 shares of New GM Common Stock, 28,152,186 New GM Series A Warrants and 28,152,186 New GM Series B Warrants, (ii) approximately \$2.0 million designated for Reporting Costs, (iii) approximately \$1.4 million designated for reimbursing the indenture trustees and the fiscal and paying agents under the Debtors' prepetition debt issuances for costs associated with, among other things, administering distributions to registered holders of the Debtors' prepetition debt issuances, or Indenture Trustee/Fiscal and Paying Agent Costs, and (iv) certain rights and obligations. Separately, on the Dissolution Date, MLC transferred \$500,000 to the Avoidance Action Trust (as defined below) for the purposes of funding any potential public reporting requirements of the Avoidance Action Trust, in which funds the GUC Trust holds a residual interest to the extent unused by the Avoidance Action Trust.

By order dated July 2, 2015 (the Liquidation Order ), the Bankruptcy Court approved the conversion of the GUC Trust's holdings of New GM Securities into cash. To effect such conversion, on July 7, 2015, the GUC Trust converted all of its holdings of New GM Warrants into New GM Common Stock in a cashless exercise. In total, the GUC Trust converted (i) 10,352,556 New GM Series A Warrants into 7,407,155 shares of New GM Common Stock, and (ii) 10,352,556 New GM Series B Warrants into 4,953,635 shares of New GM Common Stock. Thereafter, the GUC Trust sold all of its holdings of New GM Common Stock for net proceeds aggregating \$741.7 million, having completed all such sales on August 5, 2015. As a result, all distributions by the GUC Trust thereafter in respect of any Allowed General Unsecured Claims (including in respect of the GUC Trust Units) have been and will be made solely in cash. Pursuant to the Liquidation Order, the proceeds of such liquidations (net of applicable costs, fees, and

expenses paid in respect thereof) were allocated to the beneficiaries of the GUC Trust on a pro rata basis in the following manner:

- (a) A GUC Trust beneficiary's entitlement to a particular number of New GM Warrants that were exercised was converted into an entitlement to receive the number of shares of New GM Common Stock into which such New GM Warrants were exercised. Such conversions were 0.71549 shares of New GM Common Stock for each New GM Series A Warrant and 0.47849 shares of Common Stock for each New GM Series B Warrant; and
- (b) A GUC Trust beneficiary's entitlement to a particular number of shares of New GM Common Stock that were liquidated (including the exercised New GM Warrants as set forth above), was converted into an entitlement to receive an amount of cash equal to the weighted average sales price (net of any applicable costs, fees, and expenses paid in respect thereof) of all of the New GM Common Stock sold, multiplied by the number of shares of New GM Common Stock to which such GUC Trust beneficiary would otherwise be entitled (including exercised New GM Warrants as set forth above). Such weighted average sales price for the GUC Trust's holdings of New GM Common Stock that were sold subsequent to June 30, 2015 was \$31.23 per share.

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Following the liquidation described above, the GUC Trust has invested most of the proceeds in certain marketable securities as permitted under the GUC Trust Agreement. The amount of cash and cash equivalents and marketable securities held for distribution to GUC Trust beneficiaries, including Dividend Cash, is referred to herein as Distributable Cash.

Upon the dissolution of MLC, the GUC Trust assumed responsibility for the winding down of the affairs of the Debtors and resolving and satisfying the Residual Wind-Down Claims. Under the Plan, upon the dissolution of MLC, the Debtors were directed to transfer to the GUC Trust, Residual Wind-Down Assets (as defined below) in an amount sufficient, based upon the Debtors' reasonable estimate, to satisfy the Residual Wind-Down Claims and the Residual Wind-Down Costs (as defined below). On the Dissolution Date, MLC transferred approximately \$42.8 million in Residual Wind-Down Assets to the GUC Trust (which amount consisted of approximately \$40.0 million in cash, including approximately \$1.4 million for payment of certain defense costs related to the Term Loan Avoidance Action, or the Avoidance Action Defense Costs, and the transferred benefit of approximately \$2.8 million in prepaid expenses).

Pursuant to the GUC Trust Agreement and the Plan, the Residual Wind-Down Assets are to be administered in accordance with the GUC Trust Agreement and Plan and are to be used to satisfy and resolve the Residual Wind-Down Claims and to fund the Residual Wind-Down Costs and certain Avoidance Action Defense Costs. Any unused portions of the Residual Wind-Down Assets, along with any unused funds designated for Indenture Trustee/Fiscal and Paying Agent Costs, must be returned to the DIP Lenders and will not be available for distribution to the holders of GUC Trust Units at the winding up and conclusion of the GUC Trust. If, collectively, the actual amounts of Residual Wind-Down Claims allowed, the Residual Wind-Down Costs and the Avoidance Action Defense Costs exceed the Residual Wind-Down Assets, the GUC Trust Administrator may be required to set aside from distribution and appropriate Distributable Cash to fund the shortfall. Any such appropriation of Distributable Cash would reduce the amount of Distributable Cash available for distribution to holders of GUC Trust Units.

Prior to the liquidation of all its holdings of New GM Common Stock described above, the GUC Trust received dividends on the New GM Common Stock it held as of the respective record dates aggregating approximately \$24.7 million. Such dividends are required to be applied to the same purpose as the New GM Common Stock to which such dividends relate. If the portion of Distributable Cash applicable to the proceeds from the liquidation of New GM Common Stock is distributed to holders of subsequently allowed Disputed General Unsecured Claims and Term Loan Avoidance Action Claims, or GUC Trust Units, then the dividends relating to such Distributable Cash will also be distributed to such holders. If, however, Distributable Cash is appropriated by the GUC Trust in accordance with the GUC Trust Agreement to fund the costs and liabilities of the GUC Trust, then, in that case, the dividends relating to such Distributable Cash will be applied to such costs and liabilities of the GUC Trust and (just like the appropriated Distributable Cash) will be maintained in Other Administrative Cash. Because such dividends are applied to the same purpose as the associated Distributable Cash, any references in this Form 10-K to Distributable Cash should be understood to include the dividends relating to such Distributable Cash, unless expressly indicated otherwise. The amount of cash and cash equivalents and marketable securities held by the GUC Trust that relates to dividends received by the GUC Trust on New GM Common Stock previously held by the GUC Trust is referred to as Dividend Cash and is included in the amount of cash and cash equivalents and marketable securities held for distribution to GUC Trust beneficiaries that is referred to herein as Distributable Cash (except to the extent of dividends relating to appropriated Distributable Cash that is classified as Other Administrative Cash following such appropriation).

The GUC Trust does not and will not engage in any trade or business. As a result, the only income earned by the GUC Trust is interest income and dividends from permitted investments of cash as prescribed by the GUC Trust Agreement. The GUC Trust has no other sources of income. As of March 31, 2018, the GUC Trust had an aggregate of approximately \$2.6 million in cash and cash equivalents and \$505.2 million in marketable securities consisting of

U.S. Treasury bills.

*Functions and Responsibilities of the GUC Trust*

The functions and responsibilities of the GUC Trust are governed by the Plan and the GUC Trust Agreement, as amended, with the oversight of the GUC Trust Monitor. The GUC Trust has no officers, directors or employees. The GUC Trust is administered by the GUC Trust Administrator, which is authorized by the GUC Trust Agreement to engage Trust Professionals to assist the GUC Trust Administrator in the administration of the GUC Trust.

Accordingly, the GUC Trust and GUC Trust Administrator rely on receiving accurate information, reports and other representations from (i) the Trust Professionals, (ii) the GUC Trust Monitor, and (iii) other service providers to the GUC Trust. Notwithstanding such reliance, the GUC Trust Administrator is ultimately responsible for the disclosure provided in this Form 10-K. Under the GUC Trust Agreement, among other duties and obligations, the GUC Trust is obligated to distribute the assets comprising the corpus of the GUC Trust to satisfy Allowed General Unsecured Claims, prosecute and resolve objections to Disputed General Unsecured Claims, take all necessary actions to administer the wind-down of the affairs of the Debtors and resolve and satisfy (to the extent allowed) the Residual Wind-Down Claims assumed by the GUC Trust.

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**Satisfaction of Allowed General Unsecured Claims**

Pursuant to the GUC Trust Agreement, the GUC Trust is required to make quarterly distributions, provided that either (i) the Minimum Threshold (as defined below) with respect to the Excess GUC Trust Distributable Assets (as defined below) is reached or (ii) Resolved Allowed Claims have arisen during the GUC Trust's preceding fiscal quarter. If a distribution of Excess GUC Trust Distributable Assets is required to be made, then the GUC Trust Administrator must select the record date for such distribution. Each quarterly distribution is made as promptly as practicable following the close of the immediately preceding fiscal quarter.

In addition to cash, the GUC Trust Agreement provides for the distribution of GUC Trust Units to holders of Allowed General Unsecured Claims equal to one GUC Trust Unit per \$1,000 in Allowed General Unsecured Claims, subject to rounding under the GUC Trust Agreement. Each GUC Trust Unit represents the contingent right to receive, on a pro rata basis, the excess assets of the GUC Trust, including Distributable Cash, if any, available for distribution in respect of the GUC Trust Units, either through a periodic distribution as provided for under the GUC Trust Agreement, or upon the dissolution of the GUC Trust, in each case subject to the terms and conditions of the GUC Trust Agreement and the Plan, or the Excess GUC Trust Distributable Assets.

Pursuant to the GUC Trust Agreement, quarterly distributions are required to be made to (i) holders of Resolved Allowed Claims, and (ii) beneficiaries of GUC Trust Units (including persons listed in (i)), subject to the following limitation: the GUC Trust will make quarterly distributions in respect of the GUC Trust Units only if and to the extent that (a) certain previously Disputed General Unsecured Claims asserted against the Debtors are either disallowed or are otherwise resolved favorably to the Debtors' estates (thereby reducing the amount of GUC Trust distributable assets which would be required to satisfy in full all the then-remaining Disputed General Unsecured Claims), (b) as a result of a litigated or consensual resolution, the amount of Term Loan Avoidance Action Claims is reduced (thereby reducing the amount of GUC Trust distributable assets which would be required to satisfy in full all the then-remaining Term Loan Avoidance Action Claims), or (c) the amount of Distributable Cash set aside for purposes of funding potential Wind-Down Costs, Reporting Costs and/or Taxes on Distribution, as applicable, is reduced from prior levels, and in each case the resulting amount of Excess GUC Trust Distributable Assets as of the end of the relevant quarter exceeds thresholds set forth in the GUC Trust Agreement, or the Minimum Threshold. Prior to the liquidation of all New GM Securities previously held by the GUC Trust described above, the Minimum Threshold was equal to: (i) with respect to New GM Common Stock, 1,000,000 shares of New GM Common Stock, (ii) with respect to the New GM Series A Warrants, warrants to acquire 909,091 shares of New GM Common Stock (subject to customary adjustment), (iii) with respect to the New GM Series B Warrants, warrants to acquire 909,091 shares of New GM Common Stock (subject to customary adjustment), and (iv) with respect to cash, \$5 million. Following such liquidation of New GM Securities, the Minimum Threshold is equal to: (i) with respect to Distributable Cash, approximately \$67.0 million, and (ii) with respect to other distributable assets of the GUC Trust, if any, an amount to be determined by the GUC Trust Administrator (and approved by the GUC Trust Monitor) or determined by the Bankruptcy Court, as appropriate. Notwithstanding the foregoing, holders of Resolved Allowed Claims receiving quarterly distributions will additionally receive distributions in respect of their GUC Trust Units that such recipients would have previously received had they been holders of Initial Allowed General Unsecured Claims (as defined below).

Holders of Allowed General Unsecured Claims who do not satisfy certain informational requirements by a date, or dates, established by the GUC Trust Administrator in connection with a quarterly distribution may not receive cash pursuant to such distribution; provided, however, that each such holder will be entitled to participate in the first quarterly distribution following its satisfaction of such informational requirements. In addition, if a holder of an Allowed General Unsecured Claim fails to satisfy such informational requirements prior to dissolution of the GUC Trust, such holder may risk forfeiting the distribution to which it would otherwise be entitled, and any such assets would be distributed to the beneficiaries of GUC Trust Units.



On or about the Effective Date, there were approximately \$29,771 million in Allowed General Unsecured Claims, or the Initial Allowed General Unsecured Claims. As of March 31, 2018, there were approximately \$31,855 million in Allowed General Unsecured Claims. See the table on page 40 for a summary of the Allowed General Unsecured Claims, Disputed General Unsecured Claims and Term Loan Avoidance Action Claims.

Since the Effective Date, the GUC Trust has made certain quarterly distributions. These quarterly distributions have been made (i) to holders of Resolved Allowed Claims arising during the GUC Trust's preceding fiscal quarter, if any, (ii) to holders of Allowed General Unsecured Claims who previously failed to fulfill informational requirements for distribution established in accordance with the GUC Trust Agreement, but subsequently successfully fulfilled such information requirements, if any, and (iii) to beneficiaries of GUC Trust Units for fiscal quarters in which the amount of GUC Trust Distributable Assets as of the end of the relevant quarter exceeded the Minimum Threshold. Distributions in the fiscal years ended March 31, 2018 and 2017 are described below.

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During the year ended March 31, 2017, the GUC Trust made distributions to holders of GUC Trust Units (in respect of the quarter ended September 30, 2016) resulting primarily from the release of distributable assets of the GUC Trust that were previously set aside in respect of Taxes on Distribution. In addition, during the years ended March 31, 2018 and 2017, distributions were made to holders of Allowed General Unsecured Claims arising in the quarters ended December 31, 2017, June 30, 2017, March 31, 2017, December 31, 2016, September 30, 2016, and June 30, 2016. Additionally, distributions were made during the years ended March 31, 2018 and 2017 to holders of Allowed General Unsecured Claims who previously failed to fulfill informational requirements for distribution established in accordance with the GUC Trust Agreement, but subsequently successfully fulfilled such information requirements.

In respect of Allowed General Unsecured Claims aggregating \$31,855 million as of March 31, 2018, the GUC Trust had previously distributed in the aggregate 137,298,736 shares of New GM Common Stock, 124,817,263 New GM Series A Warrants and 124,817,263 New GM Series B Warrants and \$246.2 million of Distributable Cash. In addition, the GUC Trust was obligated to distribute as of March 31, 2018, \$1.8 million of Distributable Cash. See the table on page 41 for a summary of the GUC Trust's distributable assets.

As discussed above, in addition to Distributable Cash, the GUC Trust Agreement also provides for the distribution of beneficial interests in units, or GUC Trust Units, to holders of Allowed General Unsecured Claims in an amount equal to one GUC Trust Unit per \$1,000 in Allowed General Unsecured Claims, subject to rounding under the GUC Trust Agreement. Each GUC Trust Unit represents the contingent right to receive, on a pro rata basis, a share of the Excess GUC Trust Distributable Assets. Pursuant to a No Action Letter received from the SEC on May 23, 2012 (the "No Action Letter"), the GUC Trust Units are currently issued in book-entry form only, represented by one or more global certificates registered in the name of the Depository Trust Company (which is referred to in this Form 10-K as DTC), as depository, or Cede & Co., its nominee. See "Description of the GUC Trust Units" below for a more detailed discussion of the GUC Trust Units. As such, the GUC Trust Units are transferable in accordance with the procedures of DTC and its direct and indirect participants. The GUC Trust has issued additional GUC Trust Units, in transferable form, in connection with each of the quarterly distributions that occurred in respect of the fiscal quarter ended June 30, 2012 and thereafter. As of March 31, 2018, the total number of GUC Trust Units outstanding or issuable was 31,855,504.

The Plan prohibits the distribution of fractional New GM Securities in respect of Allowed General Unsecured Claims and GUC Trust Units. Prior to the liquidation of all New GM Securities described above, cash distributions were made in lieu of fractional New GM Securities to beneficiaries of GUC Trust Units, subject to certain minimum cash distribution thresholds. In addition, the GUC Trust was permitted to distribute cash in lieu of New GM Securities to any governmental entity to the extent such governmental entity requested a sale of such New GM Securities and demonstrated to the satisfaction of the GUC Trust Administrator that such governmental entity was precluded by applicable law from receiving distributions of New GM Securities. Since the Effective Date, the GUC Trust has sold an aggregate of 29,047 shares of New GM Common Stock and 26,673 of each series of New GM Warrants, realizing net proceeds of approximately \$1.7 million in respect of the foregoing. The proceeds from these sales were distributed to qualifying governmental entities or beneficiaries of GUC Trust Units, as applicable.

### **Resolution of Disputed General Unsecured Claims**

There were approximately \$8,154 million in Disputed General Unsecured Claims as of the Effective Date. This amount reflects liquidated disputed claims and a Bankruptcy Court ordered reserve for unliquidated disputed claims, but does not include Term Loan Avoidance Action Claims. As of March 31, 2018, there were no remaining Disputed General Unsecured Claims, but there remained \$50.0 million in claim amount that is not associated with any particular claim, which has been set aside by the GUC Trust Administrator as a general claim contingency for any future

disputed claims or other obligations of the GUC Trust. Including such amount, Disputed General Unsecured Claims decreased by approximately \$8,104 million as compared to the amount of Disputed General Unsecured Claims existing on or around the Effective Date. See the table on page 40 for a summary of the status of the claims resolution process as of March 31, 2018.

The process of resolving Disputed General Unsecured Claims was generally administered by the GUC Trust through Trust Professionals it retained specifically for this purpose.

In an attempt to ensure that there is sufficient Distributable Cash available to provide distributions to all holders of Resolved Allowed Claims as if such holders were holders of Initial Allowed General Unsecured Claims, the GUC Trust Agreement authorizes and directs the GUC Trust Administrator to withhold from distribution the amount of Distributable Cash that would be sufficient to satisfy all Disputed General Unsecured Claims and Term Loan Avoidance Action Claims in the event that such claims were allowed in full.

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Prior to the liquidation of all New GM Securities described above, in certain circumstances, holders of Resolved Allowed Claims and GUC Trust Units received from the GUC Trust cash in lieu of or in addition to New GM Securities. This occurred when cash dividends were received by the GUC Trust on the New GM Common Stock previously held by the GUC Trust, in which case the holders of subsequently Resolved Allowed Claims and GUC Trust Units received the cash dividends that had been paid in respect of the shares of New GM Common Stock they received. Prior to the liquidation of all its holdings of New GM Common Stock, the GUC Trust received dividends on such New GM Common Stock aggregating \$24.7 million. See *Net Assets in Liquidation* in Item 7 ( *Management's Discussion and Analysis of Financial Condition and Results of Operations* ) below. Also, the GUC Trust distributed cash in lieu of New GM Securities to any governmental entity to the extent such governmental entity requested a sale of such New GM Securities and demonstrated to the satisfaction of the GUC Trust Administrator that such governmental entity was precluded by applicable law from receiving distributions of New GM Securities. Finally, the GUC Trust distributed cash in lieu of fractional New GM Securities in any distribution of Excess GUC Trust Distributable Assets, subject to any distribution rules or rounding under the Plan, the GUC Trust Agreement and/or the rules of any applicable clearing system. For each \$1,000 in amount of Allowed General Unsecured Claims (including Resolved Allowed Claims), each holder of such claim is currently entitled to receive (upon delivery of any information required by the GUC Trust) approximately \$296 in cash (which dollar value shifts slightly due to rounding as required by the Plan), which represents the net cash value of the New GM Securities that otherwise would have been distributed to such claimant prior to entry of the Liquidation Order, together with associated cash in lieu of fractional shares and Dividend Cash, as well as one GUC Trust Unit, subject in each case to rounding under the Plan, the GUC Trust Agreement and/or the rules of any applicable clearing system and exclusive of any securities received, or to be received, in respect of GUC Trust Units.

**Resolution and Satisfaction of Residual Wind-Down Claims**

In accordance with the Plan, each of the Debtors was dissolved on or prior to the Dissolution Date. Upon the dissolution of MLC, the New GM Securities and certain remaining cash and other assets of MLC were transferred to the GUC Trust and the GUC Trust assumed responsibility for the wind-down of the Debtors. This includes monitoring and enforcing the implementation of the Plan as it relates to the wind-down, paying taxes and filing tax returns, making any other necessary filings related to the wind-down and taking any other actions necessary or appropriate to wind-down the Debtors and obtain an order, or orders, closing the chapter 11 cases of the Debtors. The GUC Trust is also responsible for resolving and satisfying (to the extent allowed) any remaining disputed Residual Wind-Down Claims.

Under the Plan, the Debtors were directed to transfer to the GUC Trust assets in an amount sufficient, based upon the Debtors' reasonable estimate, to satisfy the ultimate allowed amount of the Residual Wind-Down Claims, or the Residual Wind-Down Assets, including the costs, fees and expenses related to satisfying and resolving the Residual Wind-Down Claims, or the Residual Wind-Down Costs. On the Dissolution Date, MLC transferred approximately \$42.8 million in Residual Wind-Down Assets to the GUC Trust (which amount consisted of approximately \$40.0 million in cash (including approximately \$1.4 million for the payment of Avoidance Action Defense Costs) and the transferred benefit of approximately \$2.8 million in prepaid expenses. Based on the Debtors' estimate of the amount necessary to satisfy the ultimate allowed amount of the Residual Wind-Down Claims, the GUC Trust Administrator established a reserve for Residual Wind-Down Claims of approximately \$33.8 million relating to approximately \$246.2 million in Residual Wind-Down Claims (which amount was increased to \$278.5 million by additional Residual Wind-Down Claims arising subsequent thereto). In addition, the GUC Trust increased its reserve for liquidation costs by approximately \$9.0 million for Residual Wind-Down Costs associated with these obligations and Avoidance Action Defense Costs (subsequently the remaining amounts associated with Residual Wind-Down Costs in reserves for expected liquidation costs were reclassified to reserves for Residual Wind-Down Claims and

Costs). Since the Dissolution Date, the GUC Trust has resolved approximately \$278.5 million in disputed Residual Wind-Down Claims, allowing \$35.5 million, while disallowing \$243.0 million.

As of March 31, 2018, the amount of Avoidance Action Defense Costs incurred to date exceeds the corresponding cash of \$1.4 million received by the GUC Trust from MLC on the Dissolution Date by approximately \$30.2 million. As a result, new Residual Wind-Down Claims have arisen in the amount of such excess. In April 2017, the GUC Trust entered into a letter agreement with the administrative agent for the prepetition lenders who are the defendants in the Term Loan Avoidance Action, or the Administrative Agent. Such letter agreement provides that the GUC Trust's obligation to pay Avoidance Action Defense Costs of the Administrative Agent is limited to an amount approximating the remaining designated Residual Wind-Down Assets. Such cap on Avoidance Action Defense Costs will remain in place unless and until the Term Loan Avoidance Action is resolved in full (by final court order or by settlement), which court order or settlement contains a determination that the Administrative Agent was oversecured with respect to the loan which is the subject of the Term Loan Avoidance Action, or otherwise contains a voluntary agreement by the GUC Trust with respect to payment of the Avoidance Action Defense Costs. At this time, the GUC Trust does not expect to incur additional Avoidance Action Defense Costs.

As of March 31, 2018, Residual Wind-Down Assets of \$0.2 million were held by the GUC Trust and were recorded in cash and cash equivalents in the accompanying Statement of Net Assets in Liquidation. There were no remaining expected Residual Wind-Down

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Claims and Costs against such assets as of March 31, 2018. Accordingly, the GUC Trust expects to return the remaining Residual Wind-Down Assets to the DIP Lenders upon the winding up and conclusion of the GUC Trust. A corresponding amount is recorded in the reserve for Residual Wind-Down Claims and Costs in the accompanying Statement of Net Assets in Liquidation.

While not expected at this time, if the GUC Trust determines that additional Avoidance Action Defense Costs will be paid in the future in amounts exceeding the remaining Residual Wind-Down Assets, such deficiency will be satisfied by any available remaining Other Administrative Cash. If there is no remaining Other Administrative Cash, the GUC Trust Administrator is authorized, with GUC Trust Monitor approval, to reserve and, with Bankruptcy Court approval, to appropriate Distributable Cash to cover the shortfall. To the extent that Distributable Cash is appropriated to obtain funding to complete the wind-down of the Debtors or satisfy Residual Wind-Down Claims (including Avoidance Action Defense Costs), such Distributable Cash will not be available for distribution to the beneficiaries of the GUC Trust. Therefore, the amount of Residual Wind-Down Claims (including Avoidance Action Defense Costs) could reduce the assets of the GUC Trust available for distribution. After the GUC Trust has concluded its affairs, any remaining appropriated Distributable Cash will be distributed to the beneficiaries of the GUC Trust Units.

**Administrative Structure and Responsibilities of the GUC Trust**

The GUC Trust has no officers, directors or employees. The GUC Trust is administered by the GUC Trust Administrator, which is authorized by the GUC Trust Agreement to engage Trust Professionals to assist the GUC Trust Administrator in the administration of the GUC Trust. The GUC Trust Administrator is authorized by the GUC Trust Agreement to retain, pay, oversee, direct the services of, and (subject to GUC Trust Monitor approval) terminate Trust Professionals, to assist in the administration of the GUC Trust, particularly in connection with the claims resolution process, the preparation of financial statements, and the GUC Trust's record keeping and reporting functions. The GUC Trust and GUC Trust Administrator rely solely on receiving accurate information, reports and other representations from (i) the Trust Professionals, (ii) the GUC Trust Monitor, and (iii) other service providers to the GUC Trust. In filing this Form 10-K and executing any related documentation on behalf of the GUC Trust, the GUC Trust Administrator has relied upon the accuracy of such reports, information and representations. Notwithstanding such reliance, the GUC Trust Administrator is ultimately responsible for the disclosure provided in this Form 10-K. In addition to issuing GUC Trust Units and making distributions of Distributable Cash to holders of Allowed General Unsecured Claims, the GUC Trust is also responsible for the administrative tasks that are incidental to the resolution and, to the extent they are allowed, satisfaction of any Disputed General Unsecured Claims remaining against the Debtors as of the Effective Date.

The GUC Trust Monitor was appointed for the purpose of overseeing the activities of the GUC Trust Administrator. Pursuant to the GUC Trust Agreement, the GUC Trust Administrator is required to obtain the approval of the GUC Trust Monitor for a variety of actions, including but not limited to: preparation of budgets; reserving Distributable Cash for the purposes of satisfying fees, costs and expenses of the GUC Trust (including any Taxes on Distribution, Dividend Taxes and Investment Income Taxes (as defined below)); the appropriation of Distributable Cash to satisfy any Taxes on Distribution; the incurrence of any costs or expense in excess of 10% of any line item in the Budget measured on a yearly basis (except to the extent such cost or expense is approved by the Bankruptcy Court); settling Disputed General Unsecured Claims in excess of \$10.0 million; the retention or termination of Trust Professionals; and amendments to the GUC Trust Agreement.

As discussed above, the GUC Trust was initially provided with the Administrative Fund by MLC for the purposes of paying Wind-Down Costs. The Administrative Fund was created with cash provided to MLC by the DIP Lenders. It is fixed in amount and payments from the Administrative Fund are made in accordance with the Budget. The principal

expenses of the GUC Trust in connection with the Administrative Fund are professional, advisory and administrative fees of the legal and financial advisors of the GUC Trust and the GUC Trust Administrator and the GUC Trust Monitor. The GUC Trust has no income other than income on permitted investments of cash prescribed by the GUC Trust Agreement.

As of March 31, 2018, approximately \$1.7 million remained in the Administrative Fund and is recorded in cash and cash equivalents and marketable securities in the Statement of Net Assets in Liquidation. Such remaining amount has been designated for the satisfaction of certain specifically identified costs and liabilities of the GUC Trust, and such amount may not be used for the payment of Trust Professionals fees and expenses or other Wind-Down Costs. Cash or investments from the Administrative Fund, if any, which remain at the winding up and conclusion of the GUC Trust must be returned to the DIP Lenders. As has previously occurred with respect to the Administrative Fund and the Reporting and Transfer Cash, if the GUC Trust Administrator determines that (i) the Administrative Fund is not sufficient to satisfy the current or projected Wind-Down Costs (including any Dividend Taxes and Investment Income Taxes), (ii) the Reporting and Transfer Cash is not sufficient to satisfy the current or projected Reporting Costs, or (iii) the GUC Trust is required to fund Taxes on Distribution, the GUC Trust Administrator, with the approval of the GUC Trust Monitor, is authorized to reserve Distributable Cash for these purposes. The GUC Trust Administrator may then appropriate Distributable Cash to fund these costs and expenses, with the required approval of the Bankruptcy Court (other than with respect to appropriation of Distributable Cash for the purposes of funding Taxes on Distribution, pursuant to which only GUC Trust Monitor approval is required), and the appropriation of such Distributable Cash will constitute part of Other Administrative Cash.

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Distributable Cash that is reserved or appropriated in the manner described above will not be available for distribution to the beneficiaries of GUC Trust Units. As such, increased Wind-Down Costs (including any Dividend Taxes and Investment Income Taxes), Reporting Costs and/or any Taxes on Distribution could reduce the GUC Trust's otherwise distributable assets. To the extent that any reserved Distributable Cash or Other Administrative Cash is not ultimately required and is held by the GUC Trust at the time of its dissolution, such remaining funds will be distributed by the GUC Trust to the holders of the GUC Trust units.

Other than for the matters described above and matters that are incidental to them, the GUC Trust does not and will not engage in any business activities. In particular, the GUC Trust does not and will not engage in any trade or business.

### *Income Tax Liabilities for Certain Capital Gains, Investment Income and Dividends on New GM Common Stock*

The GUC Trust incurs U.S. federal income tax liabilities on any capital gains realized upon (a) the distribution of New GM Securities to holders of Allowed General Unsecured Claims or GUC Trust Units, (b) by sale of New GM Securities, (c) any recoveries by the GUC Trust as a member of a settlement class related to a proposed settlement of a securities class action against New GM as described in Item 3 ( Legal Proceedings ) below or (d) any receipt and subsequent distribution or sale by the GUC Trust of Additional Shares (if the fair market value of the Additional Shares on the date of distribution or sale is greater than the fair market value of such shares on the date of receipt), unless such capital gains are offset by capital losses, deductible expenses and accumulated net operating losses, which are referred to as Taxes on Distribution. The GUC Trust also incurs U.S. federal income tax liabilities on investment income and dividends received on New GM Common Stock previously held by the GUC Trust, unless such income is offset by deductible expenses and accumulated net operating losses (such income tax liabilities on dividends received on New GM Common Stock and investment income are referred to as Dividend Taxes and Investment Income Taxes, respectively). The GUC Trust records any current taxes payable from such realized net capital gains and interest and dividends (net of deductible operating losses and expenses) and records a deferred tax asset with a corresponding valuation allowance (resulting in no net deferred tax asset) for remaining net capital loss carryovers from the disposition of New GM Securities, along with net operating loss carryovers. A full valuation allowance is recorded because, as a result of the liquidation of all of the GUC Trust's holdings of New GM Securities, it has been determined that such deferred tax assets are not realizable at this time. See Critical Accounting Policies and Estimates Income Taxes in item 7 ( Management's Discussion and Analysis of Financial Condition and Results of Operations ) and Note 8 ( Income Taxes ) in Item 8 below. As a result of cumulative capital losses utilizing the new tax position described below and net operating losses, the GUC Trust has not incurred or paid any income tax liabilities, and, as described below, the GUC Trust does not expect to incur any income tax liabilities in the future, except potentially with respect to (a) any taxes due on any recovery by the GUC Trust as a member of a settlement class related to a proposed settlement of a securities class action against New GM referred to above and (b) any Taxes on Distribution from receipt and subsequent distribution or sale by the GUC Trust of Additional Shares. Neither of these two potential events is determinable nor estimable at this time.

As previously disclosed, during the quarter ended September 30, 2013, the GUC Trust made a determination to file its U.S. federal income tax returns taking the position that beneficial ownership for a substantial majority of New GM Securities was transferred from MLC to the GUC Trust on March 31, 2011, and that the tax basis of such New GM Securities should be determined with reference to the value of such securities on such date, instead of December 15, 2011, when record ownership of the remaining New GM Securities still held by MLC was transferred from MLC to the GUC Trust. For the remaining substantial minority of New GM Securities transferred from MLC to the GUC Trust, the GUC Trust determined that the transfer of beneficial ownership occurred on other dates for which the tax basis should be determined by reference to the value of such securities on such dates. This new tax position resulted in an increased tax basis of the New GM Securities from the prior tax position and, therefore, reduced taxable gains and



increased taxable losses on distributions and sales of New GM Securities since March 31, 2011. The new tax position has not been sustained on examination by the IRS as of the date hereof. However, the GUC Trust believes, based on the available evidence and consultation with GUC Trust professionals, that it is more likely than not that the new tax position will be sustained on examination by the IRS based on the technical merits of the position. Accordingly, this new tax position has been recognized in the current and deferred income tax liabilities and the income tax provision in the GUC Trust's financial statements since the quarter ended September 30, 2013.

Following the GUC Trust's determination to utilize the new tax position set forth above, the GUC Trust filed its U.S. federal income tax returns for the years ended March 31, 2013 and thereafter with the IRS using such new tax position. Such tax returns were accompanied by requests for prompt determination of tax liability pursuant to Section 505(b) of the Bankruptcy Code, and the 60-day statutory notification periods set forth in Section 505(b) of the Bankruptcy Code with respect to the GUC Trust's U.S. federal income tax returns for the year ended March 31, 2017 and prior years have expired. Accordingly, the tax liabilities set forth in the GUC Trust's U.S. federal income tax returns for the year ended March 31, 2017 and prior years are no longer subject to examination by the

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IRS, and no income taxes can be assessed for such years. Also, no income taxes are expected to be paid in the future as a result of the liquidation of all the GUC Trust's holdings of New GM Securities during the year ended March 31, 2016, except potentially with respect to (a) any taxes due on any recovery by the GUC Trust as a member of a settlement class related to a proposed settlement of a securities class action against New GM referred to above and (b) any Taxes on Distributions resulting from any receipt and subsequent distribution or sale by the GUC Trust of Additional Shares referred to above. Neither of these potential events is determinable nor estimable at this time.

The GUC Trust Administrator reevaluates, on a quarterly basis, the amount of Distributable Cash needed to be set aside from distribution to fund potential Taxes on Distribution. The current methodology for calculating such set aside estimates potential Taxes on Distribution by applying the applicable U.S. federal income tax rate to net realized capital gains that are still subject to examination by the IRS, less current period tax deductible expenses and future tax deductible expenses. Such realized capital gains are computed using a tax basis for the New GM Securities based on the date of transfer of record ownership of the New GM Securities to the GUC Trust from MLC on December 15, 2011, and the tax basis of the New GM Common Stock received for the exercise of the New GM Warrants pursuant to the Liquidation Order. However, as a result of the application of Section 505(b) of the Bankruptcy Code, the GUC Trust's federal income tax returns for the year ended March 31, 2017 and all prior years are no longer subject to examination, and no income taxes may be assessed for the year ended March 31, 2017 or any prior year. In addition, while the GUC Trust's remaining capital losses (based on the tax basis of previously held New GM Securities for financial reporting purposes) and net operating losses are still subject to examination by the IRS in subsequent years if those losses are utilized, such utilization is not expected as a result of the sale of all New GM Securities in the year ended March 31, 2016, except potentially with respect to (a) any recovery by the GUC Trust as a member of a settlement class related to a proposed settlement of a securities class action against New GM referred to above and (b) any receipt and subsequent distribution or sale by the GUC Trust of Additional Shares referred to above (if the fair market value of the Additional Shares on the date of distribution or sale is greater than the fair market value of such shares on the date of receipt), which potential events are not determinable or estimable at this time. In addition, no income taxes are expected to be paid in the future, except potentially with respect to (a) any income taxes due on any recovery on the proposed settlement of the securities class action against New GM and (b) any Taxes on Distribution resulting from any receipt and subsequent distribution or sale of Additional Shares, which are not determinable or estimable at this time. Further, if any income taxes on any recovery on the proposed settlement of the securities class action against New GM were to become payable, it is anticipated that such income taxes would be funded from the proceeds of such recovery. Also, if any Taxes on Distribution resulting from the receipt and subsequent distribution or sale of Additional Shares were to become payable, it is anticipated that such income taxes would be funded from the sale of a portion of such Additional Shares. As a result, the GUC Trust Administrator determined that no Distributable Cash should be set aside for potential Taxes on Distribution (or Dividend Taxes and Investment Income Taxes) at this time. Such determination was also made for each quarter since (and including) September 30, 2016.

For additional information, see "Net Assets in Liquidation Distributable Cash Set Aside from Distribution" in Item 7 ("Management's Discussion and Analysis of Financial Condition and Results of Operations") below.

*Term Loan Avoidance Action*

On July 31, 2009, the Committee commenced a legal action against certain prepetition lenders of the Debtors, styled as Official Committee of Unsecured Creditors of Motors Liquidation Co. v. JPMorgan Chase Bank, N.A. et al. (Adv. Pro. No. 09-00504 (Bankr. S.D.N.Y. July 31, 2009)), which is referred to as the Term Loan Avoidance Action. Among other things, the Term Loan Avoidance Action seeks the return of approximately \$1.5 billion that had been transferred to a consortium of prepetition lenders of the Debtors, pursuant to the court order approving the debtor-in-possession loans made by the DIP Lenders to MLC. On the Dissolution Date, the Term Loan Avoidance

Action was transferred to a trust established for the purpose of holding and prosecuting the Term Loan Avoidance Action, or the Avoidance Action Trust. As described in Item 3 ( Legal Proceedings ) below, litigation with respect to the Term Loan Avoidance Action is ongoing. The proper beneficiaries of the proceeds of the Term Loan Avoidance Action has been a matter of dispute, with both the DIP Lenders and the Committee, on behalf of the holders of Allowed General Unsecured Claims, claiming sole rights to such proceeds. As described in Item 3 ( Legal Proceedings ) below, the Committee, the DIP Lenders and the Avoidance Action Trust have reached a settlement agreement concerning, among other things, the allocation of potential distributable recoveries from the Term Loan Avoidance Action. The Bankruptcy Court approved the settlement agreement in an opinion and order entered on August 24, 2016 (the Approval Order ), which order was affirmed on appeal and is fully in effect. No funds reclaimed from the prepetition lenders in the Term Loan Avoidance Action will be transferred to or otherwise benefit the GUC Trust or be distributed on account of GUC Trust Units.

If Wilmington Trust Company, not in its individual capacity but solely in its capacity as the trustee and trust administrator of the Avoidance Action Trust, which, in such capacity, is referred to as the Avoidance Action Trust Administrator, is successful in its prosecution of the Term Loan Avoidance Action, any amounts recovered by the Avoidance Action Trust will, pursuant to the Plan, give rise to Allowed General Unsecured Claims on behalf of the prepetition lenders from which such amounts were recovered (as

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beneficiaries of the GUC Trust) (such allowed general unsecured claims Resolved Term Loan Avoidance Action Claims, and together with Resolved Disputed Claims, the Resolved Allowed Claims ). As used in this Form 10-K, the amounts of Disputed General Unsecured Claims do not include any Term Loan Avoidance Action Claims. Through March 31, 2018, the Avoidance Action Trust had reached settlements with certain defendants to the Term Loan Avoidance Action resulting in recoveries to the Avoidance Action Trust of approximately \$1.8 million. As a result, corresponding Term Loan Avoidance Action Claims of approximately \$1.8 million were allowed by the GUC Trust pursuant to the Plan. Unless and until further Term Loan Avoidance Action Claims are allowed, the potential holders of such claims will not be entitled to receive a distribution from the GUC Trust. However, if and to the extent that such Term Loan Avoidance Action Claims are allowed, the holders of such claims will be entitled to receive a distribution from the GUC Trust. As noted above, pursuant to the Plan, no funds reclaimed from the prepetition lenders will be transferred to the GUC Trust or be distributed to holders of GUC Trust Units in respect of such GUC Trust Units. Accordingly, in the event of the successful prosecution of the Term Loan Avoidance Action by the Avoidance Action Trust, a holder of a GUC Trust Unit that does not hold a corresponding Allowed General Unsecured Claim (because such holder received the GUC Trust Unit as a subsequent transferee and not in a direct distribution from the GUC Trust in satisfaction of an Allowed General Unsecured Claim) will have its recovery diluted through the incurrence of Resolved Term Loan Avoidance Action Claims by the GUC Trust, without receiving the benefit of any cash recovered pursuant to the Term Loan Avoidance Action.

Pursuant to the Plan, the GUC Trust is obligated to satisfy reasonable Avoidance Action Defense Costs, subject to the right of the GUC Trust or the DIP Lenders to seek disgorgement in accordance with the terms of the Plan. As described under the heading Residual Wind-Down Claims and Costs above, the amount of Avoidance Action Defense Costs incurred to date exceeds the amount of Residual Wind-Down Assets received from MLC which was designated for this purpose by approximately \$30.2 million. As a result, new Residual Wind-Down Claims have arisen in the amount of such excess. In April 2017, the GUC Trust entered into a letter agreement with the administrative agent for the prepetition lenders who are defendants in the Term Loan Avoidance Action. Such letter agreement provides that the GUC Trust's obligation to pay Avoidance Action Defense Costs of the Administrative Agent is limited to an amount approximating the remaining designated Residual Wind-Down Assets. Such cap on Avoidance Action Defense Costs shall remain in place unless and until the Term Loan Avoidance Action is resolved in full (by final court order or by settlement), which court order or settlement contains a determination that the Administrative Agent was oversecured with respect to the loan which is the subject of the Term Loan Avoidance Action, or otherwise contains a voluntary agreement with the GUC Trust with respect to payment of the Avoidance Action Defense Costs. At this time, the GUC Trust does not expect to incur additional Avoidance Action Defense Costs.

For additional information about the Term Loan Avoidance Action, see Term Loan Avoidance Action in Item 3 ( Legal Proceedings ) below.

*Dissolution of the GUC Trust*

The GUC Trust had an initial stated term of three years from the Effective Date. The Bankruptcy Court has entered orders extending the duration of the GUC Trust to March 31, 2019. The GUC Trust Administrator can apply to the Bankruptcy Court for a shorter or longer term in order to complete the resolution of all potential claims, the wind-down of the Debtors' affairs and the distribution of any remaining assets of the Debtors. It is currently anticipated that the GUC Trust will be required to seek approval to further extend its term, because, although it is uncertain at this time, it is anticipated that the wind-down and distribution of assets will not be completed prior to March 31, 2019.

If, as of the final distribution date, any GUC Trust Units remain undistributed, such GUC Trust Units will be deemed cancelled and will cease to be outstanding. If, as of the final distribution date, any Distributable Cash (including Dividend Cash) remains undistributed, any such assets will be distributed pro rata to the beneficiaries of the GUC

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Trust Units then outstanding on the final distribution date to the extent permitted by law, and to the extent not so permitted, will otherwise be disposed of in accordance with applicable law.

### *Fiscal Year*

The GUC Trust's fiscal year begins on April 1 and ends on the following March 31.

### *Availability of Information Relating to the GUC Trust and New GM*

The GUC Trust files annual reports on Form 10-K, quarterly reports on Form 10-Q, and current reports on Form 8-K with the SEC. In addition, the GUC Trust files quarterly reports pursuant to the requirements of the GUC Trust Agreement, or GUC Trust Reports, with the Bankruptcy Court and also files these reports under cover of Form 8-K with the SEC. The GUC Trust Agreement, related documentation and all information filed with the Bankruptcy Court by the GUC Trust Administrator, including the GUC Trust

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Reports, can be accessed free of charge on the GUC Trust website at [www.mlcguctrust.com](http://www.mlcguctrust.com), and the GUC Trust's and New GM's filings with the SEC can be accessed free of charge at [www.sec.gov](http://www.sec.gov). As of March 31, 2018, New GM's common stock was trading at \$36.34 per share and New GM's 2019 warrants were trading at \$18.70 per warrant. The GUC Trust does not currently hold any New GM common stock or warrants.

### *Description of the GUC Trust Units*

*The following summary of the GUC Trust Units is not intended to be complete and is subject to, and qualified in its entirety by reference to, the GUC Trust Agreement, as amended, and the Delaware Act. You should read the GUC Trust Agreement, as amended and restated, which is filed as an exhibit to this annual report on Form 10-K for additional information.*

The GUC Trust Agreement provides for the distribution of GUC Trust Units for the benefit of creditors holding Allowed General Unsecured Claims, in an amount equal to one GUC Trust Unit per \$1,000 in Allowed General Unsecured Claims, subject to rounding under the GUC Trust Agreement. Each GUC Trust Unit represents the contingent right to receive, on a pro rata basis, a share of the Excess GUC Trust Distributable Assets. To the extent a Disputed General Unsecured Claim or a Term Loan Avoidance Action Claim became or becomes an Allowed General Unsecured Claim, the holder of that claim received or receives Distributable Cash (including Dividend Cash) and the GUC Trust Units corresponding to what the holder would have received had the claim been allowed as of the Effective Date. To the extent all or portion of a Disputed General Unsecured Claim was ultimately disallowed (or it becomes clear that the Term Loan Avoidance Claims, or a portion thereof, shall not become Allowed General Unsecured Claims), Distributable Cash reserved for that claim or such disallowed portion of that claim became or will become excess assets of the GUC Trust available for distribution to beneficiaries of GUC Trust Units.

### **Book-Entry Only Issuance The Depository Trust Company**

The GUC Trust Units are book-entry form only, represented by one or more global certificates registered in the name of DTC, as depository, or Cede & Co., its nominee, for so long as DTC is willing to act in that capacity. Wilmington Trust Company, or its designated affiliate, is currently acting as registrar and transfer agent for the GUC Trust Units, and facilitates the issuance of the GUC Trust Units through the DTC participant system (as necessary). Beneficiaries of GUC Trust Units do not receive physical certificates for their GUC Trust Units, and beneficial interests in the GUC Trust Units are not directly registered on the books and records of the GUC Trust Administrator. The aggregate number of GUC Trust Units issued thereunder may from time to time be increased by adjustments made on the records of the GUC Trust and a corresponding increase in the number of GUC Trust Units evidenced by such global certificate (as specified in the schedule included as part of the global certificate in respect of such additional GUC Trust Units).

### **Transferability of the GUC Trust Units**

The GUC Trust Units are currently transferable in accordance with the procedures of DTC and its direct and indirect participants. However, in the event that DTC is unwilling or unable to continue as a depository for the GUC Trust Units, the GUC Trust Agreement provides that the GUC Trust Administrator shall exchange the transferable GUC Trust Units for definitive certificates.

#### Designation of a DTC Participant and Other Required Actions

In order to receive a distribution from the GUC Trust of Distributable Cash (previously New GM Securities) or GUC Trust Units, holders of Allowed General Unsecured Claims (other than previous holders of Note Claims and Eurobond Claims, each as defined in the GUC Trust Agreement) must designate a direct or indirect participant in DTC with whom such holder has an account and take such other ministerial actions as the GUC Trust Administrator will from time to time reasonably require by written communication to the holders of such Allowed General Unsecured Claims. With respect to previous holders of Note Claims and Eurobond Claims, the GUC Trust has issued New GM Securities and GUC Trust Units to such holders in accordance with the procedures of DTC and its participants.

If and so long as a holder of an Allowed General Unsecured Claim (other than the previous holders of Note Claims and Eurobond Claims) does not designate a direct or indirect participant in DTC and take the required actions described above, the GUC Trust Administrator will hold Distributable Cash and GUC Trust Units such holder is otherwise entitled to receive, together with any Excess GUC Trust Distributable Assets distributed in respect of the GUC Trust Units, until such time as such holder complies with the requirements. At any time following the date on which a holder of an Allowed General Unsecured Claim complies in full with the requirements, but in any event, as soon as practicable following the beginning of the calendar quarter next following such date, the GUC Trust Administrator will distribute to such holder Distributable Cash and GUC Trust Units and any distributions thereon to which such holder is entitled. However, if a holder has not complied with the requirements prior to the final distribution date, then

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(i) such holder will be deemed to have forfeited any entitlement to such distributions, which will become Excess GUC Trust Distributable Assets of the GUC Trust, (ii) the GUC Trust Units otherwise distributable to such holder will be deemed cancelled and not outstanding, and (iii) Distributable Cash otherwise distributable to such holder will be distributed as Excess GUC Trust Distributable Assets pro rata to all beneficiaries of GUC Trust Units then outstanding on the final distribution date.

### **Voting Rights**

A GUC Trust Unit beneficiary has no title or right to, or possession, management, or control of, the GUC Trust or the GUC Trust assets, or to any right to demand a partition or division of such assets or to require an accounting of the GUC Trust Administrator or the GUC Trust Monitor. The whole legal title to the GUC Trust assets is vested in the GUC Trust as a separate legal entity under the Delaware Act and the sole beneficial interest of the GUC Trust Unit beneficiaries are as set forth in the GUC Trust Agreement.

Beneficiaries of GUC Trust Units do not have the right to vote or participate in the administration of the GUC Trust. They have no right to appoint or remove the GUC Trust Monitor or the GUC Trust Administrator, although, in certain circumstances, they may petition the Bankruptcy Court for these purposes. Beneficiaries of a majority of GUC Trust Units may at any time petition the Bankruptcy Court for the removal of the GUC Trust Administrator or for the removal of the GUC Trust Monitor, but only for good cause shown. In determining whether the beneficiaries of a majority of the GUC Trust Units have concurred in any such petition, GUC Trust Units held by the GUC Trust Administrator or the GUC Trust Monitor or any of their respective affiliates will be disregarded.

### **Potential Effects on the Rights of Beneficiaries of GUC Trust Units**

As has previously occurred as described under **The GUC Trust Assets** above, if the GUC Trust Administrator determines that (i) the Administrative Fund is not sufficient to satisfy the current or projected Wind-Down Costs (including Dividend Taxes and Investment Income Taxes), (ii) the Reporting and Transfer Cash is not sufficient to satisfy the current or projected Reporting Costs, or (iii) that the GUC Trust is projected to fund current or potential Taxes on Distribution, the GUC Trust Administrator, with the approval of the GUC Trust Monitor, is authorized to reserve Distributable Cash for these purposes. The GUC Trust Administrator may then appropriate such reserved Distributable Cash to fund these costs and expenses, with the required approval of the Bankruptcy Court (other than with respect to the appropriation of Distributable Cash for the purposes of funding Taxes on Distribution, pursuant to which only GUC Trust Monitor approval is required), and the appropriated Distributable Cash will constitute part of the Other Administrative Cash. Distributable Cash that is reserved in this manner will not be available for distribution to the beneficiaries of GUC Trust Units. Therefore, any additional costs or Taxes on Distribution will reduce the assets available for distribution to beneficiaries of GUC Trust Units. After the GUC Trust has concluded its affairs, any remaining reserved or appropriated Distributable Cash will be distributed to the beneficiaries of the GUC Trust Units.

In addition, while not expected at this time, if the GUC Trust Administrator determines that the Residual Wind-Down Assets are not adequate to satisfy the Residual Wind-Down Claims (and there is no remaining Other Administrative Cash designated to satisfy such claims), the GUC Trust Administrator is authorized to, with GUC Trust Monitor approval, reserve and, with Bankruptcy Court approval, appropriate Distributable Cash to cover the shortfall. Such appropriated Distributable Cash will be added to the Other Administrative Cash, which will be used for the payment of the Residual Wind-Down Claims. To the extent that Distributable Cash is set aside to obtain funding to complete the wind-down of the Debtors or satisfy Residual Wind-Down Claims, such Distributable Cash will not be available



for distribution to the beneficiaries of the GUC Trust. Therefore, the amount of Residual Wind-Down Claims could reduce the assets of the GUC Trust available for distribution to beneficiaries of GUC Trust Units. After the GUC Trust has concluded its affairs, any remaining reserved or appropriated Distributable Cash will be distributed to the beneficiaries of the GUC Trust Units.

#### Liquidation Distribution upon Dissolution

The GUC Trust had an initial stated term of three years from the Effective Date, which has been extended by the Bankruptcy Court to March 31, 2019. The duration of the GUC Trust may be again extended upon application to and approval of the Bankruptcy Court as necessary to complete the resolution of all potential claims, the wind-down of the Debtors' affairs and the distribution of any remaining assets of the Debtors. The GUC Trust will remain under the jurisdiction of the Bankruptcy Court throughout the term of its existence.

If, at the time of the final distribution date, any Excess GUC Trust Distributable Assets or GUC Trust Units remain in the GUC Trust, then (i) any such GUC Trust Units will be deemed cancelled and will cease to be outstanding, and (ii) to the extent permitted by law, any such Excess GUC Trust Distributable Assets will be distributed pro rata to all beneficiaries of the GUC Trust Units then outstanding on the final distribution date, and, to the extent not so permitted, will otherwise be disposed of in accordance with applicable law.

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### **Governing Law**

The GUC Trust Agreement is governed by and construed in accordance with the laws of the State of Delaware without giving effect to rules governing conflicts of laws.

### ***Glossary of Defined Terms***

**2016 Threshold Issues** means the five issues that the Bankruptcy Court identified, by Order to Show Cause dated December 13, 2016, and directed the parties to address.

**363 Transaction** means the transaction in which NGMCO, Inc. (now General Motors Company) acquired substantially all of the assets and assumed certain liabilities of the Debtors pursuant to and subject to the terms of the MSPA.

**Additional Pre-Closing Accident Plaintiffs** means the 171 plaintiffs for which a motion was filed with the Bankruptcy Court on July 28, 2017 for authority to file late claims against the GUC Trust.

**Additional Shares** means the additional shares of New GM Common Stock that New GM will be required to issue under the MSPA if the Bankruptcy Court finds that the estimated aggregate Allowed General Unsecured Claims against the Debtors exceed \$35 billion.

**Administrative Agent** means JPMorgan Chase Bank, N.A. in its capacity as administrative agent for various lenders party to the Term Loan.

**Administrative Fund** means the cash contributed to the GUC Trust to be held and maintained by the GUC Trust Administrator for the purpose of paying the Wind-Down Costs.

**Allowed General Unsecured Claims** means the general unsecured claims against the Debtors that are allowed at any given time.

**Approval Order** means the opinion and order entered on August 24, 2016 by the Bankruptcy Court approving the settlement agreement reached by the Committee, the DIP Lenders and the Avoidance Action Trust concerning, among other things, the allocation of potential distributable recoveries from the Term Loan Avoidance Action.

**Avoidance Action Defense Costs** means certain reasonable costs, fees and expenses which the GUC Trust is obligated to satisfy relating to defending the Term Loan Avoidance Action, subject to the right of the GUC Trust to seek disgorgement in accordance with the terms of the Plan.

**Avoidance Action Trust** means the trust established under the Plan for the purpose of holding and prosecuting the Term Loan Avoidance Action.

**Avoidance Action Trust Administrator** means Wilmington Trust Company, not in its individual capacity but solely in its capacity as the trustee and trust administrator of the Avoidance Action Trust.

**Bankruptcy Code** means title 11 of the United States Code.

**Bankruptcy Court** means the United States Bankruptcy Court for the Southern District of New York.

**Claimant** means, for purposes of the rules that govern Disputed Ownership Funds, a person who claims ownership of, in whole or in part, property immediately before and immediately after such property is transferred to a Disputed

Ownership Fund.

Closing Date means July 10, 2009, the date on which the sale of substantially all of the assets of Old GM pursuant to the MSPA was completed.

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**Committee** means the Official Committee of Unsecured Creditors of the Debtors appointed by the Office of the United States Trustee in the chapter 11 cases of the Debtors.

**Committee Summary Judgment Motion** means the Motion of Official Committee of Unsecured Creditors for Partial Summary Judgment (Docket No. 24) filed by the Committee on July 1, 2010, seeking a ruling in favor of the Committee with respect to the Term Loan Avoidance Action.

**Confirmation Date** means March 29, 2011, the date that the Bankruptcy Court entered the Confirmation Order.

**Confirmation Order** means the order entered by the Bankruptcy Court on March 29, 2011 confirming the Plan.

**Cross-Motions for Summary Judgment** means the Committee Summary Judgment Motion and the JPMorgan Summary Judgment Motion.

**Debtors** means MLC and its affiliated debtors and debtors-in-possession.

**Delaware Act** means the Delaware Statutory Trust Act, as amended.

**DIP Credit Agreement** means the Debtor-In-Possession Credit Agreement, dated as of July 10, 2009, by and among MLC, as borrower, the guarantors named therein, the U.S. Treasury, as lender, and the Governments of Canada and Ontario, through Export Development Canada, as lenders.

**DIP Lenders** means the United States Department of Treasury and the Governments of Canada and Ontario, through Export Development Canada.

**Disputed General Unsecured Claims** means the general unsecured claims against the Debtors that are disputed at a given time and does not include any Term Loan Avoidance Action Claims.

**Dissolution Date** means December 15, 2011, the date that MLC filed a Certificate of Dissolution with the Secretary of State of Delaware and was dissolved.

**Distributable Cash** means the amount of cash and cash equivalents and marketable securities held for distribution to GUC Trust beneficiaries and includes Dividend Cash.

**Dividend Cash** means the amount of cash and cash equivalents and marketable securities held by the GUC Trust that relates to dividends received by the GUC Trust on New GM Common Stock previously held by the GUC Trust.

**Dividend Taxes** means federal income taxes incurred in respect of dividends received by the GUC Trust on New GM Common Stock then previously held by the GUC Trust.

**DTC** means the Depository Trust Company.

**Five Year Rule** means the five year period after capital losses are incurred for which such losses may be carried forward by corporations under U.S. tax rules.

**Effective Date** means March 31, 2011, the date that the Plan became effective.

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Equitable Mootness Finding means the holding of the Bankruptcy Court in the Threshold Issues Decision and the Threshold Issues Judgment that the plaintiffs in the Ignition Switch Economic Loss Actions and the Ignition Switch Personal Injury Actions may seek authorization to file late claims in the bankruptcy cases of Old GM, but that any such claims as against the GUC Trust are equitably moot (that is, fashioning relief for the plaintiffs against the GUC Trust would be impractical, imprudent and therefore inequitable ), and thus the assets of the GUC Trust cannot be used to satisfy such claims.

Enforcement Decision means the Bankruptcy Court's *Memorandum Opinion and Order Regarding Motion to Enforce the Settlement Agreement by and among the Signatory Plaintiffs and the GUC Trust* (Docket No. 14212) dated January 18, 2018.

Excess GUC Trust Distributable Assets means (i) Distributable Cash (previously New GM Securities) and Dividend Cash associated with such Distributable Cash (only if and to the extent such Distributable Cash (or New GM Securities) and Dividend Cash

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(a) are not required for the satisfaction of new Allowed General Unsecured Claims and (b) have not been set aside from distribution to fund projected liquidation and administrative costs, Dividend Taxes, Investment Income Taxes or Taxes on Distribution of the GUC Trust) and (ii) Other Administrative Cash available, if any, for distribution to the holders of GUC Trust Units.

**Forbearance Agreement** means the agreement between New GM and the GUC Trust, since terminated in accordance with its terms, by which (i) the GUC Trust agreed not to seek an order estimating the claims of the plaintiffs in the Ignition Switch Economic Loss Actions and the Ignition Switch Personal Injury Actions or seek the issuance of Additional Shares from New GM until the final resolution of certain litigation, (ii) New GM agreed to pay the costs of the GUC Trust's litigation in connection with the Late Claims Motions and related litigation, and (iii) New GM and the GUC Trust agreed to negotiate an appropriate rate of return from New GM should any GUC Trust distributions be held up solely due to the Late Claims Motions litigation. **GUC Trust** means the Motors Liquidation Company GUC Trust.

**GUC Trust Administrator** means Wilmington Trust Company, not in its individual capacity but solely in its capacity as trust administrator and trustee of the GUC Trust.

**GUC Trust Agreement** means the Second Amended and Restated Motors Liquidation Company GUC Trust Agreement, dated as of July 30, 2015.

**GUC Trust Monitor** means FTI Consulting, Inc., solely in its capacity as trust monitor of the GUC Trust.

**GUC Trust Professionals** means the professionals engaged by the GUC Trust Administrator to assist in the administration of the GUC Trust.

**GUC Trust Reports** means the quarterly reports filed by the GUC Trust with the Bankruptcy Court pursuant to the terms of the GUC Trust Agreement.

**GUC Trust Units** means the units of beneficial interests in the GUC Trust distributed to holders of Allowed General Unsecured Claims in proportion to the amount of their claims subject to certain rounding rules set forth in the Plan and the GUC Trust Agreement. Each GUC Trust Unit represents the contingent right to receive a pro rata share of the Excess GUC Trust Distributable Assets.

**Ignition Switch Economic Loss Actions** means the various actions (including putative class actions) filed by various plaintiffs against New GM seeking compensatory and other damages and other relief for economic losses allegedly resulting from the Ignition Switch Recall, or the underlying condition of the subject vehicles.

**Ignition Switch Personal Injury Actions** means the various actions (including putative class actions) filed by various plaintiffs against New GM seeking compensatory and other damages and other relief for personal injury and other claims allegedly arising from accidents that occurred as a result of the underlying condition of the vehicles subject to the Ignition Switch Recall.

**Ignition Switch Pre-Closing Accident Plaintiffs** means the various plaintiffs who filed actions against New GM seeking compensatory and other damages and other relief for personal injury and other claims allegedly arising from accidents that occurred before the Closing as a result of the underlying condition of the vehicles subject to the Ignition Switch Recall.

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**Ignition Switch Recall** means the ignition switch-related recalls initiated by New GM in February and March 2014, NHTSA Recall No. 14v047.

**Indenture Trustee / Fiscal and Paying Agent Costs** means certain costs, fees and expenses payable under the Plan to the indenture trustees and fiscal and paying agents for the previously outstanding debt of MLC.

**Initial Allowed General Unsecured Claims** means the approximately \$29,771 million in Allowed General Unsecured Claims as of the Effective Date.

**Initial Reporting Cash** means the proceeds of approximately \$5.7 million from the sale by the GUC Trust of New GM Securities shortly after the Effective Date, expressly authorized by the GUC Trust Agreement for the purposes of funding Reporting Costs.

**IRS** means the Internal Revenue Service.

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**Investment Income Taxes** means federal income taxes incurred in respect of investment income earned by the GUC Trust on Distributable Cash held, or previously held, by the GUC Trust.

**Late Claims Motions** means the motions filed in the Bankruptcy Court, seeking permission to file late claims against the GUC Trust, by plaintiffs in the Ignition Switch Economic Loss Actions, plaintiffs in the Other Economic Loss Actions, and 175 Ignition Switch Pre-Closing Accident Plaintiffs.

**Loss Succession Rule** means, under Treasury Regulation Section 1.468B-9(C)(6), each Claimant is entitled to succeed to and take into account a portion of any unused Loss Carryovers upon termination of the GUC Trust.

**JPMorgan Summary Judgment Motion** means the Motion of JPMorgan Chase Bank, N.A. for Summary Judgment (Docket No. 28) filed by JPMorgan Chase Bank, N.A. on July 1, 2010, seeking a ruling in favor of JPMorgan Chase Bank, N.A. with respect to the perfection of the UCC Collateral.

**Liquidation Order** means the Bankruptcy Court's order dated July 2, 2015 pursuant to which the Bankruptcy Court approved the conversion of the GUC Trust's holdings of New GM Securities into cash.

**Loss Carryovers** means capital loss carryovers and net operating loss carryovers of the GUC Trust.

**MDL Court** means, with respect to case number 14-MD-2543 (JMF), the United States District Court for the Southern District of New York.

**MDL Proceeding** means the actions that have been transferred to and consolidated under the case number 14-MD-2543 (JMF) and are pending before the MDL Court, including certain Subject Recall-Related Actions.

**Minimum Threshold** means the threshold amount of Excess GUC Trust Distributable Assets that must be exceeded for the GUC Trust to make a distribution in respect of the GUC Trust Units. Prior to the liquidation of all New GM Securities previously held by the GUC Trust described above, the Minimum Threshold was equal to: (i) with respect to New GM Common Stock, 1,000,000 shares of New GM Common Stock, (ii) with respect to the New GM Series A Warrants, warrants to acquire 909,091 shares of New GM Common Stock (subject to customary adjustment), (iii) with respect to the New GM Series B Warrants, warrants to acquire 909,091 shares of New GM Common Stock (subject to customary adjustment), and (iv) with respect to cash, \$5 million. Following such liquidation of New GM Securities, the Minimum Threshold is equal to: (i) with respect to Distributable Cash, approximately \$67.0 million, (ii) with respect to any additional shares of New GM Common Stock received, an amount of New GM Common Stock to be determined by the Bankruptcy Court upon the petition of the GUC Trust Administrator following the receipt of such additional shares, and (iii) with respect to any other Distributable Assets, an amount determined by the GUC Trust Administrator and approved by the GUC Trust Monitor.

**MLC** means Motors Liquidation Company, which dissolved on December 15, 2011.

**Motions to Enforce** means the series of motions filed by New GM with the Bankruptcy Court seeking to enjoin the Subject Recall-Related Actions and to enforce the Sale Order.

**MSPA** means the Master Sale and Purchase Agreement dated as of July 10, 2009, by and among Old GM, certain of its debtor subsidiaries and NGMCO, Inc., as amended.

**New GM** means General Motors Company, together with its consolidated subsidiaries.



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**New GM Common Stock** means the common stock of General Motors Company, including with respect to New GM Common Stock that had been set aside from distribution, reserved or sold, and any Dividend Cash related to such New GM Common Stock.

**New GM Securities** means the New GM Common Stock and the New GM Warrants (including with respect to New GM Common Stock and New GM Warrants that had been set aside from distribution, reserved or sold, and any Dividend Cash related to such New GM Common Stock).

**New GM Series A Warrants** means the warrants to acquire shares of New GM Common Stock at an exercise price of \$10.00 per share that were scheduled to expire on July 10, 2016.

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New GM Series B Warrants means the warrants to acquire shares of New GM Common Stock at an exercise price of \$18.33 per share that were scheduled to expire on July 10, 2019.

New GM Warrants means the New GM Series A Warrants and the New GM Series B Warrants.

No Action Letter means the relief from certain registration and reporting requirements of the Securities Exchange Act of 1934, as amended, which was granted in the No Action letter from the Division of Corporation Finance of the SEC to the GUC Trust dated May 23, 2012.

Old GM means MLC, formerly known as General Motors Corporation.

Order means the Bankruptcy Court's Order on *Cross-Motions for Summary Judgment* (Docket No. 72) dated March 1, 2013 in respect of the Cross-Motions for Summary Judgment.

Order to Show Case means the order issued by the Bankruptcy court, dated December 13, 2016, and addressing the 2016 Threshold Issues.

Other Administrative Cash means the amount of cash, cash equivalents and marketable securities held by the GUC Trust that relates to proceeds from the sale of New GM Securities or appropriated Distributable Cash that had been set aside from distribution to fund the current or projected liquidation and other administrative costs or income tax liabilities of the GUC Trust, plus (a) any Dividend Cash related to New GM Common Stock so sold or Distributable Cash so appropriated and (b) investment income earned on marketable securities and cash equivalents.

Other Economic Loss Actions means the various actions (including putative class actions) filed by various plaintiffs against New GM seeking compensatory and other damages and other relief for economic losses allegedly resulting from recalls of vehicles initiated by New GM (other than the Ignition Switch Recall), or the underlying condition of those vehicles.

Other Personal Injury Actions means the various actions (including putative class actions) filed by various plaintiffs against New GM seeking compensatory and other damages and other relief for personal injury and other claims allegedly arising from accidents that occurred as a result of the underlying condition of the vehicles subject to the recalls initiated by New GM other than the Ignition Switch Recall.

Personal Injury Actions means the various actions (including putative class actions) filed by various plaintiffs against New GM seeking compensatory and other damages for personal injury and other claims allegedly arising from accidents that occurred as a result of the underlying condition of the vehicles subject to the recalls initiated by New GM.

Plan means the Debtors' Second Amended Joint Chapter 11 Plan, filed with the Bankruptcy Court on March 18, 2011.

Proposed Plaintiff Settlement means the unsigned, unexecuted agreement between the GUC Trust, on the one hand, and counsel for certain Ignition Switch Economic Loss Action and Other Economic Loss Action plaintiffs, certain Ignition Switch Pre-Closing Accident Plaintiffs, and the Additional Pre-Closing Accident Plaintiffs, on the other hand, regarding a potential settlement of certain issues underlying the Late Claims Motions.

QSF means Qualified Settlement Fund under applicable regulations of the United States Department of Treasury.

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**Recall-Related Actions** means, collectively, the Ignition Switch Economic Loss Actions, the Other Economic Loss Actions and the Personal Injury Actions.

**Reporting Costs** means fees, costs and expenses of the GUC Trust directly or indirectly relating to (i) reports to be prepared and filed by the GUC Trust pursuant to applicable rules, regulations and interpretations of the SEC, (ii) the transfer, registration for transfer and certification of GUC Trust Units, (iii) the application by the Committee to the IRS for a private letter ruling regarding the tax treatment of the GUC Trust and the holders of Allowed General Unsecured Claims in respect of the distribution of New GM Securities and (iv) certain legal proceedings relating to the Term Loan Avoidance Action.

**Residual Wind-Down Assets** means the funds remaining of the approximately \$42.8 million in cash and prepaid expenses transferred by MLC to the GUC Trust on the Dissolution Date to satisfy the Residual Wind-Down Claims and Residual Wind-Down Costs (which amount consisted of approximately \$40.0 million in cash, including approximately \$1.4 million for Avoidance Action Defense Costs, and the transferred benefit of approximately \$2.8 million in prepaid expenses).

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**Residual Wind-Down Claims** means all disputed administrative expenses, priority tax claims, priority non-tax claims, and secured claims against the Debtors that were remaining as of the Dissolution Date and are not resolved at a given time.

**Residual Wind-Down Costs** means certain costs, fees and expenses relating to satisfying and resolving the Residual Wind-Down Claims.

**Resolved Allowed Claims** means the Resolved Term Loan Avoidance Action Claims and the Resolved Disputed Claims.

**Resolved Disputed Claims** means previously Disputed General Unsecured Claims that are subsequently allowed.

**Resolved Term Loan Avoidance Action Claims** means the Term Loan Avoidance Action Claims that are subsequently allowed as a result of recoveries by the Avoidance Action Trust pursuant to the Term Loan Avoidance Action.

**Sale Order** means the Sale Order and Injunction entered by the Bankruptcy Court on July 5, 2009, approving the sale of substantially all of the assets of Old GM to New GM pursuant to Section 363(b) of the Bankruptcy Code.

**SEC** means the Securities and Exchange Commission.

**Second Circuit** means the United States Court of Appeals for the Second Circuit.

**Subject Recall-Related Actions** means the Recall-Related Actions that concern vehicles designed, manufactured or sold prior to the Closing Date, except for Personal Injury Actions related to accidents that occurred after the Closing Date.

**Settlement Agreement** means the settlement agreement, dated as of April 25, 2018, between the GUC Trust and certain plaintiffs to settle the Late Claims Motions and other related issues, which agreement, as amended, is currently subject to Bankruptcy Court approval.

**Settlement Payment** means the \$15.0 million payment from the GUC Trust to a fund for the benefit of certain plaintiffs, to be made pursuant to the Settlement Agreement.

**Taxes on Distribution** means income tax liabilities on any capital gains realized upon the sale or distribution of New GM Securities to holders of Allowed General Unsecured Claims or GUC Trust Units.

**Term Loan** means the syndicated loan facility evidenced by that certain Term Loan Agreement, dated as of November 29, 2006, among General Motors Corporation, Saturn Corporation and JPMorgan Chase Bank, N.A., as administrative agent, and the lenders party thereto from time to time (as amended, restated, supplemented or otherwise revised from time to time).

**Term Loan Avoidance Action** means the legal action styled as Official Committee of Unsecured Creditors of Motors Liquidation Co. v. JPMorgan Chase Bank, N.A., et al., Adv. Pro. No. 09-00504 (Bankr. S.D.N.Y. July 31, 2009).

**Term Loan Avoidance Action Claims** means the potential Allowed General Unsecured Claims that will arise in the amount of any recovery of proceeds if the Avoidance Action Trust Administrator is successful in its prosecution of the Term Loan Avoidance Action. For the avoidance of doubt, as used in this Form 10-K, the amounts of **Disputed General Unsecured Claims** do not include any Term Loan Avoidance Action Claims.

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Threshold Issues Appeal Decision means the Second Circuit's decision in case number 15-2844, docket number 384, and related cross-appeals, dated July 13, 2016.

Threshold Issues Decision means the Bankruptcy Court's *Decision on Motion to Enforce Sale Order* (Docket No. 13109) dated April 15, 2015.

Threshold Issues Judgment means the Bankruptcy Court's *Judgment* (Docket No. 13177) dated June 1, 2015 with respect to the Threshold Issues Decision.

Trust Beneficiaries means the beneficiaries of the GUC Trust, who are future holders and, to the extent their liquidating distributions have not yet been paid to them, current holders of Allowed General Unsecured Claims and future and current holders of GUC Trust Units.

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**UCC-3** means the UCC-3 termination statement filed prior to the date of the Debtors' bankruptcy filings which related to certain collateral owned by the Debtors on which the Administrative Agent asserted a lien in respect of the Term Loan.

**UCC Collateral** means the collateral owned by the Debtors on the date of their bankruptcy filings, which collateral was the subject of the UCC-3.

**Used Car Purchasers** means plaintiffs in the Ignition Switch Economic Loss Actions who bought used GM vehicles post-Sale.

**Wind-Down Costs** means certain fees and expenses incurred by the GUC Trust, including fees of the GUC Trust Administrator and the GUC Trust Monitor and the fees and expenses for other professionals retained by the GUC Trust, other than Reporting Costs.

### **Item 1A. Risk Factors.**

*You should carefully consider each of the following risks and all other information contained in this Form 10-K. The occurrence of any of the following risks could materially and adversely affect the value of the GUC Trust Units. The risks described below are not the only ones that beneficiaries of the GUC Trust Units face. Additional risks and uncertainties not presently known or deemed immaterial may also materially and adversely affect the value of the GUC Trust Units.*

***Remaining distributions with respect to the GUC Trust Units are principally contingent on the amount of Term Loan Avoidance Action Claims that are allowed, the results of which cannot be predicted in advance.***

The amount of remaining Distributable Cash that is ultimately distributed to each GUC Trust Unit beneficiary will principally depend on the amount of Resolved Term Loan Avoidance Action Claims. Additional Term Loan Avoidance Action Claims could become allowed in the event that the Avoidance Action Trust Administrator is successful in prosecuting or settles the Term Loan Avoidance Action and recovers the proceeds of such legal action. To the extent that the Avoidance Action Trust Administrator is successful in obtaining a judgment against the defendant(s) in the Term Loan Avoidance Action, or settles the Term Loan Avoidance Action, Term Loan Avoidance Action Claims will become allowed in the amount of any transfers actually avoided and disgorged pursuant to the Term Loan Avoidance Action or any settlement. Once such Term Loan Avoidance Action Claims are allowed, the holders of such claims will be entitled to receive a distribution of Distributable Cash and GUC Trust Units from the GUC Trust corresponding to the amounts of such claims. Such a distribution would reduce the amount of Distributable Cash available for distribution to the current beneficiaries of GUC Trust Units and the pro rata share of Distributable Cash distributed in the future to which the current beneficiaries of GUC Trust Units are entitled. It is not possible to predict the number or amount of Term Loan Avoidance Action Claims that will be allowed. Thus, the aggregate amount of Distributable Cash that is ultimately available for distribution in respect of the GUC Trust Units is not presently determinable.

Following the change of the form of the GUC Trust Units into book-entry form only, represented by one or more global certificates registered in the name of DTC, as depositary, or Cede & Co., its nominee, for so long as DTC is willing to act in that capacity, as described above, beneficial interests in the Avoidance Action Trust remained with holders of Allowed General Unsecured Claims, rather than beneficiaries of GUC Trust Units. As such, a holder of a GUC Trust Unit that does not hold a corresponding Allowed General Unsecured Claim will have its recovery diluted through the allowance of Term Loan Avoidance Action Claims by the GUC Trust, without receiving the benefit of

any cash recovered pursuant to the Term Loan Avoidance Action.

For additional information about the Term Loan Avoidance Action, see Term Loan Avoidance Action in Item 3 ( Legal Proceedings ) below.

***The remaining liquidation period of the GUC Trust is uncertain, because the GUC Trust is required by the GUC Trust Agreement to continue its existence until the date on which all distributable assets of the GUC Trust have been distributed and the liquidation and wind-down of MLC and its debtor subsidiaries has been completed. If the remaining liquidation period exceeds current estimates, Wind-Down and Reporting and Transfer Costs are likely to exceed amounts accrued at March 31, 2018.***

The remaining liquidation period of the GUC Trust is uncertain. The GUC Trust had an initial stated term of three years from the Effective Date. The Bankruptcy Court has entered orders extending the duration of the GUC Trust to March 31, 2019. The GUC Trust is required by the GUC Trust Agreement to continue its existence until the date on which all distributable assets of the GUC Trust have been distributed and the liquidation and wind-down of MLC and its debtor subsidiaries has been completed. The term of the GUC Trust may be again extended upon application to and approval of the Bankruptcy Court as necessary to complete the resolution of all potential claims and the wind-down of MLC. The GUC Trust will remain under the jurisdiction of the Bankruptcy Court throughout the term of its existence. It is currently anticipated that the GUC Trust will be required to seek further approval to

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extend its term, because, although it is uncertain at this time, it is anticipated that the distribution of assets and wind-down will not be completed prior to March 31, 2019. As of March 31, 2018, for purposes of recording reserves for Expected Costs of Liquidation, the GUC Trust has estimated that the remaining liquidation period will extend through November 2020. If the GUC Trust is required to seek another extension of the term and such request is approved by the Bankruptcy Court, and if the remaining liquidation period extends beyond November 2020, additional Wind-Down Costs and Reporting and Transfer Costs are likely to be incurred in continuing the operations of the GUC Trust beyond those accrued as of March 31, 2018.

***The GUC Trust may be required to set aside additional Distributable Cash to fund Wind-Down Costs or Reporting Costs of the GUC Trust if the current set asides of Distributable Cash for such purposes are insufficient, which would reduce the amount of Distributable Cash available for distribution to GUC Trust Unit beneficiaries.***

As has previously occurred as described below, to the extent that the Administrative Fund is or has at any time been insufficient to satisfy the Wind-Down Costs of the GUC Trust, or that the Reporting and Transfer Cash is or has at any time been insufficient to satisfy the Reporting Costs of the GUC Trust, the GUC Trust Administrator has been and continues to be authorized, with the approval of the GUC Trust Monitor, to set aside, and, with the approval of the Bankruptcy Court, to appropriate Distributable Cash to cover such shortfall. To the extent that Distributable Cash is set aside and/or appropriated to obtain funding to complete the wind-down of the Debtors, such Distributable Cash will not be available for distribution to the beneficiaries of the GUC Trust.

Prior to the liquidation of all New GM Securities previously held by the GUC Trust described under the heading "The GUC Trust Assets" in Item 1 ("Business") above, in March and December 2012, and again in January 2015, the Bankruptcy Court approved the sale of New GM Securities to fund certain accrued and projected Wind-Down Costs which were in excess of the amounts budgeted in the Administrative Fund for such costs, and certain accrued and projected Reporting Costs which were in excess of the Reporting and Transfer Cash. Pursuant to such approvals, sales of New GM Securities to fund estimated and projected Wind-Down Costs, along with estimated and projected Reporting Costs, aggregated approximately \$61.7 million, including Dividend Cash of \$0.2 million (which amount of \$61.7 million comprised part of the GUC Trust's Other GUC Trust Administrative Cash). In December 2015, February 2017 and March 2018, the Bankruptcy Court approved the appropriation of Distributable Cash aggregating approximately \$35.6 million to fund the projected costs and expenses of the GUC Trust through calendar year 2018. Such appropriations reduced Distributable Cash and increased Other Administrative Cash. As of March 31, 2018, Distributable Cash (including Dividend Cash) of \$24.7 million was set aside for projected GUC Trust fees, costs and expenses to be incurred beyond 2018. Accordingly, such Distributable Cash is not available for distribution to the beneficiaries of the GUC Trust Units.

As described below and in Item 3 ("Legal Proceedings"), the GUC Trust has executed a Settlement Agreement with certain plaintiffs. Pursuant to such Settlement Agreement, on May 2, 2018, the GUC Trust Administrator filed a motion seeking authority from the Bankruptcy Court to appropriate Distributable Cash of \$6.0 million for the purpose of satisfying noticing costs pursuant to such Settlement Agreement. No hearing date has been scheduled with respect to such motion.

There can be no assurance that the amount of Distributable Cash set aside will be sufficient to fund such costs and expenses as they are actually incurred. In addition, there can be no assurance that, as a result of future evaluations, additional Distributable Cash will not need to be set aside or appropriated to fund additional costs and expenses, beyond those that are currently included in the GUC Trust's estimates, in particular as a result of changes in the GUC Trust's estimates of projected costs and expenses. For a more detailed discussion of the calculation methodologies used to estimate such costs and the sensitivities in making such estimates, see "Distributable Cash Set Aside from Distribution" in Item 7 ("Management's Discussion and Analysis of Financial Condition and Results of Operations").



below.

After the GUC Trust has concluded its affairs, any funds remaining that were obtained from the appropriation of Distributable Cash to fund Wind-Down Costs or Reporting Costs will be distributed to the beneficiaries of the GUC Trust Units.

***No assurance may be given that claims relating to accidents or other incidents, including recalls, involving General Motors vehicles manufactured or sold prior to July 10, 2009 and/or settlements previously reached with plaintiffs asserting such claims will not adversely affect the GUC Trust, its assets or the Plan.***

No assurance may be given that claims relating to accidents or other incidents, including recalls involving General Motors vehicles manufactured or sold prior to July 10, 2009, and/or settlements previously reached with plaintiffs asserting such claims, will not become allowed claims and thereby dilute the remaining assets of the GUC Trust and possibly even require claw back of previous distributions.

Since the beginning of 2014, New GM has recalled millions of vehicles due to defective ignition switches, including, but not limited to, the Ignition Switch Recall, and has recalled millions more vehicles to address certain electrical and other safety concerns. Many of the vehicles affected by the foregoing recalls were manufactured or sold prior to July 10, 2009, or the Closing Date, the date on which the sale of substantially all of the assets of Old GM pursuant to the MSPA was completed.

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In its quarterly report on Form 10-Q filed April 26, 2018, New GM also disclosed that over 100 putative class actions were pending against New GM in various courts in the United States and Canada seeking compensatory and other damages and other relief for economic losses allegedly resulting from one or more of the recalls announced in 2014 and/or the underlying condition of vehicles covered by those recalls. Certain of these over 100 cases, or the Ignition Switch Economic Loss Actions, concern the Ignition Switch Recall, certain other cases, or the Other Economic Loss Actions, concern recalls other than the Ignition Switch Recall, and yet others concern both the Ignition Switch Recall and one or more other recalls (such actions are described herein interchangeably as Ignition Switch Economic Loss Actions or Other Economic Loss Actions). In addition, New GM disclosed that several hundreds of other actions were pending against New GM in various courts in the United States and Canada seeking compensatory and other damages and other relief for personal injury and other claims allegedly arising from accidents that occurred as a result of the underlying condition of the vehicles subject to the recalls initiated by New GM. Certain of these cases, or the Ignition Switch Personal Injury Actions, concern the Ignition Switch Recall, certain other cases, or the Other Personal Injury Actions, concern recalls other than the Ignition Switch Recall, and yet others concern both the Ignition Switch Recall and one or more other recalls (such actions are described herein interchangeably as Ignition Switch Personal Injury Actions or Other Personal Injury Actions). Many of these plaintiffs have also sought the ability to file late proofs of claim against the GUC Trust (the Late Claims Motions). For additional information about the bankruptcy proceedings related to the Ignition Switch Economic Loss Actions, the Other Economic Loss Actions, and the Personal Injury Actions, see General Motors Product Recalls in Item 3 ( Legal Proceedings ) below.

As previously disclosed in a Current Report on Form 8-K filed on May 4, 2018, the GUC Trust, on April 25, 2018, entered into an agreement, or the Settlement Agreement, with certain plaintiffs to settle the Late Claims Motions and various related issues. The approval of the Bankruptcy Court is required for the Settlement Agreement to be effective. On May 3, 2018, the GUC Trust filed motions with the Bankruptcy Court seeking approval of the Settlement Agreement and requesting that the Bankruptcy Court estimate the value of the claims made by the plaintiffs subject to the Settlement Agreement and, if the estimated value of such claims meets certain thresholds specified in the MSPA, to order New GM to issue Additional Shares under the MSPA to a settlement fund established for the benefit of the plaintiffs party to the Settlement Agreement. No hearing date has yet been scheduled for such motion. At a case management conference on May 25, 2018, the Bankruptcy Court requested briefing on whether a class of economic loss plaintiffs must be certified pursuant to Federal Rule of Civil Procedure 23 prior to approval of the Settlement Agreement and related issues. Simultaneous briefs on that issue are due on June 12, 2018. In addition, New GM has filed a motion requesting that the Bankruptcy Court stay any proceedings related to approval of the Settlement Agreement until further resolution of the MDL Proceeding.

The Settlement Agreement filed for approval with the Bankruptcy Court provides for the following: (a) upon entry of a Bankruptcy Court order approving procedures for notifying plaintiffs of the proposed settlement, the GUC Trust will pay the reasonable costs and expenses of providing such notice, up to a maximum of \$6.0 million; (b) upon entry of a Bankruptcy Court order approving the settlement documented in the Settlement Agreement, the GUC Trust will pay \$15.0 million, or the Settlement Payment, to a fund for the benefit of certain plaintiffs; (c) concurrently with the Settlement Payment, all plaintiffs will be deemed to irrevocably waive and release all present and future claims against the GUC Trust related to the issues underlying the Late Claims Motions; (d) the GUC Trust will seek entry of an order estimating the amount of plaintiffs' claims, which may, depending on the amount of the Bankruptcy Court's estimate, trigger the obligation of New GM to issue Additional Shares; (e) any and all Additional Shares issued as a result of the entry of a claims estimation order will be placed in a fund for the exclusive benefit of certain plaintiffs; and (f) concurrently with the making of the Settlement Payment, all holders of beneficial interest in the GUC Trust, as well as the defendants in the Term Loan Avoidance Action, will be deemed to irrevocably waive and release any and all rights to the Additional Shares.

As previously disclosed in a Current Report on Form 8-K filed on May 30, 2018, on May 22, 2018, the GUC Trust entered into an amended version of the Settlement Agreement intended to clarify the intent of certain provisions of the Settlement Agreement. The amendments clarify that the Bankruptcy Court's estimation of the plaintiffs' claims against the GUC Trust, while subject to appeal, will not afford the plaintiffs the ability to seek jury trials to determine the amount of individual claims for distribution purposes. The amendments further clarify that, if the Settlement Agreement is approved, the plaintiffs will be subject to a complete and irrevocable waiver and release in regards to any claims against the GUC Trust or the GUC Trust assets upon payment of the Settlement Payment. Lastly, the amendments clarify that the plaintiffs will also waive jury trial rights in regards to the determination of the amount of individual claims that are estimated for allowance purposes.

New GM opposes the Settlement Agreement on various grounds, including the assertion that the filing of the GUC Trust's motion to estimate the claims subject to the Settlement Agreement breached certain obligations of the GUC Trust to New GM under the MSPA.

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A copy of the Settlement Agreement was filed as an exhibit to the GUC Trust's Current Report on Form 8-K filed with the SEC on May 4, 2018, and the amended version was filed as an exhibit to the GUC Trust's Current Report on Form 8-K filed with the SEC on May 30, 2018.

*Other Matters*

In addition, the GUC Trust has been named a defendant in two actions by individual plaintiffs with separate personal claims against Old GM. One of these claimants was seeking, in light of the recalls by New GM, to vacate the terms of a previous settlement with Old GM for personal injuries/wrongful deaths that occurred prior to the Closing Date. The GUC Trust and New GM defeated an effort by that claimant to obtain relief from her settlement in the Bankruptcy Court. That claimant was unsuccessful in appeals to the District Court for the Southern District of New York and the Second Circuit. On December 4, 2017, the Supreme Court denied the claimant's petition for a writ of certiorari, concluding the matter.

The other claimant is seeking relief from the Bankruptcy Court to pursue tort claims against New GM, or in the alternative, to file a post-bar-date proof of claim against Old GM's bankruptcy estate. That claimant's motion had been pending in the Bankruptcy Court since late 2014, awaiting resolution of criminal charges against the claimant in the state of Ohio. On July 26, 2017, the Ohio Supreme Court denied the state's motion to appeal dismissal of criminal charges against the claimant. On October 18, 2017, the Bankruptcy Court denied the claimant's motion in its entirety, holding that the claimant received adequate due process, and could not demonstrate excusable neglect necessary to file a late proof of claim. On October 26, 2017, the claimant filed a notice of appeal of the Bankruptcy Court's decision. That appeal is pending.

***The GUC Trust may be required to set aside Distributable Cash to fund Residual Wind-Down Claims if the Residual Wind-Down Assets are insufficient, which would reduce the amount of Distributable Cash available for distribution to GUC Trust Unit beneficiaries.***

While not expected at this time, in the event that the Residual Wind-Down Assets are insufficient to satisfy the Residual Wind-Down Claims, including Avoidance Action Defense Costs (and there is no available remaining Other Administrative Cash), then under the GUC Trust Agreement, the GUC Trust Administrator is authorized, with the approval of the GUC Trust Monitor, to set aside, and, with the approval of the Bankruptcy Court, to appropriate Distributable Cash to cover any shortfall. To the extent that Distributable Cash is set aside and/or appropriated to obtain funding to complete the wind-down of the Debtors, such Distributable Cash will not be available for distribution to the beneficiaries of the GUC Trust. Therefore, the amount of Residual Wind-Down Claims could reduce the assets of the GUC Trust available for distribution.

***There can be no assurance that an active trading market for the GUC Trust Units exists or will continue to exist, and the GUC Trust, the GUC Trust Administrator and the GUC Trust Monitor will take no actions to facilitate or promote such a trading market.***

There can be no assurance that an active trading market for the GUC Trust Units exists or will continue to exist. Because the GUC Trust Units are not listed on any securities exchange, the liquidity of the GUC Trust Units is limited, and the value of the GUC Trust Units could be negatively impacted. Pursuant to the No Action Letter, the GUC Trust, the GUC Trust Administrator and the GUC Trust Monitor will not take any actions to facilitate or promote a trading market in the GUC Trust Units or any instrument or interest tied to the value of the GUC Trust Units.

***The GUC Trust Unit beneficiaries have no management, control or voting rights beyond their limited ability to remove and replace the GUC Trust Administrator and the GUC Trust Monitor for good cause.***

Beneficiaries of the GUC Trust Units have no title or right to, or possession, management, or control of, the GUC Trust or the GUC Trust assets, including with respect to the resolution of Disputed General Unsecured Claims, the outcome of which could adversely impact the value of the GUC Trust Units. In addition, under the GUC Trust Agreement, beneficiaries of the GUC Trust Units do not have the right to appoint or remove the GUC Trust Administrator or the GUC Trust Monitor, except with respect to the removal of the GUC Trust Administrator or GUC Trust Monitor for good cause.

***In addition to providing services to the GUC Trust, certain agents of the GUC Trust also provide services to other trusts that have been established to administer claims against the Debtors, the beneficiaries of which may have differing interests from the beneficiaries of the GUC Trust.***

In addition to providing services to the GUC Trust, certain agents of the GUC Trust also provide services to other trusts that have been established to administer claims against the Debtors, the beneficiaries of which may have differing interests from the beneficiaries of the GUC Trust. For example, as approved by the Bankruptcy Court at the time it confirmed the Plan, in addition to serving as the GUC Trust Administrator, Wilmington Trust Company also serves as the Avoidance Action Trust Administrator.

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The GUC Trust also relies significantly upon certain advisory services provided by AlixPartners, LLP, which provides similar advisory services to the Motors Liquidation Company DIP Lenders Trust, another trust established to administer recoveries from certain assets formerly owned by MLC for the benefit of the DIP Lenders.

Circumstances could arise where potential conflicts of interest could exist. If the GUC Trust believes any such circumstances have arisen, the GUC Trust will make reasonable efforts to cause its agents to mitigate such conflicts of interest, including by disclosure of the conflict of interest to relevant parties.

### ***The GUC Trust's information systems may experience interruptions or breaches in security.***

The GUC Trust relies heavily on communications and information and data storage systems to administer and direct the distribution of certain assets pursuant to the terms and conditions of the GUC Trust Agreement. Any failure, interruption or breach in security of these systems could result in disruptions to its accounting, claims processing and other systems, and could adversely affect the GUC Trust's relationship with the holders of the Allowed General Unsecured Claims if it adversely affected the claims processing functions of the GUC Trust. While the GUC Trust has policies and procedures designed to prevent or limit the effect of these possible events, there can be no assurance that any such failure, interruption or security breach will not occur or, if any does occur, that it can be sufficiently remediated.

There have been increasing efforts on the part of third parties to breach data security at financial institutions, trusts, or with respect to financial or claims processing transactions. In addition, because the techniques used to cause such security breaches change frequently, often are not recognized until launched against a target and may originate from less regulated and remote areas around the world, the GUC Trust may be unable to proactively address these techniques or to implement adequate preventative measures.

Third parties with which the GUC Trust does business may also be sources of cyber security or other technological risks. As disclosed elsewhere in this Annual Report on Form 10-K, the GUC Trust outsources many functions, including accounting, claims processing, data storage, and other related internal functions, to and with several third-parties. While the GUC Trust engages in certain actions to reduce the exposure resulting from outsourcing, such as performing onsite security control assessments, limiting third-party access to the least privileged level necessary to perform contracted functions, and ensuring that our third-party vendors comply with our security policies, ongoing threats may result in unauthorized access, loss or destruction of data or other cyber incidents with increased costs and consequences to the GUC Trust such as those discussed above.

### ***New GM may be required to issue additional securities to the GUC Trust, or for the benefit of certain plaintiffs under the Settlement Agreement, and the value of such additional securities will depend on the business, assets and operations of New GM.***

In the event that the Bankruptcy Court enters an order, or orders, that include a finding that the estimated aggregate Allowed General Unsecured Claims against the Debtors exceed \$35 billion, New GM will be required, pursuant to the MSPA, to issue additional shares of New GM Common Stock, or Additional Shares, for the benefit of the GUC Trust's beneficiaries. The number of Additional Shares to be issued will be equal to the number of such shares, rounded up to the next whole share, calculated by multiplying (i) 30 million shares (adjusted to take into account any stock dividend, stock split, combination of shares, recapitalization, merger, consolidation, reorganization or similar transaction with respect to such New GM Common Stock from and after the closing of the 363 Transaction and before issuance of the Additional Shares) and (ii) a fraction, (a) the numerator of which is the amount by which Allowed General Unsecured Claims exceed \$35 billion (such excess amount being capped at \$7 billion) and (b) the denominator of which is \$7 billion. No Additional Shares have been issued as of the date of filing of this Form 10-K. The value of the

Additional Shares that the beneficiaries of GUC Trust Units have a contingent right to receive will depend on the business, assets, operations and prospects of New GM. Additionally, if the Settlement Agreement is approved by the Bankruptcy Court, all Additional Shares issued by New GM would be issued for the benefit of certain plaintiffs instead of the GUC Trust pursuant to the Settlement Agreement.

**Item 1B. Unresolved Staff Comments.**

Not applicable.

**Item 2. Properties.**

Disclosure under this item is not required, pursuant to the No Action Letter.

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**Item 3. Legal Proceedings.**

*Term Loan Avoidance Action.*

On July 31, 2009, the Committee, on behalf of the Debtors, commenced the Term Loan Avoidance Action. Among other things, the Term Loan Avoidance Action seeks the return of approximately \$1.5 billion that had been transferred to a consortium of prepetition lenders pursuant to the terms of the order approving the DIP Credit Agreement on the theory that the prepetition filing of a particular UCC-3 termination statement, or the UCC-3, had the effect of rendering such lenders' previously perfected security interest in certain assets of the Debtors, or the UCC Collateral, unperfected on the date of the Debtors' bankruptcy filings.

On July 1, 2010, the Committee filed a motion for partial summary judgment, or the Committee Summary Judgment Motion, seeking a ruling in favor of the Committee with respect to the perfection of the lenders' security interest in the UCC Collateral. Also on July 1, 2010, JPMorgan Chase Bank, N.A. filed its own summary judgment motion, or the JPMorgan Summary Judgment Motion (and, together with the Committee Summary Judgment Motion, the Cross-Motions for Summary Judgment), seeking a ruling in favor of JPMorgan Chase Bank, N.A., with respect to the perfection of the lenders' security interest in the UCC Collateral. On the Dissolution Date, while the Cross-Motions for Summary Judgment were still pending, the right to prosecute the Term Loan Avoidance Action was transferred to the Avoidance Action Trust. To the extent that the Avoidance Action Trust Administrator is successful in obtaining and collecting a judgment against the defendant(s) therein, Term Loan Avoidance Action Claims will become allowed in the amount actually collected from the defendant(s), and in the name of such defendant(s).

On March 1, 2013, the Bankruptcy Court rendered a decision on the Cross-Motions for Summary Judgment, holding that JPMorgan Chase Bank, N.A., or the Administrative Agent, had not authorized the filing of the UCC-3, and thus the lenders' security interest in the UCC Collateral remained properly perfected on the date of the Debtors' bankruptcy filings. The Bankruptcy Court subsequently entered an order and a judgment on the Cross-Motions for Summary Judgment, which distilled the decision on Cross-Motions for Summary Judgment into an order denying the Committee Summary Judgment Motion and granting the JPMorgan Summary Judgment Motion. On March 7, 2013, the Avoidance Action Trust appealed the order and judgment, which appeal was heard directly by the Second Circuit.

On January 21, 2015, the Second Circuit reversed the Bankruptcy Court's grant of summary judgment for the Administrative Agent, holding that the Administrative Agent had authorized the filing of the UCC-3 and thereby extinguished the lenders' perfected security interest in the UCC Collateral. The Administrative Agent subsequently filed a petition for rehearing en banc, which petition was denied by the Second Circuit. On April 20, 2015, the Second Circuit issued a mandate instructing the Bankruptcy Court to enter partial summary judgment for the Committee, which judgment was entered by the Bankruptcy Court on June 12, 2015. Pursuant to a scheduling order entered by the Bankruptcy Court on May 19, 2015, the Avoidance Action Trust filed an amended complaint against the defendants to the Term Loan Avoidance Action on May 20, 2015.

Beginning on November 16, 2015, numerous defendants filed motions seeking to dismiss the amended complaint or to obtain a judgment on the pleadings. The Bankruptcy Court heard oral argument with respect to the motions to dismiss and motions for judgment on the pleadings on April 18, 2016. The Bankruptcy Court denied all of the motions to dismiss in an opinion and order dated June 30, 2016. A group of defendants filed a motion for leave to appeal from the Bankruptcy Court's opinion and order. That motion for leave to appeal was denied by the U.S. District Court for the Southern District of New York on March 24, 2017.

On November 9, 2016, the Avoidance Action Trust filed a stipulation and proposed order that was signed by counsel to the Avoidance Action Trust, counsel to the Administrative Agent and counsel to certain defendants to the Term Loan Avoidance Action, which stipulation had the effect of dismissing approximately \$28.2 million in preference



claims that were asserted by the Avoidance Action Trust in its amended complaint.

A trial on a number of the key issues in the Term Loan Avoidance Action (the Representative Assets Trial ) was conducted before the Bankruptcy Court from April 24, 2017 through May 5, 2017, followed by post-trial briefing and closing arguments on June 5, 2017. The Bankruptcy Court rendered a decision with respect to the Representative Assets Trial on September 26, 2017 and determined whether each of the 40 representative assets (out of over 200,000 disputed assets) constituted fixtures and how to value each of the 40 assets, in an effort to provide guidance to the parties in resolving the remaining disputes through settlement. On October 10, 2017, the Avoidance Action Trust filed a motion with the Bankruptcy Court seeking leave to appeal the decision on the Representative Assets Trial, which motion is currently pending. On October 24, 2017, the Administrative Agent filed a conditional notice of cross-appeal, seeking leave to appeal the decision on the Representative Assets Trial solely in the event that the Avoidance Action Trust's motion is granted. Because the Bankruptcy Court's decision (and any potential appeal) relates only to certain representative assets, it does not resolve all of the issues in the Term Loan Avoidance Action. The parties to the Term Loan Avoidance Action are currently in mediation in an effort to reach a consensual resolution of the Term Loan Avoidance Action.

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As described below in Note 2 ( Plan of Liquidation ) in Item 8, the successful prosecution of, and recovery under, the Term Loan Avoidance Action would result in the allowance of additional Term Loan Avoidance Action Claims against the GUC Trust, the holders of which claims would be entitled to receive a distribution of Distributable Cash (including the related Dividend Cash) from the GUC Trust. Moreover, beneficial interests in the Avoidance Action Trust (if any) remain with holders of Allowed General Unsecured Claims, rather than beneficiaries of GUC Trust Units. As such, a holder of a GUC Trust Unit that does not hold a corresponding Allowed General Unsecured Claim would have its recovery diluted through the allowance of Term Loan Avoidance Action Claims by the GUC Trust, without receiving the benefit of any cash recovered pursuant to the Term Loan Avoidance Action.

The Avoidance Action Trust was established under the Plan separate from the GUC Trust. The proper beneficiaries of the proceeds of the Term Loan Avoidance Action has been a matter of dispute, with both the DIP Lenders and the Committee, on behalf of the holders of Allowed General Unsecured Claims, claiming sole rights to such proceeds. On June 6, 2011, the Committee commenced an adversary proceeding seeking a declaratory judgment that (i) the DIP Lenders are not entitled to any proceeds of the Term Loan Avoidance Action and have no interests in the Avoidance Action Trust, and (ii) the holders of Allowed General Unsecured Claims have the exclusive right to receive any and all proceeds of the Term Loan Avoidance Action, and are the exclusive beneficiaries of the Avoidance Action Trust. On December 2, 2011, the Bankruptcy Court entered an order in favor of the Committee, denying the DIP Lenders motions to dismiss and for summary judgment. On December 16, 2011, the DIP Lenders appealed this and other related rulings and decisions of the Bankruptcy Court. On July 3, 2012, the District Court for the Southern District of New York vacated the Bankruptcy Court's judgment and remanded the case to the Bankruptcy Court, with instructions for the Bankruptcy Court judge to dismiss the Committee's complaint without prejudice for want of subject matter jurisdiction. On July 16, 2016, the Committee and the Avoidance Action Trust filed a motion with the Bankruptcy Court seeking, among other relief, approval of a settlement between the DIP Lenders and the Committee resolving their dispute about the entitlement to proceeds of the Term Loan Avoidance Action. On August 24, 2016, the Approval Order was entered by the Bankruptcy Court. Pursuant to the Approval Order, the Bankruptcy Court has now approved a settlement of this dispute according to which, after the repayment by the Avoidance Action Trust of certain cash advances, any distributable proceeds are to be allocated and paid as follows: 70% to holders of Allowed General Unsecured Claims and 30% to the DIP Lenders. The Approval Order was affirmed by a Judgment of the District Court for the Southern District of New York on September 6, 2017. Beneficial interests in the Avoidance Action Trust (if any) will remain with the DIP Lenders and the holders of Allowed General Unsecured Claims, rather than beneficiaries of GUC Trust Units.

### *General Motors Product Recalls*

Since the beginning of 2014, New GM has recalled millions of vehicles due to defective ignition switches, including, but not limited to, the Ignition Switch Recall, and has recalled millions of additional vehicles to address certain electrical and other safety concerns, including other defects related to the ignition switch. Many of the vehicles affected by the foregoing recalls were manufactured or sold prior to July 10, 2009, or the Closing Date, the date on which the sale of substantially all of the assets of Old GM pursuant to the MSPA was completed.

In its quarterly report on Form 10-Q filed April 26, 2018, New GM also disclosed that over 100 putative class actions were pending against New GM in various courts in the United States and Canada seeking compensatory and other damages and other relief for economic losses allegedly resulting from one or more of the recalls announced in 2014 and/or the underlying condition of vehicles covered by those recalls. Certain of these over 100 cases, or the Ignition Switch Economic Loss Actions, concern the Ignition Switch Recall, certain other cases, or the Other Economic Loss Actions, concern recalls other than the Ignition Switch Recall, and yet others concern both the Ignition Switch Recall and one or more other recalls (such actions are described herein interchangeably as Ignition Switch Economic Loss Actions or Other Economic Loss Actions). In addition, New GM disclosed that several hundreds of other actions were

pending against New GM in various courts in the United States and Canada seeking compensatory and other damages and other relief for personal injury and other claims allegedly arising from accidents that occurred as a result of the underlying condition of the vehicles subject to the recalls initiated by New GM. Certain of these cases, or the Ignition Switch Personal Injury Actions, concern the Ignition Switch Recall, certain other cases, or the Other Personal Injury Actions, concern recalls other than the Ignition Switch Recall, and yet others concern both the Ignition Switch Recall and one or more other recalls (such actions are described herein interchangeably as Ignition Switch Personal Injury Actions or Other Personal Injury Actions).

Since June 2014, Recall-Related Actions have been transferred to the United States District Court of the Southern District of New York, or the MDL Court, and have been consolidated into a single case, case number 14-MD-2543 (JMF), or the MDL Proceeding. Recall-Related Actions pending in state court have been consolidated in a separate state multi-district litigation pending in Texas. Over time, New GM has reached various agreements with certain personal injury claimants regarding possible settlement of their claims. The MDL proceedings are ongoing.

Concurrently with the proceedings before the MDL Court, New GM took steps in the Bankruptcy Court to enjoin the Subject Recall-Related Actions. In that respect, beginning on April 21, 2014, New GM filed a series of motions with the Bankruptcy Court seeking to enjoin the Subject Recall-Related Actions and to enforce the Sale Order and Injunction entered on July 5, 2009, or the Sale Order (under which all product liability and property damage claims arising from accidents or incidents prior to the Closing Date were to remain with Old GM as general unsecured claims), or the Motions to Enforce.

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Beginning on May 16, 2014, the Bankruptcy Court entered a series of scheduling orders which identified a number of threshold issues to be resolved by the Bankruptcy Court, including (i) whether plaintiffs' procedural due process rights were violated in connection with the 363 Transaction, (ii) if such due process rights were violated, what is the appropriate remedy, (iii) whether any or all of the claims asserted in the Subject Recall-Related Actions are claims against Old GM and/or the GUC Trust, and (iv) whether any such claims against Old GM and/or the GUC Trust should be dismissed as equitably moot. The GUC Trust appeared as a party in interest with respect to New GM's Motions to Enforce and filed briefs in opposition thereto, asserting that none of the claims of the plaintiffs in the Subject Recall-Related Actions may be properly asserted against Old GM or the GUC Trust.

On April 15, 2015, the Bankruptcy Court rendered a decision, or the Threshold Issues Decision, on the threshold issues. The Bankruptcy Court found (among other things) that the plaintiffs in the Ignition Switch Economic Loss Actions and the Ignition Switch Personal Injury Actions may seek authorization to file late claims in the bankruptcy cases of Old GM, but that any such claims as against the GUC Trust are equitably moot (that is, fashioning relief for the plaintiffs against the GUC Trust would be impractical, imprudent and therefore inequitable), and thus the assets of the GUC Trust cannot be used to satisfy such claims. This finding is called the Equitable Mootness Finding.

On June 1, 2015, the Bankruptcy Court issued a judgment, or the Threshold Issues Judgment, which clarifies the terms of the Threshold Issues Decision and distills the Bankruptcy Court's holdings into a binding order. The Threshold Issues Judgment provides, in pertinent part, that:

- (i) The plaintiffs in the Ignition Switch Economic Loss Actions suffered a due process violation with respect to the Sale Order, whereas the plaintiffs in the Ignition Switch Personal Injury Actions did not suffer a due process violation with respect to the Sale Order;
- (ii) As a result of the due process violation, the provisions of the Sale Order which purport to shield New GM from any liability associated with its independent post-Sale actions can be modified, and the plaintiffs in the Ignition Switch Economic Loss Actions may proceed against New GM with respect to its independent post-Sale actions;
- (iii) Any claims asserted in the Ignition Switch Economic Loss Actions and the Ignition Switch Personal Injury Actions that relate to actions of Old GM are enjoined from being pursued against New GM on successor liability grounds;
- (iv) Given the Equitable Mootness Finding, the assets of the GUC Trust cannot be utilized to satisfy any claims that may be filed by plaintiffs in the Ignition Switch Economic Loss Actions and Ignition Switch Personal Injury Actions after the date of entry of the Threshold Issues Judgment; and
- (v) Pursuant to section 502(j) of the Bankruptcy Code, assets of the GUC Trust may be used to satisfy previously allowed or disallowed claims that are reconsidered for cause. Hence, any person who holds a previously allowed or disallowed claim may seek to have that claim reconsidered by the Bankruptcy Court, and in the event that any such claimant prevails in an application for reconsideration, the resulting additional allowed claims could dilute the recoveries of holders of GUC Trust Units.

The Equitable Mootness Finding became binding on plaintiffs in the Other Economic Loss Actions and Other Personal Injury Actions pursuant to a decision and order of the Bankruptcy Court dated September 3, 2015.

Certain plaintiffs appealed the Threshold Issues Decision and Threshold Issues Judgment, and New GM and the GUC Trust each filed cross-appeals with respect to the Threshold Issues Decision and Threshold Issues Judgment. On September 22, 2015, the Second Circuit entered an order granting a direct appeal of the Threshold Issues Decision and

Threshold Issues Judgment to the Second Circuit.

On July 13, 2016, after briefing and oral argument, the Second Circuit reached a decision in the appeal, or the Threshold Issues Appeal Decision. In the Threshold Issues Appeal Decision, the Second Circuit held, in pertinent part, that plaintiffs in the Ignition Switch Personal Injury Actions involved in pre-closing accidents, or the Ignition Switch Pre-Closing Accident Plaintiffs, and plaintiffs in the Ignition Switch Economic Loss Actions who acquired their vehicles pre-closing were entitled to, but did not receive, direct-mail notice of the Sale because Old GM knew or reasonably should have known about the ignition switch defect prior to bankruptcy. The Second Circuit also noted that it could not say with fair assurance that the outcome of the Sale would have been the same had Old GM given plaintiffs adequate notice of the ignition switch defect and the Sale, and these plaintiffs voiced their objections to those provisions of the Sale Order barring their claims against New GM. Accordingly, the Second Circuit ruled that enforcing the Sale Order against the Ignition Switch Pre-Closing Accident Plaintiffs and the Ignition Switch Economic Loss Plaintiffs would violate their procedural due process rights in these circumstances, and therefore, they cannot be bound by the terms of the Sale Order. As a result, the court held that those plaintiffs are not enjoined from pursuing claims against New GM.

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The Second Circuit further held that the Bankruptcy Court lacked subject-matter jurisdiction to issue its Equitable Mootness Finding because no plaintiff has asserted a claim against the GUC Trust. Therefore, the Second Circuit held, the Bankruptcy Court's Equitable Mootness Finding was purely advisory. The Second Circuit did not, however, express any opinion as to the merits of whether claims against the GUC Trust would be equitably moot if brought against the GUC Trust.

In addition, the Second Circuit held that the Sale Order cannot enjoin independent claims relating to New GM's post-Sale conduct. It also held that claims by plaintiffs in the Ignition Switch Economic Loss Actions who bought used GM vehicles post-Sale, or Used Car Purchasers, are not bound by the Sale Order and, therefore, are not enjoined from pursuing claims against New GM for their losses, because those claimants lacked a pre-Sale connection to Old GM at the time Old GM filed its bankruptcy petition.

The Second Circuit remanded the case to the Bankruptcy Court for it to conduct further proceedings. Thereafter, the Second Circuit denied New GM's petition for rehearing, and, on April 24, 2017, the Supreme Court of the United States denied New GM's petition for a writ of certiorari.

Once jurisdiction over the case was returned to the Bankruptcy Court, that court held status conferences with the parties. On December 13, 2016, the Bankruptcy Court entered an Order to Show Cause directing the parties to address the following, the 2016 Threshold Issues: (1) whether the Ignition Switch Recall encompasses only claims stemming from NHTSA Recall No. 14v047, or whether it includes other recalls; (2) whether Other Economic Loss Actions asserting claims based solely on New GM's independent conduct may proceed; (3) whether and how Used Car Purchasers may proceed against New GM; (4) whether plaintiffs involved in post-Closing Date accidents may bring successor liability actions against New GM; and (5) whether any plaintiffs may file late proofs of claim against the GUC Trust. Plaintiffs and New GM submitted briefs and presented argument on topics one through four, but the GUC Trust opted not to brief or present argument on those topics. On July 12, 2017, the Bankruptcy Court issued its decision on the first four 2016 Threshold Issues, holding that (i) only plaintiffs with the Ignition Switch Defect in a Subject Vehicle are Ignition Switch Plaintiffs; (ii) used car purchasers are bound by the Sale Order to the same extent as their predecessors in interest; and (iii) claims for punitive damages against New GM, based on Old GM conduct, are barred by the Bankruptcy Code's priority scheme. New GM and various plaintiffs appealed certain of the Bankruptcy Court's decisions relating to the 2016 Threshold Issues. On May 29, 2018, the United States District Court, sitting as an appellate court, affirmed the Bankruptcy Court rulings in part and vacated in part, remanding for further proceedings. *See Opinion and Order*, Docket No. 95, 17-cv-6196 (JMF).

Pursuant to the Order to Show Cause issued by the Bankruptcy Court, on December 22, 2016, various plaintiffs moved the Bankruptcy Court for permission to file late claims against the GUC Trust. Specifically, Ignition Switch Economic Loss Action plaintiffs filed a proposed class proof of claim on behalf of individuals whose vehicles were recalled in NHTSA Recall No. 14v047; Other Economic Loss Action plaintiffs filed a proposed class proof of claim on behalf of individuals whose cars were subject to other New GM recalls; and 175 Ignition Switch Pre-Closing Accident Plaintiffs each filed a proposed proof of claim. Together, these motions are the Late Claims Motions. On July 28, 2017, counsel for 171 so-called Additional Pre-Closing Accident Plaintiffs filed a motion with the Bankruptcy Court for authority to file late claims against the GUC Trust. Counsel for the Additional Pre-Closing Accident Plaintiffs supplemented their motion by adding 113 additional plaintiffs on August 12, 2017, and 64 additional plaintiffs on September 22, 2017, bringing the total to 348 Additional Pre-Closing Accident Plaintiffs. On December 4, 2017, counsel for the Ignition Switch Pre-Closing Accident Plaintiffs filed a notice of withdrawal as counsel of record for 30 claimants, bringing the total to 145 Ignition Switch Pre-Closing Accident Plaintiffs.

The Bankruptcy Court has not set a schedule for deciding the Late Claims Motions or for addressing the motion by the Additional Pre-Closing Accident Plaintiffs. In an Order dated March 2, 2017, the Bankruptcy Court gave permission

to the GUC Trust and New GM to serve each of the plaintiffs in the Late Claims Motions related to the Ignition Switch Defect with interrogatories designed to elicit relevant facts related to the Late Claims Motions. In addition, the Bankruptcy Court ordered the GUC Trust, New GM, and the plaintiffs in the Late Claims Motions to file briefs addressing whether the plaintiffs must satisfy the standard set forth in *Pioneer Investment Services Co. v. Brunswick Associates Limited Partnership*, 507 U.S. 380 (1993), to obtain authority to file late proofs of claim, and whether and as of when some or all of the proponents of the Late Claim Motions are the beneficiaries of a tolling agreement with respect to the time for filing the Late Claim Motions. The Bankruptcy Court has not yet scheduled oral argument to discuss those issues.

Following briefing related to the Late Claims Motions, the GUC Trust engaged in discussions with counsel for certain Ignition Switch Economic Loss Action and Other Economic Loss Action plaintiffs, certain Ignition Switch Pre-Closing Accident Plaintiffs, and the Additional Pre-Closing Accident Plaintiffs regarding a potential settlement of certain issues underlying the Late Claims Motions. Such discussions meaningfully progressed, but never culminated in an executed settlement agreement (the Proposed

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Plaintiff Settlement ). Instead, the GUC Trust entered into a Forbearance Agreement with New GM by which (i) the GUC Trust agreed not to seek an order estimating the claims of the plaintiffs in the Ignition Switch Economic Loss Actions and the Ignition Switch Personal Injury Actions or seek the issuance of Additional Shares from New GM until the final resolution of certain litigation, (ii) New GM agreed to pay the costs of the GUC Trust's litigation in connection with the Late Claims Motions and related litigation, and (iii) New GM and the GUC Trust agreed to negotiate an appropriate rate of return from New GM should any GUC Trust distributions be held up solely due to the Late Claims Motions litigation. While the Forbearance Agreement was executed by the parties, its terms were subject to certain conditions which were never satisfied, including obtaining the approval of the Bankruptcy Court. By its terms, the Forbearance Agreement was scheduled to automatically terminate on December 29, 2017 in the event that the Bankruptcy Court had not yet entered an order approving the Forbearance Agreement. On December 28, 2017, the GUC Trust and New GM entered into a First Amendment to Forbearance Agreement which had the effect of extending the automatic termination date to February 28, 2018. The Forbearance Agreement terminated on February 28, 2018 pursuant to its terms.

Counsel for the Ignition Switch Economic Loss Action and Other Economic Loss Action Plaintiffs, certain Ignition Switch Pre-Closing Accident Plaintiffs, and Additional Pre-Closing Accident Plaintiffs maintained that the Proposed Plaintiff Settlement was binding on the GUC Trust, notwithstanding that the agreement was never executed, and on September 11, 2017, filed a motion to enforce the Proposed Plaintiff Settlement in the Bankruptcy Court. On September 12, 2017, the GUC Trust filed a motion to authorize the Forbearance Agreement with New GM, which New GM joined.

On January 18, 2018, the Bankruptcy Court entered the Enforcement Decision, denying the motion of the plaintiffs in the Proposed Plaintiff Settlement to enforce the Proposed Plaintiff Settlement. In denying that motion, the Bankruptcy Court found that the unexecuted Potential Plaintiff Settlement was not enforceable because it contained an unambiguous provision that it would not become enforceable until executed. In so holding, however, the Bankruptcy Court also made certain negative findings of fact with respect to the GUC Trust, which findings the GUC Trust disputes. After due deliberation, the GUC Trust determined that it will not seek to appeal such findings. A copy of the Enforcement Decision was filed as an exhibit to the GUC Trust's Current Report on Form 8-K filed with the SEC on January 24, 2018.

As previously disclosed in a Current Report on Form 8-K filed on May 4, 2018, the GUC Trust, on April 25, 2018, entered into the Settlement Agreement with certain plaintiffs to settle the Late Claims Motions and various related issues. The approval of the Bankruptcy Court is required for the Settlement Agreement to be effective. On May 3, 2018, the GUC Trust filed motions with the Bankruptcy Court seeking approval of the Settlement Agreement and requesting that the Bankruptcy Court estimate the value of the claims made by the plaintiffs subject to the Settlement Agreement and, if the estimated value of such claims meets certain thresholds specified in the MSPA, to order New GM to issue Additional Shares under the MSPA to a settlement fund established for the benefit of the plaintiffs party to the Settlement Agreement. No hearing date has yet been scheduled for such motion. At a case management conference on May 25, 2018, the Bankruptcy Court requested briefing on whether a class of economic loss plaintiffs must be certified pursuant to Federal Rule of Civil Procedure 23 prior to approval of the Settlement Agreement and related issues. Simultaneous briefs on that issue are due on June 12, 2018. In addition, New GM has filed a motion requesting that the Bankruptcy Court stay any proceedings related to approval of the Settlement Agreement until further resolution of the MDL Proceeding.

The Settlement Agreement filed for approval with the Bankruptcy Court provides for the following: (a) upon entry of a Bankruptcy Court order approving procedures for notifying plaintiffs of the proposed settlement, the GUC Trust will pay the reasonable costs and expenses of providing such notice, up to a maximum of \$6.0 million; (b) upon entry of a Bankruptcy Court order approving the settlement documented in the Settlement Agreement, the GUC Trust will pay



the Settlement Payment of \$15.0 million to a fund for the benefit of certain plaintiffs; (c) concurrently with the Settlement Payment, all plaintiffs will be deemed to irrevocably waive and release all present and future claims against the GUC Trust related to the issues underlying the Late Claims Motions; (d) the GUC Trust will seek entry of an order estimating the amount of plaintiffs' claims, which may, depending on the amount of the Bankruptcy Court's estimate, trigger the obligation of New GM to issue Additional Shares; (e) any and all Additional Shares issued as a result of the entry of a claims estimation order will be placed in a fund for the exclusive benefit of certain plaintiffs; and (f) concurrently with the making of the Settlement Payment, all holders of beneficial interest in the GUC Trust, as well as the defendants in the Term Loan Avoidance Action, will be deemed to irrevocably waive and release any and all rights to the Additional Shares.

As previously disclosed in a Current Report on Form 8-K filed on May 30, 2018, on May 22, 2018, the GUC Trust entered into an amended version of the Settlement Agreement intended to clarify the intent of certain provisions of the Settlement Agreement. The amendments clarify that the Bankruptcy Court's estimation of the plaintiffs' claims against the GUC Trust, while subject to appeal, will not afford the plaintiffs the ability to seek jury trials to determine the amount of individual claims for distribution purposes. The amendments further clarify that, if the Settlement Agreement is approved, the plaintiffs will be subject to a complete and irrevocable waiver and release in regards to any claims against the GUC Trust or the GUC Trust Assets (as defined in the Settlement Agreement) upon payment of the Settlement Payment. Lastly, the amendments clarify that the plaintiffs will also waive jury trial rights in regards to the determination of the amount of individual claims that are estimated for allowance purposes.

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New GM opposes the Settlement Agreement on various grounds, including the assertion that the filing of the GUC Trust's motion to estimate the claims subject to the Settlement Agreement breached certain obligations of the GUC Trust to New GM under the MSPA.

A copy of the Settlement Agreement was filed as an exhibit to the GUC Trust's Current Report on Form 8-K filed with the SEC on May 4, 2018, and the amended version was filed as an exhibit to the GUC Trust's Current Report on Form 8-K filed with the SEC on May 30, 2018.

*Other Matters*

In addition, the GUC Trust has been named a defendant in two actions by individual plaintiffs with separate personal claims against Old GM. One of these claimants was seeking, in light of the recalls by New GM, to vacate the terms of a previous settlement with Old GM for personal injuries/wrongful deaths that occurred prior to the Closing Date. The GUC Trust and New GM defeated an effort by that claimant to obtain relief from her settlement in the Bankruptcy Court. That claimant was unsuccessful in appeals to the District Court for the Southern District of New York and the Second Circuit. On December 4, 2017, the Supreme Court denied the claimant's petition for a writ of certiorari, concluding the matter.

The other claimant is seeking relief from the Bankruptcy Court to pursue tort claims against New GM, or in the alternative, to file a post-bar-date proof of claim against Old GM's bankruptcy estate. That claimant's motion had been pending in the Bankruptcy Court since late 2014, awaiting resolution of criminal charges against the claimant in the state of Ohio. On July 26, 2017, the Ohio Supreme Court denied the state's motion to appeal dismissal of criminal charges against the claimant. On October 18, 2017, the Bankruptcy Court denied the claimant's motion in its entirety, holding that the claimant received adequate due process, and could not demonstrate excusable neglect necessary to file a late proof of claim. On October 26, 2017, the claimant filed a notice of appeal of the Bankruptcy Court's decision. That appeal remains pending and has yet to be briefed.

*New GM Securities Class Action*

On March 21, 2014, a putative class action was initiated against New GM on behalf of all persons and entities that purchased or otherwise acquired New GM Common Stock during the period from November 17, 2010 through July 24, 2014, inclusive, and suffered damages. The action was filed in the United States District Court for the Eastern District of Michigan, Southern Division, and captioned *New York State Teachers' Retirement System v. General Motors Company, et al.*, 14-cv-11191-LVP-MKM. In November 2015, New GM reached a proposed settlement of the class action. The proposed settlement amount is an aggregate of \$300 million, plus earned interest, and, after deducting certain expenses, including attorneys' fees and costs and taxes on the earned interest, the settlement amount will be distributed in cash (pro rata by the relative size of their claims) to all members of the settlement class who submit a valid and timely claim form. On November 20, 2015, the court entered the *Order Preliminary Approving Settlement and Providing for Notice* [Docket No. 95] which, among other things, preliminarily approved the settlement and certified the settlement class solely for purposes of effectuating the settlement. Thereafter, on May 23, 2016, the court entered the *Judgment Approving Class Action Settlement* [Docket No. 133], affirmed its prior order certifying the class for purposes of settlement only, found that notice and adequacy of representation were adequate, and fully and finally approved the settlement in all respects. The GUC Trust timely filed a proof of claim with the settlement administrator. However, the amount and timing of the GUC Trust's potential recovery is unknown at this time.

Please refer to the disclosure in Item 1A ( Risk Factors ) above for certain risk factors relating to the foregoing legal proceedings.

**Item 4. Mine Safety Disclosures.**

Not applicable.

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**PART II**

**Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities.**

Disclosure under this item is not required, pursuant to the No Action Letter.

**Item 6. Selected Financial Data.**

Disclosure under this item is not required, pursuant to the No Action Letter.

**Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations.**

The following addresses material changes in the net assets in liquidation of the Motors Liquidation Company GUC Trust, or the GUC Trust, for its fiscal year ended March 31, 2018. It is intended to be read in conjunction with the financial statements of the GUC Trust included in Item 8 below.

**Critical Accounting Policies and Estimates**

*Liquidation Basis of Accounting*

The GUC Trust was created for the purposes described in Note 1 ( Purpose of Trust ) to the financial statements and has a finite life. As a result, the GUC Trust has prepared its financial statements on the liquidation basis of accounting in accordance with accounting principles generally accepted in the United States of America ( U.S. GAAP ). Under the liquidation basis of accounting, assets are stated at their estimated realizable value, which is the non-discounted amount of cash into which an asset is expected to be converted during liquidation, while liabilities continue to be recognized at the amount required by other U.S. GAAP, and are not remeasured to reflect any anticipation that an entity will be legally released from an obligation. Additionally, under the liquidation basis of accounting, a reserve is established for estimated costs expected to be incurred during liquidation. Such costs are accrued when there is a reasonable basis for estimation. An accrual is also made for estimated income or cash expected to be received over the liquidation period to the extent that a reasonable basis for estimation exists. The valuation of assets at realizable value, reserves for Residual Wind-Down Claims and Costs, reserves for expected liquidation costs and the accrual for investment income from marketable securities represent estimates, based on present facts and circumstances known to the GUC Trust Administrator, and are subject to change. These estimates are periodically reviewed and adjusted as appropriate. As described below under the heading Reserves for Expected Costs of Liquidation, estimates for the expected costs of liquidation may change in the near term, and such changes could be material.

The GUC Trust beneficiaries are future and, to the extent their liquidating distributions have not yet been paid to them, current holders of Allowed General Unsecured Claims and future and current holders of GUC Trust Units. As any Disputed General Unsecured Claims and Term Loan Avoidance Action Claims are resolved and allowed and thereby become Allowed General Unsecured Claims, the holders thereof become entitled to receive liquidating distributions of Distributable Cash (including Dividend Cash) and GUC Trust Units pro rata by the amount of such claims. Upon such occurrence, the GUC Trust incurs an obligation to distribute Distributable Cash and, accordingly, liquidating distributions payable are recorded in the amount of Distributable Cash (previously the fair value of New GM Securities) that the GUC Trust is obligated to distribute as of the end of the period in which any Disputed General

Unsecured Claims and Term Loan Avoidance Action Claims are resolved as Allowed General Unsecured Claims. Prior to the resolution and allowance of any Disputed General Unsecured Claims and Term Loan Avoidance Action Claims, liabilities are not recorded for the conditional obligations associated with Disputed General Unsecured Claims and Term Loan Avoidance Action Claims. Rather, the beneficial interests of GUC Trust beneficiaries in the residual assets of the GUC Trust are reflected in Net Assets in Liquidation of the GUC Trust in the financial statements.

Under the liquidation basis of accounting, the GUC Trust presents two principal financial statements: a Statement of Net Assets in Liquidation and a Statement of Changes in Net Assets in Liquidation. In addition, although not required under the liquidation basis of accounting, the GUC Trust also presents a Statement of Cash Flows, in accordance with the requirements of the GUC Trust Agreement.

*Holdings of New GM Securities and Dividends Received on New GM Common Stock*

The GUC Trust previously held New GM Securities for future distribution in respect of Allowed General Unsecured Claims and the GUC Trust Units, of which some were previously set aside from distribution to fund potential administrative costs and income tax

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liabilities (including Taxes on Distribution, Dividend Taxes and Investment Income Taxes). The securities held consisted of shares of New GM Common Stock and New GM Warrants. As described above in The GUC Trust Assets in Item 1 ( Business ), pursuant to the Liquidation Order, the GUC Trust liquidated all of its holdings of New GM Securities during July and August 2015. The GUC Trust valued its holdings in the securities at their fair value based on quoted closing market prices as of the last trading day of the fiscal period.

Beginning in the quarter ended June 30, 2014 and through the quarter ended March 31, 2015, estimated dividends expected to be received on holdings of New GM Common Stock were accrued under the liquidation basis of accounting to the extent that a reasonable basis for estimation existed. During the quarter ended June 30, 2015, based on a determination that it would be in the best interests of Trust Beneficiaries, the GUC Trust made a determination to file a motion with the Bankruptcy Court seeking authority to liquidate all or substantially all of the GUC Trust's holdings of New GM Securities. Such motion was approved by the Bankruptcy Court in the Liquidation Order described above in The GUC Trust Assets in Item 1 ( Business ) and all of the GUC Trust's holdings of New GM Securities were liquidated in July and August 2015. As a result, the GUC Trust no longer expected to receive dividends on New GM Common Stock, and previously accrued estimated future dividends (net of dividends received in June 2015) were reversed in the quarter ended June 30, 2015.

Dividends received on New GM Common Stock are required to be applied to the same purpose as the New GM Common Stock to which such dividends relate. If the portion of Distributable Cash applicable to the liquidated New GM Common Stock is distributed to holders of subsequently Resolved Allowed Claims and GUC Trust Units, then the dividends relating to such Distributable Cash will also be distributed to such holders. If, however, Distributable Cash is appropriated by the GUC Trust in accordance with the GUC Trust Agreement to fund the costs and liabilities of the GUC Trust, then, in that case, the dividends relating to such appropriated Distributable Cash will be applied to such costs and liabilities of the GUC Trust and (just like the appropriated Distributable Cash) will be maintained in Other Administrative Cash. Because such dividends are applied to the same purpose as the associated Distributable Cash, any references to Distributable Cash should be understood to include the dividends relating to such Distributable Cash, unless expressly indicated otherwise. The amount of cash and cash equivalents and marketable securities held by the GUC Trust that relates to dividends received by the GUC Trust on New GM Common Stock previously held by the GUC Trust is referred to as Dividend Cash and is included in the amount of cash and cash equivalents and marketable securities held for distribution to GUC Trust beneficiaries that is referred to as Distributable Cash (except to the extent of dividends relating to appropriated Distributable Cash that is classified as Other Administrative Cash following such appropriation).

*Cash Equivalents, Marketable Securities and Accrued Investment Income on Cash Equivalents and Marketable Securities*

Cash equivalents consist of balances held in money market funds. Marketable securities consist of short-term investments in U.S. Treasury bills. The GUC Trust has valued these securities at carrying value, which approximates fair value. Beginning in the quarter ended June 30, 2014, estimated investment income expected to be received on short-term investments in marketable securities is accrued under the liquidation basis of accounting to the extent that a reasonable basis for estimation exists. Such accrual is estimated principally based on forecasted cash outflows and expected returns based on recent yields on Treasury bills in which the marketable securities are invested.

*Reserves for Residual Wind-Down Claims and Residual Wind-Down Costs*

Upon the dissolution of MLC, which occurred on December 15, 2011, the GUC Trust became responsible for resolving and satisfying (to the extent allowed) all remaining Residual Wind-Down Claims. On the date of dissolution of the Debtors, the Debtors transferred to the GUC Trust Residual Wind-Down Assets in an amount necessary to

satisfy the ultimate allowed amount of such Residual Wind-Down Claims (including certain Avoidance Action Defense Costs) and the Residual Wind-Down Costs, as estimated by the Debtors. A corresponding amount was recorded in the reserves for Residual Wind-Down Claims and Costs. Prior to the execution of the letter agreement with the Administrative Agent described above in Functions and Responsibilities of the GUC Trust in Item 1 ( Business ), such reserves were increased for expected increases in Avoidance Action Defense for which there was a reasonable basis for estimation and that were expected to exceed the recorded reserves. Should the Residual Wind-Down Claims and the Residual Wind-Down Costs be less than the Residual Wind-Down Assets, any excess funds will be returned to the DIP Lenders. While not expected at this time, if, collectively, the actual amounts of Residual Wind-Down Claims (including certain Avoidance Action Defense Costs) allowed and the Residual Wind-Down Costs exceed the Residual Wind-Down Assets, the GUC Trust Administrator may be required to set aside from distribution and appropriate Distributable Cash to fund the shortfall. Any such appropriation would reduce the amount of Distributable Cash (including Dividend Cash) available for distribution to holders of GUC Trust Units.

**Table of Contents***Reserves for Expected Costs of Liquidation*

Under the liquidation basis of accounting, the GUC Trust is required to estimate and accrue the costs associated with implementing the Plan and distributing the GUC Trust's distributable assets. These costs, described as Wind-Down Costs and Reporting Costs in Note 2 ( Plan of Liquidation ) in Item 8 below, consist principally of professional fees, costs of governance, and other administrative expenses. These amounts may vary significantly due to, among other things, the time and effort required to complete all activities and distributions under the Plan. The GUC Trust has recorded reserves for expected costs of liquidation that represent estimated costs to be incurred over the remaining liquidation period of the GUC Trust for which there is a reasonable basis for estimation. The amount of liquidation costs that will ultimately be incurred depends both on the period of time and on the extent of activities required for the GUC Trust to complete its functions and responsibilities under the Plan and the GUC Trust Agreement. Significant uncertainty remains both as to that time period and as to the extent of those activities. As a result, estimates for the expected costs of liquidation may change in the near term, and such change could be material.

As of March 31, 2018, the estimated remaining liquidation period extends through November 2020 and has been estimated predominantly on a modified probability-weighted basis, which the GUC Trust believes is the most appropriate measurement basis under the circumstances. Where an outcome is estimated to be likely, the likely outcome has been used as the best estimate and no weight has been given to the unlikely outcome. Beginning in the quarter ended December 31, 2016, the remaining liquidation period is dependent predominantly on the estimate of the remaining period of time for resolution of litigation involving certain General Motors vehicle recalls described in Item 3 ( Legal Proceedings ). During such quarter, developments in such vehicle recall litigation resulted in an extension in the estimated length of time for resolution of such litigation that now exceeds the estimate of the remaining period of time for resolution of the Term Loan Avoidance Action (which previously was the primary determinant). In addition, certain additional estimated time to wind down the GUC Trust following resolution of the litigation is included in the estimated liquidation period. It is possible that future developments in the General Motors vehicle recall litigation, as well as the Term Loan Avoidance Action, could extend the current estimate of such remaining period of time for resolution and, therefore, extend the estimated remaining liquidation period of the GUC Trust beyond November 2020. In addition, certain liquidation costs that are expected to be prepaid by the GUC Trust upon its dissolution have also been estimated and accrued.

As the GUC Trust incurs liquidation costs, the reserves are released to offset the costs incurred and a liability to the service provider is recognized as an accounts payable or accrued liability until paid. In addition, because the GUC Trust only records reserves for expected costs for which there is a reasonable basis for estimation under applicable U.S. GAAP, additional costs may be identified from time to time for which additional reserves must be recorded. As such costs are identified, the GUC Trust records an increase to its reserves and charges such increase as an addition to such reserves in the Statement of Changes in Net Assets in Liquidation.

The process of recording reserves for expected costs of liquidation as a matter of financial reporting is separate and distinct from the process by which Distributable Cash is set aside from distribution for the purposes of funding projected costs of liquidation. Such projected costs are generally estimated on a more conservative (i.e., more inclusive) basis and include contingencies that are not permitted to be accrued in reserves for expected costs of liquidation under applicable U.S. GAAP. For a more complete description of the process of setting aside Distributable Cash to fund projected costs and potential liabilities of the GUC Trust, see Functions and Responsibilities of the GUC Trust Funding for the GUC Trust's Liquidation and Administrative Costs above and Net Assets in Liquidation Distributable Cash Set Aside from Distribution below.

*Contingent Settlement Obligation*



The GUC Trust accrues for loss contingencies when it is probable that a liability has been incurred as of the date of the financial statements and the amount of such liability can be reasonably estimated. In assessing whether a liability has been incurred as of the date of the financial statements, the GUC Trust considers events occurring after the date of the financial statements that provide additional evidence with respect to conditions that existed as of the date of the financial statements, including the estimates inherent in the process of preparing financial statements. Accordingly, as of March 31, 2018, the GUC Trust has accrued a contingent settlement obligation pursuant to the Settlement Agreement described in Item 3 ( Legal Proceedings ).

#### *Income Taxes*

The GUC Trust is considered to be a Disputed Ownership Fund pursuant to Treasury Regulation Section 1.468B-9. Because all of the assets that have been transferred to the GUC Trust are passive investments, the GUC Trust is taxed as a Qualified Settlement Fund (or QSF) pursuant to Treasury Regulation Section 1.468B-9(c)(1)(ii). The QSF tax status of the GUC Trust was approved by the IRS in a private letter ruling issued on March 2, 2011. In general, a QSF computes taxable income in the same manner as a corporation but pays Federal income tax using trust income tax rates on its modified gross income. Modified gross income includes gross income pursuant to Internal Revenue Code Section 61, less administrative expenses, certain losses from the sale, exchange or worthlessness of property, and net operating losses. In general, a Disputed Ownership Fund taxed as a QSF does not recognize gross income on assets transferred to it; therefore, the GUC Trust has not recognized gross income on the transfer of assets from MLC.

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The GUC Trust generates gross income in the form of interest and dividend income (including dividends received on its previous holdings of New GM Common Stock) and recognizes capital gains and/or losses upon (a) its disposition of New GM Securities, (b) any recovery by the GUC Trust as a member of a settlement class related to a proposed settlement of a securities class action against New GM as described in Item 3 ( Legal Proceedings ), and (c) any receipt and subsequent distribution or sale by the GUC Trust of Additional Shares (if the fair market value of the Additional Shares on the date of distribution or sale differs from the fair market value of such shares on the date of receipt), which are reduced by administrative expenses and accumulated net operating and capital losses, to compute modified gross income. As the GUC Trust is taxable for federal income tax purposes, a current income tax liability or asset, if any, is recognized for estimated taxes payable or receivable for the year. Deferred tax liabilities and assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. Deferred tax assets are reviewed for recoverability and valuation allowances are provided as necessary.

The GUC Trust is not subject to state income taxes under current law. Accordingly, no current or deferred state income tax liabilities and assets are recorded.

The process of recognizing deferred tax assets and liabilities and any current income taxes payable as a matter of financial reporting is separate and distinct from the process by which any Distributable Cash is set aside from distribution for the purposes of funding potential income tax liabilities. Any such potential income tax liabilities are generally estimated on a more conservative (i.e., more inclusive) basis and may include amounts of potential income tax liabilities beyond the amounts that are permitted to be recorded under applicable accounting standards. For a more complete description of the process of setting aside Distributable Cash to fund projected costs and potential income tax liabilities of the GUC Trust, see [Net Assets in Liquidation](#) [Distributable Cash Set Aside from Distribution](#) below.

The GUC Trust recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position, review of available evidence and consultation with GUC Trust professionals. The GUC Trust's tax liability with respect to its federal income tax returns for the year ended March 31, 2017 and all prior years are no longer subject to examination as a result of the application of Section 505(b) of the Bankruptcy Code. However, the amounts shown in the schedule below, which include capital loss carryovers as of March 31, 2018, along with net operating loss carryovers generated through March 31, 2018, could be subject to examination by the IRS in subsequent years if those losses are utilized. It is not expected that such losses will be utilized in the future, except potentially with respect to (a) any recovery by the GUC Trust as a member of a settlement class related to a proposed settlement of a securities class action against New GM referred to above, and (b) any receipt and subsequent distribution or sale by the GUC Trust of Additional Shares referred to above (if the fair market value of the Additional Shares on the date of distribution or sale is greater than the fair market value of such shares on the date of receipt), which are not determinable or estimable at this time. As of March 31, 2018, there are no known items which would result in a significant accrual for uncertain tax positions.

As of March 31, 2018, the GUC Trust had capital loss carryovers and net operating loss carryovers (or together, the Loss Carryovers) for which the GUC Trust had not taken a deduction in the amounts set forth below, scheduled by the year the losses were incurred. These amounts reflect the Loss Carryovers shown on the federal income tax returns filed by the GUC Trust, which have not been examined by the IRS, as follows (in thousands):

<b>Taxable Year Ended</b>	<b>Net Operating Loss Carryovers</b>	<b>Capital Loss Carryovers</b>
March 31, 2012	\$ 38,011	\$ 158,137
March 31, 2013	32,128	22,635

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March 31, 2014	14,322	
March 31, 2015	1,761	1,674
March 31, 2016	15,276	
March 31, 2017	27,596	
March 31, 2018	10,360	
Total	\$ 139,454	\$ 182,446

As of the quarter ended September 30, 2015, the GUC Trust had disposed of all of its capital assets. Accordingly, the GUC Trust does not expect to recognize any additional capital gains or losses going forward, except potentially with respect to (a) any recovery by the GUC Trust as a member of a settlement class related to a proposed settlement of a securities class action against New

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GM referred to above and (b) any receipt and subsequent distribution or sale by the GUC Trust of Additional Shares referred to above (if the fair market value of the Additional Shares on the date of distribution or sale differs from the fair market value of such shares on the date of receipt), which are not determinable or estimable at this time. In general, capital losses may be carried forward by corporations for five years after such losses were incurred (or the Five Year Rule) and may be carried forward indefinitely by non-corporate persons. The capital loss carryovers of \$158.1 million and \$22.6 million attributable to the years ended March 31, 2012 and 2013, respectively, are no longer available for utilization by the GUC Trust under the Five Year Rule. Net operating losses generally may be carried forward for 20 years after such losses are incurred; although, pursuant to the enactment of the Tax Cuts and Jobs Act in December 2017, any net operating losses generated in tax years beginning after December 31, 2017, may be carried over indefinitely.

## **Loss Succession Rule**

Under Treasury Regulations Section 1.468B-9(c)(6) (or the Loss Succession Rule), upon termination of the GUC Trust, each GUC Trust Claimant (as defined below pursuant to tax regulations) is entitled to succeed to and take into account a portion of any unused (vs. unexpired) Loss Carryovers of the GUC Trust. The Loss Succession Rule provides that, in order to determine the portion of such Loss Carryovers to which each Claimant will succeed, such Loss Carryovers must be allocated among GUC Trust Claimants in proportion to the value of the GUC Trust assets distributable to each such Claimant. For purposes of the rules that govern Disputed Ownership Funds, a claimant (or a Claimant) is defined as a person who claims ownership of, in whole or in part, property immediately before and immediately after such property is transferred to a Disputed Ownership Fund. Accordingly, under the Loss Succession Rule, a person is generally eligible to succeed to the GUC Trust's Loss Carryovers if the person (i) receives a distribution of GUC Trust assets upon the GUC Trust's termination and (ii) qualifies as a Claimant with respect to the GUC Trust.

The mechanics of the Loss Succession Rule, as applied to the GUC Trust and the holders of GUC Trust Units, are unclear in several respects. The following discussion describes one possible interpretation of the rules. However, it is possible that the IRS will take a position that differs from that described below. As previously disclosed, the GUC Trust had initiated preliminary discussions with the IRS regarding the Loss Succession Rule, but, at this time, those discussions are not being pursued. Holders of GUC Trust Units should consult their own tax advisors about the application of the Loss Succession Rule upon the termination of the GUC Trust in light of their particular circumstances.

## **Termination of the GUC Trust**

It is generally expected that all holders of GUC Trust Units on the final distribution date will receive a distribution of Excess GUC Trust Distributable Assets. The rules that govern Disputed Ownership Funds do not address when a Disputed Ownership Fund is considered to terminate for purposes of the Loss Succession Rule. One possible interpretation of the Loss Succession Rule is that the GUC Trust will be considered to terminate when the GUC Trust distributes all of its remaining assets to the holders of GUC Trust Units (i.e., on the final distribution date). Under this interpretation, all holders of GUC Trust Units would be considered to receive a distribution of GUC Trust assets upon the termination of the GUC Trust. At this time, the GUC Trust is not able to predict with any certainty when a final distribution may occur or when the GUC Trust will be terminated.

## **Allocation of Loss Carryovers**

The rules that govern Disputed Ownership Funds do not address how the Loss Succession Rule should apply when Claimants are permitted to transfer their interests in a Disputed Ownership Fund. Because the GUC Trust Units are

transferrable, it is not possible for the GUC Trust to determine which holders of GUC Trust Units may constitute Claimants for purposes of the Loss Succession Rule at any given time. Accordingly, upon its termination, the GUC Trust will not be in a position to provide an allocation of the GUC Trust's Loss Carryovers among GUC Trust Claimants and/or holders of GUC Trust Units. As of March 31, 2018, there were 31,855,504 GUC Trust Units outstanding and \$31.9 billion of Allowed General Unsecured Claims.

In addition, because the GUC Trust computes its taxable income in the same manner as a corporation, it is unclear whether, and if so, to what extent, the Five Year Rule might affect the amount of unused capital loss carryovers to which GUC Trust Claimants may succeed under the Loss Succession Rule.

#### *Use of Estimates*

The preparation of financial statements on a liquidation basis in conformity with U.S. GAAP requires the use of estimates and assumptions that affect reported amounts of assets and liabilities. These estimates are subject to known and unknown risks, uncertainties and other factors that could materially impact the amounts reported and disclosed in the financial statements and related footnotes. Significant estimates include the anticipated amounts and timing of future cash flows for estimated investment income expected to be received, expected liquidation costs, expected Residual Wind-Down Claims and Costs, and fair value of marketable securities. Actual results could differ from those estimates.

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**Statement of Changes in Net Assets in Liquidation**

During the year ended March 31, 2018, net assets in liquidation decreased by approximately \$23.4 million, from approximately \$488.2 million to approximately \$464.8 million, principally as a result of additions in the aggregate of \$34.0 million to the reserves for expected costs of liquidation and incurrence of a settlement obligation of \$15.0 million as described in Net Assets in Liquidation and Note 4 ( Net Assets in Liquidation ) in Item 8 below, partly offset by investment income of \$18.6 million and a net reversal of accrued liquidating distributions of \$6.9 million. As described in Liquidation and Administrative Costs below, the increase in the reserves for expected costs of liquidation of \$34.0 million is primarily associated with an increase in the estimated length of the remaining liquidation period during each of the quarters ended September 30, 2017 and March 31, 2018, anticipated increases in legal fees associated with litigation involving certain General Motor vehicle recalls and anticipated noticing costs associated with the Settlement Agreement described in Item 3 ( Legal Proceedings ).

There was no income tax provision or benefit during the year ended March 31, 2018 as a result of cumulative net operating and capital losses and the establishment of a full valuation allowance against net deferred tax assets as of the beginning and end of such period. As a result of the liquidation of all of the GUC Trust's holdings of New GM Securities, it has been determined that the deferred tax assets are not realizable. See Income Tax Liabilities for Certain Capital Gains, Investment Income and Dividends on New GM Common Stock in Item 1 ( Business ) above and Note 8 ( Income Taxes ), in Item 8 below.

**Liquidation and Administrative Costs**

As discussed above under Critical Accounting Policies and Estimates, under the liquidation basis of accounting, the GUC Trust was required upon its establishment to record reserves in respect of its expected costs associated with implementing the Plan and distributing the GUC Trust's distributable assets. These costs consist principally of professional fees, governance costs and other liquidation and administrative costs.

Under U.S. GAAP, these reserves may be established only to the extent there is a reasonable basis for their estimation. From time to time, as additional costs are identified and for which there is reasonable basis for estimation, the GUC Trust records an increase to its reserves for expected costs of liquidation and charges such increase as an addition to reserves for expected costs of liquidation in the Statement of Changes in Net Assets in Liquidation. As costs are actually incurred by the GUC Trust, such costs reduce the previously recorded reserves for expected costs of liquidation by the amount of such incurred costs, with no further effect on the Statement of Changes in Net Assets in Liquidation.

The GUC Trust's reserves for liquidation and administrative costs (recorded in conformity with U.S. GAAP) are allocable into the following categories:

reserve for expected Wind-Down Costs, corresponding to expenditures to be made out of the Administrative Fund and, following the depletion of the Administrative Fund, Other Administrative Cash (see The GUC Trust Assets in Item 1 ( Business ) above);

reserve for expected Reporting Costs, corresponding to expenditures to be made out of Other Administrative Cash (see The GUC Trust Assets in Item 1 ( Business ) above);

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reserve for Indenture Trustee / Fiscal and Paying Agent Costs, corresponding to expenditures to be made out of the cash received by the GUC Trust from MLC on the Dissolution Date (see The GUC Trust Assets in Item 1 ( Business ) above);

In addition, the GUC Trust maintains reserves for Residual Wind-Down Claims and Costs, corresponding to expenditures to be made out of Residual Wind-Down Assets and, following the depletion of such assets, Other Administrative Cash (see The GUC Trust Assets in Part I, Item 1 ( Business ) above).

As described in greater detail under the heading The GUC Trust Assets in Item 1 ( Business ) above and Liquidity and Capital Resources below, unused portions of certain of the assets associated with the foregoing reserves are required to be returned to the DIP Lenders upon the winding up and dissolution of the GUC Trust. Therefore, such assets are not available to fund costs of liquidation and administration of the GUC Trust, and are also not available for distribution to the holders of Allowed General Unsecured Claims or GUC Trust Units. See The GUC Trust Assets in Item 1 ( Business ) above.

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As of March 31, 2018, the GUC Trust had approximately \$38.1 million in reserves for liquidation and administrative costs that are estimated to be incurred through the winding up and conclusion of the GUC Trust, compared to approximately \$18.9 million in reserves as of March 31, 2017. The following table summarizes in greater detail the changes in such reserves during the year ended March 31, 2018:

	<b>Reserve for Expected Wind-Down Costs</b>	<b>Reserve for Expected Reporting Costs</b>	<b>Reserve for Indenture Trustee / Fiscal and Paying Agent Costs</b>	<b>Total Reserves for Expected Costs of Liquidation</b>
(in thousands)				
Balance, March 31, 2017	\$ 9,851	\$ 8,827	\$ 225	\$ 18,903
Plus additions to reserves	25,351	8,597		33,948
Less liquidation costs incurred:				
Trust Professionals	(7,424)	(2,669)		(10,093)
Trust Governance	(2,523)	(1,800)	(81)	(4,404)
Other Administrative Expenses	(51)	(216)		(267)
Balance, March 31, 2018	\$ 25,204	\$ 12,739	\$ 144	\$ 38,087

Reserves for expected costs of liquidation increased approximately \$33.9 million during the year ended March 31, 2018, in order to reflect a \$25.3 million increase in expected Wind-Down Costs and an \$8.6 million increase in expected Reporting Costs. The increase in expected Wind-Down Costs during the year ended March 31, 2018 is primarily associated with an extension in the estimated length of the remaining liquidation period during each of the quarters ended September 30, 2017 and March 31, 2018, along with increases in expected legal fees associated with litigation involving certain vehicle recalls and noticing costs associated with the Settlement Agreement as described above in Item 3 ( Legal Proceedings ). The increase in expected Reporting Costs during the year ended March 31, 2018 is primarily associated with the aforementioned extensions in the estimated length of the remaining liquidation period. In comparison, reserves were increased approximately \$12.1 million during the year ended March 31, 2017, in order to reflect a \$5.3 million increase in expected Wind-Down Costs and a \$6.8 million increase in expected Reporting Costs. The increases in expected Wind-Down Costs and expected Reporting Costs during the year ended March 31, 2017 are primarily associated with increases in the estimated length of the remaining liquidation period during each of the quarters ended December 31, 2016 and September 30, 2016.

Reserves for expected costs of liquidation were reduced by the amount of liquidation and administrative costs incurred during the year ended March 31, 2018. Trust professional costs incurred during the year ended March 31, 2018 were approximately \$10.1 million, as compared to \$5.6 million for the year ended March 31, 2017. The increase of \$4.5 million from year to year was primarily due to increases in Wind-Down Costs charged to the reserves. Trust governance costs incurred during the year ended March 31, 2018 were approximately \$4.4 million, as compared to \$4.7 million for the year ended March 31, 2017. The decrease of \$0.3 million from year to year was due to decreases in Wind-Down Costs charged to the reserves. Other administrative costs during each of the years ended March 31, 2018 and 2017 were approximately \$0.3 million. For additional information regarding the components of each category of costs, see The GUC Trust Assets in Item 1 ( Business ) above.



The foregoing reserves represent future costs of the GUC Trust for which there is a reasonable basis for estimation as of March 31, 2018, and, therefore, are recorded under the liquidation basis of accounting in accordance with U.S. GAAP. Additional costs may be incurred for which there was not a reasonable basis for estimation as of March 31, 2018. In particular, as of March 31, 2018, the recorded reserves for expected costs of liquidation reflected estimated costs for a remaining liquidation period extending through November 2020, which date, beginning in the quarter ended December 31, 2016, is dependent predominantly on the estimate of the remaining period of time for resolution of litigation involving certain General Motors vehicle recalls described in Item 3 ( Legal Proceedings ). During such quarter, developments in such vehicle recall litigation resulted in an extension in the estimated length of time for resolution of such litigation that now exceeds the estimate of the remaining period of time for resolution of the Term Loan Avoidance Action (which previously was the primary determinant). In addition, certain additional estimated time to wind down the GUC Trust following resolution of the litigation is included in the estimated liquidation period. This end date of the remaining liquidation period has been estimated predominantly on a modified probability-weighted basis as permitted under U.S. GAAP and which the GUC Trust believes is the most appropriate measurement basis under the circumstances. Where an outcome is estimated to be likely, the likely outcome has been used as the best estimate and no weight has been given to the unlikely outcome. In addition, certain liquidation costs that are expected to be prepaid by the GUC Trust upon its dissolution have also been estimated and accrued. It is possible that future developments in the General Motors vehicle recall litigation, as well as the Term Loan Avoidance Action, could extend the current estimate of such remaining period of time for resolution and, therefore, extend the estimated remaining liquidation period of the GUC Trust beyond November 2020.

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The amount of liquidation costs that will ultimately be incurred depends both on the length of the remaining liquidation period and on the extent of activities required for the GUC Trust to complete its functions and responsibilities under the Plan and the GUC Trust Agreement. Significant uncertainty remains both as to that time period and as to the extent of those activities. The GUC Trust's estimates regarding the remaining liquidation period and the expected costs of liquidation may change in the near term, and such change could be material.

If the funds available for each of the foregoing categories of costs are not sufficient to satisfy any of the costs in that category, the GUC Trust will be required to appropriate a portion of Distributable Cash in order to meet its additional obligations for those costs. Any such appropriation will result in a lesser amount of Distributable Cash available for distribution to holders of GUC Trust Units.

The process of recognizing reserves for expected costs of liquidation as a matter of financial reporting is separate and distinct from the process by which Distributable Cash is set aside from distribution for the purposes of funding projected costs of liquidation, which are generally estimated on a more conservative (i.e., more inclusive) basis and include contingencies that are not permitted to be recognized under applicable accounting standards. As described in further detail below, certain amounts of Distributable Cash have already been set aside from distribution for the purposes of meeting such potential additional obligations. However, the amounts set aside from distribution are neither reflected in nor a part of the financial statements included elsewhere in this Form 10-K because the process of setting aside such assets is not related to the process of recording, as a matter of financial reporting in the Statement of Net Assets in Liquidation, reserves for expected costs of liquidation or any current and deferred income tax liabilities. See *Critical Accounting Policies and Estimates Income Taxes* and *Critical Accounting Policies and Estimates Reserves for Expected Costs of Liquidation* above and *Net Assets in Liquidation Distributable Cash Set Aside from Distribution* below.

For additional information regarding the reserves described above, see Note 2 ( *Plan of Liquidation* ) and Note 7 ( *Reserves for Expected Costs of Liquidation and Residual Wind-Down Claims and Costs* ) in Item 8 below.

**Net Assets in Liquidation***Disputed Claims*

The following table presents a summary of the activity in Allowed and Disputed General Unsecured Claims and Term Loan Avoidance Action Claims for the year ended March 31, 2018:

	<b>Allowed General Unsecured Claims</b>	<b>Disputed General Unsecured Claims (1)</b>	<b>Term Loan Avoidance Action Claims</b>	<b>Maximum Amount of Unresolved Claims (2)</b>	<b>Total Claims Amount (3)</b>
(in thousands)					
Total, March 31, 2017	\$ 31,854,031	\$ 50,000	\$ 1,499,204	\$ 1,549,204	\$ 33,403,235
New Allowed General Unsecured Claims	1,401				1,401
Disputed General Unsecured Claims resolved or disallowed					
Term Loan Avoidance Action Claims resolved or disallowed			(4,218)	(4,218)	(4,218)

Total, March 31, 2018	\$ 31,855,432	\$ 50,000	\$ 1,494,986	\$ 1,544,986	\$ 33,400,418
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- (1) Remaining Disputed General Unsecured Claims represent a general claim contingency for any future disputed claims or other obligations of the GUC Trust. The GUC Trust has set aside from distribution an aggregate of \$14.8 million for this general claim contingency (i.e., \$296 in Distributable Cash per \$1,000 of Allowed General Unsecured Claims, as provided in the Plan).
- (2) Maximum Amount of Unresolved Claims represents the sum of Disputed General Unsecured Claims and Term Loan Avoidance Action Claims.
- (3) Total Claim Amount represents the sum of Allowed General Unsecured Claims and Maximum Amount of Unresolved Claims.

During the year ended March 31, 2018, the Avoidance Action Trust reached settlements with certain defendants to the Term Loan Avoidance Action resulting in recoveries to the Avoidance Action Trust of approximately \$1.4 million. As a result, corresponding Term Loan Avoidance Action Claims of approximately \$1.4 million were allowed under the GUC Trust Agreement.

As described in Item 3 ( Legal Proceedings ), the GUC Trust has executed the Settlement Agreement with certain plaintiffs. If approved by the Bankruptcy Court, the Settlement Agreement would provide for the Settlement Payment to such plaintiffs of \$15.0 million, among other provisions. As of March 31, 2018, a contingent settlement obligation of \$15.0 million for the Settlement Payment has been accrued in the Statement of Net Assets in Liquidation in Item 8 below.

**Table of Contents***Distributable Assets*

The table below summarizes the activity in New GM Securities prior to their liquidation and Distributable Cash that comprises the GUC Trust's distributable assets, including the numbers of New GM Securities and amount of Distributable Cash previously distributed, as well as the amount of Distributable Cash available for distribution to holders of GUC Trust Units as of March 31, 2018 (in thousands):

	New GM Common Stock	New GM Series A Warrants	New GM Series B Warrants	Distributable Cash (including Dividend Cash)
Distributable Assets as of Effective Date (March 31, 2011)	150,000	136,364	136,364	\$
Dividends received on New GM Common Stock				24,746
Prior distributions (1)	(137,299)	(124,817)	(124,817)	(246,183)
Prior sales to fund GUC Trust costs and Avoidance Action Trust funding obligation	(1,313)	(1,194)	(1,194)	(170)
Prior liquidation of New GM Securities	(11,388)	(10,353)	(10,353)	741,701
Prior appropriation of Distributable Cash to fund GUC Trust liquidation and administrative costs				(35,584)
Holdings as of March 31, 2018				484,510
Less: Distributions payable as of March 31, 2018 (2)				(1,825)
Less: Amounts set aside from distribution to fund projected GUC Trust costs and Avoidance Action Defense Costs				(24,726)
Distributable Assets as of March 31, 2018 (3)				\$ 457,959

- (1) The numbers of New GM Securities and the amount of Distributable Cash shown as distributed include sales for (a) cash distributions to governmental entities to the extent such governmental entities had requested such sales and demonstrated to the satisfaction of the GUC Trust Administrator that such governmental entities were precluded by applicable law from receiving distributions of New GM Securities and (b) fractional amounts of New GM Securities, in lieu of which the GUC Trust was required pursuant to the GUC Trust Agreement to

distribute cash, subject to certain minimum thresholds.

- (2) Distributions Payable includes Distributions Payable in respect of Allowed General Unsecured Claims that were allowed in prior fiscal periods, but for which the holders of such claims had not yet supplied information required by the GUC Trust in order to effect the distribution to which they are entitled.
- (3) Distributable Assets reflects the amounts of Distributable Cash and Dividend Cash shown as GUC Trust Distributable Assets on the report included as Exhibit 99.1 to the Form 8-K filed by the GUC Trust with the SEC on April 30, 2018. Such Distributable Cash and associated Dividend Cash have been set aside for potential distribution in respect of current Disputed General Unsecured Claims and Term Loan Avoidance Action Claims as of March 31, 2018. To the extent that such claims are resolved in favor of the GUC Trust, Distributable Cash and associated Dividend Cash may become available for distribution to holders of GUC Trust Units in future periods. The amount of Distributable Cash and associated Dividend Cash set out above as Distributable Assets does not directly relate to Net Assets in Liquidation or any other number appearing in the GUC Trust's financial statements prepared in accordance with U.S. GAAP.

As described above under the heading Disputed Claims, as of March 31, 2018, there were approximately \$31,855 million in Allowed General Unsecured Claims. In respect of such claims, the GUC Trust had previously distributed in the aggregate 137,298,736 shares of New GM Common Stock, 124,817,263 New GM Series A Warrants and 124,817,263 New GM Series B Warrants and \$246.2 million of Distributable Cash. In addition, the GUC Trust was obligated to distribute as of March 31, 2018, \$1.8 million of Distributable Cash.

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*Distributable Cash Set Aside from Distribution*

**Overview of Distributable Cash Set Aside from Distribution**

In addition to distributions of Distributable Cash, which are reflected as reductions to the GUC Trust net assets in its financial statements, the GUC Trust also, from time to time, sets aside Distributable Cash for potential future appropriation to fund projected liquidation and administrative costs, as well as any potential income tax liabilities, including Dividend Taxes, Investment Income Taxes and Taxes on Distribution. Distributable Cash that is set aside from distribution by the GUC Trust is not deducted from the net assets in liquidation of the GUC Trust in its financial statements unless and until such set aside Distributable Cash is appropriated and expended. Distributable Cash set aside from distribution is segregated by the GUC Trust for such specific purposes and is not available for distribution to holders of GUC Trust Units or other claimants unless and to the extent that the GUC Trust later determines that the set aside Distributable Cash is no longer needed to fund those specific purposes.

This process is not related to, and is separate from, the process of recording any current and deferred income tax liabilities and reserves for expected costs of liquidation in the Statement of Net Assets in Liquidation, as a matter of financial reporting. As a matter of financial reporting, income tax liabilities and reserves for expected costs of liquidation must be determined in accordance with generally accepted accounting principles applicable to the GUC Trust. By contrast, the estimates of projected costs and potential liabilities for which the GUC Trust may set aside Distributable Cash are generally made on a more conservative (i.e., more inclusive) basis and include contingencies and may include amounts of potential income tax liabilities that are not permitted to be recognized under applicable accounting standards. See Critical Accounting Policies and Estimates Income Taxes and Critical Accounting Policies and Estimates Reserves for Expected Costs of Liquidation above.

As of March 31, 2018, the distributable assets of the GUC Trust available for distribution to holders of GUC Trust Units consisted of Distributable Cash of approximately \$458.0 million (including Dividend Cash), after deducting the amounts of Distributable Cash (including Dividend Cash) (i) set aside from distribution to fund additional projected liquidation and administrative costs of the GUC Trust (as described below under the headings Set Aside Calculations Relating to Projected Liquidation and Administrative Costs, Including Dividend Taxes and Investment Income Taxes ) and (ii) set aside for distributions payable in respect of Allowed General Unsecured Claims that were allowed in prior fiscal periods, but for which the holders of such claims had not yet supplied information required by the GUC Trust in order to effect the distributions to which they are entitled. Such Distributable Cash has been set aside for potential distribution in respect of current Disputed General Unsecured Claims and Term Loan Avoidance Action Claims. To the extent such claims are resolved in favor of the GUC Trust, Distributable Cash (including Dividend Cash) may become available for distribution to holders of GUC Trust Units in future periods.

Prior to the liquidation of all the GUC Trust's holdings of New GM Securities in July and August 2015, New GM Securities were set aside to fund projected liquidation and administrative costs and potential income tax liabilities as described below.

**Set Aside Calculations Relating to Projected Liquidation and Administrative Costs, Including Dividend Taxes and Investment Income Taxes**

The GUC Trust Administrator reevaluates, on a quarterly basis, the amount of Distributable Cash (including Dividend Cash) needed to be set aside from distribution for purposes of funding projected liquidation and administrative costs, including any Dividend Taxes and Investment Income Taxes. This determination is made on a basis different than that used to calculate reserves for financial statement purposes. Under the current methodology, the amount to be set aside is equal to the estimates of unfunded projected liquidation and administrative costs (including any Dividend Taxes and

Investment Income Taxes). Prior to the liquidation of all of the GUC Trust's holdings of New GM Securities, estimates of unfunded projected liquidation and administrative costs (including any Dividend Taxes and Investment Income Taxes) were converted into the number of New GM Securities to be set aside from distribution by dividing such estimates by the trailing twelve-month average closing prices for the New GM Securities. A corresponding amount of Dividend Cash associated with the set-aside New GM Securities was also set aside from distribution.

For the quarter ended March 31, 2018, as a result of the standard quarterly reevaluations described above, the estimate of unfunded projected liquidation and administrative costs (including Dividend Taxes and Investment Income Taxes) was decreased by \$9.6 million to \$28.3 million. Such decrease was primarily related to the appropriation of Distributable Cash of \$13.6 million in March 2018 included in the total of such appropriations described under the heading "The GUC Trust Assets" in Item 1 ("Business") above. However, due to limitations on the amount of Distributable Cash available to be set aside for such purposes, the amount set aside was reduced to \$24.7 million. Accordingly, as of March 31, 2018, the GUC Trust had set aside from distribution Distributable Cash of \$24.7 million for the purposes of funding future projected liquidation and administrative costs of the GUC Trust. Because of a fixed amount of Distributable Cash administered by the GUC Trust, as well as the requirement to also set aside a sufficient amount of Distributable Cash to satisfy all potential Allowed General Unsecured Claims (including Term Loan Avoidance Action Claims), the amount of Distributable Cash available to be set aside to fund projected liquidation costs and other potential obligations is subject to inherent limitations.

**Table of Contents****Set Aside Calculations Relating to Potential Taxes on Distribution**

In addition to reevaluating the amount of Distributable Cash (including Dividend Cash) to be set aside from distribution to fund projected liquidation and administrative costs, including any Dividend Taxes and Investment Income Taxes, the GUC Trust Administrator also reevaluates, on a quarterly basis, the amount of Distributable Cash needed to be set aside from distribution to fund potential Taxes on Distribution. The current methodology for calculating such set aside estimates potential Taxes on Distribution by applying the applicable U.S. federal income tax rate to net realized capital gains that are still subject to examination by the IRS, less current period tax deductible expenses and future tax deductible expenses. Such realized capital gains are computed using a tax basis for the New GM Securities based on the date of transfer of record ownership of the New GM Securities to the GUC Trust from MLC on December 15, 2011, and the tax basis of the New GM Common Stock received for the exercise of the New GM Warrants pursuant to the Liquidation Order. However, as a result of the application of Section 505(b) of the Bankruptcy Code, the GUC Trust's federal income tax returns for the year ended March 31, 2017 and all prior years are no longer subject to examination, and no income taxes may be assessed for the year ended March 31, 2017 or any prior year. In addition, while the GUC Trust's remaining capital losses (based on the tax basis of previously held New GM Securities for financial reporting purposes) and net operating losses are still subject to examination by the IRS in subsequent years if those losses are utilized, such utilization is not expected as a result of the sale of all New GM Securities in the year ended March 31, 2016, except potentially with respect to (a) any recovery by the GUC Trust as a member of a settlement class related to a proposed settlement of a securities class action against New GM as described in Item 3 ( Legal Proceedings ) and (b) any receipt and subsequent distribution or sale of Additional Shares (if the fair market value of the Additional Shares on the date of distribution or sale is greater than the fair market value of such shares on the date of receipt), which are not determinable or estimable at this time. Accordingly, no income taxes are expected to be paid in the future, except potentially with respect to (a) any income taxes due on any recovery on the proposed settlement of the securities class action against New GM and (b) any Taxes on Distribution resulting from the receipt and subsequent distribution or sale by the GUC Trust of Additional Shares, which are not determinable or estimable at this time. However, if any income taxes on any recovery on the proposed settlement of the securities class action against New GM were to become payable, it is anticipated that such income taxes would be funded from the proceeds of such recovery. Further, if any Taxes on Distribution resulting from the receipt and subsequent distribution or sale of Additional Shares were to become payable, it is anticipated that such income taxes would be funded from the sale of a portion of such Additional Shares. As a result, beginning with the quarter ended September 30, 2016 and as of March 31, 2018, the GUC Trust Administrator determined that no Distributable Cash should be set aside for potential Taxes on Distribution (or Dividend Taxes and Investment Income Taxes) at this time.

The GUC Trust's calculation of the amount of any Distributable Cash needed to be set aside from distribution to fund such potential Taxes on Distribution was made using a different methodology than that used to calculate any current and deferred taxes for financial statement purposes. As described above, in estimating potential Taxes on Distribution, the current set aside methodology calculates realized capital gains using the tax basis of the New GM Securities on December 15, 2011 with respect to any tax return years that are still subject to examination. By contrast, in calculating any current and deferred taxes for purposes of financial reporting under applicable U.S. GAAP, the GUC Trust calculates realized capital gains using the tax basis of the New GM Securities for financial reporting purposes, which is based on the date of transfer of beneficial ownership of the New GM Securities to the GUC Trust from MLC (which occurred on March 31, 2011 for a substantial majority of the previously held New GM Securities).

It is the view of the GUC Trust Administrator, after consultation with the GUC Trust Monitor and other professionals retained by the GUC Trust, that the calculation methodologies described above, on the basis of which Distributable Cash (including Dividend Cash) is set aside from distribution, generally estimate the projected liquidation and administrative costs and potential liabilities of the GUC Trust on a conservative basis. Accordingly, it is the view of the GUC Trust Administrator and the GUC Trust Monitor that the Distributable Cash currently set aside from



distribution to fund such costs and liabilities would be sufficient to satisfy such obligations of the GUC Trust as of the date of this Form 10-K. However, there can be no assurance that the amount of Distributable Cash set aside will be sufficient to fund such costs and liabilities as they are actually incurred. In addition, there can be no assurance that, as a result of future evaluations, additional Distributable Cash will not need to be set aside or appropriated to fund additional costs and liabilities, beyond those that are currently included in the GUC Trust's estimates, in particular as a result of changes in the GUC Trust's estimates of projected costs and potential liabilities. See [Liquidity and Capital Resources](#) below.

**Table of Contents***GUC Trust Units*

The table below details the changes in the numbers of GUC Trust Units outstanding or issuable during the year ended March 31, 2018:

	Year Ended March 31, 2018
Outstanding or issuable as of beginning of year	31,854,103
Issued during the year	1,448
Less: Issuable as of beginning of year	(47)
Add: Issuable as of end of year (1)	
Outstanding or issuable as of end of year (2) (3)	31,855,504

- (1) The number of GUC Trust Units issuable at any time represents GUC Trust Units issuable in respect of Allowed General Unsecured Claims that were newly allowed during the fiscal year.
- (2) The number of GUC Trust Units outstanding at any time represents GUC Trust Units issued in respect of Allowed General Unsecured Claims that were allowed in prior periods, including GUC Trust Units held by the GUC Trust for the benefit of (a) holders of Allowed General Unsecured Claims who had not yet supplied information required by the GUC Trust in order to effect the initial distribution to which they are entitled and (b) governmental entities that are precluded by applicable law from receiving distributions of GUC Trust Units.
- (3) The number of GUC Trust Units outstanding or issuable as of end of year does not equal the amount of Allowed General Unsecured Claims on a 1 to 1,000 basis at the corresponding date because of additional GUC Trust Units that were issued due to rounding.

**Liquidity and Capital Resources**

The GUC Trust's sources of liquidity are principally the funds it holds for the payment of liquidation and administrative costs, and to a significantly lesser degree, the earnings on such funds invested by it. In addition, as a result of the liquidation of all the GUC Trust's holdings of New GM Securities during the quarter ended September 30, 2015, the GUC Trust holds Distributable Cash for distribution to GUC Trust beneficiaries. The GUC Trust holds such funds primarily in U.S. Treasury bills, as permitted by the Plan and the GUC Trust Agreement.

During the year ended March 31, 2018, the GUC Trust's holdings of cash and cash equivalents decreased approximately \$1.7 million from approximately \$4.3 million to approximately \$2.6 million. The decrease was primarily due to cash paid for liquidation and administrative costs of \$11.9 million and cash paid for Residual Wind-Down Claims and Costs of \$11.7 million, partly offset by cash received from the sale of marketable securities in excess of reinvestments of \$17.3 million and interest and dividend income received on such marketable securities of \$4.8 million.

During the year ended March 31, 2018, the funds invested by the GUC Trust in marketable securities decreased approximately \$17.3 million, from approximately \$522.5 million to approximately \$505.2 million. The decrease was due primarily to the sale of marketable securities to fund the payments described above during the period. The GUC Trust earned on the accrual basis approximately \$5.2 million in interest income on such investments during the year.

As of March 31, 2018, the GUC Trust held approximately \$507.7 million in cash and cash equivalents and marketable securities. Of such amount, approximately \$484.5 million relates to Distributable Cash (including Dividend Cash), a portion of which the GUC Trust Administrator is permitted to set aside from distribution and to appropriate with the approval of the Bankruptcy Court or Trust Monitor, as applicable, in order to fund additional costs as they become due. Included in Distributable Cash as of March 31, 2018, is approximately \$13.5 million of Dividend Cash. As described above, Dividend Cash will be distributed to holders of subsequently Resolved Allowed Claims and GUC Trust Units in respect of Distributable Cash that they receive, unless such dividends are in respect of Distributable Cash that is appropriated by the GUC Trust in accordance with the GUC Trust Agreement to fund the GUC Trust's liquidation and administrative costs, any income tax liabilities or shortfalls in Residual Wind-Down Assets.

As of March 31, 2018, Distributable Cash (including Dividend Cash) held by the GUC Trust was set aside as follows: (a) \$1.8 million for liquidating distributions payable as of that date and (b) \$24.7 million to fund projected liquidation and administrative costs. In addition, as described above, subsequent to March 31, 2018, the GUC Trust filed motions seeking authority from the Bankruptcy Court to appropriate Distributable Cash of \$6.0 million for noticing costs and \$15.0 million for the Settlement Payment under the Settlement Agreement. See Item 3 ( Legal Proceedings ) and Net Assets in Liquidation Distributable Assets above.

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In addition to Distributable Cash (including Dividend Cash), the GUC Trust held \$23.2 million in cash and cash equivalents and marketable securities as of March 31, 2018, representing funds held for payment of costs of liquidation and administration and other liabilities. Of that amount, approximately \$2.0 million (comprising approximately \$1.7 million of the remaining Administrative Fund, approximately \$0.2 million of the remaining Residual Wind-Down Assets, and approximately \$0.1 million in remaining funds designated for the Indenture Trustee / Fiscal and Paying Agent Costs) is required by the GUC Trust Agreement to be returned, upon the winding-up of the GUC Trust, to the DIP Lenders to the extent such funds are not utilized to satisfy designated Wind-Down Costs, Residual Wind-Down Claims and Costs and Indenture Trustee/Fiscal Paying Agent Costs. Cash and cash equivalents and marketable securities of \$1.7 million remaining in the Administrative Fund have been designated for the satisfaction of certain specifically identified costs and liabilities of the GUC Trust, and such amounts may not be used for the payment of GUC Trust professionals' fees and expenses or other Wind-Down Costs. Such amounts will not at any time be available for distribution to the holders of the GUC Trust Units. The balance of cash and cash equivalents and marketable securities of approximately \$21.2 million is available for the payment of certain reporting and administrative costs of the GUC Trust, and would be available in the future for distribution to the holders of the GUC Trust Units, if not otherwise used to satisfy those expected costs. See Liquidation and Administrative Costs above.

There is no assurance that additional amounts of Distributable Cash will not be required to be set aside from distribution and appropriated to fund additional costs and income tax liabilities, beyond what the GUC Trust Administrator has already set aside. Any appropriation of Distributable Cash that occurs to fund such obligations will result in a lesser amount of Distributable Cash available for distribution to holders of GUC Trust Units. In addition, as described above in The GUC Trust Assets in Item 1 ( Business ), a portion of the GUC Trust's assets are currently segregated pursuant to the GUC Trust Agreement for the satisfaction of certain other specified costs. If such assets are insufficient to satisfy the Residual Wind-Down Claims or fund such other specified costs for any reason, the GUC Trust Administrator will similarly be required to set aside from distribution and appropriate additional amounts of Distributable Cash in order to fund such shortfall.

## **Trends in Litigation**

Reference is made to Item 3 ( Legal Proceedings ) above.

## **Item 7A. Quantitative and Qualitative Disclosures About Market Risk.**

Disclosure under this item is not required, pursuant to the No Action Letter.

## **Item 8. Financial Statements and Supplementary Data.**

Motors Liquidation Company GUC Trust

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Report of Independent Registered Public Accounting Firm

To the Trust Administrator, Trust Monitor,

and Trust Beneficiaries

Motors Liquidation Company GUC Trust

**Opinion on the Financial Statements**

We have audited the accompanying statements of net assets in liquidation of the Motors Liquidation Company GUC Trust (the Trust ) as of March 31, 2018 and 2017, and the related statements of changes in net assets in liquidation and cash flows for each of the years ended March 31, 2018, 2017 and 2016, and the related notes (collectively referred to as the financial statements ). In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets in liquidation of the Motors Liquidation Company GUC Trust as of March 31, 2018 and 2017, and the changes in net assets in liquidation and its cash flows for each of the years in the three-year period ended March 31, 2018, in conformity with accounting principles generally accepted in the United States of America.

**Basis for Opinion**

The Trust Administrator is responsible for these financial statements. Our responsibility is to express an opinion on Trust s financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ( PCAOB ) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Trust is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Trust s internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by the Trust Administrator, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Plante & Moran, PLLC

We have served as the Trust s auditor since 2011.

Clinton Township, Michigan

June 11, 2018



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## Motors Liquidation Company GUC Trust

## STATEMENTS OF NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)

March 31, 2018 and 2017

(in thousands)

	March 31, 2018	March 31, 2017
<b>ASSETS</b>		
Cash and Cash Equivalents (Note 4)	\$ 2,563	\$ 4,320
Marketable Securities (Note 4)	505,183	522,452
Accrued Investment Income (Note 4)	17,495	3,698
Other Assets	63	250
<b>TOTAL ASSETS</b>	<b>525,304</b>	<b>530,720</b>
<b>LIABILITIES</b>		
Accounts Payable and Other Liabilities	5,420	13,433
Liquidating Distributions Payable (Note 5)	1,825	9,205
Contingent Settlement Obligation (Note 4)	15,000	
Reserves for Expected Costs of Liquidation (Note 7)	38,087	18,903
Reserves for Residual Wind-Down Claims and Costs (Note 7)	169	966
<b>TOTAL LIABILITIES</b>	<b>60,501</b>	<b>42,507</b>
<b>NET ASSETS IN LIQUIDATION</b> (Note 4)	<b>\$ 464,803</b>	<b>\$ 488,213</b>

See Accompanying Notes to Financial Statements.



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## Motors Liquidation Company GUC Trust

## STATEMENTS OF CHANGES IN NET ASSETS IN LIQUIDATION (LIQUIDATION BASIS)

Years Ended March 31, 2018, 2017 and 2016

(in thousands)

	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Net Assets in Liquidation, beginning of year</b>	\$ 488,213	\$ 611,773	\$ 944,736
<b>Increase (decrease) in net assets in liquidation:</b>			
Net additions to reserves for Expected Costs of Liquidation and Residual Wind-Down Claims and Costs (Note 7)	(33,957)	(12,360)	(7,711)
Net reversal of liquidating distributions (liquidating distributions) (Note 5)	6,947	(115,374)	(128,747)
Contingent settlement obligation incurred (Note 4)	(15,000)		
Net change in fair value of holdings of New GM Securities			(175,229)
Dividends and interest income (net reversal) (Notes 3 and 4)	18,600	4,174	(21,319)
Other income			43
<b>Net decrease in net assets in liquidation</b>	(23,410)	(123,560)	(332,963)
<b>Net Assets in Liquidation, end of year</b>	\$ 464,803	\$ 488,213	\$ 611,773

See Accompanying Notes to Financial Statements.

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## Motors Liquidation Company GUC Trust

## STATEMENTS OF CASH FLOWS (LIQUIDATION BASIS)

Years Ended March 31, 2018, 2017 and 2016

(in thousands)

	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016
<b>Cash flows from (used in) operating activities</b>			
Cash receipts from interest and dividends	\$ 4,803	\$ 1,645	\$ 4,722
Cash paid for professional fees, governance costs and other administrative costs	(11,886)	(11,683)	(13,223)
Cash paid for Residual Wind-Down Claims and Costs	(11,705)	(10,339)	(6,210)
Cash paid for distributions	(433)	(112,382)	(130,045)
Cash receipts for refunds, including amounts due others	196		158
Net cash flows used in operating activities	(19,025)	(132,759)	(144,598)
<b>Cash flows from (used in) investing activities</b>			
Cash used to purchase marketable securities	(3,553,448)	(5,624,032)	(1,984,516)
Cash from maturities and sales of marketable securities	3,570,716	5,762,701	1,354,339
Net cash flows from (used in) investing activities	17,268	138,669	(630,177)
<b>Cash flows from financing activities</b>			
Cash from sale and liquidation of New GM Securities			741,702
Cash in Administrative Fund returned to DIP Lenders		(6,000)	
Net cash flows (used in) from financing activities		(6,000)	741,702
<b>Net decrease in cash and cash equivalents</b>	(1,757)	(90)	(33,073)
Cash and cash equivalents, beginning of year	4,320	4,410	37,483
<b>Cash and cash equivalents, end of year</b>	\$ 2,563	\$ 4,320	\$ 4,410

The GUC Trust has not presented a reconciliation from net income to cash flow from operations. As an entity in liquidation, the GUC Trust does not have continuing operations that result in the measurement of net income as that term is used by generally accepted accounting principles to measure results of operations.

See Accompanying Notes to Financial Statements.

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**Motors Liquidation Company GUC Trust**

**Notes to Financial Statements**

**March 31, 2018**

**1. Purpose of Trust**

The Motors Liquidation Company GUC Trust ( GUC Trust ) is a successor to Motors Liquidation Company (formerly known as General Motors Corp.) ( MLC ) within the meaning of Section 1145 of the United States Bankruptcy Code ( Bankruptcy Code ). The GUC Trust holds, administers and directs the distribution of certain assets pursuant to the terms and conditions of the Second Amended and Restated Motors Liquidation Company GUC Trust Agreement (the GUC Trust Agreement ), dated as of July 30, 2015, and as amended from time to time, and pursuant to the Second Amended Joint Chapter 11 Plan (the Plan ), dated March 18, 2011, of MLC and its debtor affiliates (collectively, along with MLC, the Debtors ), for the benefit of holders of allowed general unsecured claims against the Debtors ( Allowed General Unsecured Claims ).

The GUC Trust was formed on March 30, 2011, as a statutory trust under the Delaware Statutory Trust Act, for the purposes of implementing the Plan and distributing the GUC Trust's distributable assets. Prior to the liquidation in July and August 2015 of all New GM Securities (as defined below) then held by the GUC Trust (pursuant to the Liquidation Order (as defined below)), the Plan (as qualified by the Liquidation Order) generally provided for the distribution of certain shares of common stock ( New GM Common Stock ) of the new General Motors Company, formerly known as NGMCO, Inc. ( New GM ) and any associated Dividend Cash (as defined below) and certain warrants for the purchase of shares of such stock (the New GM Warrants, and, together with the New GM Common Stock, the New GM Securities ) to holders of Allowed General Unsecured Claims pro rata by the amount of such claims. Since such liquidation of the New GM Securities, distributions to holders of Allowed General Unsecured Claims consist entirely of cash distributions in lieu of New GM Securities. In addition, prior to the qualification by the Liquidation Order and the resulting subsequent liquidation of New GM Securities, the Plan provided that each holder of an Allowed General Unsecured Claim would obtain, in the form of GUC Trust Units (as defined below), a contingent right to receive, on a pro rata basis, additional shares of New GM Common Stock (and associated Dividend Cash) and New GM Warrants (if and to the extent such New GM Common Stock and New GM Warrants were not required for the satisfaction of previously Disputed General Unsecured Claims (as defined in Note 2), Term Loan Avoidance Action Claims (as defined in Note 2) or liquidation for the payment of the expenses and liabilities of the GUC Trust), and certain cash, if any, remaining at the dissolution of the GUC Trust. Since the liquidation of all New GM Securities previously held by the GUC Trust described above, the holders of GUC Trust Units have a contingent right to receive additional cash, in lieu of New GM Securities, if any, remaining at the dissolution of the GUC Trust.

By order dated July 2, 2015 (the Liquidation Order ), the Bankruptcy Court approved the conversion of the GUC Trust's holdings of New GM Securities into cash. To effect such conversion, on July 7, 2015, the GUC Trust converted all of its holdings of New GM Warrants into New GM Common Stock in a cashless exercise. In total, the GUC Trust converted (i) 10,352,556 New GM Series A Warrants (defined below) into 7,407,155 shares of New GM Common Stock, and (ii) 10,352,556 New GM Series B Warrants (defined below) into 4,953,635 shares of New GM Common Stock. Thereafter, the GUC Trust sold all of its holdings of New GM Common Stock for net proceeds aggregating \$741.7 million, having completed all such sales on August 5, 2015. As a result, all distributions by the GUC Trust thereafter in respect of any Allowed General Unsecured Claims (including in respect of the GUC Trust Units) will be made solely in cash. Pursuant to the Liquidation Order, the proceeds of such liquidations (net of applicable costs, fees, and expenses paid in respect thereof) were allocated to the beneficiaries of the GUC Trust on a pro rata basis in the following manner:

- (a) A GUC Trust beneficiary's entitlement to a particular number of New GM Warrants that were exercised was converted into an entitlement to receive the number of shares of New GM Common Stock into which such New GM Warrants were exercised. Such conversions were 0.71549 shares of New GM Common Stock for each New GM Series A Warrant and 0.47849 shares of Common Stock for each New GM Series B Warrant; and
- (b) A GUC Trust beneficiary's entitlement to a particular number of shares of New GM Common Stock that were liquidated (including the exercised New GM Warrants as set forth above), was converted into an entitlement to receive an amount of cash equal to the weighted average sales price (net of any applicable costs, fees, and expenses paid in respect thereof) of all of the New GM Common Stock sold, multiplied by the number of shares of New GM Common Stock to which such GUC Trust beneficiary would otherwise be entitled (including exercised New GM Warrants as set forth above). Such weighted average sales price for the GUC Trust's holdings of New GM Common Stock that were sold subsequent to June 30, 2015 was \$31.23 per share.

Following the liquidation described above, the GUC Trust has invested most of the proceeds in certain marketable securities as permitted under the GUC Trust Agreement. The amount of cash and cash equivalents and marketable securities held for distribution to GUC Trust beneficiaries, including Dividend Cash, is referred to herein as Distributable Cash.

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The GUC Trust is administered by Wilmington Trust Company, not in its individual capacity but solely in its capacity as the trust administrator and trustee (the "GUC Trust Administrator"). Among other rights and duties, subject to the terms, conditions and limitations set forth in the GUC Trust Agreement, the GUC Trust Administrator has the power and authority to hold, manage, sell, invest and distribute the assets comprising the GUC Trust corpus, consult with and retain professionals for the administration of the GUC Trust, prosecute and resolve objections to Disputed General Unsecured Claims, take all necessary actions to administer the wind-down of the affairs of the Debtors upon their dissolution, and upon such dissolution, resolve and satisfy, to the extent allowed, the Residual Wind-Down Claims (as defined below). The activities of the GUC Trust Administrator are overseen by FTI Consulting, Inc., solely in its capacity as monitor (the "GUC Trust Monitor").

## **2. Plan of Liquidation**

On March 31, 2011, the date the Plan became effective (the "Effective Date"), there were approximately \$29,771 million in Allowed General Unsecured Claims. In addition, as of the Effective Date, there were approximately \$8,154 million in disputed general unsecured claims ("Disputed General Unsecured Claims"), which reflects liquidated disputed claims and a Bankruptcy Court ordered distribution reserve for unliquidated disputed claims, but does not reflect Term Loan Avoidance Action Claims. The total aggregate amount of general unsecured claims, both allowed and disputed, asserted against the Debtors, inclusive of the Term Loan Avoidance Action Claims, was approximately \$39,425 million as of the Effective Date.

Pursuant to the GUC Trust Agreement, holders of Disputed General Unsecured Claims become entitled to receive a distribution of Distributable Cash from the GUC Trust if, and to the extent that, such Disputed General Unsecured Claims become Allowed General Unsecured Claims (such claims, "Resolved Disputed Claims"). Under the GUC Trust Agreement, the GUC Trust Administrator had the authority to file objections to such Disputed General Unsecured Claims and such claims could be prosecuted through alternative dispute resolution proceedings, including mediation and arbitration, if appropriate. As of March 31, 2018, there were no remaining Disputed General Unsecured Claims. There remained \$50.0 million in claim amount that is not associated with any particular claim, but which has been set aside by the GUC Trust Administrator as a general claim contingency. See "Allowed and Disputed Claims" in Note 4 below.

Only one avoidance action, captioned Official Committee of Unsecured Creditors of Motors Liquidation Co. v. JPMorgan Chase Bank, N.A. et al., Adv. Pro. No. 09-00504 (Bankr. S.D.N.Y. July 31, 2009) (the "Term Loan Avoidance Action"), was commenced prior to the statutory deadline for commencing such actions. The Term Loan Avoidance Action was commenced by the Official Committee of Unsecured Creditors of Motors Liquidation Company (the "Committee"), and, among other things, seeks the return of approximately \$1.5 billion that had been transferred by the Debtors (with funds advanced after the commencement of the Debtors' chapter 11 cases by the United States Treasury and Export Development Canada (together, the "DIP Lenders")) to a consortium of prepetition lenders pursuant to the terms of the order of the Bankruptcy Court. On December 15, 2011, in accordance with the Plan, upon the dissolution of MLC, the Term Loan Avoidance Action was transferred to the Avoidance Action Trust (as defined below). Pursuant to the GUC Trust Agreement, to the extent that Wilmington Trust Company, not in its individual capacity but solely in its capacity as the trustee and trust administrator of the Avoidance Action Trust (the "Avoidance Action Trust Administrator"), is successful in obtaining a recovery by way of judgment or settlement from the defendant(s) to the Term Loan Avoidance Action, such defendant(s) shall receive an Allowed General Unsecured Claim against the GUC Trust in the amount so disgorged to the Avoidance Action Trust (such allowed general unsecured claims "Resolved Term Loan Avoidance Action Claims," and together with Resolved Disputed Claims, the "Resolved Allowed Claims").

As described in Item 3 ( Legal Proceedings ), the Committee, the DIP Lenders and the Avoidance Action Trust have reached a settlement agreement concerning, among other things, the allocation of potential distributable recoveries from the Term Loan Avoidance Action. The Bankruptcy Court approved the settlement agreement in an opinion and order entered on August 24, 2016, which order was affirmed on appeal and is fully in effect. No funds reclaimed from the prepetition lenders in the Term Loan Avoidance Action will be transferred to or otherwise benefit the GUC Trust or be distributed on account of GUC Trust Units.

***GUC Trust Distributable Assets***

Pursuant to the terms of the Plan, the Bankruptcy Court authorized the distribution by New GM of 150 million shares of New GM Common Stock, warrants to acquire 136,363,635 newly issued shares of New GM Stock with an exercise price set at \$10.00 per share, that were scheduled to expire on July 10, 2016 ( New GM Series A Warrants ), and warrants to acquire 136,363,635 newly issued shares of New GM Stock with an exercise price set at \$18.33 per share that were scheduled to expire on July 10, 2019 ( New GM Series B Warrants ). Record ownership of the New GM Securities was held by MLC for the benefit of the GUC Trust until the dissolution of MLC on December 15, 2011, at which time record ownership was transferred to the GUC Trust.

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As described above, pursuant to the Liquidation Order, during July and August 2015, all of the GUC Trust's holdings of New GM Securities were liquidated and, following such liquidation, the GUC Trust's Distributable Assets principally consist of Distributable Cash. Such Distributable Cash is substantially all invested in certain marketable securities as permitted under the GUC Trust Agreement.

Prior to the liquidation of all its holdings of New GM Common Stock, the GUC Trust received dividends on such New GM Common Stock aggregating \$24.7 million. Such dividends are required to be applied to the same purpose as the New GM Common Stock to which such dividends relate. If the portion of Distributable Cash applicable to the proceeds from the liquidation of New GM Common Stock is distributed to holders of subsequently allowed Disputed General Unsecured Claims, Term Loan Avoidance Action Claims and GUC Trust Units, then the dividends relating to such Distributable Cash will also be distributed to such holders. If, however, Distributable Cash is appropriated in accordance with the GUC Trust Agreement to fund the costs and liabilities of the GUC Trust, then, in that case, the dividends relating to such Distributable Cash will be applied to such costs and liabilities of the GUC Trust and (just like the appropriated Distributable Cash) will be maintained as Other Administrative Cash (as defined below). Because such dividends are applied to the same purposes as the associated Distributable Cash, any references in this Form 10-K to Distributable Cash should be understood to include the dividends relating to such Distributable Cash, unless expressly indicated otherwise. The amount of cash and cash equivalents and marketable securities held by the GUC Trust that relates to dividends received by the GUC Trust on New GM Common Stock previously held by the GUC Trust is referred to as Dividend Cash and is included in the amount of cash and cash equivalents and marketable securities held for distribution to GUC Trust beneficiaries that is referred to herein as Distributable Cash (except to the extent of dividends relating to appropriated Distributable Cash that is classified as Other Administrative Cash following such appropriation).

### ***Funding for GUC Trust Costs of Liquidation***

The GUC Trust has incurred and will continue to incur certain costs to liquidate the trust assets and implement the Plan. On or about the Effective Date, pursuant to the Plan, MLC contributed approximately \$52.7 million to the GUC Trust to be held and maintained by the GUC Trust Administrator (the "Administrative Fund") for the purpose of paying certain fees and expenses (including certain tax obligations) incurred by the GUC Trust (including fees of the GUC Trust Administrator and the GUC Trust Monitor and the fees and expenses for professionals retained by the GUC Trust), other than the Reporting Costs, as defined below ("Wind-Down Costs"). As of March 31, 2018, the remaining Administrative Fund aggregated \$1.7 million (consisting of cash and cash equivalents and marketable securities). Such remaining amount of the Administrative Fund has been designated for the satisfaction of certain specifically identified costs and liabilities of the GUC Trust, and such amount may not be used for the payment of Trust Professionals fees and expenses or other Wind-Down Costs. Pursuant to the GUC Trust Agreement, cash or investments from the Administrative Fund, if any, which remain at the winding up and conclusion of the GUC Trust must be returned to the DIP Lenders. In November 2016, the GUC Trust Administrator returned \$6.0 million of the remaining Administrative Fund to the DIP Lenders. Such return was associated with a potential tax liability that the GUC Trust Administrator, in consultation with its Trust Professionals, had determined would not be incurred and, therefore, would not be expended by the GUC Trust.

The GUC Trust Agreement authorized the GUC Trust to liquidate approximately \$5.7 million of New GM Securities (the "Initial Reporting Cash") shortly after the Effective Date for the purposes of funding certain fees and expenses of the GUC Trust (the "Reporting Costs"), including those directly or indirectly relating to (i) reports to be prepared and filed by the GUC Trust pursuant to applicable rules, regulations and interpretations of the SEC, (ii) the transfer, registration for transfer and certification of GUC Trust Units, and (iii) the application by the Committee to the Internal Revenue Service ("IRS") for a private letter ruling regarding the tax treatment of the GUC Trust and the holders of Allowed General Unsecured Claims in respect to the distribution of New GM Securities, and (iv) certain legal

proceedings relating to the Term Loan Avoidance Action. The GUC Trust Agreement provides that the Administrative Fund may not be utilized to satisfy any Reporting Costs.

The GUC Trust Agreement provides that, to the extent the GUC Trust Administrator determines that the Administrative Fund is not sufficient to satisfy the current or projected Wind-Down Costs or the Initial Reporting Cash is not sufficient to satisfy the current or projected Reporting Costs, the GUC Trust Administrator, with the approval of the GUC Trust Monitor, is authorized to set aside Distributable Cash from distribution for these purposes. The GUC Trust Administrator may then appropriate such Distributable Cash to fund the Wind-Down Costs and/or Reporting Costs with the required approval of the Bankruptcy Court. Distributable Cash that is set aside and/or appropriated in this manner will not be available for distribution to the beneficiaries of GUC Trust Units, and any appropriation of Distributable Cash (including related Dividend Cash) will be classified as Other Administrative Cash under the GUC Trust Agreement. The setting aside (or appropriation) of Distributable Cash, including Dividend Cash, itself is not, and has not been, reflected in the Statement of Net Assets in Liquidation or any of the other financial statements of the GUC Trust. Separate from this process of setting aside (or appropriating) Distributable Cash to satisfy unfunded projected costs and expenses of the GUC Trust, as a matter of financial reporting, the GUC Trust records reserves in its Statement of Net Assets in Liquidation (the source of funding of which is not addressed therein) for all expected costs of liquidation for which there is a reasonable basis for estimation. For this



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reason, among others, there is not a direct relationship between the amount of such reserves reflected in the Statement of Net Assets in Liquidation and the amount of any Distributable Cash that is set aside (or appropriated) for current or projected costs and expenses of the GUC Trust. Adjustments to the Reserves for Expected Costs of Liquidation as reported in the Statement of Net Assets in Liquidation are recorded only when there is a reasonable basis for estimation of the expected incurrence of additional costs or a reduction in expected costs. For more information regarding the Reserves for Expected Costs of Liquidation reflected in the accompanying Statement of Net Assets in Liquidation, see Note 7.

Prior to the liquidation of all New GM Securities in July and August 2015 described above, the GUC Trust was authorized, with the approval of the GUC Trust Monitor, to set aside from distribution New GM Securities for the funding purposes described above and to sell such set aside New GM Securities with the approval of the Bankruptcy Court. The Bankruptcy Court previously approved in March and December 2012, and again in January 2015, the sale of New GM Securities to fund the then current and projected costs and expenses of the GUC Trust. The March 2012 Bankruptcy Court order also authorized the sale of further New GM Securities aggregating \$13.7 million for the purpose of funding certain fees, costs and expenses of the Avoidance Action Trust and the transfer of the sale proceeds to the Avoidance Action Trust (such sale proceeds were so transferred in May 2012). Prior to the liquidation of all New GM Securities described above, sales of New GM Securities to fund projected Wind-Down Costs and Reporting Costs through calendar year 2015 aggregated approximately \$61.7 million, including Dividend Cash of \$0.2 million and the Initial Reporting Cash (which amounts comprised part of the GUC Trust's Other Administrative Cash). Such securities sold aggregated 1,043,801 shares of New GM Common Stock, 948,887 New GM Series A Warrants and 948,887 New GM Series B Warrants. In December 2015, February 2017 and March 2018, the Bankruptcy Court approved the appropriation of Distributable Cash aggregating approximately \$35.6 million to fund the projected costs and expenses of the GUC Trust through calendar year 2018. Such appropriation reduced Distributable Cash and increased Other Administrative Cash. As of March 31, 2018, Other Administrative Cash aggregated \$21.2 million. On May 2 and May 3, 2018, respectively, the GUC Trust Administrator filed motions seeking authority from the Bankruptcy Court to appropriate Distributable Cash of \$6.0 million for the purpose of satisfying noticing costs and \$15.0 million for the purpose of satisfying the Settlement Payment pursuant to the Settlement Agreement described in Item 3 ( Legal Proceedings ). No hearing date has been set with respect to the Settlement Payment or the noticing costs. To the extent that any of the Other Administrative Cash is not ultimately required and is held by the GUC Trust at the time of its dissolution, such remaining Other Administrative Cash will be distributed by the GUC Trust to holders of GUC Trust Units.

As of March 31, 2018, Distributable Cash of \$24.7 million was set aside for projected GUC Trust fees, costs and expenses to be incurred beyond 2018. Accordingly, such Distributable Cash is not available for distribution to the beneficiaries of the GUC Trust Units. Set aside and/or appropriated Distributable Cash is reflected in cash and cash equivalents and marketable securities in the Statement of Net Assets in Liquidation until expended.

***Funding for Potential Tax Liabilities on Dispositions of New GM Securities, Dividends on New GM Common Stock and Investment Income***

The GUC Trust is subject to U.S. federal income tax on realized net gains from the distribution and sale of New GM Securities (such taxes, Taxes on Distribution ). The GUC Trust is also subject to U.S. federal income tax on dividends received on New GM Common Stock held by the GUC Trust (such taxes, Dividend Taxes ) and on investment income earned on Distributable Cash (such taxes, Investment Income Taxes ). The GUC Trust Agreement provides that the Administrative Fund may not be utilized to satisfy any Taxes on Distribution, Dividend Taxes or Investment Income Taxes. As such, the GUC Trust Administrator is authorized, with the approval of the GUC Trust Monitor, to set aside from distribution Distributable Cash in amounts that would be sufficient to satisfy any potential Taxes on Distribution, Dividend Taxes or Investment Income Taxes. Any Distributable Cash that is set aside for Dividend Taxes and

Investment Income Taxes is included in the set-aside for Wind-Down Costs described above in Funding for GUC Trust Costs of Liquidation. The GUC Trust Administrator may appropriate such set aside Distributable Cash to fund any such Taxes on Distribution, Dividend Taxes or Investment Income Taxes with the approval of the GUC Trust Monitor and, with respect to Dividend Taxes and Investment Income Taxes only, with the approval of the Bankruptcy Court. Any Distributable Cash that is appropriated in this manner will not be available for distribution to the beneficiaries of GUC Trust Units, and the appropriation of Distributable Cash (including Dividend Cash) will be classified as Other Administrative Cash under the GUC Trust Agreement. Set aside and/or appropriated Distributable Cash is reflected in cash and cash equivalents and marketable securities until expended to pay Taxes on Distribution, Dividend Taxes or Investment Income Taxes. While any set-aside or appropriated Distributable Cash (including Dividend Cash) is not available for distribution, there is no corresponding liability or reserve related to any such set-aside assets reflected in the Statement of Net Assets in Liquidation or any of the other financial statements of the GUC Trust.

Prior to the liquidation of all New GM Securities in July and August 2015 described above, the GUC Trust was authorized, with the approval of the GUC Trust Monitor, to set aside from distribution New GM Securities to fund potential Taxes on Distribution, Dividend Taxes and Investment Income Taxes and to sell such set aside New GM Securities to fund the Taxes on Distribution, Dividend Taxes or Investment Income Taxes with the approval of the GUC Trust Monitor and, with respect to Dividend Taxes and Investment Income Taxes only, with the approval of the Bankruptcy Court.

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During the quarter ended March 31, 2018, the GUC Trust Administrator reviewed the potential Taxes on Distribution, Dividend Taxes and Investment Income Taxes. As a result of such review, the GUC Trust Administrator determined that no Distributable Cash should be set aside for potential Taxes on Distribution, Dividend Taxes or Investment Income Taxes. As a result of the application of Section 505(b) of the Bankruptcy Code, the GUC Trust's federal income tax returns for the year ended March 31, 2017 and all prior years are no longer subject to examination by the Internal Revenue Service ( IRS ), and no income taxes may be assessed for the year ended March 31, 2017 or any prior year. However, the GUC Trust's remaining capital loss carryovers and net operating loss carryovers are still subject to examination by the IRS in subsequent years if those losses, if any, are utilized. Such utilization is not expected as a result of the sale of all previously held New GM Securities in the year ended March 31, 2016, except potentially with respect to (a) any recovery by the GUC Trust as a member of a settlement class related to a proposed settlement of a securities class action against New GM as described in Item 3 ( Legal Proceedings ) and (b) any receipt and subsequent distribution or sale by the GUC Trust of Additional Shares (if the fair market value of the Additional Shares on the date of distribution or sale is greater than the fair market value of such shares on the date of receipt), which are not determinable or estimable at this time. Accordingly, no income taxes are expected to be paid in the future, except potentially with respect to (a) any taxes due on any recovery on the proposed settlement of the securities class action against New GM and (b) any Taxes on Distribution resulting from any receipt and subsequent distribution or sale by the GUC Trust of Additional Shares, which are not determinable or estimable at this time. See Note 8 and Critical Accounting Policies and Estimates Income Taxes in Item 7 ( Management's Discussion and Analysis of Financial Condition and Results of Operations ) above for more information regarding income taxes and remaining capital and net operating loss carryovers generated in prior years that are still subject to examination by the IRS, and which potentially could succeed to Claimants (as defined below pursuant to tax rules) and the material uncertainties associated therewith. The GUC Trust Administrator intends to continue to reevaluate the amount of Distributable Cash set aside on a quarterly basis.

For additional information, see Net Assets in Liquidation Distributable Cash Set Aside from Distribution in Item 7 ( Management's Discussion and Analysis of Financial Condition and Results of Operations ) above.

***Residual Wind-Down Claims and Costs***

Upon the dissolution of the Debtors, which occurred on December 15, 2011, the GUC Trust became responsible for resolving and satisfying (to the extent allowed) all remaining disputed administrative expenses, priority tax claims, priority non-tax claims and secured claims (the Residual Wind-Down Claims ). On December 15, 2011, under the Plan, the Debtors transferred to the GUC Trust an amount of assets necessary (the Residual Wind-Down Assets ) to satisfy the ultimate allowed amount of such Residual Wind-Down Claims (including certain reasonable litigation defense costs related to the Term Loan Avoidance Action (the Avoidance Action Defense Costs )), as estimated by the Debtors, and the costs, fees and expenses relating to satisfying and resolving the Residual Wind-Down Claims (the Residual Wind-Down Costs ). The Residual Wind-Down Assets initially aggregated approximately \$42.8 million (which amount consisted of approximately \$40.0 million in cash, including approximately \$1.4 million designated for the payment of Avoidance Action Defense Costs, and the transferred benefit of approximately \$2.8 million in prepaid expenses). To the extent that the Residual Wind-Down Claims and the Residual Wind-Down Costs are less than the Residual Wind-Down Assets, such excess funds will be returned to the DIP Lenders. Also, while not expected at this time, if the GUC Trust Administrator determines that the Residual Wind-Down Assets are not adequate to satisfy the Residual Wind-Down Claims (including the actual amount of Avoidance Action Defense Costs) and Residual Wind-Down Costs, such costs will be satisfied by Other Administrative Cash. If there is no remaining Other Administrative Cash, the GUC Trust Administrator is authorized to, with GUC Trust Monitor approval, set aside and, with Bankruptcy Court approval, appropriate Distributable Cash to cover the shortfall. To the extent that Distributable Cash is set aside and/or appropriated to obtain funding to complete the wind-down of the Debtors, such Distributable Cash will not be available for distribution to the beneficiaries of the GUC Trust. Therefore, the amount of Residual

Wind-Down Claims and Residual Wind-Down Costs could reduce the assets of the GUC Trust available for distribution. The setting aside or appropriation of Distributable Cash (including Dividend Cash) itself is not reflected in the Statement of Net Assets in Liquidation or any of the other financial statements of the GUC Trust. Rather, such set aside or appropriated Distributable Cash (including Dividend Cash) is reflected in cash and cash equivalents and marketable securities in the accompanying Statement of Net Assets in Liquidation until expended. After the GUC Trust has concluded its affairs, any funds remaining that were obtained from the sale of New GM Securities or appropriation of Distributable Cash to fund the wind-down process or the resolution and satisfaction of the Residual Wind-Down Claims will be distributed to the holders of the GUC Trust Units.

As of March 31, 2018, the amount of Avoidance Action Defense Costs incurred to date exceeds the corresponding cash of \$1.4 million received by the GUC Trust from MLC on the Dissolution Date by approximately \$30.2 million. As a result, new Residual Wind-Down Claims have arisen in the amount of such excess. In April 2017, the GUC Trust entered into a letter agreement with the administrative agent for the prepetition lenders who are the defendants in the Term Loan Avoidance Action (the Administrative

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Agent ). Such letter agreement provides that the GUC Trust's obligation to pay Avoidance Action Defense Costs of the Administrative Agent is limited to an amount approximating the remaining designated Residual Wind-Down Assets. Such cap on Avoidance Action Defense Costs shall remain in place unless and until the Term Loan Avoidance Action is resolved in full (by final court order or by settlement), which court order or settlement contains a determination that the Administrative Agent was oversecured with respect to the loan which is the subject of the Term Loan Avoidance Action, or otherwise contains a voluntary agreement with the GUC Trust with respect to payment of the Avoidance Action Defense Costs. At this time, the GUC Trust does not expect to incur additional Avoidance Action Defense Costs.

As of March 31, 2018, Residual Wind-Down Assets aggregating \$0.2 million were held by the GUC Trust and were recorded in cash and cash equivalents in the accompanying Statement of Net Assets in Liquidation as of March 31, 2018. There were no remaining expected Residual Wind-Down Claims and Costs against such assets as of March 31, 2018. Accordingly, the GUC Trust expects to return the remaining Residual Wind-Down Assets to the DIP Lenders upon the winding up and conclusion of the GUC trust. A corresponding amount is recorded in the reserves for Residual Wind-Down Claims and Costs in the accompanying Statement of Net Assets in Liquidation.

In addition to the Residual Wind-Down Assets, the GUC Trust also received on the Dissolution Date approximately \$3.4 million in cash from MLC, which amount included: (i) \$1.4 million in respect of certain costs, fees and expenses payable under the Plan to the indenture trustees and fiscal and paying agents for the previously outstanding debt of MLC (the Indenture Trustee / Fiscal and Paying Agent Costs ), and (ii) \$2.0 million in respect of Reporting Costs. The funds received were credited to the reserve for expected costs of liquidation. Any unused portion of the funds designated for the Indenture Trustee / Fiscal and Paying Agent Costs must be returned to the DIP Lenders and will not be available for distribution to the holders of GUC Trust Units at the winding up and conclusion of the GUC Trust. As of March 31, 2018, funds designated for the Indenture Trustee / Fiscal and Paying Agents Costs held by the GUC Trust approximated \$0.1 million and are recorded in cash and cash equivalents in the accompanying Statement of Net Assets in Liquidation. None of the approximately \$2.0 million in funds designated for Reporting Costs remained as of March 31, 2018.

### **3. Basis of Presentation and Significant Accounting Policies**

#### ***Liquidation Basis of Accounting***

The GUC Trust exists solely for the purposes described above in Note 1 and has a finite life. Accordingly, the GUC Trust has prepared the accompanying financial statements on the liquidation basis of accounting in accordance with accounting principles generally accepted in the United States of America ( U.S. GAAP ). Under the liquidation basis of accounting as prescribed by the Financial Accounting Standards Board (the FASB ) Accounting Standards Codification, assets are stated at their estimated realizable value, which is the non-discounted amount of cash into which an asset is expected to be converted during the liquidation period, while liabilities continue to be recognized at the amount required by other U.S. GAAP, and are not remeasured to reflect any anticipation that an entity will be legally released from an obligation. Additionally, under the liquidation basis of accounting, a reserve is established for estimated costs expected to be incurred during the liquidation period. Such costs are accrued when there is a reasonable basis for estimation. Also, an accrual is made for estimated income or cash expected to be received over the liquidation period to the extent that a reasonable basis for estimation exists. These estimates are periodically reviewed and adjusted as appropriate. The valuation of assets at realizable value, the accrual for investment income on marketable securities expected to be received over the liquidation period, reserves for residual wind-down claims and reserves for expected liquidation costs represent estimates, based on present facts and circumstances known to the GUC Trust Administrator, and are subject to change.

The GUC Trust beneficiaries are future and, to the extent their liquidating distributions have not yet been paid to them, current holders of Allowed General Unsecured Claims and future and current holders of GUC Trust Units. As any Disputed General Unsecured Claims and Term Loan Avoidance Action Claims are resolved and allowed and thereby become Allowed General Unsecured Claims, the holders thereof become entitled to receive liquidating distributions of Distributable Cash (including Dividend Cash) and GUC Trust Units pro rata by the amount of such claims. Upon such occurrence, the GUC Trust incurs an obligation to distribute Distributable Cash and, accordingly, liquidating distributions payable are recorded in the amount of Distributable Cash (previously the fair value of New GM Securities) that the GUC Trust is obligated to distribute as of the end of the period in which the Disputed General Unsecured Claims and Term Loan Avoidance Action Claims are resolved as Allowed General Unsecured Claims. Prior to the resolution and allowance of Disputed General Unsecured Claims and Term Loan Avoidance Action Claims, liabilities are not recorded for the conditional obligations associated with Disputed General Unsecured Claims and Term Loan Avoidance Action Claims. Rather, the beneficial interests of GUC Trust beneficiaries in the residual assets of the GUC Trust are reflected in Net Assets in Liquidation of the GUC Trust in the financial statements.

Under the liquidation basis of accounting, the GUC Trust presents two principal financial statements: a Statement of Net Assets in Liquidation and a Statement of Changes in Net Assets in Liquidation. In addition, although not required under the liquidation basis of accounting, the GUC Trust also presents a Statement of Cash Flows, in accordance with the requirements of the GUC Trust Agreement.

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***Fiscal Year***

The GUC Trust's fiscal year begins on April 1 and ends on the following March 31.

***Cash and Cash Equivalents***

Cash and cash equivalents consist of amounts held in bank accounts or money market funds.

***Cash Equivalents, Marketable Securities and Accrued Investment Income on Cash Equivalents and Marketable Securities***

Cash equivalents consist of balances held in money market funds. Marketable securities consist of short-term investments in U.S. Treasury bills. The GUC Trust has valued these securities at fair value based on carrying value, which approximates fair value. Beginning in the quarter ended June 30, 2014, estimated investment income expected to be received on short-term investments in marketable securities is accrued under the liquidation basis of accounting to the extent that a reasonable basis for estimation exists. Such accrual is estimated principally based on forecasted cash outflows and expected returns based on recent yields on Treasury bills in which the marketable securities are invested.

***Holdings of New GM Securities and Accrued Dividends on New GM Common Stock***

The GUC Trust previously held New GM Securities for future distribution in respect of Allowed General Unsecured Claims and the GUC Trust Units, of which some were previously set aside from distribution to fund potential administrative costs and income tax liabilities (including Taxes on Distribution, Dividend Taxes and Investment Income Taxes). The securities held consisted of shares of New GM Common Stock and New GM Warrants. As described above in Note 1, pursuant to the Liquidation Order, the GUC Trust liquidated all of its holdings of New GM Securities during July and August 2015. The GUC Trust valued its holdings in the securities at their fair value based on quoted closing market prices as of the last trading day of the fiscal year.

Beginning in the quarter ended June 30, 2014 and through the quarter ended March 31, 2015, estimated dividends expected to be received on holdings of New GM Common Stock were accrued under the liquidation basis of accounting to the extent that a reasonable basis for estimation existed. During the quarter ended June 30, 2015, based on a determination that it would be in the best interests of Trust Beneficiaries, the GUC Trust made a determination to file a motion with the Bankruptcy Court seeking authority to liquidate all or substantially all of the GUC Trust's holdings of New GM Securities. Such motion was approved by the Bankruptcy Court in the Liquidation Order described above in Note 1, and all of the GUC Trust's holdings of New GM Securities were liquidated in July and August 2015. As a result, the GUC Trust no longer expected to receive dividends on New GM Common Stock and previously accrued estimated future dividends (net of dividends received in June 2015) were reversed in the quarter ended June 30, 2015.

Dividends received on New GM Common Stock are required to be applied to the same purpose as the New GM Common Stock to which such dividends relate. If the portion of Distributable Cash applicable to the liquidated New GM Common Stock is distributed to holders of subsequently Resolved Allowed Claims and GUC Trust Units, then the dividends relating to such Distributable Cash will also be distributed to such holders. If, however, Distributable Cash is appropriated by the GUC Trust in accordance with the GUC Trust Agreement to fund the costs and liabilities of the GUC Trust, then, in that case, the dividends relating to such appropriated Distributable Cash will be applied to such costs and liabilities of the GUC Trust and (just like the appropriated Distributable Cash) will be maintained in Other Administrative Cash. Because such dividends are applied to the same purpose as the associated Distributable

Cash, any references to Distributable Cash should be understood to include the dividends relating to such Distributable Cash, unless expressly indicated otherwise. The amount of cash and cash equivalents and marketable securities held by the GUC Trust that relates to dividends received by the GUC Trust on New GM Common Stock previously held by the GUC Trust is referred to as Dividend Cash and is included in the amount of cash and cash equivalents and marketable securities held for distribution to GUC Trust beneficiaries that is referred to as Distributable Cash (except to the extent of dividends relating to appropriated Distributable Cash that is classified as Other Administrative Cash following such appropriation).

***Accounts Payable and Other Liabilities***

Accounts payable and other liabilities represent amounts due to professionals, other service providers, and vendors for services rendered or goods received through the end of the period.



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The GUC Trust accrues for loss contingencies when it is probable that a liability has been incurred as of the date of the financial statements and the amount of such liability can be reasonably estimated. In assessing whether a liability has been incurred as of the date of the financial statements, the GUC Trust considers events occurring after the date of the financial statements that provide additional evidence with respect to conditions that existed as of the date of the financial statements, including the estimates inherent in the process of preparing financial statements. Accordingly, as of March 31, 2018, the GUC Trust has accrued a contingent settlement obligation pursuant to the Settlement Agreement described in Item 3 ( Legal Proceedings ).

***Reserves for Residual Wind-Down Claims and Costs***

Upon the dissolution of MLC, which occurred on December 15, 2011, the GUC Trust became responsible for resolving and satisfying (to the extent allowed) all remaining Residual Wind-Down Claims. On the date of dissolution of the Debtors, the Debtors transferred to the GUC Trust Residual Wind-Down Assets in an amount necessary to satisfy the ultimate allowed amount of such Residual Wind-Down Claims (including certain Avoidance Action Defense Costs) and the Residual Wind-Down Costs, as estimated by the Debtors. A corresponding amount was recorded in the reserves for Residual Wind-Down Claims and Costs. Prior to execution of the letter agreement with the Administrative Agent described above, such reserves were increased for expected increases in Avoidance Action Defense Costs for which there was a reasonable basis for estimation and that were expected to exceed the recorded reserves. Should the Residual Wind-Down Claims and the Residual Wind-Down Costs be less than the Residual Wind-Down Assets, any excess funds will be returned to the DIP Lenders. While not expected at this time, if, collectively, the actual amounts of Residual Wind-Down Claims (including certain Avoidance Action Defense Costs) allowed and the Residual Wind-Down Costs exceed the Residual Wind-Down Assets, the GUC Trust Administrator may be required to set aside from distribution and appropriate Distributable Cash to fund the shortfall. Any such appropriation would reduce the amount of Distributable Cash (including Dividend Cash) available for distribution to holders of GUC Trust Units.

***Reserves for Expected Costs of Liquidation***

Under the liquidation basis of accounting, the GUC Trust is required to estimate and accrue the costs associated with implementing the Plan and distributing the GUC Trust's distributable assets. These costs, described as Wind-Down Costs and Reporting Costs in Note 2, consist principally of professional fees, costs of governance, and other administrative expenses. These amounts may vary significantly due to, among other things, the time and effort required to complete all activities and distributions under the Plan. The GUC Trust has recorded reserves for expected costs of liquidation that represent estimated costs to be incurred over the remaining liquidation period of the GUC Trust for which there is a reasonable basis for estimation. The amount of liquidation costs that will ultimately be incurred depends both on the period of time and on the extent of activities required for the GUC Trust to complete its functions and responsibilities under the Plan and the GUC Trust Agreement. Significant uncertainty remains both as to that time period and as to the extent of those activities. As of March 31, 2018, such remaining liquidation period extends through November 2020 and has been estimated predominantly on a modified probability-weighted basis, which the GUC Trust believes is the most appropriate measurement basis under the circumstances. Where an outcome is estimated to be likely, the likely outcome has been used as the best estimate and no weight has been given to the unlikely outcome. Beginning in the quarter ended December 31, 2016, the remaining liquidation period is dependent predominantly on the estimate of the remaining period of time for resolution of litigation involving certain General Motors vehicle recalls described in Item 3 ( Legal Proceedings ). During such quarter, developments in such vehicle recall litigation resulted in an extension in the estimated length of time for resolution of such litigation that now exceeds the estimate of the remaining period of time for resolution of the Term Loan Avoidance Action (which

previously was the primary determinant). In addition, certain additional estimated time to wind down the GUC Trust following resolution of the litigation is included in the estimated liquidation period. It is possible that future developments in the General Motors vehicle recall litigation, as well as the Term Loan Avoidance Action, could extend the current estimate of such remaining period of time for resolution and, therefore, extend the estimated remaining liquidation period of the GUC Trust beyond November 2020. In addition, certain liquidation costs that are expected to be prepaid by the GUC Trust upon its dissolution have also been estimated and accrued.

As the GUC Trust incurs liquidation costs, the reserves are released to offset the costs incurred and a liability to the service provider is recognized as an accounts payable or accrued liability until paid. In addition, because the GUC Trust only records reserves for expected costs for which there is a reasonable basis for estimation under applicable U.S. GAAP, additional costs may be identified from time to time for which additional reserves must be recorded. As such costs are identified, the GUC Trust records an increase to its reserves and charges such increase as an addition to such reserves in the Statement of Changes in Net Assets in Liquidation.

The process of recording reserves for expected costs of liquidation as a matter of financial reporting is separate and distinct from the process by which Distributable Cash is set aside from distribution for the purposes of funding projected costs of liquidation. Such projected costs are generally estimated on a more conservative (i.e., more inclusive) basis and include contingencies that are not

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permitted to be accrued in reserves for expected costs of liquidation under applicable U.S. GAAP. For a more complete description of the process of setting aside Distributable Cash to fund projected costs and potential liabilities of the GUC Trust, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations Net Assets in Liquidation under the heading Distributable Cash Set Aside from Distribution above.

***Income Taxes***

The GUC Trust is considered to be a Disputed Ownership Fund pursuant to Treasury Regulation Section 1.468B-9. Because all of the assets that have been transferred to the GUC Trust are passive investments, the GUC Trust is taxed as a Qualified Settlement Fund (or QSF) pursuant to Treasury Regulation Section 1.468B-9(c)(1)(ii). The QSF tax status of the GUC Trust was approved by the IRS in a private letter ruling issued on March 2, 2011. In general, a QSF computes taxable income in the same manner as a corporation but pays Federal income tax using trust income tax rates on its modified gross income. Modified gross income includes gross income pursuant to Internal Revenue Code Section 61, less administrative expenses, certain losses from the sale, exchange or worthlessness of property, and net operating losses. In general, a Disputed Ownership Fund taxed as a QSF does not recognize gross income on assets transferred to it; therefore, the GUC Trust has not recognized gross income on the transfer of assets from MLC.

The GUC Trust generates gross income in the form of interest and dividend income (including dividends received on its previous holdings of New GM Common Stock) and recognizes capital gains and/or losses upon (a) its disposition of New GM Securities, (b) any recovery by the GUC Trust as a member of a settlement class related to a proposed settlement of a securities class action against New GM as described in Item 3 ( Legal Proceedings ), and (c) any receipt and subsequent distribution or sale by the GUC Trust of Additional Shares (if the fair market value of the Additional Shares on the date of distribution or sale differs from the fair market value of such shares on the date of receipt), which are reduced by administrative expenses and accumulated net operating and capital losses, to compute modified gross income. As the GUC Trust is taxable for federal income tax purposes, a current income tax liability or asset, if any, is recognized for estimated taxes payable or receivable for the year. Deferred tax liabilities and assets are recognized for the estimated future tax effects of temporary differences between financial reporting and tax accounting. Deferred tax assets are reviewed for recoverability and valuation allowances are provided as necessary.

The GUC Trust is not subject to state income taxes under current law. Accordingly, no current or deferred state income tax liabilities and assets are recorded.

The process of recognizing deferred tax assets and liabilities and any current income taxes payable as a matter of financial reporting is separate and distinct from the process by which any Distributable Cash is set aside from distribution for the purposes of funding potential income tax liabilities. Any such potential income tax liabilities are generally estimated on a more conservative (i.e., more inclusive) basis and may include amounts of potential income tax liabilities beyond the amounts that are permitted to be recorded under applicable accounting standards. For a more complete description of the process of setting aside Distributable Cash to fund projected costs and potential income tax liabilities of the GUC Trust, see Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations Net Assets in Liquidation under the heading Distributable Cash Set Aside from Distribution above.

The GUC Trust recognizes the tax benefit from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by the taxing authority, based on the technical merits of the position, review of available evidence and consultation with GUC Trust professionals. The GUC Trust's tax liability with respect to its federal income tax returns for the year ended March 31, 2017 and all prior years are no longer subject to examination as a result of the application of Section 505(b) of the Bankruptcy Code. However, remaining capital loss carryovers that were generated in those years from the new tax position, which aggregate \$1.7 million (after expiration on March 31, 2018 and 2017, respectively, of the capital loss carryovers of \$22.6 million and \$158.1 million attributable

to the years ended March 31, 2013 and 2012, respectively), along with net operating loss carryovers generated through March 31, 2018 aggregating \$139.5 million, could be subject to examination by the IRS in subsequent years when those losses are utilized. It is not expected that such losses will be utilized in the future, except potentially with respect to (a) any recovery by the GUC Trust as a member of a settlement class related to a proposed settlement of a securities class action against New GM referred to above and (b) any receipt and subsequent distribution or sale by the GUC Trust of Additional Shares referred to above (if the fair market value of the Additional Shares on the date of distribution or sale is greater than the fair market value of such shares on the date of receipt), which are not determinable or estimable at this time. As of March 31, 2018, there are no known items which would result in a significant accrual for uncertain tax positions.

### *Use of Estimates*

The preparation of financial statements on the liquidation basis in conformity with U.S. GAAP requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities. These estimates are subject to known and unknown risks,

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uncertainties and other factors that could materially impact the amounts reported and disclosed in the financial statements and related footnotes. Significant estimates include estimated investment income expected to be received, expected liquidation costs, Residual Wind-Down Claims and Costs, and fair value of marketable securities. Actual results could differ from those estimates.

***Recent Accounting Standards***

Changes to U.S. GAAP are made by the FASB in the form of accounting standards updates (ASUs) to the FASB's Accounting Standards Codification. The GUC Trust considers the applicability and impact of all ASUs. ASUs not noted herein were assessed and determined to be not applicable.

**4. Net Assets in Liquidation*****Description***

Under the GUC Trust Agreement and the Plan, as described more fully in Note 1, the beneficiaries of the GUC Trust are future and, to the extent their liquidating distributions have not yet been paid to them, current holders of Allowed General Unsecured Claims and future and current holders of GUC Trust Units. Assets of the GUC Trust consisting primarily of Distributable Cash (including Dividend Cash) as described in Note 1 are available to be distributed to the Trust Beneficiaries ( GUC Trust Distributable Assets ) in accordance with the Plan and the GUC Trust Agreement, except to the extent that they are set aside or appropriated for funding the expected costs of liquidation of the GUC Trust. The amounts of net assets in liquidation presented in the accompanying Statements of Net Assets in Liquidation correspond to the amounts of GUC Trust Distributable Assets as of the respective dates, after certain adjustments including reductions for the amounts of set aside Distributable Cash and any appropriated Distributable Cash. As of March 31, 2018, GUC Trust Distributable Assets aggregated approximately \$458.0 million. For additional information, see Net Assets in Liquidation Distributable Assets in Item 7 ( Management's Discussion and Analysis of Financial Condition and Results of Operations ) above.

***Cash and Cash Equivalents and Marketable Securities***

As of March 31, 2018 and 2017, cash and cash equivalents and marketable securities aggregated \$507.7 million and \$526.8 million, respectively, and are comprised of the following:

(in thousands)		
	2018	2017
Distributable Cash (including associated Dividend Cash)	\$ 484,510	\$ 498,549
Other Administrative Cash	21,200	14,541
Administrative Fund	1,717	1,743
Residual Wind-Down Assets	171	11,713
Funds for Indenture Trustee / Fiscal Paying Agent Costs	148	226
Total	\$ 507,746	\$ 526,772

As described in Note 5, as of March 31, 2018, the GUC Trust had accrued liquidating distributions payable aggregating \$1.8 million. In addition, as of March 31, 2018, the amount of Distributable Cash reflected in the table above includes \$24.7 million for amounts set aside for projected GUC Trust fees, costs and expenses to be incurred

beyond 2018. The aggregate amount of Distributable Cash which was pending distribution or was set aside and was not available for distribution as of March 31, 2018 was \$26.5 million. As described in Note 2 above, on May 2 and May 3, 2018, respectively, the GUC Trust Administrator filed motions seeking authority from the Bankruptcy Court to appropriate Distributable Cash of \$6.0 million for the purpose of satisfying noticing costs and \$15.0 million for the purpose of satisfying the Settlement Payment pursuant to the Settlement Agreement described in Item 3 ( Legal Proceedings ). No hearing date has been scheduled with respect to the Settlement Payment or the noticing costs.

***Potential Recovery in New GM Shareholder Class Action Proposed Settlement***

As described in Item 3 ( Legal Proceedings ), the GUC Trust has filed a proof of claim with the settlement administrator in connection with a proposed settlement of a class action against New GM. The amount of potential recovery for the GUC Trust, if any, from such proposed settlement is not estimable at this time.

**Table of Contents*****Accrued Investment Income on Cash Equivalents and Marketable Securities***

As of March 31, 2018 and 2017, the GUC Trust had accrued approximately \$16.7 million and \$3.4 million, respectively, of investment income on marketable securities and cash equivalents expected to be earned over the remaining liquidation period in accordance with the liquidation basis of accounting. Such accrual is estimated principally based on forecasted cash outflows and expected returns based on recent yields on Treasury bills in which the marketable securities are invested. Such accrual, along with receivables for investment income earned as of March 31, 2018, is included in Accrued Investment Income in the accompanying Statement of Net Assets in Liquidation as of March 31, 2018.

***Potential Distributable Capital and Net Operating Loss Carryovers***

As described in Critical Accounting Policies and Estimates Income Taxes in Item 7 ( Management's Discussion and Analysis of Financial Condition and Results of Operations ), the GUC Trust's unused capital and net operating loss carryovers potentially could succeed to Claimants (as defined below pursuant to tax rules) upon the termination of the GUC Trust. Reference is made thereto for information regarding such potential distributable loss carryovers and the material uncertainties associated therewith.

***Trust Units***

As described in Note 1, under the Plan, each holder of an Allowed General Unsecured Claim retains a contingent right to receive, on a pro rata basis, additional Distributable Cash (if and to the extent not required for the satisfaction of previously Disputed General Unsecured Claims or Term Loan Avoidance Action Claims, or appropriation for the payment of the expenses or any tax liabilities of the GUC Trust). The GUC Trust issues units representing such contingent rights ( GUC Trust Units ) at the rate of one GUC Trust Unit per \$1,000 of Allowed General Unsecured Claims to each holder of an Allowed General Unsecured Claim, subject to rounding pursuant to the GUC Trust Agreement, in connection with the initial recognition of each Allowed General Unsecured Claim.

The GUC Trust makes quarterly liquidating distributions to holders of GUC Trust Units to the extent that (i)(a) any previously Disputed General Unsecured Claims asserted against the Debtors' estates or Term Loan Avoidance Action Claims are either disallowed or are otherwise resolved favorably to the GUC Trust (thereby reducing the amount of GUC Trust assets reserved for distribution in respect of such asserted or potential claims) or (b) certain Excess GUC Trust Distributable Assets (as defined in the GUC Trust Agreement) that were previously set aside from distribution are released in the manner permitted under the GUC Trust Agreement, and (ii) as a result of the foregoing, the amount of Excess GUC Trust Distributable Assets (as defined in the GUC Trust Agreement) as of the end of the relevant quarter exceeds thresholds set forth in the GUC Trust Agreement.

The following table presents the changes during the years ended March 31, 2018, 2017 and 2016 in the numbers of GUC Trust Units outstanding or which the GUC Trust was obligated to issue:

	Year Ended March 31, 2018	Year Ended March 31, 2017	Year Ended March 31, 2016
Outstanding or issuable as of beginning of year	31,854,103	31,853,758	31,853,702
Issued during the year	1,448	298	56
Less: Issuable as of beginning of year	(47)		

Add: Issuable as of end of year (1)

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Outstanding or issuable as of end of year			
(2) (3)	31,855,504	31,854,103	31,853,758

- (1) The number of GUC Trust Units issuable at any time represents GUC Trust Units issuable in respect of Allowed General Unsecured Claims that were newly allowed during the fiscal year.
- (2) The number of GUC Trust Units outstanding at any time represents GUC Trust Units issued in respect of Allowed General Unsecured Claims that were allowed in prior periods, including GUC Trust Units held by the GUC Trust for the benefit of (a) holders of Allowed General Unsecured Claims who had not yet supplied information required by the GUC Trust in order to effect the initial distribution to which they are entitled and (b) governmental entities that are precluded by applicable law from receiving distributions of GUC Trust Units.
- (3) The number of GUC Trust Units outstanding or issuable as of end of year does not equal the amount of Allowed General Unsecured Claims on a 1 to 1,000 basis as of the corresponding date because of additional GUC Trust Units that were issued due to rounding.



**Table of Contents*****Allowed and Disputed Claims***

The total cumulative pro rata liquidating distributions ultimately received by Trust Beneficiaries is dependent upon the current amount of Allowed General Unsecured Claims and final resolution of outstanding Disputed General Unsecured Claims and Term Loan Avoidance Action Claims (as described in Note 2). Disputed General Unsecured Claims as of March 31, 2018 reflect a distribution set aside permitted by the Plan and the GUC Trust Agreement. As described in Note 1, prior to the resolution and allowance of Disputed General Unsecured Claims and Term Loan Avoidance Action Claims, liabilities are not recorded for the conditional obligations associated with Disputed General Unsecured Claims and Term Loan Avoidance Action Claims. Liquidating distributions payable are recorded in the amount of Distributable Cash (previously the fair value of New GM Securities) to be distributed as of the end of the period in which the Disputed General Unsecured Claims and Term Loan Avoidance Action Claims are resolved as Allowed General Unsecured Claims.

The following table presents a summary of activity with respect to the Allowed and Disputed General Unsecured Claims and Term Loan Avoidance Action Claims for the years ended March 31, 2018 and 2017:

(in thousands)	Allowed General Unsecured Claims	Disputed General Unsecured Claims (1)	Term Loan Avoidance Action Claims	Maximum Amount of Unresolved Claims (2)	Total Claim Amount (3)
Total, March 31, 2016	\$ 31,853,685	\$ 70,000	\$ 1,499,945	\$ 1,569,945	\$ 33,423,630
New Allowed General Unsecured Claims	346				346
Disputed General Unsecured Claims resolved or disallowed		(20,000)		(20,000)	(20,000)
Term Loan Avoidance Action Claims resolved or disallowed			(741)	(741)	(741)
Total, March 31, 2017	31,854,031	50,000	1,499,204	1,549,204	33,403,235
New Allowed General Unsecured Claims	1,401				1,401
Disputed General Unsecured Claims resolved or disallowed					
Term Loan Avoidance Action Claims resolved or disallowed			(4,218)	(4,218)	(4,218)
Total, March 31, 2018	\$ 31,855,432	\$ 50,000	\$ 1,494,986	\$ 1,544,986	\$ 33,400,418

- (1) Remaining Disputed General Unsecured Claims represent a general claim contingency for any future disputed claims or other obligations of the GUC Trust. The GUC Trust has set aside from distribution an aggregate of \$14.8 million for this general claim contingency (i.e., \$296 in Distributable Cash per \$1,000 of Allowed General Unsecured Claims, as provided in the Plan).
- (2) Maximum Amount of Unresolved Claims represents the sum of Disputed General Unsecured Claims and Term Loan Avoidance Action Claims.

(3) Total Claim Amount represents the sum of Allowed General Unsecured Claims and Maximum Amount of Unresolved Claims.

During the years ended March 31, 2018 and 2017, the Avoidance Action Trust reached settlements with certain defendants to the Term Loan Avoidance Action resulting in recoveries to the Avoidance Action Trust of approximately \$1.4 million and \$0.3 million, respectively. As a result, corresponding Term Loan Avoidance Action Claims were allowed under the GUC Trust Agreement.

As described in Item 3 ( Legal Proceedings ), the GUC Trust has executed the Settlement Agreement with certain plaintiffs. If approved by the Bankruptcy Court, the Settlement Agreement would provide for the Settlement Payment to such plaintiffs of \$15.0 million, among other provisions. As of March 31, 2018, the Settlement Payment of \$15.0 million has been accrued as a contingent settlement obligation in the Statement of Net Assets in Liquidation.

**Table of Contents****5. Liquidating Distributions**

Liquidating distributions (net reversal of liquidating distributions) in the years ended March 31, 2018, 2017 and 2016 consisted of the following:

(in thousands)	2018	2017	2016
Distributions during the year	\$ 433	\$ 112,382	\$ 130,248
Less: Liquidating distributions payable as of beginning of year	(9,205)	(6,213)	(7,714)
Add: Liquidating distributions payable as of end of year	1,825	9,205	6,213
Total	\$ (6,947)	\$ 115,374	\$ 128,747

The distributions during the year ended March 31, 2018 consisted of distributions to (a) holders of Allowed General Unsecured Claims who previously failed to fulfill informational requirements for distribution established in accordance with the GUC Trust Agreement, but subsequently successfully fulfilled such information requirements and (b) holders of certain Resolved Term Loan Avoidance Action Claims.

The distributions during the years ended March 31, 2017 and 2016 consisted of distributions to (a) holders of GUC Trust Units for excess distributions payable, (b) holders of Allowed General Unsecured Claims who previously failed to fulfill informational requirements for distribution established in accordance with the GUC Trust Agreement, but subsequently successfully fulfilled such information requirements and (c) holders of certain Resolved Term Loan Avoidance Action Claims. The obligation to distribute Distributable Cash to holders of GUC Trust Units for excess distributions payable at March 31, 2018 decreased from such balances at March 31, 2017, resulting in a net reversal of liquidating distributions of \$6.9 million during the year ended March 31, 2018. The distributions to holders of GUC Trust Units during the years ended March 31, 2017 and 2016, resulted primarily from the release of distributable assets of the GUC Trust that were previously set aside in respect of potential Taxes on Distribution.

The GUC Trust was obligated as of March 31, 2018 to distribute Distributable Cash of \$1.8 million to certain holders of Allowed General Unsecured Claims who had not then satisfied certain informational requirements necessary to effect the distribution to which they are entitled.

**6. Fair Value Measurements**

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value. The Trust's Cash Equivalents, Marketable Securities, and Liquidating Distributions Payable are presented as provided by this hierarchy.

*Level 1* In general, fair values determined by Level 1 inputs use quoted prices in active markets for identical assets and liabilities that the GUC Trust has the ability to access.

*Level 2* Fair values determined by Level 2 inputs use other inputs that are observable, either directly or indirectly. These Level 2 inputs include quoted prices for similar assets or liabilities in active markets, and other inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

*Level 3* Level 3 inputs are unobservable inputs, including inputs that are available in situations where there is little, if any, market activity for the related asset or liability. These Level 3 fair value measurements are based primarily on management's own estimates using pricing models, discounted cash flow methodologies, or similar techniques taking into account the characteristics of the asset or liability. The GUC Trust had no assets or liabilities that are measured with Level 3 inputs as of March 31, 2018 and 2017.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The GUC Trust's assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The GUC Trust also holds other financial instruments not measured at fair value on a recurring basis, including Accounts Payable and Other Liabilities. The fair value of these liabilities approximates the carrying amounts in the accompanying financial statements due to the short maturity of such instruments.

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The following table presents information about the GUC Trust's assets and liabilities measured at fair value on a recurring basis as of March 31, 2018 and 2017, and the valuation techniques used by the GUC Trust to determine those fair values.

(in thousands)	March 31, 2018			
	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	\$ 540	\$	\$	\$ 540
Marketable Securities:				
U.S. Treasury bills		505,183		505,183
Total Assets	\$ 540	\$ 505,183	\$	\$ 505,723
Liabilities:				
Liquidating distributions payable	\$ 1,825	\$	\$	\$ 1,825

	March 31, 2017			
(in thousands)	Level 1	Level 2	Level 3	Total
Assets:				
Cash equivalents:				
Money market funds	\$ 2,109	\$	\$	\$ 2,109
Marketable Securities:				
U.S. Treasury bills		522,452		522,452
Total Assets	\$ 2,109	\$ 522,452	\$	\$ 524,561
Liabilities:				
Liquidating distributions payable	\$ 9,205	\$	\$	\$ 9,205

The following are descriptions of the valuation methodologies used for assets and liabilities measured at fair value:

Due to their short-term liquid nature, the fair value of cash equivalents approximates its carrying value.

Marketable securities consist of U.S. Treasury bills. Due to their short-term maturities, the fair value of U.S. Treasury bills approximates their carrying value.

Liquidating distributions payable are valued at the amount of cash that the GUC Trust is obligated to distribute.

The GUC Trust's policy is to recognize transfers between levels of the fair value hierarchy as of the actual date of the event of change in circumstances that caused the transfer. There were no such transfers during the years ended March 31, 2018 and 2017.

**Table of Contents****7. Reserves for Expected Costs of Liquidation and Residual Wind-Down Claims and Costs**

The following is a summary of the activity in the reserves for expected costs of liquidation for the years ended March 31, 2018, 2017 and 2016:

(in thousands)	Reserve for Expected Wind- Down Costs	Reserve for Expected Reporting Costs	Reserve for Indenture Trustee/ Fiscal and Paying Agent Costs	Total Reserves for Expected Costs of Liquidation
Balance, March 31, 2015	\$ 21,089	\$ 8,602	\$ 364	\$ 30,055
Plus additions to reserves	5,592	2,119		7,711
Less liquidation costs incurred:				
Trust Professionals	(5,625)	(2,291)		(7,916)
Trust Governance	(3,438)	(1,800)	(71)	(5,309)
Other Administrative Expenses	(891)	(251)		(1,142)
Balance, March 31, 2016	16,727	6,379	293	23,399
Plus additions to reserves	5,325	6,798		12,123
Less liquidation costs incurred:				
Trust Professionals	(3,295)	(2,294)		(5,589)
Trust Governance	(2,848)	(1,800)	(68)	(4,716)
Other Administrative Expenses	(58)	(256)		(314)
Less funds returned to DIP Lenders	(6,000)			(6,000)
Balance, March 31, 2017	9,851	8,827	225	18,903
Plus additions to reserves	25,351	8,597		33,948
Less liquidation costs incurred:				
Trust Professionals	(7,424)	(2,669)		(10,093)
Trust Governance	(2,523)	(1,800)	(81)	(4,404)
Other Administrative Expenses	(51)	(216)		(267)
Balance, March 31, 2018	\$ 25,204	\$ 12,739	\$ 144	\$ 38,087

During the year ended March 31, 2018, estimates of expected Wind-Down Costs and estimates of expected Reporting Costs (for which there is a reasonable basis for estimation) increased by \$25.3 million and \$8.6 million, respectively. During the year ended March 31, 2017, estimates of expected Wind-Down Costs and estimates of expected Reporting Costs increased by \$5.3 million and \$6.8 million, respectively. During the year ended March 31, 2016, estimates of expected Wind-Down Costs and estimates of expected Reporting Costs increased by \$5.6 million and \$2.1 million, respectively. Such revisions in the estimates were recorded as additions to the reserves for expected costs of liquidation in such years. The GUC Trust has recorded reserves for expected costs of liquidation that represent amounts expected to be incurred over the estimated remaining liquidation period of the GUC Trust for which there was a reasonable basis for estimation.

The amount of liquidation costs that will ultimately be incurred depends both on the time period and on the extent of activities required for the GUC Trust to complete its functions and responsibilities under the Plan and the GUC Trust Agreement. Significant uncertainty remains both as to that time period and as to the extent of those activities. As of March 31, 2018, the recorded reserves for expected costs of liquidation reflect estimated costs for a remaining liquidation period extending through November 2020, which was extended by ten months during the quarter ended March 31, 2018 from a remaining liquidation period previously extending through January 2020. The remaining liquidation period has been estimated predominately on a modified probability-weighted basis as permitted under U.S. GAAP and which the GUC Trust believes is the most appropriate measurement basis under the circumstances. Where an outcome is estimated to be likely, the likely outcome has been used as the best estimate and no weight has been given to the unlikely outcome. Beginning in the quarter ended December 31, 2016, the remaining liquidation period is dependent predominantly on the estimate of the remaining period of time for resolution of litigation involving certain General Motors vehicle recalls described in Item 3 ( Legal Proceedings ). During such quarter, developments in such vehicle recall litigation resulted in an extension in the estimated length of time for resolution of such litigation that now exceeds the estimate of the remaining period of time for resolution of the Term Loan Avoidance Action (which previously was the primary determinant). In addition, certain additional estimated time to wind down the GUC Trust following resolution of the litigation is included in the estimated liquidation period. It is possible that future developments in the General Motors vehicle recall litigation, as well as the Term Loan Avoidance Action, could extend the current estimate of such remaining period of time for resolution and, therefore, extend the estimated remaining liquidation period of the GUC



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Trust beyond November 2020. In addition, certain liquidation costs that are expected to be prepaid by the GUC Trust upon its dissolution have also been estimated and accrued. The GUC Trust's estimates regarding the costs and remaining liquidation period may change in the near term, and such change may be material.

The following is a summary of the activity in the reserves for Residual Wind-Down Claims and Costs for the years ended March 31, 2018, 2017 and 2016:

<b>(in thousands)</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Balance, beginning of year	\$ 966	\$ 19,957	\$ 26,629
Plus net addition to reserves	9	237	
Plus reclassification of accrued liability	9	417	
Less claims allowed during the period	(815)	(19,641)	(6,661)
Less costs incurred by trust professionals		(4)	(11)
Balance, end of year	\$ 169	\$ 966	\$ 19,957

Residual Wind-Down Claims allowed during the years ended March 31, 2018, 2017 and 2016 primarily consist of Avoidance Action Defense Costs. As described in Note 2, in April 2017, the GUC Trust entered into a letter agreement with the Administrative Agent. Such letter agreement provides that the GUC Trust's obligation to pay Avoidance Action Defense Costs of the Administrative Agent is limited to an amount approximating the remaining designated Residual Wind-Down Assets. Such cap on Avoidance Action Defense Costs shall remain in place unless and until the Term Loan Avoidance Action is resolved in full (by final court order or by settlement), which court order or settlement contains a determination that the Administrative Agent was oversecured with respect to the loan which is the subject of the Term Loan Avoidance Action, or otherwise contains a voluntary agreement with the GUC Trust with respect to payment of the Avoidance Action Defense Costs. At this time, the GUC Trust does not expect to incur additional Avoidance Action Defense Costs.

**8. Income Taxes**

There was no current tax benefit or provision for the years ended March 31, 2018, 2017 and 2016 due to cumulative net operating and capital losses, and no income taxes have been paid by the GUC Trust. There also was no deferred tax benefit or provision for the years ended March 31, 2018, 2017 and 2016 as a result of the establishment of a full valuation allowance against net deferred tax assets as of the beginning and end of such periods. As a result of the enactment of the Tax Cuts and Jobs Act in December 2017, the GUC Trust's federal income tax rate was reduced from 39.6% to 37% effective April 1, 2018, the first day of the GUC Trust's fiscal year ending March 31, 2019. In December 2017, the GUC Trust expected that the 37% tax rate would be in effect when its temporary differences reversed and, accordingly, the GUC Trust's deferred tax assets and liabilities were adjusted to the enacted 37% tax rate as of December 31, 2017. There was no impact on the deferred tax provision as the result of the establishment of a full valuation allowance against net deferred tax assets at December 31, 2017. The deferred tax assets and liabilities as of March 31, 2017 in the table below were calculated utilizing a tax rate of 39.6%.

Deferred taxes in the accompanying Statement of Net Assets in Liquidation as of March 31, 2018 and 2017 are comprised of the following components:

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(in thousands)	2018	2017
Deferred tax assets:		
Reserves for expected costs of liquidation and Residual		
Wind-Down Claims and Costs	\$ 14,155	\$ 7,868
Net operating and capital loss carryovers	52,217	60,747
Gross deferred tax assets	66,372	68,615
Less: Valuation allowance	(60,179)	(67,286)
Deferred tax asset, net of valuation allowance	6,193	1,329
Deferred tax liabilities:		
Accrued investment income	(6,193)	(1,329)
Gross deferred tax liabilities	(6,193)	(1,329)
Net deferred taxes	\$	\$

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As previously disclosed, during the quarter ended September 30, 2013, the GUC Trust made a determination to file its U.S. federal income tax returns taking the position that beneficial ownership for a substantial majority of New GM Securities was transferred from MLC to the GUC Trust on March 31, 2011, and that the tax basis of such New GM Securities should be determined with reference to the value of such securities on such date, instead of December 15, 2011, when record ownership of the remaining New GM Securities still held by MLC was transferred from MLC to the GUC Trust. For the remaining substantial minority of New GM Securities transferred from MLC to the GUC Trust, the GUC Trust determined that the transfer of beneficial ownership occurred on other dates for which the tax basis should be determined by reference to the value of such securities on such dates. This new tax position resulted in an increased tax basis of the New GM Securities from the prior tax position and, therefore, reduced taxable gains and increased taxable losses on distributions and sales of New GM Securities since March 31, 2011. The new tax position has not been sustained on examination by the IRS as of the date hereof. However, the GUC Trust believes, based on the available evidence and consultation with GUC Trust professionals, that it is more likely than not that the new tax position will be sustained on examination by the IRS based on the technical merits of the position. Accordingly, this new tax position has been recognized in the current and deferred income tax liabilities and the income tax provision in the GUC Trust's financial statements since the quarter ended September 30, 2013.

Following the GUC Trust's determination to utilize the new tax position set forth above, the GUC Trust filed its U.S. federal income tax returns for the years ended March 31, 2013, and thereafter, with the IRS using such new tax position. Such tax returns were accompanied by requests for prompt determination of tax liability pursuant to Section 505(b) of the Bankruptcy Code, and the 60-day statutory notification periods set forth in Section 505(b) of the Bankruptcy Code with respect to the GUC Trust's U.S. federal income tax returns for the year ended March 31, 2017 and prior years have expired. Accordingly, the tax liabilities set forth in the GUC Trust's U.S. federal income tax returns for the year ended March 31, 2017 and prior years are no longer subject to examination by the IRS, and no income taxes can be assessed for such years. Also, no income taxes are expected to be paid in the future as a result of the liquidation of all the GUC Trust's holdings of New GM Securities during the year ended March 31, 2016, except potentially with respect to (a) any taxes due on any recoveries by the GUC Trust as a member of a settlement class related to a proposed settlement of a securities class action against New GM as described in Item 3 ( Legal Proceedings ) and (b) any Taxes on Distribution from any receipt and subsequent distribution or sale by the GUC Trust of Additional Shares, which are not determinable or estimable at this time. However, if any income taxes on any recovery on the proposed settlement of the securities class action against New GM were to become payable, it is anticipated that such income taxes would be funded from the proceeds of such recovery. Further, if any Taxes on Distribution resulting from the receipt and subsequent distribution or sale of Additional Shares were to become payable, it is anticipated that such income taxes would be funded from the sale of a portion of such Additional Shares.

Remaining capital loss carryovers that were generated in prior years utilizing the new tax position, which aggregate \$1.7 million (after expiration on March 31, 2018 and 2017, respectively, of capital loss carryovers of \$22.6 million and \$158.1 million attributable to the year ended March 31, 2013 and 2012), along with net operating loss carryovers generated through March 31, 2018, aggregating \$139.5 million, could be subject to examination by the IRS in subsequent years when those losses, if any, are utilized. The GUC Trust does not expect to utilize any capital or net operating loss carryovers in the future, except with respect to (a) any recovery by the GUC Trust as a member of a settlement class related to a proposed settlement of a securities class action against New GM referred to above and (b) any receipt and subsequent distribution or sale by the GUC Trust of Additional Shares referred to above (if the fair market value of the Additional Shares on the date of distribution or sale is greater than the fair market value of such shares on the date of receipt), which are not determinable or estimable at this time. The remaining capital loss carryovers of \$1.7 million expire on March 31, 2020 and the net operating loss carryovers begin to expire on March 31, 2032. However, pursuant to the enactment of the Tax Cuts and Jobs Act in December 2017, any net operating losses generated by the GUC Trust in tax years beginning April 1, 2018, do not expire. These loss carryovers in the aggregate result in a deferred tax asset of \$52.2 million (reflected in the table above). As described in

Critical Accounting Policies and Estimates Income Taxes in Item 7 ( Management's Discussion and Analysis of Financial Condition and Results of Operations ), the GUC Trust's loss carryovers potentially could succeed to Claimants (as defined below pursuant to tax rules). Reference is made thereto for information regarding such potential distributable loss carryovers and the material uncertainties associated therewith.

A full valuation allowance against net deferred tax assets aggregating \$60.2 million and \$67.3 million was established as of March 31, 2018 and 2017, respectively, because, as a result of the liquidation of all of the GUC Trust's holdings of New GM Securities, it has been determined that such deferred tax assets are not realizable at this time. The valuation allowance decreased by \$7.1 million and \$54.2 million during the years ended March 31, 2018 and 2017, respectively.

## **9. Related Party Transactions**

In addition to serving as GUC Trust Administrator, Wilmington Trust Company continues to serve as trustee pursuant to the indentures for certain series of previously outstanding debt of MLC. Wilmington Trust Company has received and may in the future receive certain customary fees in amounts consistent with Wilmington Trust Company's standard rates for such service. The Bankruptcy Court previously approved the creation of a segregated fund for the purposes of funding such fees for Wilmington Trust Company, as well as the other indenture trustees and fiscal and paying agents for previously outstanding debt of MLC. There were no such fees for Wilmington Trust Company in the years ended March 31, 2018, 2017 and 2016.

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In addition, Wilmington Trust Company has also entered into certain arrangements with the GUC Trust pursuant to which it or its affiliates have previously received, and may in the future receive, reasonable and customary fees and commissions for services other than services in the capacity of GUC Trust Administrator. Such arrangements include the provision of custodial, investment advisory and brokerage services to the GUC Trust. During the years ended March 31, 2018, 2017 and 2016, the total amount of such fees and commissions was approximately \$0.3 million, \$0.3 million and \$0.2 million, respectively.

### **Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.**

None.

### **Item 9A. Controls and Procedures.**

During the fiscal period covered by this report, the management of the GUC Trust, with the participation of the Administrative Vice President of the GUC Trust Administrator, completed an evaluation of the effectiveness of the design and operation of the GUC Trust's disclosure controls and procedures (as defined in Rule 13a-15(e) of the Securities Exchange Act of 1934, as amended). Based on this evaluation, the GUC Trust's management, including that Administrative Vice President of the GUC Trust Administrator, has concluded that, as of the end of the fiscal period covered by this report, the GUC Trust's disclosure controls and procedures were effective.

The GUC Trust Administrator is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rule 13a-15(f) of the Securities Exchange Act of 1934, as amended). During the fiscal period covered by this report, the management of the GUC Trust, with the participation of the Administrative Vice President of the GUC Trust Administrator, conducted an evaluation of the effectiveness of its internal control over financial reporting, based on the framework in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on this evaluation, the GUC Trust's management has concluded that, as of March 31, 2018, the GUC Trust's internal control over financial reporting was effective. This annual report does not include an auditor's attestation report regarding internal control over financial reporting, because the GUC Trust is a non-accelerated filer and is therefore not subject to such auditor attestation requirements under applicable rules of the SEC.

Aside from improvements made in connection with the documentation and testing of internal control over financial reporting as part of the foregoing evaluation, during the fiscal year ended March 31, 2018, no other change occurred that materially affected, or is reasonably likely to materially affect, the GUC Trust's internal control over financial reporting.

### **Item 9B. Other Information.**

None.

## **PART III**

### **Item 10. Directors, Executive Officers and Corporate Governance.**

The GUC Trust has no officers, directors or employees. The GUC Trust is administered by the GUC Trust Administrator, Wilmington Trust Company, not in its individual capacity but solely in its capacity as the trust administrator and trustee of the GUC Trust. The activities of the GUC Trust Administrator are overseen by the GUC Trust Monitor, FTI Consulting, Inc., solely in its capacity as monitor of the GUC Trust. The GUC Trust Administrator is authorized by the GUC Trust Agreement to retain, pay, oversee, direct the services of and (subject to GUC Trust Monitor approval) terminate Trust Professionals to assist in the administration of the GUC Trust, particularly in connection with the claims resolution process, the preparation of financial statements and the GUC Trust's record keeping and reporting functions. The GUC Trust and GUC Trust Administrator rely solely on receiving accurate information, reports and other representations from (i) the Trust Professionals, (ii) the GUC Trust Monitor, and (iii) other service providers to the GUC Trust. In filing this Form 10-K and executing any related documentation on behalf of the GUC Trust, the GUC Trust Administrator has relied upon the accuracy of such reports, information and representations. Notwithstanding such reliance, the GUC Trust Administrator is ultimately responsible for the disclosure provided in this Form 10-K.

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The GUC Trust Administrator's role is provided for under the GUC Trust Agreement, and such role includes without limitation the obligation to (i) hold, manage, sell, invest and distribute the assets comprising the corpus of the GUC Trust, (ii) prosecute and resolve objections to Disputed General Unsecured Claims, (iii) take all necessary actions to administer the wind-down of the affairs of the Debtors, and (iv) resolve and satisfy (to the extent allowed) any Residual Wind-Down Claims. The responsibilities of the GUC Trust Administrator in connection with the wind-down of MLC and its Debtor subsidiaries include monitoring and enforcing the implementation of the Plan as it relates to the wind-down, paying taxes and filing tax returns, making any other necessary tax filings related to the wind-down and in general taking any other actions necessary or appropriate to wind-down MLC and its debtor subsidiaries and obtain an order closing the Debtors' chapter 11 cases.

The GUC Trust Monitor was appointed for the purpose of overseeing the activities of the GUC Trust Administrator. The GUC Trust Administrator is required to obtain the approval of the GUC Trust Monitor for a variety of actions, including preparing budgets and making expenditures that deviate from the Budget by more than a specified amount (except to the extent such expenditures are approved by the Bankruptcy Court), settling or otherwise resolving disputed claims in excess of a specified amount, retaining or terminating Trust Professionals, reserving of GUC Trust assets intended for distribution to GUC Trust beneficiaries for the payment of administrative expenses or Taxes on Distribution and amending the GUC Trust Agreement.

Pursuant to the No Action Letter, in response to Item 401 of Regulation S-K, this Form 10-K includes disclosure relating to certain individuals who are employed by the GUC Trust Administrator and GUC Trust Monitor, respectively, in a leadership capacity with respect to the administration by the GUC Trust Administrator and the monitorship by the GUC Trust Monitor, respectively, with regard to the GUC Trust:

*David A. Vanaskey Jr.*, 53, is a vice-president in the Capital Markets Division of Wilmington Trust Company. At Wilmington Trust Company, he has management and account responsibilities in asset financing, equipment financing and restructuring and default products. David Vanaskey has worked in the financial services industry for over 28 years. He has specialized in asset securitizations, equipment financings, corporate lending and project finance transactions. He has participated in Chapter 11 restructurings, creditor committee participation, liquidations, and disbursements. Most recently he was the Indenture Trustee in the General Motors unsecured public debt transactions and chaired the committee for unsecured creditors in the General Motors bankruptcy.

*Conor P. Tully*, 46, is a senior managing director in the Corporate Finance/Restructuring practice of FTI Consulting, Inc. Mr. Tully has more than 23 years of experience in providing clients with strategic planning, merger and acquisition advisory and business advisory services in both distressed and healthy company situations. For the past 20 years, Mr. Tully has specialized in providing restructuring services to companies, financial institutions and creditors in the troubled company environment, including both formal Chapter 11 proceedings and out-of-court workout situations. Mr. Tully's industry experience includes the automotive, financial services, consumer products, telecom, metals, energy and manufacturing industries. Prior to joining FTI Consulting, Inc. in October, 2004, Mr. Tully was a director in the restructuring practice of Ernst & Young Corporate Finance LLC. Mr. Tully holds a B.A. in accountancy from Manhattan College. He is a certified public accountant, a certified insolvency and restructuring advisor, a certified turnaround professional, and is accredited in business valuation. Mr. Tully is also a member of the American Bankruptcy Institute, the American Institute of Certified Public Accountants, the Association of Insolvency and Restructuring Advisors, and the Turnaround Management Association.

**Item 11. Executive Compensation.**

Under the GUC Trust Agreement, the GUC Trust Administrator is entitled to receive fair and reasonable compensation for its services, to be paid out of the Administrative Fund in accordance with the Budget prior to the final distribution date. The GUC Trust Administrator is entitled, without the need for approval of the Bankruptcy Court, to reimburse itself from the Administrative Fund on a monthly basis for such compensation and all reasonable out-of-pocket expenses actually incurred in the performance of duties in accordance with the GUC Trust Agreement and the Budget. In addition, to the extent the Administrative Fund is not sufficient to provide the GUC Trust Administrator with fair and reasonable compensation for its services or for reasonable out-of-pocket expenses, the GUC Trust Administrator will be paid out of the Other Administrative Cash in accordance with Section 6.1 of the GUC Trust Agreement. During the fiscal year ended March 31, 2018, the GUC Trust Administrator received compensation of approximately \$2.7 million under the GUC Trust Agreement and expense reimbursements of approximately \$3,000.

Under the GUC Trust Agreement, the GUC Trust Monitor is entitled to receive fair and reasonable compensation for its services, to be paid out of the Administrative Fund, in accordance with the Budget. The GUC Trust Monitor is entitled, without the need for approval of the Bankruptcy Court, to direct the GUC Trust Administrator to reimburse the GUC Trust Monitor from the Administrative Fund on a monthly basis, for such compensation and all reasonable out-of-pocket expenses actually incurred in the performance of duties in accordance with the GUC Trust Agreement, consistent with the Budget prepared pursuant to Section 6.4 of



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the GUC Trust Agreement. In addition, to the extent the Administrative Fund is not sufficient to provide the GUC Trust Monitor with fair and reasonable compensation for its services or for reasonable out-of-pocket expenses, it will be paid out of the Other Administrative Cash in accordance with Section 6.1 of the GUC Trust Agreement. During the fiscal year ended March 31, 2018, the GUC Trust Monitor received compensation of approximately \$1.3 million under the GUC Trust Agreement and expense reimbursements of approximately \$1,000.

As noted above, the GUC Trust has no officers, directors or employees.

**Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters.** Disclosure under this item is not required, pursuant to the No Action Letter.

**Item 13. Certain Relationships and Related Transactions, and Director Independence.**

In addition to serving as GUC Trust Administrator, Wilmington Trust Company continues to serve as trustee pursuant to the indentures for certain series of previously outstanding debt of MLC. Wilmington Trust Company has received and may in the future receive certain customary fees in amounts consistent with Wilmington Trust Company's standard rates for such service. The Bankruptcy Court previously approved the creation of a segregated fund for the purposes of funding such fees for Wilmington Trust Company as well as the other indenture trustees and fiscal and paying agents for previously outstanding debt of MLC. There were no such fees for Wilmington Trust Company in the year ended March 31, 2018.

In addition, Wilmington Trust Company has also entered into certain arrangements with the GUC Trust pursuant to which it or its affiliates have previously received, and may in the future receive, reasonable and customary fees and commissions for services other than services in the capacity of GUC Trust Administrator. Such arrangements include the provision of custodial, investment advisory and brokerage services to the GUC Trust. The fees and commissions charged by Wilmington Trust Company and its affiliates pursuant to these arrangements are consistent with the standard fees and commissions charged by Wilmington Trust Company to unrelated third-parties in negotiated transactions. During the fiscal year ended March 31, 2018, the total amount of such fees and commissions was approximately \$0.3 million.

**Item 14. Principal Accounting Fees and Services.**

Fees for professional services provided by Plante & Moran, PLLC, the GUC Trust's independent auditors, in each of the years ended March 31, 2018 and 2017, in each of the following categories, including related expenses, are as follows:

	<b>Year Ended March 31,</b>	
	<b>2018</b>	<b>2017</b>
Audit Fees (1)	\$ 221,621	\$ 227,683
Audit-Related Fees		
Tax Fees (2)	2,349	4,283

All Other Fees

Total	\$ 223,970	\$ 231,966
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- (1) Consists of fees for the audit of the GUC Trust's annual financial statements, review of the GUC Trust's Form 10-K, review of quarterly financial statements included in the GUC Trust's Forms 10-Q, and review of Form 8-K filings.
- (2) Includes fees for preparation of the GUC Trust's federal income tax returns for the fiscal years ended March 31, 2017 and 2016 and assistance with other MLC tax compliance matters.

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**PART IV**

**Item 15. Exhibits, Financial Statement Schedules.**

Exhibit

No.	Description
3.1	<u>Second Amended and Restated Motors Liquidation Company GUC Trust Agreement (incorporated herein by reference to Exhibit 3.1 to the Motors Liquidation Company GUC Trust Form 10-K filed on May 25, 2016).</u>
10.1	<u>Letter Agreement between the GUC Trust and the Term Loan Agent (incorporated herein by reference to Exhibit 10.2 to the Motors Liquidation Company GUC Trust Form 8-K filed on April 19, 2017).</u>
10.2	<u>DIP Lenders Letter (incorporated herein by reference to Exhibit 99.1 to the Motors Liquidation Company GUC Trust Form 8-K filed on August 23, 2012)</u>
10.3	<u>Settlement Agreement of Wind-Up Claims and Guarantee Claim and Disputes Related Thereto (incorporated herein by reference to Exhibit 10.1 of the Motors Liquidation Company GUC Trust Form 8-K filed September 27, 2013).</u>
31*	<u>Rule 13a-14(a) Certification</u>
32**	<u>Section 1350 Certification</u>
101*	Interactive Data Files

\* filed herewith

\*\* furnished herewith

**Item 16. Form 10-K Summary**

Omitted at registrant's option.

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Date: June 11, 2018

**MOTORS LIQUIDATION COMPANY GUC TRUST**

By: Wilmington Trust Company, not in its individual capacity, but solely in its capacity as trust administrator and trustee of the Motors Liquidation Company GUC Trust

By: /s/ David A. Vanaskey Jr.  
Name: David A. Vanaskey Jr.  
Title: Administrative Vice President of  
Wilmington Trust Company