



## Treasury Provides Guidance on its Role in the Exploration of a Possible General Motors Company Initial Public Offering

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**WASHINGTON** – The U.S. Department of the Treasury today provided guidance on its role in the exploration of a possible initial public offering of the common stock of General Motors Company (GM). Treasury owns 60.8 percent of the common stock of GM, which was acquired under the Troubled Asset Relief Program (TARP) in connection with the restructuring of GM last summer. The IPO will be a significant step in carrying out Treasury's previously announced intention of disposing of TARP investments as soon as practicable, consistent with its duties under the Emergency Economic Stabilization Act (EESA). As previously announced, Treasury has retained both financial and legal advisors to aid it in this process.

The process of an IPO is substantially different from the sales of securities that Treasury has made to date, which have involved companies that are already publicly traded. An IPO requires more extensive preparations by the company and will involve a number of decisions that have important consequences for years after the sale. GM must prepare the registration statement, prospectus and other legal documentation, work with the staff of the Securities and Exchange Commission (SEC) and meet with potential investors and other interested parties. GM must determine that it is, in all relevant respects, ready to become a public company. For those reasons, it is critical that the process of preparing for a potential IPO be managed by GM.

Treasury will participate in the preparations for the offering consistent with its obligations under EESA, its rights under the contracts entered into at the time of the restructuring of GM and its previously articulated principles for how Treasury acts as a shareholder. The initial public offering is expected to include the sale of shares by Treasury, other shareholders who wish to participate, and GM. The overall size of the offering and relative amounts of primary and secondary shares will be determined at a later date.

Exact timing of the offering will be determined by GM in light of market conditions and other factors, but will not occur before the fourth quarter of this year. Treasury will retain the right, at all times, to decide whether and at what level to participate in the offering, should it occur. The selection of the lead underwriters will be made by GM, subject to Treasury's agreement that the selection is reasonable. Treasury will determine the fees to be paid to the underwriters.

Federal securities laws preclude Treasury from discussing certain other matters including any discussion of the identity of potential underwriters, prior to the filing of a registration statement with the SEC.

This document does not constitute an offer to sell or the solicitation of an offer to buy these securities, nor shall there be any sale of these securities in any state or jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such state or jurisdiction.

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