

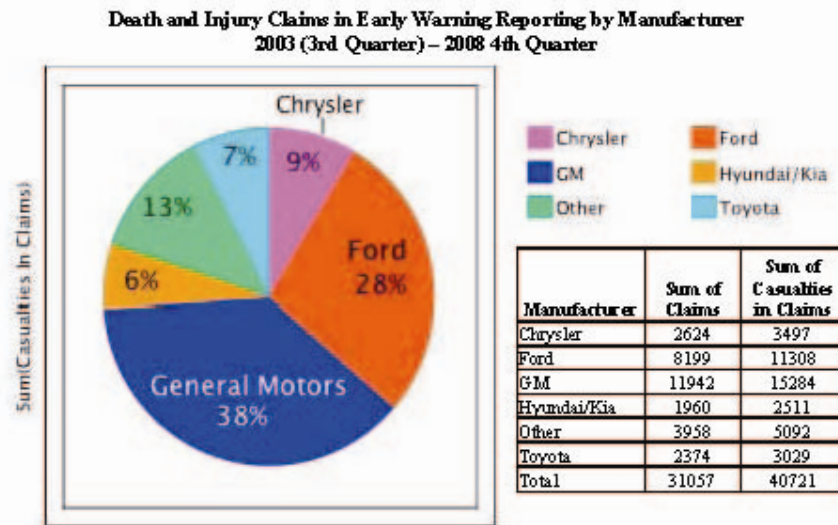
Public Safety at Risk:

Bankruptcies Leave Legacy of Defects, Injuries and Deaths



Under the terms of the bankruptcies, General Motors and Chrysler will shed all product liability claims for tens of millions of vehicles currently on the road, leaving thousands of individuals and families uncompensated for the permanent injuries or deaths caused by vehicle defects. Allowing these automakers to continue as new entities with no due care responsibilities for the vehicles built before bankruptcy will also decrease public safety. The story is in the numbers.

From the third quarter in 2003 to the fourth quarter in 2008, Chrysler fielded 2,464 death and injury claims, according to its Early Warning Reporting (EWR) data, which all automakers are required to file with the National Highway Traffic Safety Administration. Collectively, they represent 3,497 individual fatalities and injuries. General Motors generated many more claims. In the same time period, the automaker received 11,942 claims, representing a total of 15,284 individual fatalities and injuries.¹



(Source: Quality Control Systems Corp.)

Chrysler’s average annual number of death and injury claims in the reporting period is 477, resulting with an average of 636 casualties per year (casualties are individual deaths and injuries). For General Motors, the average annual claims rate is 2,171 with an average of 2,779 casualties per year. The average combined casualties per year for both companies is 3,415.

These claims can be expected to continue at the same pace, resulting in approximately 3,400 new casualties each year during the next couple of years. This is based on data showing that Americans are holding onto their vehicles longer. According to the latest survey by R.L. Polk and Company, the average age of the passenger car in the U.S. rose

¹ EWR require manufacturers to report claims on vehicles 10 years old or less. These counts are for non-duplicative claims.

from 9.2 to 9.4 years over the last year alone, due, in part, to the weak economy and the cost of a new car. The elusive economic recovery in the U.S. is likely to strengthen this trend.

Early Warning Reporting Claims, 2003 Qtr 3 - 2008 Qtr 4

| | Total EWR Claims | Average EWR Claims per Year | Total Casualties in EWR Claims | Average Casualties in EWR Claims per Year |
|----------------------|------------------|-----------------------------|--------------------------------|---|
| Chrysler | 2,624 | 477 | 3,497 | 636 |
| GM | 11,942 | 2,171 | 15,284 | 2,779 |
| Chrysler/GM Combined | 14,566 | 2,648 | 18,781 | 3,415 |

An examination of the claims for all vehicle manufacturers required to report EWR data to NHTSA shows that Chrysler claims are approximately proportionate to its average market share of about 13.5 percent. However, GM commands a disproportionate number of claims, given its average market share of 25.25 percent over the same time period.

GM and Chrysler Market Share, 2003-2008

| Manufacturer | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 | Average Market Share |
|--------------|--------|--------|--------|--------|--------|--------|----------------------|
| GM | 28.30% | 27.50% | 26.20% | 24.50% | 23.70% | 21.30% | 25.25% |
| Chrysler | 14.10% | 14.40% | 14.90% | 12.90% | 12.90% | 12.10% | 13.55% |

Source: Automotive News Data Center, U.S. Passenger and Light Truck Sales by Make

Neither General Motors nor Chrysler will have the data or the incentive to correct defects that emerge post-bankruptcy. Automakers use death and injury claim trends to identify defects, as does NHTSA, which collects this information. If people can not recover for the human and property damage caused by GM or Chrysler vehicles, these claims will not be filed. The automaker will be hampered in its quest to monitor the quality of its products in the field.

This will have serious consequences for public safety. First, the absence of death and injury claims will decrease the number of recalls and remedies for which GM and Chrysler will be responsible after the bankruptcies. Manufacturers typically resist recalls – especially if the defect is widespread – because recalls can be expensive and enforce a negative image of their brand in consumers’ minds. In the last five years, both manufacturers have recalled millions of vehicles for extremely serious safety problems, including roofs that fly off their frames, seat belts that become unlatched in crashes, wiring that shorts causing engine fires, and broken brake pedals that don’t apply the brakes.

From 2004 to 2008, Chrysler has issued 109 recalls affecting 11.4 million vehicles. GM launched 129 recalls affecting 19 million. For example, in 2004, General Motors recalled 92,863 Chevrolet Malibus with sticky accelerator arm pedals that wouldn’t return to idle

when the driver took his foot off the gas. In 2006, Chrysler recalled 42,469 2002-2003 Jeep Liberty vehicles originally sold in Salt-Belt states with front suspension upper control ball joints that had a tendency to separate while driving – meaning the driver would suddenly have no steering capability.

| Recalls by Calendar Year and Manufacturer | | | | |
|--|----------------------|------------------------------------|-----------------------|------------------------------------|
| | Chrysler | | General Motors | |
| Year | Total Recalls | Number of Vehicles Affected | Total Recalls | Number of Vehicles Affected |
| 2004 | 29 | 5,842,746 | 41 | 10,272,219 |
| 2005 | 11 | 766,162 | 30 | 4,997,923 |
| 2006 | 29 | 2,349,919 | 17 | 1,369,916 |
| 2007 | 27 | 2,063,506 | 20 | 538,214 |
| 2008 | 13 | 361,065 | 21 | 1,754,720 |
| Total | 109 | 11,383,398 | 129 | 18,932,992 |

These are defects with potentially catastrophic consequences. If neither company is responsible for the past and future claims involving 40 million vehicles, few will file death or injury claims. If death and injury claims data do not reflect the status of real-world problems on the road, safety is compromised. And, if GM and Chrysler no longer bear the liability for uncorrected defects, the automaker has few motivations to fix the pre-bankruptcy problems.

General Motors EWR Claims by State, 2003 Qtr 3 – 2008 Qtr 4

| State | Counts of EWR Claims with Deaths and Injuries | Total Casualties in EWR Claims | Deaths in EWR Claims | Injuries in EWR Claims |
|------------------------|---|--------------------------------|----------------------|------------------------|
| ALABAMA | 295 | 368 | 56 | 312 |
| ALASKA | 30 | 39 | 1 | 38 |
| ARIZONA | 259 | 354 | 61 | 293 |
| ARKANSAS | 191 | 246 | 27 | 219 |
| CALIFORNIA | 935 | 1288 | 189 | 1099 |
| COLORADO | 152 | 189 | 12 | 177 |
| CONNECTICUT | 89 | 95 | 1 | 94 |
| DC | 8 | 8 | 0 | 8 |
| DELAWARE | 41 | 49 | 0 | 49 |
| FLORIDA | 727 | 903 | 70 | 833 |
| GEORGIA | 387 | 472 | 27 | 445 |
| HAWAII | 34 | 41 | 5 | 36 |
| IDAHO | 45 | 55 | 6 | 49 |
| ILLINOIS | 497 | 628 | 71 | 557 |
| INDIANA | 281 | 353 | 24 | 329 |
| IOWA | 82 | 94 | 4 | 90 |
| KANSAS | 97 | 113 | 8 | 105 |
| KENTUCKY | 272 | 335 | 21 | 314 |
| LOUISIANA | 344 | 442 | 51 | 391 |
| MAINE | 53 | 69 | 5 | 64 |
| MARYLAND | 172 | 204 | 13 | 191 |
| MASSACHUSETTS | 178 | 201 | 2 | 199 |
| MICHIGAN | 495 | 600 | 63 | 537 |
| MINNESOTA | 107 | 119 | 5 | 114 |
| MISSISSIPPI | 240 | 306 | 38 | 268 |
| MISSOURI | 332 | 413 | 28 | 385 |
| MONTANA | 53 | 64 | 8 | 56 |
| NEBRASKA | 54 | 72 | 3 | 69 |
| NEVADA | 108 | 149 | 27 | 122 |
| NEW HAMPSHIRE | 36 | 39 | 0 | 39 |
| NEW JERSEY | 293 | 340 | 11 | 329 |
| NEW MEXICO | 90 | 129 | 24 | 105 |
| NEW YORK | 486 | 597 | 28 | 569 |
| NORTH CAROLINA | 327 | 411 | 10 | 401 |
| NORTH DAKOTA | 16 | 21 | 1 | 20 |
| OHIO | 481 | 606 | 25 | 581 |
| OKLAHOMA | 186 | 243 | 29 | 214 |
| OREGON | 88 | 119 | 10 | 109 |
| PENNSYLVANIA | 497 | 586 | 37 | 549 |
| RHODE ISLAND | 30 | 37 | 3 | 34 |
| SOUTH CAROLINA | 216 | 271 | 29 | 242 |
| SOUTH DAKOTA | 28 | 35 | 4 | 31 |
| TENNESSEE | 335 | 420 | 34 | 386 |
| TEXAS | 1213 | 1670 | 290 | 1380 |
| UTAH | 58 | 103 | 20 | 83 |
| VERMONT | 23 | 30 | 4 | 26 |
| VIRGINIA | 233 | 287 | 17 | 270 |
| WASHINGTON | 122 | 162 | 13 | 149 |
| WEST VIRGINIA | 191 | 249 | 17 | 232 |
| WISCONSIN | 214 | 274 | 11 | 263 |
| WYOMING | 28 | 38 | 9 | 29 |
| US TERRITORIES/FOREIGN | 193 | 348 | 110 | 238 |

Source: Quality Control Systems (www.quality-control.us)

Chrysler EWR Claims by State, 2003 Qtr 3 – 2008 Qtr 4

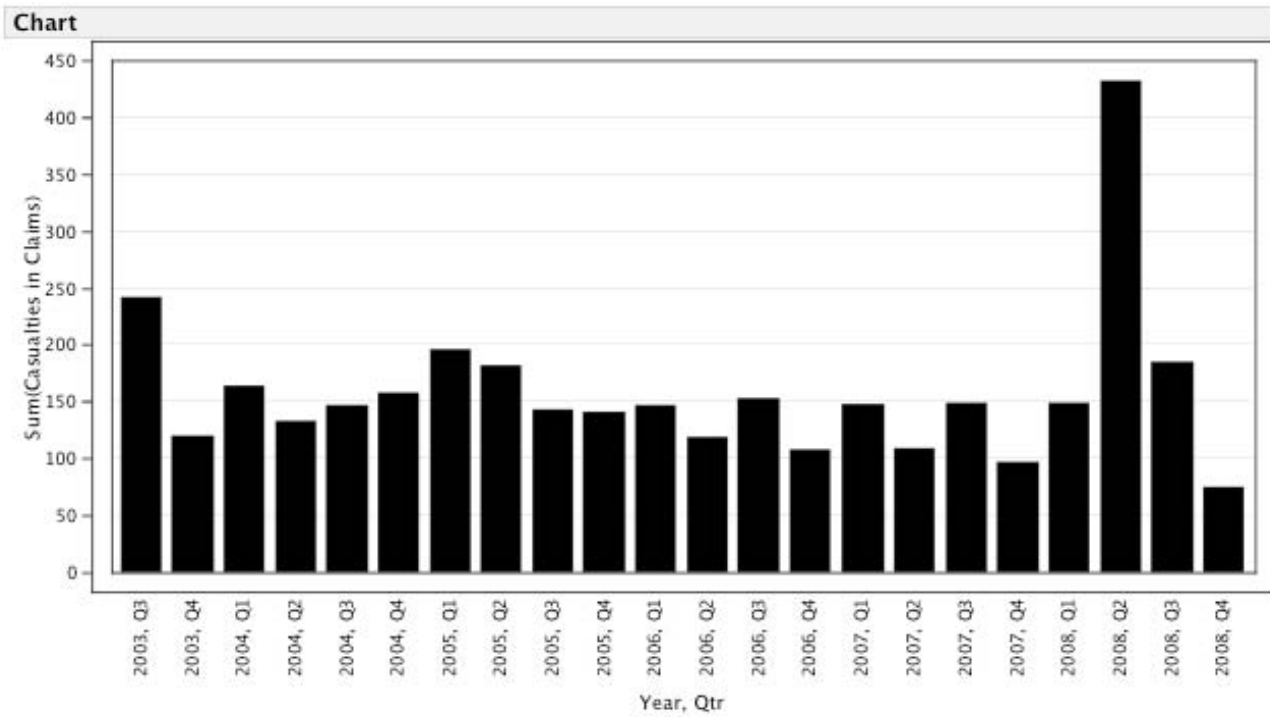
| State | Counts of EWR Claims with Deaths and Injuries | Total Casualties in EWR Claims | Deaths in EWR Claims | Injuries in EWR Claims |
|------------------------|---|--------------------------------|----------------------|------------------------|
| ALABAMA | 60 | 85 | 22 | 63 |
| ARIZONA | 44 | 72 | 11 | 61 |
| ARKANSAS | 29 | 43 | 9 | 34 |
| CALIFORNIA | 206 | 294 | 34 | 260 |
| COLORADO | 31 | 42 | 3 | 39 |
| CONNECTICUT | 25 | 31 | 2 | 29 |
| DC | 1 | 1 | 0 | 1 |
| DELAWARE | 12 | 12 | 4 | 8 |
| FLORIDA | 211 | 298 | 54 | 244 |
| GEORGIA | 71 | 91 | 31 | 60 |
| HAWAII | 16 | 24 | 4 | 20 |
| IDAHO | 10 | 15 | 0 | 15 |
| ILLINOIS | 86 | 96 | 15 | 81 |
| INDIANA | 48 | 55 | 5 | 50 |
| IOWA | 11 | 18 | 6 | 12 |
| KANSAS | 13 | 20 | 3 | 17 |
| KENTUCKY | 43 | 49 | 6 | 43 |
| LOUISIANA | 55 | 82 | 18 | 64 |
| MAINE | 12 | 34 | 12 | 22 |
| MARYLAND | 48 | 57 | 8 | 49 |
| MASSACHUSETTS | 53 | 63 | 6 | 57 |
| MICHIGAN | 85 | 98 | 10 | 88 |
| MINNESOTA | 27 | 30 | 0 | 30 |
| MISSISSIPPI | 49 | 81 | 26 | 55 |
| MISSOURI | 60 | 73 | 15 | 58 |
| MONTANA | 8 | 23 | 4 | 19 |
| NEBRASKA | 12 | 16 | 2 | 14 |
| NEVADA | 24 | 32 | 5 | 27 |
| NEW HAMPSHIRE | 11 | 15 | 1 | 14 |
| NEW JERSEY | 100 | 110 | 4 | 106 |
| NEW MEXICO | 32 | 54 | 16 | 38 |
| NEW YORK | 100 | 123 | 13 | 110 |
| NORTH CAROLINA | 46 | 55 | 8 | 47 |
| OHIO | 78 | 96 | 11 | 85 |
| OKLAHOMA | 34 | 44 | 7 | 37 |
| OREGON | 38 | 43 | 1 | 42 |
| PENNSYLVANIA | 141 | 178 | 15 | 163 |
| RHODE ISLAND | 10 | 10 | 1 | 9 |
| SOUTH CAROLINA | 53 | 65 | 11 | 54 |
| SOUTH DAKOTA | 4 | 5 | 0 | 5 |
| TENNESSEE | 60 | 91 | 15 | 76 |
| TEXAS | 309 | 441 | 97 | 344 |
| UTAH | 18 | 29 | 5 | 24 |
| VERMONT | 4 | 4 | 0 | 4 |
| VIRGINIA | 58 | 71 | 6 | 65 |
| WASHINGTON | 23 | 25 | 0 | 25 |
| WEST VIRGINIA | 39 | 47 | 7 | 40 |
| WISCONSIN | 27 | 35 | 3 | 32 |
| WYOMING | 5 | 7 | 2 | 5 |
| US TERRITORIES/FOREIGN | 84 | 114 | 25 | 89 |

Source: Quality Control Systems (www.quality-control.us)

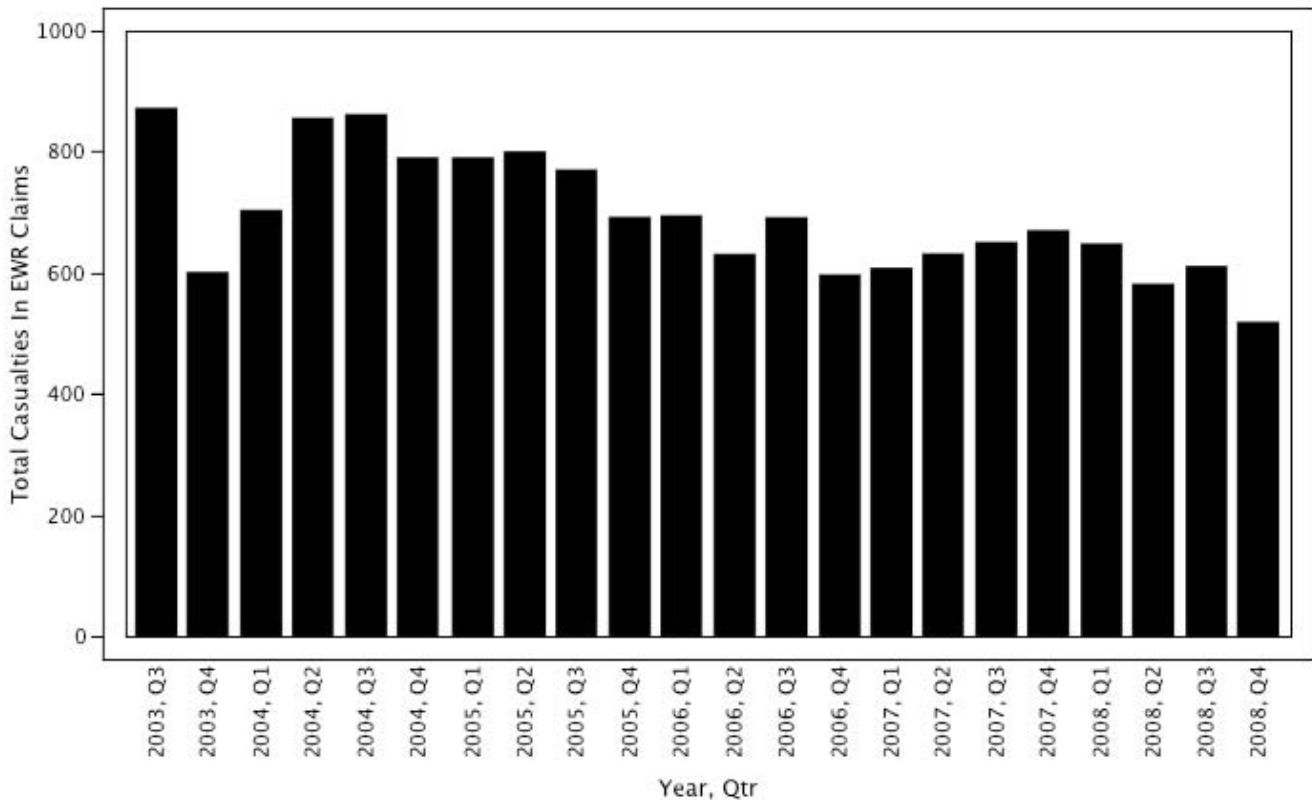
Chrysler and GM EWR Claims by State, 2003 Qtr 3 - 2008 Qtr 4

| State | Chrysler - Total Claims | Chrysler - Avg Claims per Year | GM - Total Claims | GM - Avg Claims per Year | Chrysler/GM Combined - Total Claims | Chrysler/GM Combined - Avg Claims per Year |
|---------------------------|-------------------------------|---|-------------------------|-----------------------------------|---|---|
| Alabama | 60 | 10.91 | 295 | 53.64 | 355 | 64.55 |
| Alaska | 0 | 0.00 | 30 | 5.45 | 30 | 5.45 |
| Arizona | 44 | 8.00 | 259 | 47.09 | 303 | 55.09 |
| Arkansas | 29 | 5.27 | 191 | 34.73 | 220 | 40.00 |
| California | 206 | 37.45 | 935 | 170.00 | 1141 | 207.45 |
| Colorado | 31 | 5.64 | 152 | 27.64 | 183 | 33.27 |
| Connecticut | 25 | 4.55 | 89 | 16.18 | 114 | 20.73 |
| DC | 1 | 0.18 | 8 | 1.45 | 9 | 1.64 |
| Delaware | 12 | 2.18 | 41 | 7.45 | 53 | 9.64 |
| Florida | 211 | 38.36 | 727 | 132.18 | 938 | 170.55 |
| Georgia | 71 | 12.91 | 387 | 70.36 | 458 | 83.27 |
| Hawaii | 16 | 2.91 | 34 | 6.18 | 50 | 9.09 |
| Idaho | 10 | 1.82 | 45 | 8.18 | 55 | 10.00 |
| Illinois | 86 | 15.64 | 497 | 90.36 | 583 | 106.00 |
| Indiana | 48 | 8.73 | 281 | 51.09 | 329 | 59.82 |
| Iowa | 11 | 2.00 | 82 | 14.91 | 93 | 16.91 |
| Kansas | 13 | 2.36 | 97 | 17.64 | 110 | 20.00 |
| Kentucky | 43 | 7.82 | 272 | 49.45 | 315 | 57.27 |
| Louisiana | 55 | 10.00 | 344 | 62.55 | 399 | 72.55 |
| Maine | 12 | 2.18 | 53 | 9.64 | 65 | 11.82 |
| Maryland | 48 | 8.73 | 172 | 31.27 | 220 | 40.00 |
| Massachusetts | 53 | 9.64 | 178 | 32.36 | 231 | 42.00 |
| Michigan | 85 | 15.45 | 495 | 90.00 | 580 | 105.45 |
| Minnesota | 27 | 4.91 | 107 | 19.45 | 134 | 24.36 |
| Mississippi | 49 | 8.91 | 240 | 43.64 | 289 | 52.55 |
| Missouri | 60 | 10.91 | 332 | 60.36 | 392 | 71.27 |
| Montana | 8 | 1.45 | 53 | 9.64 | 61 | 11.09 |
| Nebraska | 12 | 2.18 | 54 | 9.82 | 66 | 12.00 |
| Nevada | 24 | 4.36 | 108 | 19.64 | 132 | 24.00 |
| New Hampshire | 11 | 2.00 | 36 | 6.55 | 47 | 8.55 |
| New Jersey | 100 | 18.18 | 293 | 53.27 | 393 | 71.45 |
| New Mexico | 32 | 5.82 | 90 | 16.36 | 122 | 22.18 |
| New York | 100 | 18.18 | 486 | 88.36 | 586 | 106.55 |
| North Carolina | 46 | 8.36 | 327 | 59.45 | 373 | 67.82 |
| North Dakota | 0 | 0.00 | 16 | 2.91 | 16 | 2.91 |
| Ohio | 78 | 14.18 | 481 | 87.45 | 559 | 101.64 |
| Oklahoma | 34 | 6.18 | 186 | 33.82 | 220 | 40.00 |
| Oregon | 38 | 6.91 | 88 | 16.00 | 126 | 22.91 |
| Pennsylvania | 141 | 25.64 | 497 | 90.36 | 638 | 116.00 |
| Rhode Island | 10 | 1.82 | 30 | 5.45 | 40 | 7.27 |
| South Carolina | 53 | 9.64 | 216 | 39.27 | 269 | 48.91 |
| South Dakota | 4 | 0.73 | 28 | 5.09 | 32 | 5.82 |
| Tennessee | 60 | 10.91 | 335 | 60.91 | 395 | 71.82 |
| Texas | 309 | 56.18 | 1213 | 220.55 | 1522 | 276.73 |
| Utah | 18 | 3.27 | 58 | 10.55 | 76 | 13.82 |
| Vermont | 4 | 0.73 | 23 | 4.18 | 27 | 4.91 |
| Virginia | 58 | 10.55 | 233 | 42.36 | 291 | 52.91 |
| Washington | 23 | 4.18 | 122 | 22.18 | 145 | 26.36 |
| West Virginia | 39 | 7.09 | 191 | 34.73 | 230 | 41.82 |
| Wisconsin | 27 | 4.91 | 214 | 38.91 | 241 | 43.82 |
| Wyoming | 5 | 0.91 | 28 | 5.09 | 33 | 6.00 |
| US Territories/Foreign | 84 | 15.27 | 193 | 35.09 | 277 | 50.36 |

Death and Injury Claims in Early Warning Reporting by Quarter: Chrysler
 2003 (3rd Quarter) – 2008 4th Quarter



Death and Injury Claims in Early Warning Reporting: General Motors
 2003 (3rd Quarter) – 2008 4th Quarter



Summary Counts for GM

| Year, Qtr | Counts of EWR Claims with Deaths and Injuries | Total Casualties In EWR Claims | Deaths in EWR Claims | Injuries in EWR Claims |
|-----------|---|--------------------------------|----------------------|------------------------|
| 2003, Q3 | 688 | 873 | 128 | 745 |
| 2003, Q4 | 486 | 602 | 70 | 532 |
| 2004, Q1 | 565 | 704 | 102 | 602 |
| 2004, Q2 | 707 | 856 | 75 | 781 |
| 2004, Q3 | 659 | 862 | 78 | 784 |
| 2004, Q4 | 664 | 791 | 69 | 722 |
| 2005, Q1 | 668 | 791 | 78 | 713 |
| 2005, Q2 | 631 | 801 | 89 | 712 |
| 2005, Q3 | 569 | 771 | 58 | 713 |
| 2005, Q4 | 550 | 693 | 64 | 629 |
| 2006, Q1 | 540 | 695 | 52 | 643 |
| 2006, Q2 | 503 | 631 | 58 | 573 |
| 2006, Q3 | 507 | 692 | 71 | 621 |
| 2006, Q4 | 439 | 597 | 102 | 495 |
| 2007, Q1 | 470 | 609 | 62 | 547 |
| 2007, Q2 | 443 | 632 | 68 | 564 |
| 2007, Q3 | 479 | 651 | 82 | 569 |
| 2007, Q4 | 533 | 671 | 66 | 605 |
| 2008, Q1 | 500 | 649 | 47 | 602 |
| 2008, Q2 | 442 | 582 | 51 | 531 |
| 2008, Q3 | 493 | 612 | 51 | 561 |
| 2008, Q4 | 406 | 519 | 41 | 478 |

Summary Counts for Chrysler

| Year, Qtr | Counts of EWR Claims with Deaths and Injuries | Total Casualties In EWR Claims | Deaths in EWR Claims | Injuries in EWR Claims |
|-----------|---|--------------------------------|----------------------|------------------------|
| 2003, Q3 | 170 | 242 | 48 | 194 |
| 2003, Q4 | 76 | 120 | 22 | 98 |
| 2004, Q1 | 135 | 164 | 21 | 143 |
| 2004, Q2 | 111 | 133 | 25 | 108 |
| 2004, Q3 | 119 | 147 | 20 | 127 |
| 2004, Q4 | 123 | 158 | 25 | 133 |
| 2005, Q1 | 148 | 196 | 20 | 176 |
| 2005, Q2 | 135 | 182 | 31 | 151 |
| 2005, Q3 | 106 | 143 | 22 | 121 |
| 2005, Q4 | 105 | 141 | 22 | 119 |
| 2006, Q1 | 101 | 147 | 26 | 121 |
| 2006, Q2 | 92 | 119 | 15 | 104 |
| 2006, Q3 | 115 | 153 | 26 | 127 |
| 2006, Q4 | 82 | 108 | 15 | 93 |
| 2007, Q1 | 119 | 148 | 27 | 121 |
| 2007, Q2 | 88 | 109 | 19 | 90 |
| 2007, Q3 | 98 | 149 | 28 | 121 |
| 2007, Q4 | 81 | 97 | 18 | 79 |
| 2008, Q1 | 101 | 149 | 22 | 127 |
| 2008, Q2 | 324 | 432 | 77 | 355 |
| 2008, Q3 | 136 | 185 | 27 | 158 |
| 2008, Q4 | 59 | 75 | 7 | 68 |

Source: Quality Control Systems Corp. (www.quality-control.us)