



September 20, 2010

Federal Trade Commission
Consumer Response Center
600 Pennsylvania Ave., NW
Washington, D.C. 20580

Re: Supplement to Complaint of Deceptive Advertising Against General Motors
Company (related to FTC Ref. No. 26368209)

Dear Sir/Madam:

On May 4, 2010, Competitive Enterprise Institute filed a complaint of deceptive advertising against General Motors Company over its advertisements falsely claiming that it had paid back taxpayers for the money it received in its bailout, when General Motors had in fact *not* paid back what it received, and used taxpayer money to make what little “repayment” purportedly occurred. (On May 6, FTC’s Consumer Response Center acknowledged receipt in a letter bearing FTC Ref. No. 26368209, adding the Complaint to FTC’s complaint retention system)

On September 16, 2010, General Motors admitted that it did not in fact repay what it received from the government, and that its repayment of its bailout may take years:

“It will take a couple of years for taxpayers to get back the billions they spent bailing out General Motors, but the company has a goal of returning the money, GM’s new CEO said Thursday. CEO Daniel Akerson told reporters that the government won’t be repaid with the company’s initial public stock offering, which could happen later this year, but couldn’t answer more specific questions about the sale.”¹

The purpose of this letter is to supplement our FTC complaint dated May 4, 2010 with that recent admission by GM.

¹ Associated Press, *Bailout Payback To Take Years, GM Says*, Augusta Chronicle, Sept. 17, 2010, at A5 (available at <http://chronicle.augusta.com/news/business/2010-09-16/bailout-payback-take-years-gm-says> and <http://chronicle.augusta.com/print/476505> and in Westlaw News Database at 2010 WLNR 18583078); Tom Krisher, Associated Press, *GM Loan May Take Years to Repay: New CEO: Money for Bailout Won't Come from IPO*, St. Paul Pioneer-Press, Sept. 17, 2010, at C1 (also available at www.twincities.com/business/ci_16096983 and in Westlaw News Database at 2010 WLNR 18551102); *GM Chief Says Repayment of Bailout Could Take Years*, Houston Chronicle, Sept. 17, 2010, at 3 (available in Westlaw News Database at 2010 WLNR 18526063).

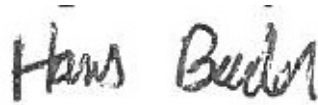
As one commentator noted, GM's recent admission flatly conflicts with the claims by GM in its advertising campaign:

**“Old GM CEO: We repayed the bailout in full with interest!
New GM CEO: Repaying bailout could take years”²**

Attached to this letter as Exhibit 1 is a news article chronicling GM's admission, the first of the articles cited in footnote 1 of this letter.³

Our original complaint against GM, filed on May 4, can be found not only in the FTC's files, but also on the web at [http://cei.org/cei_files/fm/active/0/FTC Complaint about GM Bailout Ads.pdf](http://cei.org/cei_files/fm/active/0/FTC%20Complaint%20about%20GM%20Bailout%20Ads.pdf) or by visiting the URL, <http://cei.org/outreach-regulatory-comments-and-testimony/ceis-ftc-complaint-against-general-motors-over-bailout-ad> on our web site.

Sincerely,



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² The Blog Prof, Sept. 16, 2010 (available at <http://theblogprof.blogspot.com/2010/09/old-gm-ceo-we-repayed-bailout-in-full.html>).

³ See, e.g., *Logan v. Denny's*, 259 F.3d 558, 578 n.9 (6th Cir. 2001) (taking judicial notice of news stories about Denny's to establish its "past record of discrimination"); *Church of Scientology v. Clearwater*, 2 F.3d 1509, 1531 (11th Cir. 1993) (relying on news articles to reject grant of summary judgment against plaintiffs); *Nebraska v. EPA*, 331 F.3d 995, 998 n.3 (D.C. Cir. 2003) (taking judicial notice of information on Internet).

EXHIBIT

1

The Augusta Chronicle

Bailout payback to take years, GM says

Source URL: <http://chronicle.augusta.com/news/business/2010-09-16/bailout-payback-take-years-gm-says>

Associated Press

[Thursday, Sept. 16, 2010](#)

DETROIT --- It will take a couple of years for taxpayers to get back the billions they spent bailing out General Motors, but the company has a goal of returning the money, GM's new CEO said Thursday.

CEO Daniel Akerson told reporters that the government won't be repaid with the company's initial public stock offering, which could happen later this year, but couldn't answer more specific questions about the sale.

Akerson, a former telecommunications industry executive and GM board member since July 2009, said the \$50 billion government bailout of GM saved a lot of jobs and helped to preserve the country's manufacturing base.

The bailout has bred resentment with some car buyers and hurt GM's sales. The automaker hopes the stock sale will end its government ownership and raise money for investment and to reduce debt.

GM has repaid \$6.7 billion of the money the government put up to save the company and get it through bankruptcy protection last year, and the remaining \$43 billion was converted to a 61 percent ownership stake. GM has filed paperwork starting the process to sell stock to the public, and a sale could come as early as mid-November.

Akerson, GM's fourth CEO in less than two years, also indicated that management will be stable in the future, saying he doesn't expect to make any changes.

The man he replaced on Sept. 1, former CEO Ed Whitacre, said in August that he expected the stock to be sold all at once, but Akerson said that was unrealistic. Although he said no investor has "infinite patience," he indicated that it would take consistent earnings from GM and several stock sales before the money is returned.

"I don't think that's going to be in one fell swoop," he said. "So we have to post those numbers and provide some consistent results. Over the next couple of years that will happen," he said.

President Obama also has said all taxpayer money will be returned, but spokesmen later said he meant the money his administration pumped into GM.

GM made \$2.2 billion in the first half of the year, a strong sign to investors that it is much leaner and healthier than it was before bankruptcy.

The company will not sell any shares of common stock, leaving that to the government and its three other shareholders. It plans to sell preferred stock, which will be converted to common shares in 2013.

Also Thursday, Chrysler and Fiat CEO Sergio Marchionne said he expects Chrysler's IPO to take place in the second half of next year.