

Source: GM Will File For IPO This Week

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Tom Krisher, AP Auto Writer

DETROIT (AP) — General Motors Co. is likely to file paperwork next week that describes its plan to sell shares to the public, a person familiar with the matter said Friday.

The Detroit automaker had planned to file the papers on Friday but delayed the move to build distance between the filing and two major announcements it made on Thursday, said the person, who asked not to be identified because the company is not commenting publicly on the stock sale.

GM said Thursday that CEO Edward Whitacre would step down as CEO Sept. 1 and be replaced by board member Daniel Akerson. It also reported a \$1.3 billion second-quarter profit, its second-straight positive quarter.

The board has not yet decided the date of the stock sale, the person said.

However, experts say an initial public offering, or IPO, generally takes place three months after early paperwork is filed.

GM got \$50 billion in aid from taxpayers last year in exchange for 61 percent of the company. It repaid \$6.7 billion that was considered a loan, and a stock sale would repay at least some of the remaining \$43.3 billion.

The person said GM's board is weighing two desires: To shed government ownership quickly or wait longer and perhaps sell shares for a higher price if the automaker continues to do well.

Whitacre has said that government ownership is hurting the company's public image and sales.

The Obama administration may be pressuring GM to sell shares soon to influence the November congressional elections and make the government's controversial investment look smart, some analysts say. But Whitacre and the government have said GM is in charge of the IPO timing.

Sen. Charles Grassley, R-Iowa, on Friday asked a special inspector general overseeing the federal bailout fund to determine if GM and Treasury are helping taxpayers receive the largest repayment possible. "More than \$40 billion in tax dollars is tied up in GM stock, so the stock sale is risky for the public," Grassley said. "The Treasury Department needs to minimize the risk for taxpayers."

Associated Press Writer Ken Thomas in Washington contributed to this report.

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