U.S. Gov't Starts To Sell Remaining Stake In GM

The Associated Press

DETROIT (AP) — The U.S. government has started selling its remaining General Motors stock as it moves to end four years of partial ownership of the Detroit automaker.

The Treasury Department said in its January report to Congress that it sold $156.4 million worth of GM common stock last month.

The report, dated Feb. 11, says the government has recovered about $29 billion of its $49.5 billion bailout of GM. That means it's just over $20 billion in the hole on the bailout.

Details on the average share price will be revealed later, Treasury says in the report.

GM's stock ranged from $27.61 to $30.68 in January. At the midpoint of that range, $29.15, the government would have sold about 5.4 million shares.

The government owned 300.1 million GM shares, or 19 percent of the company, at the start of the year. Treasury has said it will sell the rest by early in 2014, depending on market conditions. Treasury would not reveal specific details of the sales plan or provide further information on timing.

Breaking even would require selling the remaining 300 million shares for an average of about $70 each — more than double the current trading price.

GM shares were down 48 cents, or 1.8 percent, to $26.63 in midday trading Monday.

In January, Treasury announced a plan to sell the shares and said that it hired JPMorgan Securities and Citigroup Global Markets to conduct the sale. The banks will get one cent for every share they sell, for a fee of up to $3 million.

When the government finally sells all of its shares, it will end a sad chapter in GM's history. The company nearly ran out of cash in 2008 and needed government money to survive a trip through bankruptcy reorganization. Since then, GM has posted 12 straight quarters of profits. Last year, the company bought 200 million of its shares from the government for $5.5 billion.

The bailout has rankled many taxpayers who thought the government shouldn't have interfered with the company's business. Some still call GM "Government Motors."

GM shares sold for $33 each when they began publicly trading again in November,

2010. The shares rose shortly after the sale but fell dramatically early last year as the U.S. economy slowed and Europe headed toward recession. A strengthening U.S. auto sales recovery and the stock buyback pushed the price back above $30 toward the end of the year.

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