Gov't Sells Another $811M In GM Stock

The Associated Press

DETROIT (AP) — The government is getting closer to selling all of its General Motors Co. stock [1].

The Treasury Department said in its August report to Congress that it sold $811 million worth of GM common stock last month.

The report dated Tuesday says the government has recovered about $35.4 billion of the $49.5 billion bailout it gave the Detroit automaker. That means taxpayers are still $14.1 billion in the hole.

The Treasury says the price per share of stock sold in July and August will be revealed at a later date.

GM stock sold in a range of $33.50 to $37.18 in August. At the midpoint of $35.34, the government would have sold roughly 23 million shares. In July, the government sold $877 million worth of stock. At the midpoint of $35.56, it would have sold roughly 25 million shares.

That would leave it with an estimated 186 million shares. Those would have to sell for around $76 each for the government to break even, more than double the current trading price. GM shares closed Tuesday up 52 cents, or 1.4 percent, at $37 as the markets rallied on Syria's decision to give up its chemical weapons.

In January, the Treasury announced a plan to sell the shares by early 2014 and said that it hired JPMorgan Securities and Citigroup Global Markets to conduct the sale.

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 14 straight profitable quarters.

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