

Ally Financial Inc.  
Form S-3/A  
March 01, 2011  
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As filed with the Securities and Exchange Commission on March 1, 2011

Registration No. 333-165608

**UNITED STATES SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

Amendment No. 1

TO

FORM S-3

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

**Ally Financial Inc.**

(Exact Name of registrant as specified in its charter)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**GMAC Capital Trust I**

(Exact Name of registrant as specified in its charter)

**38-0572512**  
(I.R.S. Employer  
Identification Number)

**Delaware**  
(State or Other Jurisdiction of  
Incorporation or Organization)

**200 Renaissance Center**

**P.O. Box 200**

**27-6372943**  
(I.R.S. Employer  
Identification Number)

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Detroit, Michigan 48265-2000

(866) 710-4623

(Address, including zip code, and telephone number, including area code, of each of the registrants principal executive offices)

David J. DeBrunner

200 Renaissance Center

Detroit, Michigan 48265-2000

(313) 556-5000

(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copy to:

Richard A. Drucker

Davis Polk & Wardwell LLP

450 Lexington Avenue

New York, NY 10017

(212) 450-4000

Approximate date of commencement of proposed sale to the public: From time to time after this Registration Statement becomes effective.

If the only securities being registered on this Form are being offered pursuant to dividend or interest reinvestment plans, please check the following box.

If any of the securities being registered on this Form are to be offered on a delayed or continuous basis pursuant to Rule 415 under the Securities Act of 1933, other than securities offered only in connection with dividend or interest reinvestment plans, check the following box.

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a post-effective amendment filed pursuant to Rule 462(c) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering.

If this Form is a registration statement pursuant to General Instruction I.D. or a post-effective amendment thereto that shall become effective upon filing with the Commission pursuant to Rule 462(e) under the Securities Act, check the following box.

If this Form is a post-effective amendment to a registration statement filed pursuant to General Instruction I.D. filed to register additional securities or additional classes of securities pursuant to Rule 413(b) under the Securities Act, check the following box.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filer and smaller reporting company in Rule 12b-2 of the Exchange Act.

Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company

CALCULATION OF REGISTRATION FEE

Title of Each	Amount to	Proposed	Proposed	Amount of
				Registration Fee

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<b>Class of Securities to be Registered</b>	<b>be Registered</b>	<b>Maximum Offering Price  Per Unit</b>	<b>Maximum Aggregate Offering Price</b>	
8.0% Trust Preferred Securities, Series 1 of GMAC Capital Trust I	(1)	(1)	(1)	(1)
8.0% Junior Subordinated Deferrable Interest Debentures due 2040 (2)	(1)	(1)	(1)	(1)
Fixed Rate/Floating Rate Trust Preferred Securities, Series 2 of GMAC Capital Trust I	(1)	(1)	(1)	(1)
Fixed Rate/Floating Rate Junior Subordinated Deferrable Interest Debentures due 2040 (3)	(1)	(1)	(1)	(1)
Guarantee of 8.0% Trust Preferred Securities, Series 1 of GMAC Capital Trust I	(4)	(4)	(4)	(4)
Guarantee of Fixed Rate/Floating Rate Trust Preferred Securities, Series 2 of GMAC Capital Trust I	(4)	(4)	(4)	(4)

- (1) In accordance with Rules 456(b) and 457(r) under the Securities Act of 1933, as amended, the registrant is deferring payment of the registration fee.
- (2) The 8.0% Junior Subordinated Deferrable Interest Debentures may later be distributed to the holders of 8.0% Trust Preferred Securities, Series 1 and 8.0% Series 1 Trust Common Securities upon dissolution of Series 1 of GMAC Capital Trust I, or the entire GMAC Capital Trust I, and the distribution of the assets thereof.
- (3) The Fixed Rate/Floating Rate Junior Subordinated Deferrable Interest Debentures may later be distributed to the holders of Series 2 Trust Preferred Securities and Series 2 Trust Common Securities upon dissolution of Series 2 of GMAC Capital Trust I, or the entire GMAC Capital Trust I, and the distribution of the assets thereof.
- (4) Pursuant to Rule 457(n), no additional registration fee is due for the guarantees.

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**PROSPECTUS**

**GMAC Capital Trust I**

**8.0% Trust Preferred Securities, Series 1**

**Liquidation Amount \$1,000 Per Trust Preferred Security**

**and**

**Fixed Rate/Floating Rate Trust Preferred Securities, Series 2**

**Liquidation Amount \$25 Per Trust Preferred Security**

**Each series guaranteed to the extent set forth herein by**

**Ally Financial Inc.**

This prospectus relates to 8.0% Trust Preferred Securities, Series 1 of GMAC Capital Trust I (the Series 1 Trust Preferred Securities ) with a liquidation amount of \$1,000 per Series 1 Trust Preferred Security and Fixed Rate/Floating Rate Trust Preferred Securities, Series 2 of GMAC Capital Trust I (the Series 2 Trust Preferred Securities and, together with the Series 1 Trust Preferred Securities, the Trust Preferred Securities ) with a liquidation amount of \$25 per Series 2 Trust Preferred Security.

Ally Financial Inc. has guaranteed the Trust Preferred Securities to the extent described in this prospectus.

The selling securityholders who may sell or otherwise dispose of the securities offered by this prospectus include the United States Department of the Treasury ( Treasury ) and any other holders of the securities covered by this prospectus to whom Treasury has transferred its registration rights in accordance with the terms of the securities purchase and exchange agreement between us and Treasury. The selling securityholders may offer the securities from time to time directly or through underwriters, broker-dealers or agents, and in one or more public or private transactions and at fixed prices, at prevailing market prices, at prices related to prevailing market prices, or at negotiated prices. If these securities are sold through underwriters, broker-dealers or agents, the selling securityholders will be responsible for underwriting discounts or commissions or agents' commissions, if any. We will not receive any proceeds from the sale of securities by the selling securityholders.

The Trust Preferred Securities are not currently listed on any established securities exchange or quotation system.

This prospectus may not be used to sell securities unless accompanied by a prospectus supplement that will describe the method of sale and terms of the related offering.

**The securities offered by this prospectus are not savings accounts, deposits or other obligations of any bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.**

**Investing in the securities offered by this prospectus involves risks. See Risk Factors beginning on page 9 of this prospectus and contained in our periodic reports filed with the Securities and Exchange Commission, as well as the other information contained or incorporated by reference in this prospectus.**

**Neither the Securities and Exchange Commission nor any state securities commission nor any other regulatory body has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.**

The date of this prospectus is March 1, 2011.

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**THIS PROSPECTUS**

This prospectus is part of a registration statement that we filed with the Securities and Exchange Commission (the SEC) using a shelf registration process. Under this shelf registration process, the selling securityholders may from time to time sell or otherwise dispose of the securities described in this prospectus in one or more offerings.

This prospectus provides you with a general description of the securities the selling securityholders may offer. Each time the selling securityholders sell securities, we will provide a prospectus supplement that will contain specific information about the terms of that offering. The prospectus supplement may also add to, update or change information contained in this prospectus and, accordingly, to the extent inconsistent, information in this prospectus will be superseded by the information in the prospectus supplement.

The prospectus supplement to be attached to the front of this prospectus may describe, as applicable: the initial public offering price, the price paid for the securities, net proceeds and the other specific terms related to the offering of these securities, and the federal income tax consequences of investing in the securities.

Unless the context otherwise requires, references in this prospectus to the Company, we, us, and our refer to Ally Financial Inc. and its direct and indirect subsidiaries (including Residential Capital, LLC, or ResCap) on a consolidated basis, references to Ally refer only to Ally Financial Inc. and references to the Trust refer to GMAC Capital Trust I.

**We have not authorized anyone to provide any information other than that contained in this prospectus or in any prospectus supplement or in any free writing prospectus prepared by or on behalf of us or to which we have referred to you. We take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. We are not making an offer or soliciting a purchase of these securities in any jurisdiction in which the offer or solicitation is not authorized or in which the person making the offer or solicitation is not qualified to do so or to anyone to whom it is unlawful to make the offer or solicitation. You should not assume that the information in this prospectus or any prospectus supplement is accurate as of any date other than the date on the cover of the applicable document. Our business, financial condition, results of operations and prospects may have changed since that date.**

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**INFORMATION INCORPORATED BY REFERENCE; WHERE YOU CAN FIND MORE INFORMATION**

The SEC allows us to incorporate by reference into this prospectus the information in other documents that we file with the SEC, which means that we can disclose important information to you by referring you to those documents. The information incorporated by reference is considered to be a part of this prospectus, and information in documents that we file later with the SEC will automatically update and supersede information contained in documents filed earlier with the SEC or contained in this prospectus or a prospectus supplement. We incorporate by reference in this prospectus the documents listed below:

Annual Report on Form 10-K for the fiscal year ended December 31, 2010; and

Current Reports on Form 8-K filed on January 14, 2011, February 11, 2011 and February 28, 2011.

We are also incorporating by reference any future filings we make with the SEC under Sections 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934, as amended (the Exchange Act), after the date of this prospectus and prior to the date of any supplement to this prospectus, except that, unless otherwise indicated, we are not incorporating any information furnished under Item 2.02 or Item 7.01 of any Current Report on Form 8-K. Notwithstanding the foregoing, we are not incorporating any document or information deemed to have been furnished and not filed in accordance with SEC rules.

Ally is subject to the informational requirements of the Exchange Act and, in accordance therewith, files reports and information statements and other information with the SEC. You may read and copy any document Ally files with the SEC at the SEC's public reference room at 100 F Street, N.E., Room 1580, Washington, DC 20549. You may also obtain copies of the same documents from the public reference room of the SEC in Washington by paying a fee. Please call the SEC at 1-800-SEC-0330 or visit the SEC's website at [www.sec.gov](http://www.sec.gov) for further information on the public reference room. Ally's filings are also electronically available from the SEC's Electronic Document Gathering and Retrieval System, which is commonly known by the acronym EDGAR, and which may be accessed at [www.sec.gov](http://www.sec.gov), as well as from commercial document retrieval services.

You may also obtain a copy of any or all of the documents referred to above that may have been or may be incorporated by reference into this prospectus (excluding certain exhibits to the documents) at no cost to you by writing or telephoning us at the following address and telephone number:

Ally Financial Inc.

Attention: Investor Relations

440 South Church Street, 14th Floor

Charlotte, North Carolina 28202

Tel: (866) 710-4623

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**CAUTIONARY STATEMENT REGARDING FORWARD-LOOKING STATEMENTS**

This prospectus contains or incorporates by reference documents containing various forward-looking statements within the meaning of applicable federal securities laws, including the Private Securities Litigation Reform Act of 1995, that are based upon our current expectations and assumptions concerning future events, which are subject to a number of risks and uncertainties that could cause actual results to differ materially from those anticipated.

The words expect, anticipate, estimate, forecast, initiative, objective, plan, goal, project, outlook, priorities, target, intent, may, would, could, should, believe, potential, continue, or the negative of any of those words or similar expressions is intended to identify forward-looking statements. All statements contained in or incorporated by reference into this prospectus, other than statements of historical fact, including, without limitation, statements about our plans, strategies, prospects and expectations regarding future events and our financial performance, are forward-looking statements that involve certain risks and uncertainties.

While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable as of the date made, these statements are not guarantees of any events or financial results, and our actual results may differ materially due to numerous important factors that are described in Item 1A of our Annual Report on Form 10-K for the year ended December 31, 2010, as updated by our subsequent Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and the other documents specifically incorporated by reference herein. See [Information Incorporated by Reference; Where You Can Find More Information](#). Many of these risks, uncertainties and assumptions are beyond our control, and may cause our actual results and performance to differ materially from our expectations. Accordingly, you should not place undue reliance on the forward-looking statements contained or incorporated by reference in this prospectus. These forward-looking statements speak only as of the date of this prospectus. We undertake no obligation to update publicly or otherwise revise any forward-looking statements, except where expressly required by law.



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**SUMMARY**

*This summary highlights some of the information contained, or incorporated by reference, in this prospectus to help you understand our business. It does not contain all of the information that may be important to you. You should carefully read this prospectus in its entirety, including the information incorporated by reference into this prospectus, to understand fully the considerations that are important to you in making your investment decision. You should pay special attention to the Risk Factors beginning on page 9 and the section entitled Cautionary Statement Regarding Forward-Looking Statements beginning on page iv.*

**Our Company**

Ally (formerly known as GMAC Inc.) was originally founded in 1919 as a wholly-owned subsidiary of General Motors Corporation (currently General Motors Company or GM). On December 24, 2008, the Board of Governors of the Federal Reserve System (the FRB) approved Ally's application to become a bank holding company under the Bank Holding Company Act of 1956, as amended. Ally's banking subsidiary is Ally Bank, which is an indirect wholly-owned subsidiary of Ally. Our principal executive offices are located at 200 Renaissance Center, Detroit, Michigan 48265, and our telephone number is (866) 710-4623.

**Our Business**

Global Automotive Services and Mortgage are our primary lines of business.

**The Trust**

GMAC Capital Trust I (the Trust) is a Delaware statutory trust and a wholly-owned subsidiary of Ally. It was created on December 22, 2009 for the purpose of issuing and selling trust preferred securities and common securities representing undivided beneficial interests in the assets of the Trust and acquiring certain debt securities from Ally. Currently, the Trust's only assets are the 8.00% junior subordinated deferrable interest debentures issued by Ally on December 30, 2009, the terms of which are described in Description of the Series 1 Debentures below. Ally currently owns all of the common securities issued by the Trust.

As described in more detail below, it is intended that the existing amended and restated declaration of trust of the Trust (the Declaration) will be further amended (such further amended and restated Declaration, the Amended and Restated Declaration) to provide for the continuation of the Trust, as a statutory trust organized in series, each series of which shall be separate from the other series of the Trust as set forth in the Amended and Restated Declaration. The Amended and Restated Declaration will generally provide that (i) the securities of each series of the Trust represent undivided beneficial interests in only the designated assets of the Trust with respect to such series, and will only have designated rights or powers, with respect to such series, (ii) the debts and liabilities incurred with respect to a series shall be enforceable only against the assets of such series and not against the assets of any other series, and (iii) each series shall have separate trustees having separate rights, powers and duties with respect to the operation of such series.

**Securities Being Offered**

***The Trust Preferred Securities***

On December 30, 2009, 2,540,000 8.00% trust preferred securities were issued by the Trust, a subsidiary of Ally, to Treasury and 127,000 8.00% trust preferred securities were purchased by Treasury upon the exercise of a warrant issued by Ally to Treasury. All issuances were part of Treasury's Automotive Industry Financing Program under the Troubled Asset Relief Program (TARP) created under the Emergency Economic Stabilization Act of 2008 (the EESA) in a private placement exempt from the registration requirements of the Securities Act of 1933, as amended (the Securities Act).

In accordance with the Amended and Restated Declaration, the Trust will initially designate two series: series 1 (Series 1) and series 2 (Series 2). It is intended that pursuant to the Amended and Restated

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Declaration, the outstanding trust preferred securities will be designated 8.0% Trust Preferred Securities, Series 1 (the Series 1 Trust Preferred Securities). The Series 1 Trust Preferred Securities and the Series 1 Common Securities (as defined below) shall represent undivided beneficial interests in the assets designated to Series 1. The Series 2 Trust Preferred Securities and the Series 2 Common Securities (each as defined below) shall represent undivided beneficial interests in the assets designated to Series 2.

Pursuant to the Amended and Restated Declaration, the holders of the Series 1 Trust Preferred Securities will have the right to designate a portion of the Series 1 Trust Preferred Securities as trust preferred securities of additional series having terms and conditions as agreed among Ally, the Trust and the holders of the Series 1 Trust Preferred Securities at the time of any such designation. Ally's consent would not be required if 100% of the holders of the outstanding Series 1 Trust Preferred Securities wish to designate a portion of the Series 1 Trust Preferred Securities as a new series with the same terms as the Series 1 Trust Preferred Securities in connection with a sale of such new series in a transaction exempt from registration under the Securities Act.

Treasury currently holds 100% of the outstanding 8.00% trust preferred securities. Ally and Treasury have agreed to designate a portion of the Series 1 Trust Preferred Securities to be Fixed Rate/Floating Rate Trust Preferred Securities, Series 2 of GMAC Capital Trust I (the Series 2 Trust Preferred Securities, and together with the Series 1 Trust Preferred Securities, the Trust Preferred Securities) at the time of execution of the Amended and Restated Declaration. We refer to such designation as the Designation.

**The Series 1 Trust Preferred Securities**

Each Series 1 Trust Preferred Security has a liquidation amount of \$1,000 (the Series 1 Trust Preferred Liquidation Amount). Cumulative cash distributions on the Series 1 Trust Preferred Securities will accrue at a rate of 8.00% per annum, compounding quarterly, on the sum of (1) the Series 1 Trust Preferred Liquidation Amount and (2) the amount of any accrued and unpaid distributions for any prior distribution period on such Series 1 Trust Preferred Securities, if any, computed on the basis of a 360-day year consisting of twelve 30-day months. During any period in which Ally elects to defer interest payments on the Series 1 Debentures (described below), Series 1 will defer distributions on the Series 1 Trust Preferred Securities, but such distributions will continue to accrue and compound through any such deferral period. The Series 1 Trust Preferred Securities have no stated maturity date, but must be redeemed upon the redemption or maturity of the Series 1 Debentures (which mature on February 15, 2040).

In the event of any partial redemption of the Series 1 Debentures, Series 1 will redeem Series 1 Trust Preferred Securities with a liquidation amount equal to the principal balance of the redeemed Series 1 Debentures. The redemption price for each Series 1 Trust Preferred Security on any redemption date will be equal to the sum of (1) \$1,000 per security, (2) accrued and unpaid distributions to the redemption date and (3) the premium, if any, paid in connection with the redemption of the corresponding Series 1 Debentures. Series 1 may not redeem Series 1 Trust Preferred Securities prior to December 30, 2014, except upon the occurrence of certain specified events described below or while the Series 1 Trust Preferred Securities are held by the U.S. government as part of assistance provided to Ally under TARP or a similar or related U.S. government program, in each case subject to the receipt of any required approvals from the FRB. On or after December 30, 2014, subject to the receipt of any required approvals from the FRB, Series 1 may redeem all or a portion of the Series 1 Trust Preferred Securities at the Series 1 Trust Preferred Securities liquidation preference at any time, but may not redeem less than all of the Series 1 Trust Preferred Securities unless all accrued and unpaid distributions on the Series 1 Trust Preferred Securities and the Series 1 Common Securities (as defined below) have been paid on or before the redemption date.

The only assets designated to Series 1 will be the Series 1 Debentures. The Series 1 Trust Preferred Securities and the Series 1 Common Securities shall represent undivided beneficial interests in the Series 1 Debentures. Subject to the receipt of any required approval of the FRB, Ally may dissolve Series 1 at any time, and cause the Series 1 Debentures to be distributed to the holders of the Series 1 Trust Preferred Securities and the Series 1 Common Securities.

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The Series 1 Trust Preferred Securities generally are nonvoting, other than voting on certain matters under certain circumstances, including, generally, an amendment of the Amended and Restated Declaration that is adverse to the holders of Series 1 Trust Preferred Securities and with respect to certain actions to be taken upon the occurrence of certain events of default on the Series 1 Trust Preferred Securities or, under certain circumstances, on the Series 1 Debentures.

During any period in which any Series 1 Trust Preferred Securities remain outstanding, but in which distributions on the Series 1 Trust Preferred Securities have not been fully paid, none of Ally and its subsidiaries will (1) declare or pay dividends on, make any distributions with respect thereto, or redeem, purchase or otherwise acquire, any of Ally's capital stock; or (2) make any payments of principal, interest, or premium on, or repay, repurchase or redeem, any debt securities that rank on a parity with or junior in interest to the Series 1 Debentures, with certain specified exceptions in each case.

For a full description of the terms of the Series 1 Trust Preferred Securities, see [Description of the Series 1 Trust Preferred Securities](#) below.

**The Series 2 Trust Preferred Securities**

Each Series 2 Trust Preferred Security has a liquidation amount of \$25 (the [Series 2 Trust Preferred Liquidation Amount](#)).

From and including the date of Designation to but excluding February 15, 2016, cumulative cash distributions on the Series 2 Trust Preferred Securities will accrue at a fixed rate per annum to be agreed among Ally, Series 2 and Treasury at the time of Designation, compounding quarterly, on the sum of (1) the Series 2 Trust Preferred Liquidation Amount and (2) the amount of any accrued and unpaid distributions for any prior distribution period on such Series 2 Trust Preferred Securities, if any, computed on the basis of a 360-day year consisting of twelve 30-day months. From and including February 15, 2016 to but excluding February 15, 2040, cumulative cash distributions on the Series 2 Trust Preferred Securities will accrue at an annual rate equal to three-month LIBOR plus a spread to be agreed among Ally, Series 1 and Treasury at the time of Designation, compounding quarterly, on the sum of (1) the Series 2 Trust Preferred Liquidation Amount and (2) the amount of any accrued and unpaid distributions for any prior distribution period on such Series 2 Trust Preferred Securities, if any, computed on the basis of a 360-day year and the actual number of days elapsed with respect to any interest payment period. During any period in which Ally elects to defer interest payments on the Series 2 Debentures (described below), Series 2 will defer distributions on the Series 2 Trust Preferred Securities, but such distributions will continue to accrue and compound through any such deferral period. The Series 2 Trust Preferred Securities have no stated maturity date, but must be redeemed upon the redemption or maturity of the Series 2 Debentures (which mature on February 15, 2040).

In the event of any partial redemption of the Series 2 Debentures, Series 2 will redeem Series 2 Trust Preferred Securities with a liquidation amount equal to the principal balance of the redeemed Series 2 Debentures. The redemption price for each Series 2 Trust Preferred Security on any redemption date will be equal to the sum of (1) \$25 per security, (2) accrued and unpaid distributions to the redemption date and (3) the premium, if any, paid in connection with the redemption of the corresponding Series 2 Debentures. Series 2 may not redeem Series 2 Trust Preferred Securities prior to February 15, 2016, except upon the occurrence of certain specified events described below, subject to the receipt of any required approvals from the FRB. On or after February 15, 2016, subject to the receipt of any required approvals from the FRB, Series 2 may redeem all or a portion of the Series 2 Trust Preferred Securities at the Series 2 Trust Preferred Securities liquidation preference at any time, but may not redeem less than all of the Series 2 Trust Preferred Securities unless all accrued and unpaid distributions on the Series 2 Trust Preferred Securities and Series 2 Common Securities (as defined below) have been paid on or before the redemption date.

The only assets designated to Series 2 will be the Series 2 Debentures. The Series 2 Trust Preferred Securities and the Series 2 Common Securities shall represent undivided beneficial interests in the Series 2 Debentures. Subject to the receipt of any required approval of the FRB, Ally may dissolve Series 2 at any time,

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and cause the Series 2 Debentures to be distributed to the holders of the Series 2 Trust Preferred Securities and the Series 2 Common Securities.

The Series 2 Trust Preferred Securities generally will be nonvoting, other than voting on certain matters under certain circumstances, including, generally, an amendment of the Amended and Restated Declaration that is adverse to holders of the Series 2 Trust Preferred Securities and with respect to certain actions to be taken upon the occurrence of certain events of default on the Series 2 Trust Preferred Securities or, under certain circumstances, on the corresponding Series 2 Debentures.

During any period in which any Series 2 Trust Preferred Securities remain outstanding, but in which distributions on the Series 2 Trust Preferred Securities have not been fully paid, none of Ally and its subsidiaries will (1) declare or pay dividends on, make any distributions with respect thereto, or redeem, purchase or otherwise acquire any of Ally's capital stock; or (2) make any payments of principal, interest, or premium on, or repay, repurchase or redeem, any debt securities that rank on a parity with or junior in interest to the Series 2 Debentures, with certain specified exceptions in each case.

For a full description of the terms of the Series 2 Trust Preferred Securities, see [Description of the Series 2 Trust Preferred Securities](#) below.

***The Debentures***

The Trust used the proceeds received in connection with the sale of the 8.00% trust preferred securities and the 8.00% common securities on December 30, 2009 to purchase an aggregate principal amount of \$2,747,010,000 (equal to the sum of the liquidation preference of all 8.00% trust preferred securities and the 8.00% common securities sold on that day) of Ally's 8.00% junior subordinated deferrable interest debentures due 2040. The 8.00% junior subordinated deferrable interest debentures due 2040 were issued pursuant to an indenture dated as of December 30, 2009, as amended, between Ally and The Bank of New York Mellon as trustee (the [Indenture](#) ).

Immediately upon the effectiveness of the Amended and Restated Declaration and the Designation, all the assets of the Trust existing immediately prior to the effectiveness will be designated to be assets with respect to Series 1 and all of the claims and obligations of the Trust existing immediately prior to the effectiveness will be claims and obligations with respect to Series 1. The Indenture will be amended and restated (such amended and restated indenture, the [Amended and Restated Indenture](#) ), upon which amendment Ally's 8.00% junior subordinated deferrable interest debentures due 2040 shall be designated the [Series 1 Debentures](#). Immediately following such designation, a portion of the Series 1 Debentures with an aggregate principal amount equal to the aggregate liquidation preference of (1) the portion of Series 1 Trust Preferred Securities designated as Series 2 Trust Preferred Securities, if any, and (2) the portion of Series 1 Common Securities designated as Series 2 Common Securities, if any, will be designated as the [Fixed Rate/Floating Rate Junior Subordinated Deferrable Interest Debentures due 2040](#) (the [Series 2 Debentures](#), and together with the Series 1 Debentures, the [Debentures](#) ). The Series 1 Debentures will be held by, and will constitute the only assets of, Series 1. The Series 2 Debentures will be held by, and will constitute the only assets of Series 2.

**The Series 1 Debentures**

Interest will accrue on the Series 1 Debentures at the rate of 8.00% per annum, compounding quarterly, on the sum of (1) the principal amount of the Debentures and (2) the amount of any accrued and unpaid interest for any prior interest payment period on such Series 1 Debentures, if any, computed on the basis of a 360-day year consisting of twelve 30-day months. Ally may elect to defer interest payments on the Series 1 Debentures for one or more periods, in each case for up to 20 consecutive quarters, provided that no event of default with respect to the Series 1 Debentures giving rise to acceleration rights has occurred and is continuing, and *provided further* that no such deferral may extend beyond the maturity date of the Series 1 Debentures. During any such interest deferral period, interest will continue to accrue and compound as set forth above.

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The Series 1 Debentures mature and become due and payable, together with any accrued and unpaid interest thereon, on February 15, 2040. Ally may not redeem the Series 1 Debentures prior to December 30, 2014, except upon the occurrence of certain specified events or while the Series 1 Debentures are held by the U.S. government as part of assistance provided to Ally under TARP or a similar or related U.S. government program, in each case subject to the receipt of any required approvals from the FRB. On or after December 30, 2014, subject to the receipt of any required approvals from the FRB, Ally may redeem the Series 1 Debentures at any time or from time to time, at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest.

Upon the occurrence of certain specified events of default with respect to the Series 1 Debentures (including any nonpayment of interest that continues for 20 consecutive quarters or certain events of bankruptcy, insolvency or reorganization of Ally), the trustee for the Series 1 Debentures or the holders of 25% of the principal amount of the Series 1 Debentures (or, under certain circumstances, the holders of 25% of the Series 1 Trust Preferred Securities) will have the right to declare the principal amount of the Series 1 Debentures, and any accrued interest, immediately due and payable.

The Series 1 Debentures are generally nonvoting, with the exception of voting rights in connection with certain changes to the Series 1 Debentures or the Amended and Restated Indenture, or with respect to certain actions to be taken upon the occurrence of certain events of default with respect to the Series 1 Debentures.

The Series 1 Debentures are unsecured, and rank equally in right of payment with all of Ally's other existing and future junior subordinated indebtedness, junior in right of payment to all of Ally's existing and future senior or subordinated indebtedness, and senior in right of payment to all of Ally's existing and future equity securities.

For a full description of the terms of the Series 1 Debentures, see [Description of the Series 1 Debentures](#) below.

**The Series 2 Debentures**

From and including the date of Designation to but excluding February 15, 2016, interest will accrue on the Series 2 Debentures at a fixed rate per annum to be agreed among Ally, Series 1 and Treasury at the time of Designation, compounding quarterly, on the sum of (1) the principal amount of the Series 2 Debentures and (2) the amount of any accrued and unpaid interest for any prior interest payment period on such Series 2 Debentures, if any, computed on the basis of a 360-day year consisting of twelve 30-day months. From and including February 15, 2016 to but excluding February 15, 2040, interest will accrue on the Series 2 Debentures at an annual rate equal to three-month LIBOR plus a spread to be agreed among Ally, Series 1 and Treasury at the time of Designation, compounding quarterly, on the sum of (1) the principal amount of the Series 2 Debentures and (2) the amount of any accrued and unpaid interest for any prior interest payment period on such Series 2 Debentures, if any, computed on the basis of a 360-day year and the actual number of days elapsed with respect to any interest payment period. Ally may elect to defer interest payments on the Series 2 Debentures for one or more periods, in each case for up to 20 consecutive quarters, provided that no event of default with respect to the Series 2 Debentures giving rise to acceleration rights has occurred and is continuing, and *provided further* that no such deferral may extend beyond the maturity date of the Series 2 Debentures. During any such interest deferral period, interest will continue to accrue and compound on the Series 2 Debentures as set forth above.

The Series 2 Debentures mature and become due and payable, together with any accrued and unpaid interest thereon, on February 15, 2040. Ally may not redeem the Series 2 Debentures prior to February 15, 2016, except upon the occurrence of certain specified events, subject to the receipt of any required approvals from the FRB. Subject to the receipt of any required approvals from the FRB, Ally may redeem the Series 2 Debentures at any time or from time to time on or after February 15, 2016, at a redemption price equal to 100% of their principal amount plus accrued and unpaid interest.

Upon the occurrence of certain specified events of default with respect to the Series 2 Debentures (including any nonpayment of interest that continues for 20 consecutive quarters or certain events of bankruptcy, insolvency

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or reorganization of Ally), the trustee for the Series 2 Debentures or the holders of 25% of the principal amount of the Series 2 Debentures (or, under certain circumstances, the holders of 25% of the Series 2 Trust Preferred Securities) will have the right to declare the principal amount of the Series 2 Debentures, and any accrued interest, immediately due and payable.

The Series 2 Debentures will generally be nonvoting, with the exception of voting rights in connection with certain changes to the Series 2 Debentures or the Amended and Restated Indenture, or with respect to certain actions to be taken upon the occurrence of certain events of default with respect to the Series 2 Debentures.

The Series 2 Debentures are unsecured, and rank equally in right of payment with all of Ally's other existing and future junior subordinated indebtedness, junior in right of payment to all of Ally's existing and future senior or subordinated indebtedness, and senior in right of payment to all of Ally's existing and future equity securities.

For a full description of the terms of the Debentures, see "Description of the Series 2 Debentures" below.

### ***The Guarantees***

Ally has, pursuant to a Guarantee Agreement (the "Guarantee Agreement"), fully and unconditionally guaranteed, on a subordinated basis, for the benefit of the holders of the outstanding 8.00% trust preferred securities of the Trust, the payment of certain amounts due on such 8.00% trust preferred securities to the extent not paid by or on behalf of the Trust. Concurrently with the Designation, Ally intends to amend and restate the Guarantee Agreement (the "Amended and Restated Guarantee Agreements") to provide guarantees with respect to each of Series 1 and Series 2. The Amended and Restated Guarantee Agreements will provide for full and unconditional guarantees, on a subordinated basis, for the benefit of the holders of the respective series of Trust Preferred Securities, of the payment of certain amounts due on the respective series of Trust Preferred Securities to the extent not paid by or on behalf of such series (the "Guarantees").

With respect to each series of Trust Preferred Securities, the guaranteed amounts include: (1) any accumulated and unpaid distributions required to be paid to that series of Trust Preferred Securities, to the extent that that series of the Trust has funds that are legally and immediately available to pay distributions on the Trust Preferred Securities of that series; (2) any redemption price required to be paid to the holders of that series of Trust Preferred Securities, to the extent that that series of the Trust has funds that are legally and immediately available to pay such redemption price; and (3) upon a termination, winding-up or liquidation of that series of the Trust, if the Debentures of a particular series are not distributed to holders of the corresponding series of Trust Preferred Securities in exchange for such Trust Preferred Securities, the lesser of the liquidation distribution for that series of Trust Preferred Securities and the value of assets of that series of the Trust remaining available for distribution to holders of that series of Trust Preferred Securities after the satisfaction of certain liabilities to creditors of that series of the Trust, as required by law.

Ally's obligations with respect to the Guarantees may be satisfied either by direct payment of such amount to the holders of the Trust Preferred Securities, or by causing the relevant series of the Trust to make such payment. It will constitute an event of default under the Guarantees if Ally fails to perform any of its payment obligations, or other obligations under the Amended and Restated Guarantee Agreements. Following any default with respect to a series of Trust Preferred Securities, the holders of a majority of the outstanding Trust Preferred Securities of that series have the right to exercise or proceed with certain rights, remedies or actions against Ally.

The Guarantees will be an unsecured obligation of Ally, and will have the same ranking with respect to Ally's other indebtedness as the Debentures. The Series 1 Guarantee will terminate upon the earlier of (1) the payment of the guaranteed amounts with respect to the Series 1 Trust Preferred Securities in full by either or both of Ally and Series 1 and (2) the distribution of the Series 1 Debentures to the holders of the Series 1 Trust Preferred Securities in exchange for their Series 1 Trust Preferred Securities. The Series 2 Guarantee will terminate upon the earlier of (1) the payment of the guaranteed amounts with respect to the Series 2 Trust

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Preferred Securities in full by either or both of Ally and Series 2 and (2) the distribution of the Series 2 Debentures to the holders of the Series 2 Trust Preferred Securities in exchange for their Series 2 Trust Preferred Securities.

For a full description of the terms of the Guarantees, see Description of the Guarantees below.

## **The Common Securities**

On December 30, 2009, Ally purchased from the Trust 80,010 8.00% common securities of the Trust, which represented all the outstanding common securities issued by the Trust.

In connection with the Designation, and pursuant to the Amended and Restated Declaration, all the outstanding 8.00% common securities of the Trust will be designated 8.0% Common Securities, Series 1 (the Series 1 Common Securities ) and immediately thereafter a number of the Series 1 Common Securities will be re-designated as the Fixed Rate/Floating Rate Common Securities, Series 2 (the Series 2 Common Securities, and together with the Series 1 Common Securities, the Common Securities ). The number of Series 1 Common Securities that will be so re-designated will be determined *pro rata* to the number of Series 1 Trust Preferred Securities that will be re-designated as Series 2 Trust Preferred Securities.

## **The Offering**

This prospectus relates to the offer and sale by the selling securityholders named herein of Series 1 Trust Preferred Securities and Series 2 Trust Preferred Securities, from time to time, directly or through one or more underwriters, broker-dealers or agents. If securities are sold through underwriters or broker-dealers, the selling securityholders will be responsible for underwriting discounts or commissions or agent's commissions. The securities may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. Neither Ally nor the Trust nor any series of the Trust will receive any proceeds from the sale of securities by the selling securityholders. See Plan of Distribution.

**Table of Contents****RATIOS OF EARNINGS TO FIXED CHARGES**

Our consolidated ratios of earnings to fixed charges were as follows for the periods presented:

	<b>Year Ended December 31,</b>				
	<b>2010 (a)</b>	<b>2009 (a)</b>	<b>2008 (a)</b>	<b>2007 (a)</b>	<b>2006 (a)</b>
Ratio of earnings to fixed charges (b)	1.16	0.03	1.53	0.90	1.14

- (a) During 2009, we committed to sell certain operations of our International Automotive Finance operations, Insurance operations, Mortgage operations, and Commercial Finance Group. We report these businesses separately as discontinued operations in the Consolidated Financial Statements. Refer to Note 2 to the Consolidated Financial Statements for further discussion of our discontinued operations. All reported periods of the calculation of the ratio of earnings to fixed charges exclude discontinued operations.
- (b) The ratio calculation indicates a less than one-to-one coverage for the years ended December 31, 2009 and 2007. Earnings available for fixed charges for the years ended December 31, 2009 and 2007, were inadequate to cover total fixed charges. The deficient amount for the ratio were \$6,968 million for 2009 and \$1,350 million for 2007.



**Table of Contents****RISK FACTORS**

*An investment in our securities is subject to certain risks. In consultation with your own financial, tax and legal advisors, you should carefully consider, among other matters, the following discussions of risk before deciding whether an investment in the Trust Preferred Securities is suitable for you. The risks described below are intended to highlight risks that are specific to the Trust Preferred Securities, but are not the only risks we face. Additional risks, including those generally affecting the industry in which we operate, risks that we currently deem immaterial and risks generally applicable to companies that have recently undertaken similar transactions, may also impair our business, the value of your investment and our ability to make distributions on the Trust Preferred Securities. For a more complete description of the risks that may affect our business, see our Annual Report on Form 10-K for the year ended December 31, 2010 (as amended or supplemented in subsequent reports on Form 10-K, Form 10-Q or Form 8-K). In addition to the risks described below, we face other risks that are described from time to time in periodic reports that we file with the SEC. If any of the following risks actually occur, the value of the Trust Preferred Securities could decline, and you may lose all or part of your investment. The risks discussed below also include forward-looking statements, and our actual results may differ materially from those discussed in these forward-looking statements.*

**Risks Relating to the Trust Preferred Securities**

***Ally is not required to pay you under the Guarantees and the Debentures unless it first makes other required payments.***

Ally's obligations under the Debentures and the Guarantees rank junior to all of Ally's Senior Indebtedness as such term is defined under Description of the Series 1 Debentures Subordination and Description of the Series 2 Debentures Subordination. This means that Ally cannot make any payments on the Debentures or the Guarantees if it defaults on a payment of Senior Indebtedness and does not cure the default within the applicable grace period or if the Senior Indebtedness becomes immediately due because of a default and has not yet been paid in full.

In the event of the bankruptcy, liquidation or dissolution of Ally, its assets would be available to pay obligations under the Debentures and the Guarantees only after Ally made all payments on its Senior Indebtedness.

In addition, Ally's obligations under the Debentures and the Guarantees are structurally subordinated to all existing and future liabilities of Ally's subsidiaries. This means that in the event of an insolvency, liquidation, bankruptcy or other reorganization of any subsidiary, holders of the Debentures will be creditors of Ally only and will have no direct claim against any such subsidiary but may only recover by virtue of Ally's equity interest. As a result, all existing and future liabilities of Ally's subsidiaries, including claims of lessors under capital and operating leases, trade creditors and holders of preferred stock of such subsidiaries have the right to be satisfied in full prior to receipt by Ally of any payment as a stockholder of its subsidiaries.

Neither the Trust Preferred Securities, the Debentures nor the Guarantees limit the ability of Ally and its subsidiaries to incur additional indebtedness, including indebtedness that ranks senior in priority of payment to the Debentures and the Guarantees. See Description of the Guarantees Status of the Guarantees, Description of the Series 1 Debentures Subordination and Description of the Series 2 Debentures Subordination below.

***Ally is not required to pay you under the Guarantees if the relevant series of the Trust does not have cash available.***

The ability of a particular series of the Trust to make payments on such series of Trust Preferred Securities is solely dependent upon Ally making the related payments on the corresponding series of Debentures when due.

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The Guarantees only guarantee that Ally will make distribution and redemption payments if the relevant series of the Trust has funds available to make the payments on such series but fails to do so. If Ally defaults on its obligations to make payments on a series of Debentures, the corresponding series of the Trust will not have sufficient funds available to make payments on Trust Preferred Securities of such series. Therefore, in those circumstances, holders of Trust Preferred Securities of such series will not be able to rely upon the Guarantees for payment of these amounts. If this happens, the options of such holders are discussed under Description of the Series 1 Trust Preferred Securities Declaration Defaults and Description of the Series 2 Trust Preferred Securities Declaration Defaults below.

***The U.S. federal income tax treatment of the trust is uncertain.***

Based on the advice of counsel, Davis Polk & Wardwell LLP, the Trust intends to treat each series of the Trust as a separate grantor trust for U.S. federal income tax purposes, and by acquiring a Trust Preferred Security, a holder of Trust Preferred Securities will be deemed to have agreed to such treatment. Under this treatment, for U.S. federal income tax purposes, a holder of Trust Preferred Securities of a particular series will be treated as owning an undivided beneficial ownership interest in the Debentures of such series. However, the treatment of the Trust is uncertain, and the Trust as a whole or one or more series thereof could be treated as a partnership for U.S. federal income tax purposes. If the Trust or any series were treated as a partnership, we do not expect that such treatment would materially change a holder's U.S. federal income tax treatment with respect to the Trust Preferred Securities, except that a holder might not be able to make certain elections that would be available if the Trust or such series were not treated as a partnership.

***Deferral of distributions with respect to a series of Trust Preferred Securities would have adverse tax consequences for the holders of Trust Preferred Securities of such series and might adversely affect the trading price of such Trust Preferred Securities.***

If distributions on a series of Trust Preferred Securities are deferred, holders of Trust Preferred Securities of such series will be required to recognize ordinary income for U.S. federal income tax purposes in respect of their ratable share of the interest on the Debentures designated to such series of the Trust before they receive any cash distributions relating to this interest. In addition, such holders will not receive such cash distributions from the Trust if they sell their Trust Preferred Securities before the end of any extension period or before the record date relating to the distributions that are paid.

Ally has no current intention of deferring interest payments on the Debentures. However, if Ally exercises its deferral right in the future with respect to the Trust Preferred Securities of any series, the Trust Preferred Securities of such series may trade at a price that does not fully reflect the value of accrued but unpaid interest on the Debentures. If a holder sells Trust Preferred Securities of such series during an extension period, such holder may not receive the same return on investment as someone else who continues to hold the Trust Preferred Securities of such series. In addition, the existence of Ally's right to defer payments of interest on the Debentures means that the market price for the Trust Preferred Securities, which represent an undivided beneficial interest in the Debentures, may be more volatile than other securities that are not subject to such a deferral right.

***The Trust Preferred Securities are rated below investment grade.***

The Trust Preferred Securities are not investment-grade rated and may be subject to greater price volatility than higher-rated securities of similar maturity.

***You should not rely on the distributions from the Trust Preferred Securities through their maturity date they may be redeemed at the option of Ally.***

The Series 1 Debentures may be redeemed, in whole or in part, at any time, (i) on or after December 30, 2014 or (ii) at any time while the Series 1 Trust Preferred Securities are held by the U.S. government as part of assistance provided to Ally under TARP or a similar or related U.S. government program subject to the receipt of

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any required approvals from the FRB, at a redemption price equal to \$1,000 per Series 1 Trust Preferred Security plus any accumulated and unpaid distributions to the redemption date. The Series 2 Debentures may be redeemed, in whole or in part, at any time on or after February 15, 2016 at a redemption price equal to \$25 per Series 2 Trust Preferred Security plus any accumulated and unpaid distributions to the redemption date.

You should assume that this redemption option with respect to any series will be exercised if it is in the interest of Ally to redeem the Debentures. If a series of Debentures is redeemed, the corresponding series of the Trust must redeem the Trust Preferred Securities and Common Securities of such series having an aggregate liquidation amount equal to the aggregate principal amount of Debentures to be redeemed. See Description of the Series 1 Trust Preferred Securities Redemption of Series 1 Trust Preferred Securities, Description of the Series 2 Trust Preferred Securities Redemption of Series 2 Trust Preferred Securities, Description of the Series 1 Debentures Optional Redemption and Description of the Series 2 Debentures Optional Redemption below.

Ally may view redemption of the Debentures to be in its interest if certain changes in regulatory capital law or interpretation have effect on or after the applicable redemption date. While Ally believes the Trust Preferred Securities are exempt from the mandatory disqualification of certain types of Tier 1 capital under Section 171(b)(5)(A) of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), the Basel Committee on Banking Supervision (Basel) has proposed, among other proposals, revisions to its definition of Tier 1 capital for banks (the Basel Proposal) and has announced the timeframe for phasing in its new Tier 1 capital requirements. Under the Basel Proposal, Ally believes the Trust Preferred Securities represent a capital injection in the Company made by Treasury in December 2009 and thus, currently expects the Trust Preferred Securities should continue to be included as Tier 1 capital of Ally until January 1, 2018. Ultimately, however, the date on which the Trust Preferred Securities may be excluded from Ally's Tier 1 capital will be determined by the relevant regulatory authority implementing the Dodd-Frank Act and the Basel Proposal.

If the Trust Preferred Securities are redeemed, you may not be able to reinvest the money you receive upon such redemption at the same rate of return as provided by the Trust Preferred Securities.

***You should not rely on the distributions from the Trust Preferred Securities through their maturity date they may be redeemed at any time if certain changes in tax or investment company law occur.***

If certain changes, which are more fully described below, in tax, investment company or bank regulatory law or interpretations occur and are continuing, and certain other conditions that are more fully described below are satisfied, the Trust Preferred Securities could be redeemed by the relevant series of the Trust within 90 days of the event at a redemption price equal to the relevant liquidation amount per security plus any accumulated and unpaid distributions. See Description of the Series 1 Trust Preferred Securities Special Event Redemption and Distribution of the Series 1 Debentures and Description of the Series 2 Trust Preferred Securities Special Event Redemption and Distribution of the Series 2 Debentures.

***Treasury is a federal agency and your ability to bring a claim against Treasury under the federal securities laws may be limited.***

The doctrine of sovereign immunity, as limited by the Federal Tort Claims Act (the FTCA), provides that claims may not be brought against the United States of America or any agency or instrumentality thereof unless specifically permitted by act of Congress. The FTCA bars claims for fraud or misrepresentation. At least one federal court, in a case involving a federal agency, has held that the United States may assert its sovereign immunity to claims brought under the federal securities laws. In addition, Treasury and its officers, agents, and employees are exempt from liability for any violation or alleged violation of the anti-fraud provisions of Section 10(b) of the Exchange Act by virtue of Section 3(c) thereof. Accordingly, any attempt to assert such a claim against the officers, agents or employees of Treasury for a violation of the Securities Act of 1933, as

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amended (the Securities Act ) or the Exchange Act resulting from an alleged material misstatement in or material omission from this prospectus or the registration statement of which this prospectus is a part or resulting from any other act or omission in connection with the offering of the Trust Preferred Securities by Treasury would likely be barred.

***There could be adverse tax consequences to you if Ally terminates a series of the Trust and distributes the corresponding series of Debentures to holders of that series of trust securities.***

Ally has the right to terminate a series of the Trust at any time, so long as it obtains any required regulatory approval. If Ally decides to exercise its right to terminate a series of the Trust and does not cause the Trust Preferred Securities of that series to be redeemed for cash, that series of the Trust will (1) if it is Series 1, redeem the Series 1 Trust Preferred Securities and Series 1 Common Securities by distributing the Series 1 Debentures to holders of the Series 1 Trust Preferred Securities and Series 1 Common Securities on a ratable basis and (2) if it is Series 2, redeem the Series 2 Trust Preferred Securities and Series 2 Common Securities by distributing the Series 2 Debentures to holders of the Series 2 Trust Preferred Securities and Series 2 Common Securities on a ratable basis.

Under current U.S. federal income tax law, a distribution of Debentures to you on the dissolution of a series of the Trust would not be a taxable event to you. However, if the relevant series of the Trust were characterized for U.S. federal income tax purposes as an association taxable as a corporation at the time it is dissolved or if there is a change in law, the distribution of Debentures could be a taxable event to you.

***The FRB may be able to restrict the ability of Ally to pay interest on or to redeem the Debentures, or of a series of the Trust to make distributions with respect to or redeem the Trust Preferred Securities of that series.***

The FRB will have the right to supervise the Trust or any series of the Trust and their respective activities. Under certain circumstances, including any determination that a payment, distribution or redemption or Ally's relationship to the Trust or any series of the Trust would constitute or result in an unsafe and unsound banking practice, the FRB may have the authority to restrict the ability of Ally to make interest payments on or to redeem the Debentures, or of the relevant series of the Trust to make distributions on or to redeem the relevant series of Trust Preferred Securities.

***An active trading market for the Trust Preferred Securities or the Debentures may not develop.***

There can be no assurance that an active trading market for the Trust Preferred Securities or the Debentures of any series of the Trust will develop, or, if developed, that an active trading market will be maintained. As a result, neither Ally nor the relevant series of the Trust can assure you that you will be able to sell, or at what price you may be able to sell, your Trust Preferred Securities or the Debentures if such series of the Trust distributes them to you.

***Ally has the right to defer interest on the Debentures for five years without causing an event of default.***

Ally has the right to defer interest on one or both series of the Debentures for one or more consecutive interest periods not to exceed 20 consecutive quarters. During any such deferral period, holders of the corresponding series of Trust Preferred Securities may receive no current payments on their Trust Preferred Securities and, so long as Ally is otherwise in compliance with its obligations, such holders will have no remedies against Ally, the Trust or any series of the Trust for nonpayment. If Ally has paid all deferred interest on a series of Debentures, then it may at any time commence a new deferral period with respect to the corresponding series of Trust Preferred Securities.

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***If you hold Trust Preferred Securities of a particular series, you cannot prevent the trustee for that series from taking actions you may not agree with.***

As a holder of Trust Preferred Securities, you will have limited voting rights. In particular, except for the limited exceptions described later in this prospectus, only Ally can elect or remove any trustee for either the series 1 securities or the series 2 securities. See Description of the Series 1 Trust Preferred Securities Voting Rights and Description of the Series 2 Trust Preferred Securities Voting Rights below.

***You have limited remedies for defaults under the Amended and Restated Indenture.***

Although various events may constitute defaults under the Amended and Restated Indenture, a default that is not an event of default with respect to a particular series will not trigger the acceleration of principal and interest on the Debentures of such series. An acceleration of principal and interest with respect to a series of Debentures will occur only upon Ally's failure to pay in full all interest accrued on such series upon the conclusion of an extension period of 20 consecutive quarters or as a result of specified events of bankruptcy, insolvency or reorganization of Ally. See Description of the Series 1 Debentures Indenture Events of Default and Acceleration and Description of the Series 2 Debentures Indenture Events of Default and Acceleration.

***The Trust Preferred Securities are not securities of Ally.***

The Trust Preferred Securities are issued by the specified series of the Trust, not Ally, and represent beneficial interests only in the Debentures designated to a specified series of the Trust. In an event of a default on the Trust Preferred Securities of a particular series, the remedies that holders of that series of Trust Preferred Securities have against Ally are limited to those described in, as applicable, Description of the Series 1 Trust Preferred Securities Declaration Defaults, Description of the Series 2 Trust Preferred Securities Declaration Defaults, Description of the Series 1 Debentures Indenture Defaults, Description of the Series 2 Debentures Indenture Defaults, Description of the Guarantees in this prospectus. Neither any series of the Trust nor you will have, by virtue of ownership of Trust Preferred Securities, any control rights at Ally, including any rights to vote for Ally's board of directors or to direct Ally to take any action, except those actions associated with enforcing your rights with respect to the series of Trust Preferred Securities that you hold. If Ally elects to dissolve any series of the Trust, you will be entitled only to the assets of the relevant series of the Trust as described in Description of the Series 1 Trust Preferred Securities Distribution of the Series 1 Debentures and Description of the Series 2 Trust Preferred Securities Distribution of the Series 2 Debentures.

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**DESCRIPTION OF THE SERIES 1 TRUST PREFERRED SECURITIES**

The trust preferred securities and common securities of Series 1 were originally issued pursuant to the terms of the Declaration as 8.00% trust preferred securities and 8.00% common securities, respectively, and will be designated the 8.0% Trust Preferred Securities, Series 1 (the Series 1 Trust Preferred Securities) and 8.0% Common Securities, Series 1 (the Series 1 Common Securities), respectively, pursuant to the Amended and Restated Declaration. The institutional trustee for Series 1 under the Amended and Restated Declaration, The Bank of New York Mellon, will act as indenture trustee for Series 1 under the Amended and Restated Declaration, for purposes of compliance with the provisions of the Trust Indenture Act of 1939, as amended (the Trust Indenture Act). The terms of the Series 1 Trust Preferred Securities include those stated in the Amended and Restated Declaration and those made part of the Amended and Restated Declaration by the Trust Indenture Act. The following summary of the material terms and provisions of the Series 1 Trust Preferred Securities is not intended to be complete and is qualified by the Amended and Restated Declaration, the Statutory Trust Act of the State of Delaware and the Trust Indenture Act. Certain provisions of the Amended and Restated Declaration applicable to all series 1 securities are described in this prospectus only with respect to the Series 1 Trust Preferred Securities. The form of the Amended and Restated Declaration is filed as an exhibit to the registration statement of which this prospectus is a part.

**General**

The Amended and Restated Declaration authorizes the administrative trustees for Series 1 to act, on behalf of Series 1, with respect to the Series 1 Common Securities and the Series 1 Trust Preferred Securities (collectively, the series 1 securities, and together with the series 2 securities (as defined in the Description of the Series 2 Trust Preferred Securities), the trust securities). The series 1 securities represent undivided beneficial interests in Ally's 8.0% Junior Subordinated Deferrable Interest Debentures due 2040 (the Series 1 Debentures), which will be the only assets designated to Series 1. All of the Series 1 Common Securities are owned by Ally. The Series 1 Common Securities rank equally, and payments will be made on the Series 1 Common Securities on a ratable basis, with the Series 1 Trust Preferred Securities. If a default under the Amended and Restated Declaration applicable to Series 1 occurs and continues, however, the rights of the holders of the Series 1 Common Securities to receive payment of periodic distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the Series 1 Trust Preferred Securities.

Pursuant to the Amended and Restated Declaration, the institutional trustee for Series 1 holds title to the Series 1 Debentures for the benefit of the holders of the series 1 securities. The payment of distributions out of money held by Series 1 with respect to the Series 1 Trust Preferred Securities, and payments upon redemption of the Series 1 Trust Preferred Securities or liquidation of Series 1 out of money held by Series 1 with respect to the Series 1 Trust Preferred Securities, are guaranteed by Ally to the extent described under Description of the Guarantees. The Series 1 Guarantee is held by The Bank of New York Mellon, the guarantee trustee for the Series 1 Guarantee, for the benefit of the holders of the Series 1 Trust Preferred Securities. The Series 1 Guarantee does not cover payment of distributions when Series 1 does not have sufficient funds available to pay such distributions. In such event, the remedy of a holder of Series 1 Trust Preferred Securities is to:

vote to direct the institutional trustee for Series 1 to exercise any trust or power under the Amended and Restated Declaration, including the enforcement of the institutional trustee's rights under the Series 1 Debentures; or

if the failure of Series 1 to pay distributions is attributable to the failure of Ally to pay interest or principal on the Series 1 Debentures, sue Ally, on or after the respective due dates specified in the Series 1 Debentures, for enforcement of payment to such holder of the principal or interest on the Series 1 Debentures having a principal amount equal to the aggregate liquidation amount of the Series 1 Trust Preferred Securities of such holder.

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**Distributions**

Distributions on the Series 1 Trust Preferred Securities are fixed at a rate per annum of 8.0% of the stated liquidation amount of \$1,000 per Series 1 Trust Preferred Security. Distributions not paid when due, or when they would be due if not for any extension period or default by Ally on the Series 1 Debentures, will themselves accumulate additional interest at the annual rate of 8.0% thereof, compounded quarterly. When this prospectus refers to any payment of distributions, distributions include any such interest payable unless otherwise stated. The amount of distributions payable for any period will be computed for any full quarterly distribution period on the basis of a 360-day year of twelve 30-day months and for any period shorter than a full quarterly distribution period for which distributions are computed, distributions will be computed on the basis of the actual number of days elapsed in a partial month in such period.

Distributions on the Series 1 Trust Preferred Securities are cumulative, began accruing from and including December 30, 2009, and are payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, beginning on February 15, 2010. When, as and if available for payment, distributions are made by the institutional trustee for Series 1, except as otherwise described below.

The distribution rate and the distribution payment dates and other payment dates for the Series 1 Trust Preferred Securities correspond to the interest rate and interest payment dates and other payment dates on the Series 1 Debentures.

***Deferral of Distributions.*** Ally has the right under the Amended and Restated Indenture to defer interest payments on the Series 1 Debentures for an extension period not exceeding 20 consecutive quarters, subject to certain conditions, during which no interest shall be due and payable. A deferral of interest payments cannot extend, however, beyond the maturity of the Series 1 Debentures. An extension period begins in the quarter in which notice of the extension period is given. As a consequence of Ally's extension of the interest payment period, quarterly distributions on the Series 1 Trust Preferred Securities would be deferred during any such extended interest payment period. During an extension period, the amount of distributions due to holders of Series 1 Trust Preferred Securities will continue to accumulate and such deferred distributions will themselves accrue interest to the extent and in the amount that interest accrues and compounds on the underlying Series 1 Debentures. In the event that Ally exercises its right to extend an interest payment period, then:

- (i) Ally and any of its subsidiaries (other than a subsidiary that is a depository institution or a subsidiary thereof) will not declare or pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any of Ally's capital stock or make any guarantee payment with respect thereto other than:
  - (a) redemptions, purchases or other acquisitions of shares of capital stock of Ally in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice;
  - (b) the acquisition by Ally or any of its subsidiaries of record ownership in capital stock of Ally for the beneficial ownership of any other persons (other than Ally or any of its subsidiaries), including trustees or custodians;
  - (c) as a result of an exchange or conversion of any class or series of Ally's capital stock for any other class or series of Ally's capital stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to or on December 30, 2009 or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for capital stock of Ally;
  - (d) distributions by or among any wholly-owned subsidiary of Ally;
  - (e) redemptions of securities held by Ally or any wholly-owned subsidiary of Ally; and

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(f) unpaid tax distributions to holders of membership interests of GMAC LLC pursuant to Section 4(b) of GMAC LLC's Plan of Conversion, dated June 30, 2009; and

(ii) Ally and any of its subsidiaries (other than a subsidiary that is a depository institution or a subsidiary thereof) will not make any payment of interest, principal or premium on, or repay, repurchase or redeem, any debt securities or guarantees issued by Ally that rank equally with or junior to the Series 1 Debentures ( Series 1 Junior Subordinated Indebtedness, together with Series 2 Junior Subordinated Indebtedness (as defined in the Description of the Series 2 Trust Preferred Securities ), Junior Subordinated Indebtedness ) other than:

(a) redemptions, purchases or other acquisitions of Series 1 Junior Subordinated Indebtedness in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice;

(b) the acquisition by Ally or any of its subsidiaries of record ownership in Series 1 Junior Subordinated Indebtedness for the beneficial ownership of any other persons (other than Ally or any of its subsidiaries), including trustees or custodians;

(c) as a result of an exchange or conversion of any class or series of Series 1 Junior Subordinated Indebtedness for any other class or series of Series 1 Junior Subordinated Indebtedness;

(d) redemptions of securities held by Ally or any wholly-owned subsidiary of Ally; and

(e) any payment of interest on Series 1 Junior Subordinated Indebtedness paid *pro rata* with interest paid on the Series 1 Debentures such that the respective amounts of such payments made shall bear the same ratio to each other as all accrued but unpaid interest per like-amount of Series 1 Debentures and all Series 1 Junior Subordinated Indebtedness bear to each other.

These restrictions, however, will not apply (1) to any stock dividends paid by Ally where the dividend stock is the same stock as that on which the dividend is being paid or (2) dividends or distributions by or other transactions solely among Ally and any wholly-owned subsidiary of Ally or solely among wholly-owned subsidiaries of Ally. Series 1 shall have the right to make partial distributions during an extension period if a corresponding payment of interest is made on the Series 1 Debentures. Prior to the termination of any extension period, Ally may further extend such extension period, so long as such extension period, together with all such other extension periods, does not exceed 20 consecutive quarters. An extension period cannot extend, however, beyond the maturity of the Series 1 Debentures.

Upon the termination of any extension period with respect to Series 1 and the payment of all amounts then due, Ally may commence a new extension period with respect to the Series 1 Debentures, which must comply with the above requirements. Consequently, there could be several extension periods of varying lengths throughout the term of the Series 1 Debentures. The administrative trustees for Series 1 shall give the holders of the Series 1 Trust Preferred Securities notice of any extension period upon their receipt of notice thereof from Ally. If distributions are deferred, the deferred distributions and accrued interest on such distributions will be paid to holders of record of the Series 1 Trust Preferred Securities as they appear on the securities register of Series 1 on the record date immediately preceding the termination of the related extension period. See Description of the Series 1 Debentures Interest and Option to Extend Interest Payment Period.

**Payment of Distributions.** Distributions on the Series 1 Trust Preferred Securities are payable to the extent that Series 1 has funds available for the payment of such distributions. The funds of Series 1 available for distribution to the holders of the Series 1 Trust Preferred Securities are limited to payments received from Ally on the Series 1 Debentures. The payment of distributions out of monies held by Series 1 with respect to the Series 1 Trust Preferred Securities is guaranteed by Ally only to the extent set forth under Description of the Guarantees. See also Description of the Series 1 Debentures.



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Distributions on the Series 1 Trust Preferred Securities are payable to the holders named on the securities register of Series 1 at the close of business on the relevant record dates. While the Series 1 Trust Preferred Securities are in definitive, fully-registered form, subject to the rules of any securities exchange on which the Series 1 Trust Preferred Securities are listed, the relevant record dates shall be 15 days prior to the relevant distribution dates or such other record date fixed by the administrative trustee for Series 1 that is not more than 60 nor less than 10 days prior to such relevant distribution dates. If the Series 1 Trust Preferred Securities are in book-entry only form, the record date will be one business day before the relevant distribution dates. Distributions will be paid through the institutional trustee for Series 1 who will hold amounts received in respect of the Series 1 Debentures in the property account for the benefit of the holders of the series 1 securities. Unless any applicable laws and regulations and the provisions of the Amended and Restated Declaration state otherwise, each such payment will be made as described under Form of Certificates below.

In the event that any date on which distributions are to be made on the Series 1 Trust Preferred Securities is not a business day, then payment of the distributions payable on such date will be made on the next succeeding day that is a business day, and without any interest or other payment in respect of any such delay, except that if such next business day is in the next succeeding calendar year, such payment shall be made on the immediately preceding business day, in each case with the same force and effect as if made on such date. A business day means any day other than a Saturday, Sunday or any other day on which banking institutions in the State of New York generally are authorized or required by law or other governmental action to close. Any day that is a distribution record date shall be a distribution record date whether or not such day is a business day.

## **Exchanges**

If at any time Ally or any of its affiliates is the holder or beneficial owner of any Series 1 Trust Preferred Securities, Ally or such affiliate, as applicable, has the right to deliver to the institutional trustee for Series 1 all or such portion of its Series 1 Trust Preferred Securities as it elects and, subject to the terms of the Amended and Restated Indenture, receive, in exchange therefor, Series 1 Debentures having an aggregate principal amount equal to the aggregate Liquidation Amount of the Series 1 Trust Preferred Securities exchanged therefor. After such exchange, such Series 1 Trust Preferred Securities shall be cancelled and shall no longer be deemed to be outstanding and all rights of Ally or such affiliate, as applicable, as holder with respect to such Series 1 Trust Preferred Securities shall cease. In the event of any such exchange, Ally shall also have a similar option with respect to a proportionate amount of the Series 1 Common Securities that it holds.

## **Redemption of Series 1 Trust Preferred Securities**

The Series 1 Trust Preferred Securities have no stated maturity date but will be redeemed upon the maturity of the Series 1 Debentures. In addition, the Series 1 Trust Preferred Securities may be redeemed prior to maturity of the Series 1 Debentures on the dates and to the extent the Series 1 Debentures are redeemed. See Description of the Series 1 Debentures Optional Redemption. The Series 1 Debentures will mature on February 15, 2040 (see Description of the Series 1 Debentures General ) and may be redeemed, in whole or in part, at any time on or after December 30, 2014, or at any time if either the Series 1 Trust Preferred Securities or the Series 1 Debentures are held by the U.S. government as part of assistance provided to Ally under TARP or a similar or related U.S. government program, subject to the receipt of any required approvals from the FRB. The Series 1 Debentures can also be redeemed at any time, in whole or in part, in certain circumstances upon the occurrence of a Tax Event, an Investment Company Event or a Regulatory Capital Event with respect to Series 1. See Special Event Redemption below.

If then required, Ally will obtain the concurrence or approval of the FRB before exercising its redemption rights described in the preceding paragraph.

Upon the maturity of the Series 1 Debentures, the proceeds of their repayment will simultaneously be applied to redeem all outstanding Series 1 Trust Preferred Securities at the redemption price. Upon the redemption of the Series 1 Debentures, whether in whole or in part, either at the option of Ally or pursuant to a

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Special Event, Series 1 will use the cash it receives upon the redemption to redeem Series 1 Trust Preferred Securities and Series 1 Common Securities having an aggregate liquidation amount equal to the aggregate principal amount of the Series 1 Debentures so redeemed at the redemption price. Before such redemption, holders of Series 1 Trust Preferred Securities will be given not less than 30 nor more than 60 days notice. Prior to any redemption with respect to Series 1, Ally will obtain any required regulatory approval. In the event that fewer than all of the outstanding Series 1 Trust Preferred Securities are to be redeemed, the Series 1 Trust Preferred Securities will be redeemed on a ratable basis as described under Form of Certificates below. See Special Event Redemption and Description of the Series 1 Debentures Optional Redemption.

**Special Event Redemption**

Tax Event means that the administrative trustees for Series 1 will have received an opinion of a nationally recognized independent tax counsel experienced in such matters that states that, as a result of any:

amendment to, or change (including any announced prospective change) in, the laws or associated regulations of the United States or any political subdivision or taxing authority of the United States on or after December 30, 2009; or

amendment to, or change in, an interpretation or application of such laws or regulations by any legislative body, court, governmental agency or regulatory authority, including the enactment of any legislation and the publication of any judicial decision, regulatory determination, or administrative pronouncement on or after December 30, 2009,

there is more than an insubstantial risk that:

Series 1 would be subject to U.S. federal income tax relating to interest accrued or received on the Series 1 Debentures;

interest payable to Series 1 on the Series 1 Debentures would not be deductible, in whole or in part, by Ally for U.S. federal income tax purposes; or

Series 1 would be subject to more than a minimal amount of other taxes, duties or other governmental charges.

Investment Company Event means that the administrative trustees for Series 1 will have received an opinion of a nationally recognized independent counsel experienced in such matters to the effect that, as a result of the occurrence of a change in law or regulation or a written change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority, there is more than an insubstantial risk that the Trust or Series 1 is or will be considered an investment company that is required to be registered under the Investment Company Act of 1940 (the 1940 Act ), which change becomes effective on or after December 30, 2009.

Regulatory Capital Event means that if Ally determines, based on an opinion of counsel experienced in such matters, who may be an employee of Ally or any of its affiliates, that, as a result of

any amendment to, clarification of or change (including any announced prospective change) in applicable laws or regulations or official interpretations thereof or policies with respect thereto, announced or effective after December 30, 2009, or

any official administrative pronouncement or judicial decision interpreting or applying such laws or regulations, announced or effective after December 30, 2009,

there is more than an insubstantial risk that the Series 1 Trust Preferred Securities will no longer constitute Tier 1 capital of Ally or any bank holding company of which Ally is a subsidiary for purposes of the capital adequacy



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guidelines or policies of the FRB; *provided, however*, that the distribution of the Series 1 Debentures in connection with the liquidation of the Trust or Series 1 shall not in and of itself constitute a Regulatory Capital Event unless such liquidation shall have occurred in connection with a Tax Event or an Investment Company Event.

This prospectus refers to a Tax Event, an Investment Company Event or a Regulatory Capital Event as a Special Event. Provided that Ally obtains any required regulatory approval, if a Special Event occurs and continues, Ally may, upon not less than 30 nor more than 60 days' notice, redeem the Series 1 Debentures, in whole or in part, for cash within 90 days following the occurrence of such Special Event. Following such redemption, series 1 securities with an aggregate liquidation amount equal to the aggregate principal amount of the Series 1 Debentures so redeemed shall be redeemed by Series 1 at the redemption price on a ratable basis. If, however, at the time there is available to Ally or the Trust acting with respect to Series 1 the opportunity to eliminate, within such 90-day period, the Special Event by taking some ministerial action, such as filing a form or making an election or pursuing some other similar reasonable measure that will have no adverse effect on Series 1, Ally or the holders of the Series 1 Trust Preferred Securities or the Series 1 Debentures, then Ally or the Trust acting with respect to Series 1 will pursue such measure instead of redemption.

### **Distribution of the Series 1 Debentures**

Ally will have the right to dissolve Series 1, subject to the receipt of any required regulatory approvals. Pursuant to the Amended and Restated Indenture, Ally has agreed not to do so other than in connection with a Special Event or in connection with certain mergers, consolidations or amalgamations permitted by the Amended and Restated Declaration. In the event of any dissolution of the Trust or Series 1 and after satisfaction of the claims and obligations of Series 1 as provided by applicable law, the Trust acting with respect to Series 1 may cause the Series 1 Debentures to be distributed to the holders of the Series 1 Trust Preferred Securities in an aggregate stated principal amount equal to the aggregate stated liquidation amount of such securities then outstanding. Prior to any such distribution, Ally must obtain any required regulatory approvals.

If the Series 1 Trust Preferred Securities are listed on the New York Stock Exchange ( NYSE ) or on any other national securities exchange and if the Series 1 Debentures are distributed to the holders of the Series 1 Trust Preferred Securities upon dissolution of Series 1, then Ally will use its best efforts to cause the Series 1 Debentures to be listed on the NYSE or on such other exchange as the Series 1 Trust Preferred Securities are then listed.

After the date for any distribution of Series 1 Debentures upon dissolution of Series 1:

the Series 1 Trust Preferred Securities will no longer be deemed to be outstanding;

if any global securities have been issued, the securities depository or its nominee, as the record holder of the Series 1 Trust Preferred Securities, will receive a registered global certificate or certificates representing the Series 1 Debentures to be delivered upon such distribution; and

any certificates representing Series 1 Trust Preferred Securities not held by the depository or its nominee will be deemed to represent Debentures having an aggregate principal amount equal to the aggregate stated liquidation amount of, with an interest rate identical to the coupon rate of, and with accrued and unpaid interest equal to accrued and unpaid distributions on, such Series 1 Trust Preferred Securities until such certificates are presented to Ally or its agent for transfer or reissuance.

### **Redemption Procedures**

Series 1 may not redeem fewer than all of the outstanding Series 1 Trust Preferred Securities unless all accrued and unpaid distributions have been paid on all Series 1 Trust Preferred Securities for all quarterly distribution periods terminating on or prior to the date of redemption.

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If (i) the Trust acting with respect to Series 1 gives an irrevocable notice of redemption of the Series 1 Trust Preferred Securities, and (ii) if Ally has paid to the institutional trustee for Series 1 a sufficient amount of cash in connection with the related redemption or maturity of the Series 1 Debentures, then (x) if the Series 1 Trust Preferred Securities are in book-entry form, by 12:00 noon, New York City time, on the redemption date, the institutional trustee for Series 1 will irrevocably deposit with the depository or its nominee funds sufficient to pay the applicable redemption price and will also give the depository irrevocable instructions and authority to pay the redemption price to the holders of the Series 1 Trust Preferred Securities or (y) if the Series 1 Trust Preferred Securities are in definitive form, the institutional trustee for Series 1 will pay the applicable redemption price to the applicable holder of Series 1 Trust Preferred Securities by check mailed to such holder.

Once notice of redemption is given and redemption funds are deposited, distributions will cease to accrue and all rights of holders of the Series 1 Trust Preferred Securities called for redemption will cease, except the right of the holders to receive the redemption price, but without interest on such redemption price. If any redemption date is not a business day, then payment of the redemption price payable on such date will be made on the next succeeding day that is a business day, without any interest or other payment in respect of any such delay, except that if such business day falls in the next calendar year, such payment will be made on the immediately preceding business day, in each case with the same force and effect as if made on such date.

If payment of the redemption price for any Series 1 Trust Preferred Securities is improperly withheld or refused and not paid either by Series 1 or by Ally pursuant to the Series 1 Guarantee, distributions on such Series 1 Trust Preferred Securities will continue to accrue from the original redemption date to the date of payment. In this case, the actual payment date will be the redemption date for purposes of calculating the redemption price. See Form of Certificates.

In the event that fewer than all of the outstanding Series 1 Trust Preferred Securities are to be redeemed, the Series 1 Trust Preferred Securities held by the depository or its nominee will be redeemed in accordance with the depository's or nominee's standard procedures. See Form of Certificates.

Ally or its affiliates may, at any time, and from time to time, purchase outstanding Series 1 Trust Preferred Securities by tender, in the open market or by private agreement.

## **Liquidation Distribution upon Dissolution**

This prospectus refers to any voluntary or involuntary liquidation, dissolution, winding-up or termination of the Trust or any series of the Trust as a liquidation. If a liquidation occurs with respect to the Trust or Series 1, the holders of the Series 1 Trust Preferred Securities will be entitled to receive out of the assets of Series 1, after satisfaction of claims and obligations of Series 1, pursuant to applicable law, distributions in an amount equal to the aggregate of the stated liquidation amount of \$1,000 per Series 1 Trust Preferred Security plus accumulated and unpaid distributions thereon to the date of payment. However, such holders will not receive such distribution if Ally instead distributes on a ratable basis to the holders of the Series 1 Trust Preferred Securities, the Series 1 Debentures in an aggregate stated principal amount equal to the aggregate stated liquidation amount of, with an interest rate identical to the distribution rate of, and with accrued and unpaid interest equal to accrued and unpaid distributions on, the Series 1 Trust Preferred Securities outstanding at such time. See Distribution of the Series 1 Debentures.

If this distribution can be paid only in part because Series 1 has insufficient assets available to pay in full the aggregate distribution, then the amounts directly payable with respect to Series 1 shall be paid on a ratable basis. The holders of the Series 1 Common Securities will be entitled to receive distributions upon any such liquidation on a ratable basis with the holders of the Series 1 Trust Preferred Securities. However, if a declaration default (as defined below) with respect to Series 1 has occurred and is continuing, the Series 1 Trust Preferred Securities will have a preference over the Series 1 Common Securities with regard to such distributions.

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Pursuant to the Amended and Restated Declaration, the Trust will dissolve and wind up its affairs on the date following the date upon which the last series of the Trust has terminated.

Pursuant to the Amended and Restated Declaration, Series 1 will terminate:

- (i) on December 30, 2064, the expiration of the term of Series 1;
- (ii) upon the bankruptcy of Ally or any holder of the Series 1 Common Securities;
- (iii) upon the filing of a certificate of dissolution or its equivalent with respect to Ally or the revocation of Ally's charter and the expiration of 90 days after the date of revocation without a reinstatement thereof;
- (iv) upon the entry of a decree of judicial dissolution of any holder of the Series 1 Common Securities, Ally, the Trust or Series 1;
- (v) subject to obtaining any required regulatory approval, when all of the series 1 securities have been called for redemption;
- (vi) subject to obtaining any required regulatory approval, upon the exchange of all of the then-outstanding Series 1 Trust Preferred Securities;  
or
- (vii) subject to obtaining any required regulatory approval, when Series 1 shall have been dissolved in accordance with the terms of the Series 1 Trust Preferred Securities upon election by Ally of its right to terminate Series 1 and distribute all of the Series 1 Debentures to the holders of the Series 1 Trust Preferred Securities in exchange for all of the Series 1 Trust Preferred Securities.

**Declaration Defaults**

An indenture default with respect to Series 1 is a default under the Amended and Restated Indenture (as defined below in Description of the Series 1 Debentures) relating to the Series 1 Debentures and also constitutes a declaration default with respect to Series 1, which is a default under the Amended and Restated Declaration relating to Series 1. Pursuant to the Amended and Restated Declaration, the holder of the Series 1 Common Securities will be deemed to have waived all declaration defaults relating to the Series 1 Common Securities until all declaration defaults relating to the Series 1 Trust Preferred Securities have been cured, waived or otherwise eliminated. Until such declaration defaults relating to the Series 1 Trust Preferred Securities have been cured, waived or otherwise eliminated, the institutional trustee for Series 1 will be deemed to be acting solely on behalf of the holders of the Series 1 Trust Preferred Securities and only the holders of the Series 1 Trust Preferred Securities will have the right to direct the institutional trustee for Series 1 as to matters under the Amended and Restated Declaration, and therefore the Amended and Restated Indenture. In the event that any declaration default relating to the Series 1 Trust Preferred Securities is waived by the holders of the Series 1 Trust Preferred Securities as provided in the Amended and Restated Declaration, such waiver also constitutes a waiver of such declaration default relating to the Series 1 Common Securities for all purposes under the Amended and Restated Declaration without any further act, vote or consent of the holders of Series 1 Common Securities. See Voting Rights.

To the fullest extent permitted by law, if the institutional trustee for Series 1 fails to enforce its rights under the Series 1 Debentures, any holder of Series 1 Trust Preferred Securities may directly institute a legal proceeding against Ally to enforce these rights without first suing the institutional trustee for Series 1 or any other person or entity. If a declaration default has occurred and is continuing with respect Series 1 and such event is attributable to the failure of Ally to pay interest or principal (or premium, if any) on the Series 1 Debentures on the date such interest or principal (or premium, if any) is otherwise payable, or in the case of redemption, on the redemption date, then a holder of Series 1 Trust Preferred Securities may also bring a direct action. This means

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that a holder may directly sue for enforcement of payment to such holder of the principal of or interest (or premium, if any) on the Series 1 Debentures having a principal amount equal to the aggregate liquidation amount of the Series 1 Trust Preferred Securities of such holder on or after the respective due date specified in the Series 1 Debentures. Such holder need not first (i) direct the institutional trustee for Series 1 to enforce the terms of the Series 1 Debentures or (ii) sue Ally to enforce the institutional trustee's rights under the Series 1 Debentures. Notwithstanding anything to the contrary in the Amended and Restated Declaration, for so long as the U.S. government is a holder of 100% of the Series 1 Trust Preferred Securities, the U.S. government shall have (i) the right to exercise its rights under Section 5.06 of the Amended and Restated Indenture and Section 5.04 of the Amended and Restated Guarantee Agreements and, if the U.S. government shall exercise any such rights, the institutional trustee shall not take any contradictory action and (ii) the exclusive power, duty and authority (in lieu of the administrative trustees for Series 1) to exercise the rights set forth in Section 3.07(g) of the Amended and Restated Declaration. Except as described herein, the holders of Series 1 Trust Preferred Securities will not be able to exercise directly any other remedy available to the holders of the Series 1 Debentures.

In connection with such direct action, Ally will be subrogated to the rights of such holder of Series 1 Trust Preferred Securities under the Amended and Restated Declaration to the extent of any payment made by Ally to such holder of Series 1 Trust Preferred Securities in such direct action. This means that Ally will be entitled to payment of amounts that a holder of Series 1 Trust Preferred Securities receives in respect of an unpaid distribution that resulted in the bringing of a direct action to the extent that such holder receives or has already received full payment relating to such unpaid distribution from Series 1.

Upon the occurrence of an indenture event of default with respect to the Series 1 Debentures, the indenture trustee or the institutional trustee for Series 1, as the sole holder of the Series 1 Debentures, will have the right under the Amended and Restated Indenture to declare the principal of and interest on the Series 1 Debentures to be immediately due and payable, provided that if such a declaration is not made, the holders of at least 25% in aggregate liquidation amount of the Series 1 Trust Preferred Securities then outstanding will have the right to make such declaration. See Description of the Series 1 Debentures Indenture Events of Default and Acceleration.

Ally and Series 1 are each required to file annually with the institutional trustee for Series 1 an officers' certificate as to its compliance with all conditions and covenants under the Amended and Restated Declaration.

**Voting Rights**

Except as described in the next succeeding paragraph, in Modification of the Amended and Restated Declaration, and in this prospectus under Description of the Guarantees Modification of the Guarantees; Assignment, and except as provided under the Statutory Trust Act, the Trust Indenture Act, the Amended and Restated Declaration and as otherwise required by law, the holders of the Series 1 Trust Preferred Securities have no voting rights.

So long as any Series 1 Trust Preferred Securities are outstanding, the vote or consent of the holders of a majority in aggregate liquidation amount of the Series 1 Trust Preferred Securities, voting separately as a class, shall be necessary for effecting or validating:

Any authorization or issuance of equity securities with respect to Series 1 ranking senior to the Series 1 Trust Preferred Securities with respect to either or both of the payment of distributions and/or the distribution of assets on any liquidation, dissolution or winding-up of Series 1;

Any amendment, alteration or repeal of any provision of the Amended and Restated Indenture or Amended and Restated Declaration (including, with certain exceptions, any amendment, alteration or repeal by means of a merger, consolidation or otherwise) so as to adversely affect the rights, preferences, privileges or voting powers of the Series 1 Trust Preferred Securities; or

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Any consummation of a binding exchange or reclassification involving the Series 1 Trust Preferred Securities, unless in each case (x) the Series 1 Trust Preferred Securities remain outstanding or, in the case of any such merger or consolidation with respect to which Ally is not the surviving or resulting entity, are converted into or exchanged for preference securities of the surviving or resulting entity or its ultimate parent and (y) such units remaining outstanding or such preference securities, as the case may be, have such rights, preferences, privileges and voting powers, and limitations and restrictions thereof, taken as a whole, as are not materially less favorable to the holders thereof than the rights, preferences, privileges and voting powers, and limitations and restrictions thereof, of Series 1 Trust Preferred Securities immediately prior to such consummation, taken as a whole.

The holders of a majority in aggregate liquidation amount of the Series 1 Trust Preferred Securities have the right to direct the exercise of any trust or power conferred upon the institutional trustee for Series 1 or to direct any proceeding for any remedy available to the institutional trustee for Series 1 so long as the institutional trustee for Series 1 receives the tax opinion discussed below, including the right to direct the institutional trustee for Series 1, as holder of the Series 1 Debentures, to:

- (i) direct any proceeding for any remedy available to the indenture trustee, or exercise any trust or power conferred on the indenture trustee, with respect to the Series 1 Debentures;
- (ii) waive any past indenture default with respect to the Series 1 Debentures that is waivable under Section 5.6 of the Amended and Restated Indenture;
- (iii) exercise any right to rescind or annul an acceleration of the maturity of the Series 1 Debentures; or
- (iv) consent to any amendment, modification or termination of the Amended and Restated Indenture or the Series 1 Debentures where such consent is required.

Where a consent or action under the Amended and Restated Indenture would require the consent or act of holders of more than a majority in principal amount of the Series 1 Debentures, or a super majority, then only holders of that super majority of Series 1 Trust Preferred Securities may direct the institutional trustee for Series 1 to give such consent or take such action. Further, the institutional trustee for Series 1 can refrain from following any directions of the holders that violate the Amended and Restated Declaration or conflict with any applicable rule of law or would involve the institutional trustee for Series 1 in personal liability against which indemnity would, in its opinion, not be adequate. If the institutional trustee for Series 1 fails to enforce its rights under the Series 1 Debentures, any record holder of Series 1 Trust Preferred Securities may directly sue Ally to enforce the institutional trustee's rights under the Series 1 Debentures. The record holder does not have to sue the institutional trustee for Series 1 or any other person or entity before bringing such a direct action.

The institutional trustee for Series 1 is required to notify all holders of the Series 1 Trust Preferred Securities of any default actually known to certain officers of the institutional trustee and of any notice of default with respect to the Series 1 Debentures received from the indenture trustee. The notice is required to state that the default with respect to the Series 1 Debentures also constitutes a declaration default with respect to the Series 1 Trust Preferred Securities. Except for directing the time, method and place of conducting a proceeding for a remedy available to the institutional trustee for Series 1, the institutional trustee for Series 1, as holder of the Series 1 Debentures, will not take any of the actions described in clauses (i), (ii), (iii) or (iv) above unless the institutional trustee for Series 1 receives an opinion of a nationally recognized independent tax counsel to the effect that, such action will not (x) cause the Trust or Series 1 (as applicable) to be classified (i) as other than either a grantor trust or a partnership or (ii) as an entity taxable as a corporation, in either case, for U.S. federal income tax purposes, or (y) materially reduce the likelihood of the Trust or Series 1 (as applicable) being classified as a grantor trust for U.S. federal income tax purposes.

If the consent of the institutional trustee for Series 1, as holder of the Series 1 Debentures, is required under the Amended and Restated Indenture for any amendment, modification or termination of the Amended and



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Restated Indenture or the Series 1 Debentures, the institutional trustee for Series 1 is required to request the written direction of the holders of the series 1 securities. The institutional trustee for Series 1 will vote as directed by a majority in liquidation amount of the series 1 securities voting together as a single class. Where any amendment, modification or termination under the Amended and Restated Indenture would require the consent of a super majority, however, the institutional trustee for Series 1 may only give such consent at the direction of the holders of the same super majority of the holders of the series 1 securities. The institutional trustee for Series 1 is not required to take any such action in accordance with the directions of the holders of the series 1 securities unless the institutional trustee for Series 1 has obtained a tax opinion to the effect described above.

A waiver of an indenture default with respect to the Series 1 Debentures (i) by the institutional trustee for Series 1 at the direction of the holders of the Series 1 Trust Preferred Securities or (ii) for so long as the U.S. government is a holder of 100% of the Series 1 Trust Preferred Securities, the U.S. government acting directly in accordance with the Amended and Restated Indenture, will constitute a waiver of the corresponding declaration default with respect to Series 1.

Any required approval or direction of holders of Series 1 Trust Preferred Securities may be given at a separate meeting of holders of Series 1 Trust Preferred Securities convened for such purpose, at a meeting of all of the holders of series 1 securities or by written consent. The administrative trustees for Series 1 will mail to each holder of record of Series 1 Trust Preferred Securities a notice of any meeting at which such holders are entitled to vote, or of any matter upon which action by written consent of such holders is to be taken. Each such notice will include a statement setting forth the following information:

the date of such meeting or the date by which such action is to be taken;

a description of any resolution proposed for adoption at such meeting on which such holders are entitled to vote or of such matter upon which written consent is sought; and

instructions for the delivery of proxies or consents.

No vote or consent of the holders of Series 1 Trust Preferred Securities will be required for the Trust acting with respect to Series 1 to redeem and cancel Series 1 Trust Preferred Securities or distribute Series 1 Debentures in accordance with the Amended and Restated Declaration and the terms of the Series 1 Trust Preferred Securities.

Despite the fact that holders of Series 1 Trust Preferred Securities are entitled to vote or consent under the circumstances described above, any Series 1 Trust Preferred Securities that are owned at the time by Ally or any entity directly or indirectly controlling or controlled by, or under direct or indirect common control with, Ally, will not be entitled to vote or consent. Instead, these Series 1 Trust Preferred Securities will be treated as if they were not outstanding. These limitations will apply to the U.S. government only to the extent required by the Trust Indenture Act.

Voting and consensual rights available to or in favor of holders or beneficial owners of Series 1 Trust Preferred Securities may, to the extent permitted by applicable rule or law, be exercised only by a United States Person within the meaning of Section 7701(a)(30) of the U.S. Internal Revenue Code of 1986, as amended (the Code) that is a beneficial owner of a Series 1 Trust Preferred Security or by a United States Person acting as irrevocable agent with discretionary powers for the beneficial owner of a Series 1 Trust Preferred Security that is not a United States person. Beneficial owners of a Series 1 Trust Preferred Security that are not United States Persons must, to the extent permitted by applicable rule or law, irrevocably appoint a United States Person with discretionary powers to act as their agent with respect to such voting and consensual rights.

The procedures by which holders of Series 1 Trust Preferred Securities may exercise their voting rights are described below. See Form of Certificates.

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Holders of the Series 1 Trust Preferred Securities generally have no rights to appoint or remove the administrative trustees for Series 1. Instead, these trustees for Series 1 may be appointed, removed or replaced solely by Ally as the indirect or direct holder of all of the Series 1 Common Securities.

### **Modification of the Amended and Restated Declaration**

The Amended and Restated Declaration may be modified and amended if approved by the administrative trustees for Series 1, and in certain circumstances, the institutional trustee for Series 1 and/or the Delaware trustee. If, however, any proposed amendment provides for, or the administrative trustees for Series 1 otherwise propose to effect:

(i) any action that would adversely affect the powers, preferences or rights of the series 1 securities, whether by way of amendment to the Amended and Restated Declaration or otherwise or

(ii) the dissolution, winding-up or termination of Series 1 other than pursuant to the terms of the Amended and Restated Declaration,

then the holders of the series 1 securities voting together as a single class will be entitled to vote on such amendment or proposal. Such amendment or proposal shall not be effective except with the approval of holders of at least a majority in liquidation amount of the series 1 securities affected thereby. If, however, any amendment or proposal referred to in clause (i) above would adversely affect only the Series 1 Trust Preferred Securities or only the Series 1 Common Securities, then only holders of the affected class will be entitled to vote on such amendment or proposal, and such amendment or proposal shall not be effective except with the approval of holders of a majority in liquidation amount of such class.

Despite the foregoing, no amendment or modification may be made to the Amended and Restated Declaration if such amendment or modification would:

(i)(x) cause the Trust or Series 1 (as applicable) to be classified (a) as other than either a grantor trust or a partnership or (b) as an entity taxable as a corporation, in either case, for U.S. federal income tax purposes, or (y) materially reduce the likelihood of the Trust or Series 1 (as applicable) being classified as a grantor trust for U.S. federal income tax purposes, *provided* that the foregoing shall not limit the amendments to all or a portion of Series 1 to designate one or more new series with such terms as specified with respect to such new series, to the extent 100% of the holders of the Series 1 Common Securities have consented to any such amendment, *provided further* that the consent of the holders of the Series 1 Common Securities shall not be required for the designation of a special new series with the same economic terms and otherwise substantially identical terms (except as provided in the Amended and Restated Declaration) to the Series 1 Trust Preferred Securities in connection with the sale of such securities in a transaction exempt from registration under the Securities Act;

(ii) reduce or otherwise adversely affect the powers of the institutional trustee for Series 1 in contravention of the Trust Indenture Act; or

(iii) cause the Trust or Series 1 to be deemed an investment company that is required to be registered under the 1940 Act.

### **Mergers, Consolidations or Amalgamations**

The Trust may not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, any corporation or other body except as described below. The Trust may, with the unanimous consent of the administrative trustees for each series of the Trust and without the consent of the holders of the trust securities of any series of the Trust, the Delaware trustee or the

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institutional trustee for any series, consolidate, amalgamate, merge with or into, or be replaced by a trust organized as such under the laws of any State, provided that:

(i) such successor entity either:

(a) expressly assumes all of the obligations of the Trust with respect to each series of trust securities or

(b) substitutes for the Trust Preferred Securities of each series other successor securities having substantially the same terms as that series of Trust Preferred Securities, so long as the successor securities rank the same as that series of Trust Preferred Securities rank regarding distributions and payments upon liquidation, redemption and otherwise;

(ii) Ally expressly acknowledges with respect to each series of the Trust a trustee for each such series of the successor entity that possesses the same powers and duties as the institutional trustee for such series;

(iii) the Trust Preferred Securities of each series or any successor securities of such series are listed, or any successor securities of such series will be listed upon notification of issuance, on any national securities exchange or with another organization on which the Trust Preferred Securities of such series are then listed or quoted;

(iv) such merger, consolidation, amalgamation or replacement does not cause the Trust Preferred Securities of any series, including any successor securities of such series, to be downgraded by any nationally recognized statistical rating organization;

(v) such merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the holders of the trust securities of any series, including any successor securities with respect to such series, in any material respect, other than in connection with any dilution of the holders' interest in the new entity;

(vi) such successor entity has a purpose substantially identical to that of the Trust with respect to each series of the Trust;

(vii) prior to such merger, consolidation, amalgamation or replacement, each series of the Trust has received an opinion of a nationally recognized independent counsel to the Trust acting for each such series experienced in such matters, to the effect that:

(a) such merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the holders of the trust securities of any series, including any successor securities of such series, in any material respect, other than in connection with any dilution of the holders' interest in the new entity;

(b) following such merger, consolidation, amalgamation or replacement, neither the Trust nor such successor entity nor any series of the Trust will be required to register as an investment company under the 1940 Act; and

(c) (x) following such merger, consolidation, amalgamation or replacement, the Trust or any series (or any successor thereto), as applicable, will be classified, for U.S. federal income tax purposes, as either a grantor trust or a partnership, and not as an entity taxable as a corporation, and

(y) such merger, consolidation, amalgamation or replacement will not materially reduce the likelihood of the Trust or any series (or any successor thereto), as applicable, being classified as a grantor trust for U.S. federal income tax purposes; and

(viii) Ally guarantees the obligations of such successor entity with respect to each series of the Trust under the successor securities with respect to each such series at least to the extent provided by the relevant Amended and Restated Guarantee Agreement.

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### **Form of Certificates**

The Series 1 Trust Preferred Securities, on original issuance, were issued, and pursuant to the Amended and Restated Declaration, will continue to be in the form of definitive, fully registered Trust Preferred Security Certificates (the **Definitive Trust Preferred Security Certificates** ). The Series 1 Trust Preferred Securities may, upon the instruction of Ally, be issued in the form of one or more fully registered global Series 1 Trust Preferred Security Certificates, without distribution coupons (each, a **Global Certificate** ). If so issued, each Global Certificate will be deposited with, or on behalf of, The Depository Trust Company ( **DTC** ), a securities depository, and will be registered in the name of DTC or a nominee of DTC. DTC will thus be the only registered holder of these Series 1 Trust Preferred Securities and will be considered the sole owner of the Series 1 Trust Preferred Securities for purposes of the Amended and Restated Declaration. The Trust acting with respect to Series 1 and the trustees shall have no obligation to the beneficial owners of the Series 1 Trust Preferred Securities.

If the Series 1 Trust Preferred Securities are held as Global Certificates, purchasers of Series 1 Trust Preferred Securities may hold interests in the global Series 1 Trust Preferred Securities only through DTC, if they are a participant in the DTC system. Purchasers may also hold interests through a securities intermediary banks, brokerage houses and other institutions that maintain securities accounts for customers that has an account with DTC or its nominee ( **participants** ). DTC will maintain accounts showing the Series 1 Trust Preferred Securities holdings of its participants, and these participants will in turn maintain accounts showing the Series 1 Trust Preferred Securities holdings of their customers. Some of these customers may themselves be securities intermediaries holding Series 1 Trust Preferred Securities for their customers. Thus, each beneficial owner of a book-entry Series 1 Trust Preferred Security will hold such Series 1 Trust Preferred Security indirectly through a hierarchy of intermediaries, with DTC at the **top** and the beneficial owner's own securities intermediary at the **bottom**.

If the Series 1 Trust Preferred Securities are held as Global Certificates, the Series 1 Trust Preferred Securities of each beneficial owner will be evidenced solely by entries on the books of the beneficial owner's securities intermediary. The actual purchaser of the Series 1 Trust Preferred Securities will generally not be entitled to have the Series 1 Trust Preferred Securities represented by the Global Certificates registered in its name and will not be considered the owner under the Amended and Restated Declaration.

If Ally determines that the Series 1 Trust Preferred Securities no longer require the private placement legend, it will deliver to the institutional trustee for Series 1 an opinion of counsel to the effect that the Series 1 Trust Preferred Securities are eligible to be transferred without restriction, and certificates not bearing the private placement legend will be issued. While the Series 1 Trust Preferred Securities do bear the legend, they will be subject to certain restrictions on transfer.

Before registering for transfer or exchange of any Series 1 Trust Preferred Securities, the institutional trustee for Series 1, which has been appointed the securities registrar for purposes of registering or transferring such securities, may require an opinion of counsel or other satisfactory evidence that either (1) no portion of the purchase consideration constitutes assets of any employee benefit plan subject to Section 406 of the U.S. Employee Retirement Income Security Act of 1974, as amended ( **ERISA** ), any plan, account or other arrangement subject to Section 4975 of the Code, or any similar provisions, or any entity whose underlying assets are considered to include plan assets of any such employee benefit plan or other plan, account or arrangement or (2) the purchase and holding of the Series 1 Trust Preferred Securities will not constitute a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable similar law.

In this prospectus, for book-entry Series 1 Trust Preferred Securities, references to actions taken by securityholders will mean actions taken by DTC upon instructions from its participants, and references to payments and notices of redemption to securityholders will mean payments and notices of redemption to DTC as the registered holder of the Series 1 Trust Preferred Securities for distribution to participants in accordance with DTC's procedures.

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If the Series 1 Trust Preferred Securities are held as Global Certificates, a beneficial owner of book-entry securities represented by a Global Certificate may exchange the Series 1 Trust Preferred Securities for Definitive Trust Preferred Security Certificates only if:

- (1) DTC elects to discontinue its services as depository with respect to the Series 1 Trust Preferred Securities and the administrative trustees for Series 1 do not appoint a replacement for DTC within 90 days; or
- (2) the administrative trustees for Series 1 elect after consultation with Ally and subject to the procedures of DTC to terminate the book entry system through the DTC with respect to the Series 1 Trust Preferred Securities.

Upon surrender of Global Certificates for exchange, the administrative trustees for Series 1 and the securities registrar shall cause Definitive Trust Preferred Security Certificates to be delivered to the beneficial owners of Series 1 Trust Preferred Securities in accordance with the instructions of DTC.

DTC is a limited purpose trust company organized under the laws of the State of New York, a banking organization within the meaning of the New York banking law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under Section 17A of the Exchange Act. The rules applicable to DTC and its participants are on file with the SEC.

Ally and the administrative trustees for Series 1 will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interest in the book-entry securities or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests.

If Global Certificates are issued in the future, DTC may discontinue providing its services as securities depository with respect to the Series 1 Trust Preferred Securities. Under such circumstances, in the event that a successor securities depository is not obtained, Definitive Trust Preferred Security Certificates are required to be printed and delivered. Additionally, the administrative trustees for Series 1, with the consent of Ally, may decide to discontinue use of the system of book-entry transfers through DTC or any successor depository with respect to the Series 1 Trust Preferred Securities. In that event, certificates for the Series 1 Trust Preferred Securities will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Ally and the Trust acting with respect to Series 1 believe to be reliable, but neither Ally nor the Trust acting with respect to Series 1 takes responsibility for the accuracy thereof.

**Information Concerning the Institutional Trustee**

Prior to the occurrence of a default with respect to Series 1, the institutional trustee for Series 1 undertakes to perform only such duties with respect to Series 1 as are specifically set forth in the Amended and Restated Declaration. After a default with respect to Series 1, the institutional trustee for Series 1 will exercise the rights and powers vested in it by the Amended and Restated Declaration using the same degree of care and skill as a prudent individual would exercise in the conduct of his or her own affairs. The institutional trustee for Series 1 is under no obligation to exercise any of the rights or powers vested in it by the Amended and Restated Declaration at the request of any holder of Series 1 Trust Preferred Securities unless offered security and indemnity reasonably satisfactory to it by such holder against the costs, expenses and liabilities that might be incurred thereby. Despite the foregoing, the institutional trustee for Series 1, upon the occurrence of a declaration default with respect to Series 1, shall not be relieved of its obligation to exercise the rights and powers vested in it by the Amended and Restated Declaration. The institutional trustee for Series 1 will not be liable for any special, indirect or consequential loss or damage of any kind (including lost profits), nor will it be responsible or liable for any failure or delay in the performance of its obligations arising out of forces beyond its reasonable control.

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### **Paying Agent/Security Registrar**

While the Series 1 Trust Preferred Securities are in definitive form, the following provisions apply:

the institutional trustee for Series 1 may authorize one or more paying agents for Series 1 and designate or remove an additional or substitute paying agent at any time;

the security registrar for Series 1 will affect the registration of transfers of Series 1 Trust Preferred Securities without charge but only upon payment, with the giving of such indemnity as the security registrar may require, in respect of any tax or other government charges that may be imposed in relation to the registration of transfers; and

neither the administrative trustees for Series 1 nor the Trust acting with respect to Series 1 will be required to register or cause to be registered the transfer of Series 1 Trust Preferred Securities after such Series 1 Trust Preferred Securities have been called for redemption.

### **Governing Law**

The Amended and Restated Declaration for all purposes will be governed by and construed in accordance with the laws of the State of Delaware.

### **Miscellaneous**

The administrative trustees for Series 1 are authorized in carrying out the activities of the Trust provided for in the Amended and Restated Declaration to take any action, not inconsistent with the Amended and Restated Declaration or applicable law, that they determine to be necessary or desirable in carrying out such activities with respect to Series 1 including, but not limited to (i) causing the Trust and Series 1 not to be deemed to be an investment company required to be registered under the 1940 Act, (ii) taking any action to the extent necessary or prudent to (x) ensure that the Trust or Series 1 (as applicable) will be classified, for U.S. federal income tax purposes, as either a grantor trust or a partnership, and not as an entity taxable as a corporation, or (y) increase the likelihood of the Trust or Series 1 (as applicable) being classified as a grantor trust for U.S. federal income tax purposes, and (iii) cooperating with Ally to ensure that the Series 1 Debentures will be treated as indebtedness of Ally for U.S. federal income tax purposes. However, the administrative trustees for Series 1 may not take such action if doing so would adversely affect the interests of the holders of the Series 1 Trust Preferred Securities.

Holders of the Series 1 Trust Preferred Securities have no preemptive rights.

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**DESCRIPTION OF THE SERIES 2 TRUST PREFERRED SECURITIES**

The trust preferred securities and common securities of Series 2 will be designated the Fixed Rate/Floating Rate Trust Preferred Securities, Series 2 (the Series 2 Trust Preferred Securities ) and the Fixed Rate/Floating Rate Common Securities, Series 2 (the Series 2 Common Securities ), respectively, pursuant to the Amended and Restated Declaration. The institutional trustee for Series 2 under the Amended and Restated Declaration, The Bank of New York Mellon, will act as indenture trustee for Series 2 under the Amended and Restated Declaration, for purposes of compliance with the provisions of the Trust Indenture Act. The terms of the Series 2 Trust Preferred Securities include those stated in the Amended and Restated Declaration and those made part of the Amended and Restated Declaration by the Trust Indenture Act. The following summary of the material terms and provisions of the Series 2 Trust Preferred Securities is not intended to be complete and is qualified by the Amended and Restated Declaration, the Statutory Trust Act of the State of Delaware and the Trust Indenture Act. Certain provisions of the Amended and Restated Declaration applicable to all series 2 securities, are described in this prospectus only with respect to the Series 2 Trust Preferred Securities. The form of the Amended and Restated Declaration is filed as an exhibit to the registration statement of which this prospectus is a part.

**General**

The Amended and Restated Declaration authorizes the administrative trustees for Series 2 to act, on behalf of Series 2, with respect to the Series 2 Common Securities and the Series 2 Trust Preferred Securities (collectively, the series 2 securities, and together with the series 1 securities, the trust securities ). The series 2 securities represent undivided beneficial interests in Ally's Fixed Rate/Floating Rate Junior Subordinated Deferrable Interest Debentures due 2040 (the Series 2 Debentures ), which will be the only assets designated to Series 2. All of the Series 2 Common Securities are owned by Ally. The Series 2 Common Securities rank equally, and payments will be made on the Series 2 Common Securities on a ratable basis, with the Series 2 Trust Preferred Securities. If a default under the Amended and Restated Declaration applicable to Series 2 occurs and continues, however, the rights of the holders of the Series 2 Common Securities to receive payment of periodic distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the Series 2 Trust Preferred Securities.

Pursuant to the Amended and Restated Declaration, the institutional trustee for Series 2 holds title to the Series 2 Debentures for the benefit of the holders of the series 2 securities. The payment of distributions out of money held by Series 2 with respect to the Series 2 Trust Preferred Securities, and payments upon redemption of the Series 2 Trust Preferred Securities or liquidation of Series 2 out of money held by Series 2 with respect to the Series 2 Trust Preferred Securities, are guaranteed by Ally to the extent described under Description of the Guarantees. The Series 2 Guarantee is held by The Bank of New York Mellon, the guarantee trustee for the Series 2 Guarantee, for the benefit of the holders of the Series 2 Trust Preferred Securities. The Series 2 Guarantee does not cover payment of distributions when Series 2 does not have sufficient funds available to pay such distributions. In such event, the remedy of a holder of Series 2 Trust Preferred Securities is to:

vote to direct the institutional trustee for Series 2 to exercise any trust or power under the Amended and Restated Declaration, including the enforcement of the institutional trustee's rights under the Series 2 Debentures; or

if the failure of Series 2 to pay distributions is attributable to the failure of Ally to pay interest or principal on the Series 2 Debentures, sue Ally, on or after the respective due dates specified in the Series 2 Debentures, for enforcement of payment to such holder of the principal or interest on the Series 2 Debentures having a principal amount equal to the aggregate liquidation amount of the Series 2 Trust Preferred Securities of such holder.

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### **Distributions**

Distributions on the Series 2 Trust Preferred Securities are payable on the stated liquidation amount of \$25 per Series 2 Trust Preferred Security as follows:

from the date of Designation, to but excluding February 15, 2016, at a fixed rate to be agreed among Ally, Series 1 and Treasury at the time of Designation payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, beginning August 15, 2011; and

from and including February 15, 2016 to but excluding February 15, 2040, at an annual rate equal to three-month LIBOR plus a spread to be agreed among Ally, Series 1 and Treasury at the time of Designation payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, beginning May 15, 2016.

Distributions not paid when due, or when they would be due if not for any extension period or default by Ally on the Series 2 Debentures, will bear interest, compounded quarterly at the applicable coupon rate and without regard for any extension period. When this prospectus refers to any payment of distributions, distributions include any such interest payable unless otherwise stated. The amount of distributions accruing from the date of Designation to but excluding February 15, 2016 will be computed on the basis of a 360-day year consisting of twelve 30-day months. The amount of distributions accruing from and including February 15, 2016 to but excluding February 15, 2040 will be computed on the basis of a 360-day year and the actual number of days elapsed.

Distributions on the Series 2 Trust Preferred Securities are cumulative and will be made by the institutional trustee for Series 2, except as otherwise described below, when, as and if available for payment.

The distribution rate and the distribution payment dates and other payment dates for the Series 2 Trust Preferred Securities correspond to the interest rate and interest payment dates and other payment dates on the Series 2 Debentures.

***Deferral of Distributions.*** Ally has the right under the Amended and Restated Indenture to defer interest payments on the Series 2 Debentures for an extension period not exceeding 20 consecutive quarters, subject to certain conditions, during which no interest shall be due and payable. A deferral of interest payments cannot extend, however, beyond the maturity of the Series 2 Debentures. An extension period begins in the quarter in which notice of the extension period is given. As a consequence of Ally's extension of the interest payment period, distributions on the Series 2 Trust Preferred Securities would be deferred during any such extended interest payment period. During an extension period, the amount of distributions due to holders of Series 2 Trust Preferred Securities will continue to accumulate and such deferred distributions will themselves accrue interest to the extent and in the amount that interest accrues and compounds on the underlying Series 2 Debentures.

In the event that Ally exercises its right to extend an interest payment period, then:

(i) Ally and any of its subsidiaries (other than a subsidiary that is a depository institution or a subsidiary thereof) will not declare or pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any of Ally's capital stock or make any guarantee payment with respect thereto other than:

(a) redemptions, purchases or other acquisitions of shares of capital stock of Ally in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice;



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- (b) the acquisition by Ally or any of its subsidiaries of record ownership in capital stock of Ally for the beneficial ownership of any other persons (other than Ally or any of its subsidiaries), including trustees or custodians;
- (c) as a result of an exchange or conversion of any class or series of Ally's capital stock for any other class or series of Ally's capital stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to or on December 30, 2009 or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for capital stock of Ally;
- (d) distributions by or among any wholly-owned subsidiary of Ally;
- (e) redemptions of securities held by Ally or any wholly-owned subsidiary of Ally; and
- (f) unpaid tax distributions to holders of membership interests of GMAC LLC pursuant to Section 4(b) of GMAC LLC's Plan of Conversion, dated June 30, 2009; and
- (ii) Ally and any of its subsidiaries (other than a subsidiary that is a depository institution or a subsidiary thereof) will not make any payment of interest, principal or premium on, or repay, repurchase or redeem, any debt securities or guarantees issued by Ally that rank equally with or junior to the Series 2 Debentures ( Series 2 Junior Subordinated Indebtedness, and together with Series 1 Junior Subordinated Indebtedness, the Junior Subordinated Indebtedness ) other than:
- (a) redemptions, purchases or other acquisitions of Junior Subordinated Indebtedness in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice;
- (b) the acquisition by Ally or any of its subsidiaries of record ownership in Junior Subordinated Indebtedness for the beneficial ownership of any other persons (other than Ally or any of its subsidiaries), including trustees or custodians;
- (c) as a result of an exchange or conversion of any class or series of Junior Subordinated Indebtedness for any other class or series of Junior Subordinated Indebtedness;
- (d) redemptions of securities held by Ally or any wholly-owned subsidiary of Ally; and
- (e) any payment of interest on Junior Subordinated Indebtedness paid pro rata with interest paid on the Series 2 Debentures such that the respective amounts of such payments made shall bear the same ratio to each other as all accrued but unpaid interest per like-amount of Series 2 Debentures and all Junior Subordinated Indebtedness bear to each other.

These restrictions, however, will not apply (1) to any stock dividends paid by Ally where the dividend stock is the same stock as that on which the dividend is being paid or (2) dividends or distributions by or other transactions solely among Ally and any wholly-owned subsidiary of Ally or solely among wholly-owned subsidiaries of Ally. Series 2 shall have the right to make partial distributions during an extension period if a corresponding payment of interest is made on the Series 2 Debentures. Prior to the termination of any extension period, Ally may further extend such extension period, so long as such extension period, together with all such other extension periods, does not exceed 20 consecutive quarters. An extension period cannot extend, however, beyond the maturity of the Series 2 Debentures.

Upon the termination of any extension period with respect to Series 2 and the payment of all amounts then due, Ally may commence a new extension period with respect to the Series 2 Debentures, which must comply with the above requirements. Consequently, there could be several extension periods of varying lengths throughout the term of the Series 2 Debentures. The administrative trustees for Series 2 shall give the holders of

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the Series 2 Trust Preferred Securities notice of any extension period upon their receipt of notice thereof from Ally. If distributions are deferred, the deferred distributions and accrued interest on such distributions will be paid to holders of record of the Series 2 Trust Preferred Securities as they appear on the securities register of Series 2 on the record date immediately preceding the termination of the related extension period. See Description of the Series 2 Debentures Interest and Option to Extend Interest Payment Period.

**Payment of Distributions.** Distributions on the Series 2 Trust Preferred Securities are payable to the extent that Series 2 has funds available for the payment of such distributions. The funds of Series 2 available for distribution to the holders of the Series 2 Trust Preferred Securities are limited to payments received from Ally on the Series 2 Debentures. The payment of distributions out of monies held by Series 2 with respect to the Series 2 Trust Preferred Securities is guaranteed by Ally only to the extent set forth under Description of the Guarantees. See also Description of the Series 2 Debentures.

Distributions on the Series 2 Trust Preferred Securities are payable to the holders named on the securities register of Series 2 at the close of business on the relevant record dates. While the Series 2 Trust Preferred Securities are in definitive, fully-registered form, subject to the rules of any securities exchange on which the Series 2 Trust Preferred Securities are listed, the relevant record dates shall be 15 days prior to the relevant distribution dates or such other record date fixed by the administrative trustee for Series 2 that is not more than 60 nor less than 10 days prior to such relevant distribution dates. If the Series 2 Trust Preferred Securities are in book-entry only form, the record date will be one business day before the relevant distribution dates. Distributions will be paid through the institutional trustee for Series 2 who will hold amounts received in respect of the Series 2 Debentures in the property account for the benefit of the holders of the series 2 securities. Unless any applicable laws and regulations and the provisions of the Amended and Restated Declaration state otherwise, each such payment will be made as described under Form of Certificates below.

In the event that any date on which distributions are to be made on the Series 2 Trust Preferred Securities on or prior to February 15, 2016 is not a business day, then payment of the distributions payable on such date will be made on the next succeeding day that is a business day, and without any interest or other payment in respect of any such delay. If any date on which distributions are to be made on the Series 2 Trust Preferred Securities after February 15, 2016 is not a business day, then payment of the distribution payable on such date will be made on the next succeeding day that is a business day and interest will accrue to but excluding the date interest is paid. However, if such business day is in the next succeeding calendar month, such payment shall be made on, and interest will accrue to but excluding, the immediately preceding business day. A business day means any day other than a Saturday, Sunday or any other day on which banking institutions in the State of New York generally are authorized or required by law or other governmental action to close.

## **Exchanges**

If at any time Ally or any of its affiliates is the holder or beneficial owner of any Series 2 Trust Preferred Securities, Ally or such affiliate, as applicable, has the right to deliver to the institutional trustee for Series 2 all or such portion of its Series 2 Trust Preferred Securities as it elects and, subject to the terms of the Amended and Restated Indenture, receive, in exchange therefor, Series 2 Debentures having an aggregate principal amount equal to the aggregate Liquidation Amount of the Series 2 Trust Preferred Securities exchanged therefor. After such exchange, such Series 2 Trust Preferred Securities shall be cancelled and shall no longer be deemed to be outstanding and all rights of Ally or such affiliate, as applicable, as holder with respect to such Series 2 Trust Preferred Securities shall cease. In the event of any such exchange, Ally shall also have a similar option with respect to a proportionate amount of the Series 2 Common Securities that it holds.

## **Redemption of Series 2 Trust Preferred Securities**

The Series 2 Trust Preferred Securities have no stated maturity date but will be redeemed upon the maturity of the Series 2 Debentures. In addition, the Series 2 Trust Preferred Securities may be redeemed prior to maturity of the Series 2 Debentures on the dates and to the extent the Series 2 Debentures are redeemed. See Description

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of the Series 2 Debentures Optional Redemption. The Series 2 Debentures will mature on February 15, 2040 (see Description of the Series 2 Debentures General ) and, subject to obtaining any required regulatory approval, may be redeemed, in whole or in part, at any time on or after February 15, 2016, or at any time, in whole or in part, in certain circumstances upon the occurrence of a Tax Event or an Investment Company Event with respect to Series 2. See Special Event Redemption below.

If then required, Ally will obtain the concurrence or approval of the FRB before exercising its redemption rights described in the preceding paragraph.

Upon the maturity of the Series 2 Debentures, the proceeds of their repayment will simultaneously be applied to redeem all outstanding Series 2 Trust Preferred Securities at the redemption price. Upon the redemption of the Series 2 Debentures, whether in whole or in part, either at the option of Ally or pursuant to a Special Event, Series 2 will use the cash it receives upon the redemption to redeem Series 2 Trust Preferred Securities and Series 2 Common Securities having an aggregate liquidation amount equal to the aggregate principal amount of the Series 2 Debentures so redeemed at the redemption price. Before such redemption, holders of Series 2 Trust Preferred Securities will be given not less than 30 nor more than 60 days notice. Prior to any redemption with respect to Series 2, Ally will obtain any required regulatory approval. In the event that fewer than all of the outstanding Series 2 Trust Preferred Securities are to be redeemed, the Series 2 Trust Preferred Securities will be redeemed on a ratable basis as described under Form of Certificates below. See Special Event Redemption and Description of the Series 2 Debentures Optional Redemption.

**Special Event Redemption**

Tax Event means that the administrative trustees for Series 2 will have received an opinion of a nationally recognized independent tax counsel experienced in such matters that states that, as a result of any:

amendment to, or change (including any announced prospective change) in, the laws or associated regulations of the United States or any political subdivision or taxing authority of the United States on or after December 30, 2009; or

amendment to, or change in, an interpretation or application of such laws or regulations by any legislative body, court, governmental agency or regulatory authority, including the enactment of any legislation and the publication of any judicial decision, regulatory determination, or administrative pronouncement on or after December 30, 2009,

there is more than an insubstantial risk that:

Series 2 would be subject to U.S. federal income tax relating to interest accrued or received on the Series 2 Debentures;

interest payable to Series 2 on the Series 2 Debentures would not be deductible, in whole or in part, by Ally for U.S. federal income tax purposes; or

Series 2 would be subject to more than a minimal amount of other taxes, duties or other governmental charges.

Investment Company Event means that the administrative trustees for Series 2 will have received an opinion of a nationally recognized independent counsel experienced in such matters to the effect that, as a result of the occurrence of a change in law or regulation or a written change in interpretation or application of law or regulation by any legislative body, court, governmental agency or regulatory authority, there is more than an insubstantial risk that the Trust or Series 2 is or will be considered an investment company that is required to be registered under the Investment Company Act of 1940 (the 1940 Act ), which change becomes effective on or after December 30, 2009.

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This prospectus refers to a Tax Event or an Investment Company Event as a Special Event. Provided that Ally obtains any required regulatory approval, if a Special Event occurs and continues, Ally may, upon not less than 30 nor more than 60 days' notice, redeem the Series 2 Debentures, in whole or in part, for cash within 90 days following the occurrence of such Special Event. Following such redemption, series 2 securities with an aggregate liquidation amount equal to the aggregate principal amount of the Series 2 Debentures so redeemed shall be redeemed by Series 2 at the redemption price on a ratable basis. If, however, at the time there is available to Ally or the Trust acting with respect to Series 2 the opportunity to eliminate, within such 90-day period, the Special Event by taking some ministerial action, such as filing a form or making an election or pursuing some other similar reasonable measure that will have no adverse effect on Series 2, Ally or the holders of the Series 2 Trust Preferred Securities or the Series 2 Debentures, then Ally or the Trust acting with respect to Series 2 will pursue such measure instead of redemption.

### **Distribution of the Series 2 Debentures**

Ally will have the right to dissolve Series 2, subject to the receipt of any required regulatory approvals. Pursuant to the Amended and Restated Indenture, Ally has agreed not to do so other than in connection with a Special Event or in connection with certain mergers, consolidations or amalgamations permitted by the Amended and Restated Declaration. In the event of any dissolution of the Trust or Series 2 and after satisfaction of the claims and obligations of Series 2 as provided by applicable law, the Trust acting with respect to Series 2 may cause the Series 2 Debentures to be distributed to the holders of the Series 2 Trust Preferred Securities in an aggregate stated principal amount equal to the aggregate stated liquidation amount of such securities then outstanding. Prior to any such distribution, Ally must obtain any required regulatory approvals.

If the Series 2 Trust Preferred Securities are listed on the New York Stock Exchange ( NYSE ) or on any other national securities exchange and if the Series 2 Debentures are distributed to the holders of the Series 2 Trust Preferred Securities upon dissolution of Series 2, then Ally will use its best efforts to cause the Series 2 Debentures to be listed on the NYSE or on such other exchange as the Series 2 Trust Preferred Securities are then listed.

After the date for any distribution of Series 2 Debentures upon dissolution of Series 2:

the Series 2 Trust Preferred Securities will no longer be deemed to be outstanding;

if any global securities have been issued, the securities depository or its nominee, as the record holder of the Series 2 Trust Preferred Securities, will receive a registered global certificate or certificates representing the Series 2 Debentures to be delivered upon such distribution; and

any certificates representing Series 2 Trust Preferred Securities not held by the depository or its nominee will be deemed to represent Debentures having an aggregate principal amount equal to the aggregate stated liquidation amount of, with an interest rate identical to the coupon rate of, and with accrued and unpaid interest equal to accrued and unpaid distributions on, such Series 2 Trust Preferred Securities until such certificates are presented to Ally or its agent for transfer or reissuance.

### **Redemption Procedures**

Series 2 may not redeem fewer than all of the outstanding Series 2 Trust Preferred Securities unless all accrued and unpaid distributions have been paid on all Series 2 Trust Preferred Securities for all distribution periods terminating on or prior to the date of redemption.

If (i) the Trust acting with respect to Series 2 gives an irrevocable notice of redemption of the Series 2 Trust Preferred Securities, and (ii) if Ally has paid to the institutional trustee for Series 2 a sufficient amount of cash in connection with the related redemption or maturity of the Series 2 Debentures, then (x) if the Series 2 Trust Preferred Securities are in book-entry form, by 12:00 noon, New York City time, on the redemption date, the

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institutional trustee for Series 2 will irrevocably deposit with the depository or its nominee funds sufficient to pay the applicable redemption price and will also give the depository irrevocable instructions and authority to pay the redemption price to the holders of the Series 2 Trust Preferred Securities or (y) if the Series 2 Trust Preferred Securities are in definitive form, the institutional trustee for Series 2 will pay the applicable redemption price to the applicable holder of Series 2 Trust Preferred Securities by check mailed to such holder.

Once notice of redemption is given and redemption funds are deposited, distributions will cease to accrue and all rights of holders of the Series 2 Trust Preferred Securities called for redemption will cease, except the right of the holders to receive the redemption price, but without interest on such redemption price. If any redemption date is not a business day, then payment of the redemption price payable on such date will be made on the next succeeding day that is a business day, without any interest or other payment in respect of any such delay, except that if such business day falls in the next calendar year, such payment will be made on the immediately preceding business day, in each case with the same force and effect as if made on such date.

If payment of the redemption price for any Series 2 Trust Preferred Securities is improperly withheld or refused and not paid either by Series 2 or by Ally pursuant to the Series 2 Guarantee, distributions on such Series 2 Trust Preferred Securities will continue to accrue at the then applicable rate from the original redemption date to the date of payment. In this case, the actual payment date will be the redemption date for purposes of calculating the redemption price. See Form of Certificates.

In the event that fewer than all of the outstanding Series 2 Trust Preferred Securities are to be redeemed, the Series 2 Trust Preferred Securities held by the depository or its nominee will be redeemed in accordance with the depository's or nominee's standard procedures. See Form of Certificates.

Ally or its affiliates may, at any time, and from time to time, purchase outstanding Series 2 Trust Preferred Securities by tender, in the open market or by private agreement.

**Liquidation Distribution upon Dissolution**

This prospectus refers to any voluntary or involuntary liquidation, dissolution, winding-up or termination of the Trust or any series of the Trust as a liquidation. If a liquidation occurs with respect to the Trust or Series 2, the holders of the Series 2 Trust Preferred Securities will be entitled to receive out of the assets of Series 2, after satisfaction of claims and obligations of Series 2, pursuant to applicable law, distributions in an amount equal to the aggregate of the stated liquidation amount of \$25 per Series 2 Trust Preferred Security plus accumulated and unpaid distributions thereon to the date of payment. However, such holders will not receive such distribution if Ally instead distributes on a ratable basis to the holders of the Series 2 Trust Preferred Securities, the Series 2 Debentures in an aggregate stated principal amount equal to the aggregate stated liquidation amount of, with an interest rate identical to the distribution rate of, and with accrued and unpaid interest equal to accrued and unpaid distributions on, the Series 2 Trust Preferred Securities outstanding at such time. See Distribution of the Series 2 Debentures.

If this distribution can be paid only in part because Series 2 has insufficient assets available to pay in full the aggregate distribution, then the amounts directly payable with respect to Series 2 shall be paid on a ratable basis. The holders of the Series 2 Common Securities will be entitled to receive distributions upon any such liquidation on a ratable basis with the holders of the Series 2 Trust Preferred Securities. However, if a declaration default (as defined below) with respect to Series 2 has occurred and is continuing, the Series 2 Trust Preferred Securities will have a preference over the Series 2 Common Securities with regard to such distributions.

Pursuant to the Amended and Restated Declaration, the Trust will dissolve and wind up its affairs on the date following the date upon which the last series of the Trust has terminated.

Pursuant to the Amended and Restated Declaration, Series 2 will terminate:

(i) on December 30, 2064, the expiration of the term of Series 2;

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- (ii) upon the bankruptcy of Ally or any holder of the Series 2 Common Securities;
- (iii) upon the filing of a certificate of dissolution or its equivalent with respect to Ally or the revocation of Ally's charter and the expiration of 90 days after the date of revocation without a reinstatement thereof;
- (iv) upon the entry of a decree of judicial dissolution of any holder of the Series 2 Common Securities, Ally, the Trust or Series 2;
- (v) subject to obtaining any required regulatory approval, when all of the series 2 securities have been called for redemption;
- (vi) subject to obtaining any required regulatory approval, upon the exchange of all of the then-outstanding Series 2 Trust Preferred Securities;  
or
- (vii) subject to obtaining any required regulatory approval, when Series 2 shall have been dissolved in accordance with the terms of the Series 2 Trust Preferred Securities upon election by Ally of its right to terminate Series 2 and distribute all of the Series 2 Debentures to the holders of the Series 2 Trust Preferred Securities in exchange for all of the Series 2 Trust Preferred Securities.

**Declaration Defaults**

An indenture default with respect to Series 2 is a default under the Amended and Restated Indenture (as defined below in Description of the Series 2 Debentures ) relating to the Series 2 Debentures and also constitutes a declaration default with respect to Series 2, which is a default under the Amended and Restated Declaration relating to Series 2. Pursuant to the Amended and Restated Declaration, the holder of the Series 2 Common Securities will be deemed to have waived all declaration defaults relating to the Series 2 Common Securities until all declaration defaults relating to the Series 2 Trust Preferred Securities have been cured, waived or otherwise eliminated. Until such declaration defaults relating to the Series 2 Trust Preferred Securities have been cured, waived or otherwise eliminated, the institutional trustee for Series 2 will be deemed to be acting solely on behalf of the holders of the Series 2 Trust Preferred Securities and only the holders of the Series 2 Trust Preferred Securities will have the right to direct the institutional trustee for Series 2 as to matters under the Amended and Restated Declaration, and therefore the Amended and Restated Indenture. In the event that any declaration default relating to the Series 2 Trust Preferred Securities is waived by the holders of the Series 2 Trust Preferred Securities as provided in the Amended and Restated Declaration, such waiver also constitutes a waiver of such declaration default relating to the Series 2 Common Securities for all purposes under the Amended and Restated Declaration without any further act, vote or consent of the holders of Series 2 Common Securities. See Voting Rights.

To the fullest extent permitted by law, if the institutional trustee for Series 2 fails to enforce its rights under the Series 2 Debentures, any holder of Series 2 Trust Preferred Securities may directly institute a legal proceeding against Ally to enforce these rights without first suing the institutional trustee for Series 2 or any other person or entity. If a declaration default has occurred and is continuing with respect to Series 2 and such event is attributable to the failure of Ally to pay interest or principal (or premium, if any) on the Series 2 Debentures on the date such interest or principal (or premium, if any) is otherwise payable, or in the case of redemption, on the redemption date, then a holder of Series 2 Trust Preferred Securities may also bring a direct action. This means that a holder may directly sue for enforcement of payment to such holder of the principal of or interest (or premium, if any) on the Series 2 Debentures having a principal amount equal to the aggregate liquidation amount of the Series 2 Trust Preferred Securities of such holder on or after the respective due date specified in the Series 2 Debentures. Such holder need not first (i) direct the institutional trustee for Series 2 to enforce the terms of the Series 2 Debentures or (ii) sue Ally to enforce the institutional trustee's rights under the Series 2 Debentures. The holders of Series 2 Trust Preferred Securities will not be able to exercise directly any other remedy available to the holders of the Series 2 Debentures.

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In connection with such direct action, Ally will be subrogated to the rights of such holder of Series 2 Trust Preferred Securities under the Amended and Restated Declaration to the extent of any payment made by Ally to such holder of Series 2 Trust Preferred Securities in such direct action. This means that Ally will be entitled to payment of amounts that a holder of Series 2 Trust Preferred Securities receives in respect of an unpaid distribution that resulted in the bringing of a direct action to the extent that such holder receives or has already received full payment relating to such unpaid distribution from Series 2.

Upon the occurrence of an indenture event of default with respect to the Series 2 Debentures, the indenture trustee or the institutional trustee for Series 2, as the sole holder of the Series 2 Debentures, will have the right under the Amended and Restated Indenture to declare the principal of and interest on the Series 2 Debentures to be immediately due and payable, provided that if such a declaration is not made, the holders of at least 25% in aggregate liquidation amount of the Series 2 Trust Preferred Securities then outstanding will have the right to make such declaration. See Description of the Series 2 Debentures Indenture Events of Default and Acceleration.

Ally and Series 2 are each required to file annually with the institutional trustee for Series 2 an officers certificate as to its compliance with all conditions and covenants under the Amended and Restated Declaration.

### **Voting Rights**

Except as described in the next succeeding paragraph, in Modification of the Amended and Restated Declaration, and in this prospectus under Description of the Guarantees Modification of the Guarantees; Assignment, and except as provided under the Statutory Trust Act, the Trust Indenture Act, the Amended and Restated Declaration and as otherwise required by law, the holders of the Series 2 Trust Preferred Securities have no voting rights.

The holders of a majority in aggregate liquidation amount of the Series 2 Trust Preferred Securities, voting separately as a class, have the right to direct the exercise of any trust or power conferred upon the institutional trustee for Series 2 or to direct any proceeding for any remedy available to the institutional trustee for Series 2 so long as the institutional trustee for Series 2 receives the tax opinion discussed below, including the right to direct the institutional trustee for Series 2, as holder of the Series 2 Debentures, to:

- (i) direct any proceeding for any remedy available to the indenture trustee, or exercise any trust or power conferred on the indenture trustee, with respect to the Series 2 Debentures;
- (ii) waive any past indenture default with respect to the Series 2 Debentures that is waivable under Section 5.6 of the Amended and Restated Indenture;
- (iii) exercise any right to rescind or annul an acceleration of the maturity of the Series 2 Debentures; or
- (iv) consent to any amendment, modification or termination of the Amended and Restated Indenture or the Series 2 Debentures where such consent is required.

Where a consent or action under the Amended and Restated Indenture would require the consent or act of holders of more than a majority in principal amount of the Series 2 Debentures, or a super majority, then only holders of that super majority of Series 2 Trust Preferred Securities may direct the institutional trustee for Series 2 to give such consent or take such action. Further, the institutional trustee for Series 2 can refrain from following any directions of the holders that violate the Amended and Restated Declaration or conflict with any applicable rule of law or would involve the institutional trustee for Series 2 in personal liability against which indemnity would, in its opinion, not be adequate. If the institutional trustee for Series 2 fails to enforce its rights under the Series 2 Debentures, any record holder of Series 2 Trust Preferred Securities may directly sue Ally to enforce the institutional trustee's rights under the Series 2 Debentures. The record holder does not have to sue the institutional trustee for Series 2 or any other person or entity before bringing such a direct action.

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The institutional trustee for Series 2 is required to notify all holders of the Series 2 Trust Preferred Securities of any default actually known to certain officers of the institutional trustee and of any notice of default with respect to the Series 2 Debentures received from the indenture trustee. The notice is required to state that the default with respect to the Series 2 Debentures also constitutes a declaration default with respect to the Series 2 Trust Preferred Securities. Except for directing the time, method and place of conducting a proceeding for a remedy available to the institutional trustee for Series 2, the institutional trustee for Series 2, as holder of the Series 2 Debentures, will not take any of the actions described in clauses (i), (ii), (iii) or (iv) above unless the institutional trustee for Series 2 receives an opinion of a nationally recognized independent tax counsel to the effect that, such action will not (x) cause the Trust or Series 2 (as applicable) to be classified (i) as other than either a grantor trust or a partnership or (ii) as an entity taxable as a corporation, in either case, for U.S. federal income tax purposes, or (y) materially reduce the likelihood of the Trust or Series 2 (as applicable) being classified as a grantor trust for U.S. federal income tax purposes.

If the consent of the institutional trustee for Series 2, as holder of the Series 2 Debentures, is required under the Amended and Restated Indenture for any amendment, modification or termination of the Amended and Restated Indenture or the Series 2 Debentures, the institutional trustee for Series 2 is required to request the written direction of the holders of the series 2 securities. The institutional trustee for Series 2 will vote as directed by a majority in liquidation amount of the series 2 securities voting together as a single class. Where any amendment, modification or termination under the Amended and Restated Indenture would require the consent of a super majority, however, the institutional trustee for Series 2 may only give such consent at the direction of the holders of the same supermajority of the holders of the series 2 securities. The institutional trustee for Series 2 is not required to take any such action in accordance with the directions of the holders of the series 2 securities unless the institutional trustee for Series 2 has obtained a tax opinion to the effect described above.

A waiver of an indenture default with respect to the Series 2 Debentures by the institutional trustee for Series 2 at the direction of the holders of the Series 2 Trust Preferred Securities will constitute a waiver of the corresponding declaration default with respect to Series 2.

Any required approval or direction of holders of Series 2 Trust Preferred Securities may be given at a separate meeting of holders of Series 2 Trust Preferred Securities convened for such purpose, at a meeting of all of the holders of series 2 securities or by written consent. The administrative trustees for Series 2 will mail to each holder of record of Series 2 Trust Preferred Securities a notice of any meeting at which such holders are entitled to vote, or of any matter upon which action by written consent of such holders is to be taken. Each such notice will include a statement setting forth the following information:

the date of such meeting or the date by which such action is to be taken;

a description of any resolution proposed for adoption at such meeting on which such holders are entitled to vote or of such matter upon which written consent is sought; and

instructions for the delivery of proxies or consents.

No vote or consent of the holders of Series 2 Trust Preferred Securities will be required for the Trust acting with respect to Series 2 to redeem and cancel Series 2 Trust Preferred Securities or distribute Series 2 Debentures in accordance with the Amended and Restated Declaration and the terms of the Series 2 Trust Preferred Securities.

Despite the fact that holders of Series 2 Trust Preferred Securities are entitled to vote or consent under the circumstances described above, any Series 2 Trust Preferred Securities that are owned at the time by Ally or any entity directly or indirectly controlling or controlled by, or under direct or indirect common control with, Ally, will not be entitled to vote or consent. Instead, these Series 2 Trust Preferred Securities will be treated as if they were not outstanding.



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Voting and consensual rights available to or in favor of holders or beneficial owners of Series 2 Trust Preferred Securities may, to the extent permitted by applicable rule or law, be exercised only by a United States Person that is a beneficial owner of a Series 2 Trust Preferred Security or by a United States Person acting as irrevocable agent with discretionary powers for the beneficial owner of a Series 2 Trust Preferred Security that is not a United States person. Beneficial owners of a Series 2 Trust Preferred Security that are not United States Persons must, to the extent permitted by applicable rule or law, irrevocably appoint a United States Person with discretionary powers to act as their agent with respect to such voting and consensual rights.

The procedures by which holders of Series 2 Trust Preferred Securities may exercise their voting rights are described below. See Form of Certificates.

Holders of the Series 2 Trust Preferred Securities generally have no rights to appoint or remove the administrative trustees for Series 2. Instead, these trustees for Series 2 may be appointed, removed or replaced solely by Ally as the indirect or direct holder of all of the Series 2 Common Securities.

### **Modification of the Amended and Restated Declaration**

The Amended and Restated Declaration may be modified and amended if approved by the administrative trustees for Series 2, and in certain circumstances, the institutional trustee for Series 2 and/or the Delaware trustee. If, however, any proposed amendment provides for, or the administrative trustees for Series 2 otherwise propose to effect:

(i) any action that would adversely affect the powers, preferences or rights of the series 2 securities, whether by way of amendment to the Amended and Restated Declaration or otherwise or

(ii) the dissolution, winding-up or termination of Series 2 other than pursuant to the terms of the Amended and Restated Declaration,

then the holders of the series 2 securities voting together as a single class will be entitled to vote on such amendment or proposal. Such amendment or proposal shall not be effective except with the approval of holders of at least a majority in liquidation amount of the series 2 securities affected thereby. If, however, any amendment or proposal referred to in clause (i) above would adversely affect only the Series 2 Trust Preferred Securities or only the Series 2 Common Securities, then only holders of the affected class will be entitled to vote on such amendment or proposal, and such amendment or proposal shall not be effective except with the approval of holders of a majority in liquidation amount of such class.

Despite the foregoing, no amendment or modification may be made to the Amended and Restated Declaration if such amendment or modification would:

(i)(x) cause the Trust or Series 2 (as applicable) to be classified (a) as other than either a grantor trust or a partnership or (b) as an entity taxable as a corporation, in either case, for U.S. federal income tax purposes, or (y) materially reduce the likelihood of the Trust or Series 2 (as applicable) being classified as a grantor trust for U.S. federal income tax purposes;

(ii) reduce or otherwise adversely affect the powers of the institutional trustee for Series 2 in contravention of the Trust Indenture Act; or

(iii) cause the Trust or Series 2 to be deemed an investment company that is required to be registered under the 1940 Act.

### **Mergers, Consolidations or Amalgamations**

The Trust may not consolidate, amalgamate, merge with or into, or be replaced by, or convey, transfer or lease its properties and assets substantially as an entirety to, any corporation or other body except as described

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below. The Trust may, with the unanimous consent of the administrative trustees for each series of the Trust and without the consent of the holders of the trust securities of any series of the Trust, the Delaware trustee or the institutional trustee for any series, consolidate, amalgamate, merge with or into, or be replaced by a trust organized as such under the laws of any State, provided that:

(i) such successor entity either:

(a) expressly assumes all of the obligations of the Trust with respect to each series of trust securities or

(b) substitutes for the Trust Preferred Securities of each series other successor securities having substantially the same terms as that series of Trust Preferred Securities, so long as the successor securities rank the same as that series of Trust Preferred Securities rank regarding distributions and payments upon liquidation, redemption and otherwise;

(ii) Ally expressly acknowledges with respect to each series of the Trust a trustee for each such series of the successor entity that possesses the same powers and duties as the institutional trustee for such series;

(iii) the Trust Preferred Securities of each series or any successor securities of such series are listed, or any successor securities of such series will be listed upon notification of issuance, on any national securities exchange or with another organization on which the Trust Preferred Securities of such series are then listed or quoted;

(iv) such merger, consolidation, amalgamation or replacement does not cause the Trust Preferred Securities of any series, including any successor securities of such series, to be downgraded by any nationally recognized statistical rating organization;

(v) such merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the holders of the trust securities of any series, including any successor securities with respect to such series, in any material respect, other than in connection with any dilution of the holders' interest in the new entity;

(vi) such successor entity has a purpose substantially identical to that of the Trust with respect to each series of the Trust;

(vii) prior to such merger, consolidation, amalgamation or replacement, each series of the Trust has received an opinion of a nationally recognized independent counsel to the Trust acting for each such series experienced in such matters, to the effect that:

(a) such merger, consolidation, amalgamation or replacement does not adversely affect the rights, preferences and privileges of the holders of the trust securities of any series, including any successor securities of such series, in any material respect, other than in connection with any dilution of the holders' interest in the new entity;

(b) following such merger, consolidation, amalgamation or replacement, neither the Trust nor such successor entity nor any series of the Trust will be required to register as an investment company under the 1940 Act; and

(c) (x) following such merger, consolidation, amalgamation or replacement, the Trust or any series (or any successor thereto), as applicable, will be classified, for U.S. federal income tax purposes, as either a grantor trust or a partnership, and not as an entity taxable as a corporation, and

(y) such merger, consolidation, amalgamation or replacement will not materially reduce the likelihood of the Trust or any series (or any successor thereto), as applicable, being classified as a grantor trust for U.S. federal income tax purposes; and

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(viii) Ally guarantees the obligations of such successor entity with respect to each series of the Trust under the successor securities with respect to each such series at least to the extent provided by the relevant Amended and Restated Guarantee Agreement.

### **Form of Certificates**

The Series 2 Trust Preferred Securities will initially be in the form of definitive, fully registered Trust Preferred Security Certificates (the Definitive Trust Preferred Security Certificates). The Series 2 Trust Preferred Securities may, upon the instruction of Ally, be issued in the form of one or more fully registered global Series 2 Trust Preferred Security Certificates, without distribution coupons (each, a Global Certificate). If so issued, each Global Certificate will be deposited with, or on behalf of, The Depository Trust Company (DTC), a securities depository, and will be registered in the name of DTC or a nominee of DTC. DTC will thus be the only registered holder of these Series 2 Trust Preferred Securities and will be considered the sole owner of the Series 2 Trust Preferred Securities for purposes of the Amended and Restated Declaration. The Trust acting with respect to Series 2 and the trustees shall have no obligation to the beneficial owners of the Series 2 Trust Preferred Securities.

If the Series 2 Trust Preferred Securities are held as Global Certificates, purchasers of Series 2 Trust Preferred Securities may hold interests in the global Series 2 Trust Preferred Securities only through DTC, if they are a participant in the DTC system. Purchasers may also hold interests through a securities intermediary banks, brokerage houses and other institutions that maintain securities accounts for customers that has an account with DTC or its nominee (participants). DTC will maintain accounts showing the Series 2 Trust Preferred Securities holdings of its participants, and these participants will in turn maintain accounts showing the Series 2 Trust Preferred Securities holdings of their customers. Some of these customers may themselves be securities intermediaries holding Series 2 Trust Preferred Securities for their customers. Thus, each beneficial owner of a book-entry Series 2 Trust Preferred Security will hold such Series 2 Trust Preferred Security indirectly through a hierarchy of intermediaries, with DTC at the top and the beneficial owner's own securities intermediary at the bottom.

If the Series 2 Trust Preferred Securities are held as Global Certificates, the Series 2 Trust Preferred Securities of each beneficial owner will be evidenced solely by entries on the books of the beneficial owner's securities intermediary. The actual purchaser of the Series 2 Trust Preferred Securities will generally not be entitled to have the Series 2 Trust Preferred Securities represented by the Global Certificates registered in its name and will not be considered the owner under the Amended and Restated Declaration.

In this prospectus, for book-entry Series 2 Trust Preferred Securities, references to actions taken by securityholders will mean actions taken by DTC upon instructions from its participants, and references to payments and notices of redemption to securityholders will mean payments and notices of redemption to DTC as the registered holder of the Series 2 Trust Preferred Securities for distribution to participants in accordance with DTC's procedures.

If the Series 2 Trust Preferred Securities are held as Global Certificates, a beneficial owner of book-entry securities represented by a Global Certificate may exchange the Series 2 Trust Preferred Securities for Definitive Trust Preferred Security Certificates only if:

- (1) DTC elects to discontinue its services as depository with respect to the Series 2 Trust Preferred Securities and the administrative trustees for Series 2 do not appoint replacement for DTC within 90 days; or
- (2) the administrative trustees for Series 2 elect after consultation with Ally and subject to the procedures of DTC to terminate the book entry system through the DTC with respect to the Series 2 Trust Preferred Securities.

Upon surrender of Global Certificates for exchange, the administrative trustees for Series 2 and the securities registrar shall cause Definitive Trust Preferred Security Certificates to be delivered to the beneficial owners of Series 2 Trust Preferred Securities in accordance with the instructions of DTC.

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DTC is a limited purpose trust company organized under the laws of the State of New York, a banking organization within the meaning of the New York banking law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code and a clearing agency registered under Section 17A of the Exchange Act. The rules applicable to DTC and its participants are on file with the SEC.

Ally and the administrative trustees for Series 2 will not have any responsibility or liability for any aspect of the records relating to, or payments made on account of, beneficial ownership interest in the book-entry securities or for maintaining, supervising or reviewing any records relating to the beneficial ownership interests.

If Global Certificates are issued in the future, DTC may discontinue providing its services as securities depository with respect to the Series 2 Trust Preferred Securities. Under such circumstances, in the event that a successor securities depository is not obtained, Definitive Trust Preferred Security Certificates are required to be printed and delivered. Additionally, the administrative trustees for Series 2, with the consent of Ally, may decide to discontinue use of the system of book-entry transfers through DTC or any successor depository with respect to the Series 2 Trust Preferred Securities. In that event, certificates for the Series 2 Trust Preferred Securities will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Ally and the Trust acting with respect to Series 2 believe to be reliable, but neither Ally nor the Trust acting with respect to Series 2 takes responsibility for the accuracy thereof.

### **Information Concerning the Institutional Trustee**

Prior to the occurrence of a default with respect to Series 2, the institutional trustee for Series 2 undertakes to perform only such duties with respect to Series 2 as are specifically set forth in the Amended and Restated Declaration. After a default with respect to Series 2, the institutional trustee for Series 2 will exercise the rights and powers vested in it by the Amended and Restated Declaration using the same degree of care and skill as a prudent individual would exercise in the conduct of his or her own affairs. The institutional trustee for Series 2 is under no obligation to exercise any of the rights or powers vested in it by the Amended and Restated Declaration at the request of any holder of Series 2 Trust Preferred Securities unless offered security and indemnity reasonably satisfactory to it by such holder against the costs, expenses and liabilities that might be incurred thereby. Despite the foregoing, the institutional trustee for Series 2, upon the occurrence of a declaration default with respect to Series 2, shall not be relieved of its obligation to exercise the rights and powers vested in it by the Amended and Restated Declaration. The institutional trustee for Series 2 will not be liable for any special, indirect or consequential loss or damage of any kind (including lost profits), nor will it be responsible or liable for any failure or delay in the performance of its obligations arising out of forces beyond its reasonable control.

### **Paying Agent/Security Registrar**

While the Series 2 Trust Preferred Securities are in definitive form, the following provisions apply:

the institutional trustee for Series 2 may authorize one or more paying agents for Series 2 and designate or remove an additional or substitute paying agent at any time;

the security registrar for Series 2 will affect the registration of transfers of Series 2 Trust Preferred Securities without charge, but only upon payment, with the giving of such indemnity as the security registrar may require, in respect of any tax or other government charges that may be imposed in relation to the registration of transfers; and

neither the administrative trustees for Series 2 nor the Trust acting with respect to Series 2 will be required to register or cause to be registered the transfer of Series 2 Trust Preferred Securities after such Series 2 Trust Preferred Securities have been called for redemption.

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**Governing Law**

The Amended and Restated Declaration for all purposes will be governed by and construed in accordance with the laws of the State of Delaware.

**Miscellaneous**

The administrative trustees for Series 2 are authorized in carrying out the activities of the Trust provided for in the Amended and Restated Declaration to take any action, not inconsistent with the Amended and Restated Declaration or applicable law, that they determine to be necessary or desirable in carrying out such activities with respect to Series 2 including, but not limited to (i) causing the Trust and Series 2 not to be deemed to be an investment company required to be registered under the 1940 Act, (ii) taking any action to the extent necessary or prudent to (x) ensure that the Trust or Series 2 (as applicable) will be classified, for U.S. federal income tax purposes, as either a grantor trust or a partnership, and not as an entity taxable as a corporation, or (y) increase the likelihood of the Trust or Series 2 (as applicable) being classified as a grantor trust for U.S. federal income tax purposes, and (iii) cooperating with Ally to ensure that the Series 2 Debentures will be treated as indebtedness of Ally for U.S. federal income tax purposes. However, the administrative trustees for Series 2 may not take such action if doing so would adversely affect the interests of the holders of the Series 2 Trust Preferred Securities.

Holders of the Series 2 Trust Preferred Securities have no preemptive rights.

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**DESCRIPTION OF THE SERIES 1 DEBENTURES**

Set forth below is a description of the specific terms of the Series 1 Debentures in which Series 1 of the Trust has invested the proceeds from the issuance and sale of the series 1 securities. The terms of the Series 1 Debentures include those stated in the Amended and Restated Indenture and by the Trust Indenture Act. The following description is not intended to be complete and is qualified by the Amended and Restated Indenture and by the Trust Indenture Act. The form of the Amended and Restated Indenture is filed as an exhibit to the registration statement of which this prospectus is a part. Several capitalized terms used herein are defined in the Amended and Restated Indenture. Wherever particular sections or defined terms of the Amended and Restated Indenture are referred to, such sections or defined terms are incorporated herein by reference as part of the statement made, and the statement is qualified in its entirety by such reference.

Under circumstances discussed more fully below involving the dissolution of the Trust or Series 1, provided that any required regulatory approval is obtained, the Series 1 Debentures will be distributed to the holders of the series 1 securities in liquidation of the Trust or Series 1. See Description of the Series 1 Trust Preferred Securities Distribution of the Series 1 Debentures.

**General**

The Series 1 Debentures were originally issued pursuant to the terms of the Indenture as 8.00% junior subordinated deferrable interest debentures due 2040 and will be designated as 8.0% Junior Subordinated Deferrable Interest Debentures due 2040 (the Series 1 Debentures ) pursuant to the Amended and Restated Indenture. The Series 1 Debentures are unsecured debt under the Amended and Restated Indenture and represent an aggregate principal amount equal to the sum of the aggregate stated liquidation amount of the Series 1 Trust Preferred Securities and Series 1 Common Securities.

The entire principal amount of the Series 1 Debentures will mature and become due and payable, together with any accrued and unpaid interest thereon including compound interest, on February 15, 2040.

If the Series 1 Debentures are distributed to holders of the Series 1 Trust Preferred Securities in liquidation of such holders' interests in Series 1, such Series 1 Debentures may be issued in the form of one or more global securities (as described below) or in certificated form. If the Series 1 Debentures are issued in the form of global securities, the Series 1 Debentures may be issued in certificated form in exchange for a global security as described below under Discontinuance of the Depository's Services. In the event that the Series 1 Debentures are issued in certificated form, such Series 1 Debentures will be in denominations of \$1,000 and integral multiples thereof and may be transferred or exchanged at the offices described below. Payments on Series 1 Debentures issued as a global security will be made to DTC, to a successor depository or, in the event that no depository is used, to a paying agent for the Series 1 Debentures. In the event the Series 1 Debentures are issued in certificated form, principal and interest will be payable, the transfer of the Series 1 Debentures will be registrable and the Series 1 Debentures will be exchangeable for Series 1 Debentures of other denominations of a like aggregate principal amount at the corporate trust office of the indenture trustee in New York, New York. Payment of interest may be made at the option of Ally by check mailed to the address of the persons entitled thereto. See Book-Entry and Settlement.

Ally has not issued, and does not intend to issue, the Series 1 Debentures to anyone other than the Trust.

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**Subordination**

The Amended and Restated Indenture provides that the Series 1 Debentures are subordinated and junior, both in liquidation and in priority of payment, to the extent specified in the Amended and Restated Indenture, to all Senior Indebtedness (as defined below) of Ally. This means that no payment of principal, including redemption payments, premium, if any, or interest on the Series 1 Debentures may be made if:

any Senior Indebtedness of Ally has not been paid when due and any applicable grace period relating to such default has ended and such default has not been cured or been waived or ceased to exist; or

the maturity of any Senior Indebtedness of Ally has been accelerated because of a default.

Upon any payment by Ally or distribution of assets of Ally to creditors upon any dissolution, winding-up, liquidation or reorganization, whether voluntary or involuntary, or in bankruptcy, insolvency, receivership or other proceedings, all principal, premium, if any, and interest due or to become due on all Senior Indebtedness of Ally must be paid in full before the holders of Series 1 Debentures are entitled to receive or retain any payment. Subject to satisfaction of all claims related to all Senior Indebtedness of Ally, the rights of the holders of the Series 1 Debentures will be subrogated to the rights of the holders of Senior Indebtedness of Ally to receive payments or distributions applicable to Senior Indebtedness until all amounts owing on the Series 1 Debentures are paid in full.

The term **Senior Indebtedness** means, with respect to Ally, the principal, premium, if any, and interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to Ally, whether or not such claim for post-petition interest is allowed in such proceeding) on and of all indebtedness and obligations in respect of:

(i) (a) indebtedness for money borrowed and (b) indebtedness evidenced by securities, notes, debentures, bonds or other similar instruments issued by Ally including all indebtedness (whether now or hereafter outstanding) issued under the subordinated debt indenture, dated as of December 31, 2008, between Ally and The Bank of New York Mellon, as trustee, as the same may be amended, modified or supplemented from time to time;

(ii) all capital lease obligations of Ally;

(iii) all obligations of Ally issued or assumed as the deferred purchase price of property, all conditional sale obligations of Ally and all obligations of Ally under any conditional sale or title retention agreement;

(iv) all obligations, contingent or otherwise, of Ally in respect of any letters of credit, banker's acceptance, security purchase facilities and similar credit transactions;

(v) all obligations of Ally in respect of interest rate swap, cap or other agreements, interest rate future or option contracts, currency swap agreements, currency future or options contracts and other similar agreements;

(vi) all obligations of the type referred to in clauses (i) through (v) above of other persons for the payment of which Ally is responsible or liable as obligor, guarantor or otherwise; and

(vii) all obligations of the type referred to in clauses (i) through (vi) above of other persons secured by any lien on any property or asset of Ally, whether or not such obligation is assumed by Ally;

except that Senior Indebtedness does not include obligations in respect of:

(i) any indebtedness issued under the Amended and Restated Indenture;

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(ii) any guarantee entered into by Ally in respect of any series of preferred securities, capital securities or preference stock of the Trust (or any similar trust established for the purpose of issuing trust preferred securities in connection with the issuance of securities under the Amended and Restated Indenture);

(iii) any accounts payable or other liabilities to trade creditors (including guarantees thereof or instruments evidencing such liabilities); or

(iv) any indebtedness or any guarantee that is by its terms subordinated to, or ranks equally with, the Series 1 Debentures and the issuance of which (x) has received the concurrence or approval of the FRB or its staff or (y) does not at the time of issuance prevent the Series 1 Debentures from qualifying for Tier 1 capital treatment (irrespective of any limits on the amount of Ally's Tier 1 capital) under applicable capital adequacy guidelines, regulations, policies, published interpretations, or has received the concurrence or approval of the FRB or its staff.

The Series 1 Debentures rank senior to all of Ally's equity securities, including preferred stock.

The Amended and Restated Indenture does not limit the aggregate amount of Senior Indebtedness that may be issued by Ally.

Notwithstanding the above and anything to the contrary in this prospectus, holders of Senior Indebtedness do not have any rights under the Amended and Restated Indenture to enforce any of the covenants in the Amended and Restated Indenture.

**Optional Redemption**

Ally will have the right to redeem the Series 1 Debentures, in whole or in part at any time, (i) on or after December 30, 2014, (ii) while the Series 1 Trust Preferred Securities or the Series 1 Debentures are held by the U.S. government as part of assistance provided to Ally under TARP or a similar or related U.S. government program or (iii) in certain circumstances upon the occurrence of a Special Event with respect to Series 1, as described in Description of the Series 1 Trust Preferred Securities Special Event Redemption. Any optional redemption must be made upon not less than 30 nor more than 60 days' notice and, with respect to a redemption upon a Special Event, within 90 days following the occurrence of such Special Event.

Ally may not redeem the Series 1 Debentures unless it receives the prior approval of the FRB to do so, if such approval is then required by the FRB.

The redemption price will be equal to 100% of the principal amount to be redeemed plus any accrued and unpaid interest to the redemption date. If the Series 1 Trust Preferred Securities are listed on a national securities exchange and a partial redemption of the Series 1 Trust Preferred Securities resulting from a partial redemption of the Series 1 Debentures would result in the delisting of the Series 1 Trust Preferred Securities, Ally may only redeem the Series 1 Debentures in whole.

**Interest**

The Series 1 Debentures bear interest at the annual rate of 8.0%, from and including December 30, 2009, or from the most recent interest payment date to which interest has been paid or provided for, payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, beginning February 15, 2010. Each date on which interest is payable is called an interest payment date. Interest will be paid to the person in whose name such Series 1 Debentures are registered, with limited exceptions, at the close of business on the business day preceding such interest payment date. In the event the Series 1 Debentures shall be held in book-entry form by a party other than the institutional trustee for Series 1, the record date shall be the date 15 days prior to the interest payment date, or such other record date fixed by the administrative trustees for Series 1 of the Trust that is not more than 60 nor less than 10 days prior to such interest payment date.



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The amount of interest payable for any period will be computed on the basis of a 360-day year of twelve 30-day months. The amount of interest payable for any period shorter than a full quarterly period will be computed on the basis of the actual number of days elapsed in a partial month in such period. In the event that any date on which interest is payable on the Series 1 Debentures is not a business day, then payment of the interest payable on such date will be made on the next succeeding day that is a business day, and without any interest or other payment in respect of any such delay, except that if such business day is in the next succeeding calendar year, then such payment shall be made on the immediately preceding business day, in each case with the same force and effect as if made on such date.

**Option to Extend Interest Payment Period**

Ally has the right to defer interest payments by extending the interest payment period of the Series 1 Debentures for an extension period not exceeding 20 consecutive quarters, so long as no event of default with respect to the Series 1 Debentures has occurred and is continuing. However, no extension period may extend beyond the maturity of the Series 1 Debentures. At the end of any extension period, Ally will pay all interest then accrued and unpaid, together with interest thereon at the rate specified for the Series 1 Debentures to the extent permitted by applicable law. An extension period begins in the quarter in which notice of the extension period is given.

During any such extension period:

- (i) Ally and any of its subsidiaries (other than a subsidiary that is a depository institution or a subsidiary thereof) will not declare or pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any of Ally's capital stock or make any guarantee payment with respect thereto other than:
  - (a) redemptions, purchases, or other acquisitions of shares of capital stock of Ally in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice;
  - (b) the acquisition by Ally or any of its subsidiaries of record ownership in capital stock of Ally for the beneficial ownership of any other persons (other than Ally or any of its subsidiaries), including trustees or custodians;
  - (c) as a result of an exchange or conversion of any class or series of Ally's capital stock for any other class or series of Ally's capital stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to or on December 30, 2009 or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for capital stock of Ally;
  - (d) distributions by or among any wholly-owned subsidiary of Ally;
  - (e) redemptions of securities held by Ally or any wholly-owned subsidiary of Ally; and
  - (f) unpaid tax distributions to holders of membership interests of GMAC LLC pursuant to Section 4(b) of GMAC LLC's Plan of Conversion, dated June 30, 2009; and
- (ii) Ally and any of its subsidiaries (other than a subsidiary that is a depository institution or a subsidiary thereof) will not make any payment of interest, principal or premium, if any, on, or repay, repurchase or redeem, any Series 1 Junior Subordinated Indebtedness (as defined in the Description of the Series 1 Trust Preferred Securities) other than:
  - (a) redemptions, purchases or other acquisitions of Series 1 Junior Subordinated Indebtedness in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice;

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- (b) the acquisition by Ally or any of its subsidiaries of record ownership in Series 1 Junior Subordinated Indebtedness for the beneficial ownership of any other persons (other than Ally or any of its subsidiaries), including trustees or custodians;
- (c) as a result of an exchange or conversion of any class or series of Series 1 Junior Subordinated Indebtedness for any other class or series of Series 1 Junior Subordinated Indebtedness;
- (d) redemptions of securities held by Ally or any wholly-owned subsidiary of Ally; and
- (e) any payment of interest on Series 1 Junior Subordinated Indebtedness paid pro rata with interest paid on the Series 1 Debentures such that the respective amounts of such payments made shall bear the same ratio to each other as all accrued but unpaid interest per like-amount of the Series 1 Debentures and all Series 1 Junior Subordinated Indebtedness bear to each other.

The foregoing, however, will not apply to any stock dividends paid by Ally where the dividend stock is the same stock as that on which the dividend is being paid, or dividends or distributions by or other transactions solely among Ally and any wholly-owned subsidiary of Ally or solely among wholly-owned subsidiaries of Ally. Prior to the termination of any extension period, Ally may further defer payments of interest by extending such extension period. Such extension period, including all such other extensions, however, may not exceed 20 consecutive quarters, including the quarterly interest period in which notice of such extension period is given. No extension period may extend beyond the maturity of the Series 1 Debentures. At the termination of any extension period and upon the payment of all amounts then due, Ally may commence a new extension period, if consistent with the terms set forth in this section. No interest during an extension period, except at the end of such period, shall be due and payable. However, Ally has the right to prepay all or any portion of accrued interest during an extension period.

Ally has no present intention of exercising its right to defer payments of interest by extending the interest payment period on the Series 1 Debentures.

If the institutional trustee for Series 1 of the Trust is the sole holder of the Series 1 Debentures at the time Ally selects an extended interest payment period, Ally will give the administrative trustees and institutional trustee for Series 1 notice of its selection of such extension period at least one business day prior to the earlier of:

- (i) the next date on which distributions on the Series 1 Trust Preferred Securities would be payable, if not for such extension period, or
- (ii) the date the administrative trustees for Series 1 are required to give notice to the NYSE or other applicable self-regulatory organization or to holders of the Series 1 Trust Preferred Securities of the record date or the date such distributions are payable;

*provided*, that, in any event, Ally is not required to give the administrative trustees for Series 1 or the institutional trustee for Series 1 notice of its selection of such extension period more than 15 business days, and must give such notice no less than 5 business days, before the next succeeding interest payment date on the Series 1 Debentures. The administrative trustees for Series 1 Trust Preferred Securities will give notice of Ally's selection of such extension period to the holders of the Series 1 Trust Preferred Securities.

If the institutional trustee for Series 1 is not the sole holder of the Series 1 Debentures at the time Ally selects an extended interest payment period, Ally will give the holders of the Series 1 Debentures, the administrative trustees for Series 1 and the indenture trustee for Series 1 notice of its selection of such extension period at least ten business days before the earlier of:

- (i) the next succeeding interest payment date; or

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(ii) the date upon which Ally is required to give notice to the NYSE or other applicable self-regulatory organization or to holders of the Series 1 Debentures of the record or payment date of such interest payment.

*provided*, that, in any event, Ally is not required to give the holders of the Series 1 Debentures, the administrative trustees for Series 1 or the indenture trustees for Series 1 notice of its selection of such extension period more than 15 business days, and must give such notice no less than 5 business days, before the next succeeding interest payment date.

### **Indenture Events of Default and Acceleration**

The Amended and Restated Indenture provides that the following are indenture events of default with respect to the Series 1 Debentures:

(i) failure to pay in full interest accrued on any Series 1 Debenture upon the conclusion of a period consisting of 20 consecutive quarters commencing with the earliest quarter for which interest (including interest accrued on deferred payments) has not been paid in full and continuance of such failure to pay for a period of 30 days; or

(ii) specified events of bankruptcy, insolvency or reorganization, or court appointment of a receiver, liquidator or trustee of Ally.

If any indenture event of default with respect to the Series 1 Debentures shall occur and be continuing, the indenture trustee or the institutional trustee for Series 1, as the sole holder of the Series 1 Debentures, will have the right to declare the principal of all the Series 1 Debentures then outstanding to be immediately due and payable, upon which the principal and the accrued interest on the Series 1 Debentures shall be immediately due and payable. The institutional trustee for Series 1 may also enforce its other rights as a creditor relating to the Series 1 Debentures.

If, upon an indenture event of default with respect to the Series 1 Debentures, the indenture trustee or the institutional trustee for Series 1, as the sole holder of the Series 1 Debentures, fails to declare the principal of all the Series 1 Debentures then outstanding to be immediately due and payable, the holders of at least 25% in aggregate liquidation amount of the Series 1 Trust Preferred Securities then outstanding will have the right to do so.

### **Indenture Defaults**

The Amended and Restated Indenture provides that the following are indenture defaults with respect to the Series 1 Debentures:

(i) an indenture event of default with respect to the Series 1 Debentures;

(ii) a failure of Ally to pay the principal of, or premium, if any, on, any Series 1 Debenture when and as the same shall become payable;

(iii) a failure of Ally to pay any installment of interest on any Series 1 Debenture when and as the same shall become payable, which failure shall have (taking into account any extension period) continued unremedied for 30 days;

(iv) the failure of Ally for 90 days following written notice of such failure to observe and perform any other covenant or Agreement in respect of the Series 1 Debentures; and

(v) the Trust or Series 1 shall have voluntarily or involuntarily dissolved, wound up its business or otherwise terminated its existence, except in connection with (a) the distribution of the Series 1 Debentures to holders of

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the series 1 securities in liquidation of their interests in Series 1, (b) the redemption of all of the outstanding series 1 securities or (c) certain mergers, consolidations or amalgamations permitted by the Amended and Restated Declaration of Series 1.

There is no right of acceleration with respect to indenture defaults with respect to the Series 1 Debentures, except for those that are indenture events of default with respect to the Series 1 Debentures. An indenture default with respect to the Series 1 Debentures also constitutes a declaration default with respect to the series 1 securities. The holders of Series 1 Trust Preferred Securities in limited circumstances have the right to direct the institutional trustee for Series 1 to exercise its rights as the holder of the Series 1 Debentures. See Description of the Series 1 Trust Preferred Securities Declaration Defaults and Voting Rights.

Any deferral of interest on the Series 1 Debentures made in accordance with the provisions described above in Option to Extend Interest Payment Period will not constitute a default under the Amended and Restated Indenture for the Series 1 Debentures.

The indenture trustee may withhold notice to the holders of the Series 1 Debentures of any default with respect thereto, except a default in the payment of principal, premium or interest, if it considers such withholding to be in the interest of such holders. The indenture trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Amended and Restated Indenture at the request or direction of any of the holders pursuant to the Amended and Restated Indenture, unless such holders shall have offered to the indenture trustee security or indemnity satisfactory to the indenture trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

The holders of a majority in aggregate principal amount of the Series 1 Debentures may direct the proceeding for any remedy available to the indenture trustee for Series 1 and the exercise of any trust or power conferred on the indenture trustee for Series 1 with respect to the Series 1 Debentures. Notwithstanding anything to the contrary in the Amended and Restated Indenture, for so long as the U.S. government is a holder of 100% of the Series 1 Trust Preferred Securities, the U.S. government shall have the right to institute and conduct any proceeding for any remedy, or to exercise any trust or power, conferred upon the indenture trustee with respect to the Series 1 Debentures.

Despite the foregoing, if an indenture default has occurred and is continuing with respect to Series 1 and such event is attributable to the failure of Ally to pay interest or principal (or premium, if any) on the Series 1 Debentures when such interest or principal (or premium, if any) otherwise payable, or in the case of redemption, the redemption date, Ally acknowledges that, in such event, a holder of Series 1 Trust Preferred Securities may sue for payment on or after the respective due date specified in the Series 1 Debentures. Despite any payment made to such holder of Series 1 Trust Preferred Securities by Ally in connection with a direct action, Ally shall remain obligated to pay the principal of or interest on the Series 1 Debentures held by Series 1 or the institutional trustee for Series 1. Ally shall be subrogated to the rights of the holder of such Series 1 Trust Preferred Securities relating to payments on the Series 1 Trust Preferred Securities to the extent of any payments made by Ally to such holder in any direct action. The holders of the Series 1 Trust Preferred Securities will not be able to exercise directly any other remedy available to the holders of the Series 1 Debentures.

**Modifications and Amendments**

Modifications and amendments to the Amended and Restated Indenture with respect to Series 1 through a supplemental indenture may be made by Ally and the indenture trustee with the consent of the holders of a majority in principal amount of the Series 1 Debentures at the time outstanding (or, with respect to certain actions, without such consent). However, no such modification or amendment may, without the consent of the holder of each Series 1 Debenture affected thereby:

(i) modify certain terms of payment of principal, premium, or interest on such Series 1 Debentures;

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(ii) reduce the percentage of principal amount of Series 1 Debentures the consent of whose holders is necessary to modify or amend the Amended and Restated Indenture or waive compliance by Ally with any covenant or past default on the Series 1 Debentures;

(iii) subject to certain exceptions, modify provisions of the Amended and Restated Indenture relating to (a) the ability to enter into certain supplemental indentures, (b) the rights of holders of Series 1 Debentures to direct the proceeding for any remedy available to the indenture trustee or the exercise of any trust or power conferred upon the indenture trustee with respect to the Series 1 Debentures or (c) the ability of holders of Series 1 Debentures to waive certain past defaults; or

(iv) remove or impair the rights of any holder of a Series 1 Debenture to bring a direct action against Ally upon the occurrence of certain indenture defaults. (See Indenture Defaults above.)

If the Series 1 Debentures are held by Series 1 or a trustee of Series 1, such supplemental indenture shall not be effective until the holders of a majority in liquidation preference of the series 1 securities shall have consented to such supplemental indenture. If the consent of the holder of each outstanding Series 1 Debenture is required, such supplemental indenture shall not be effective until each holder of the series 1 securities shall have consented to such supplemental indenture.

**Discharge and Defeasance**

Ally may discharge most of its obligations to holders of the Series 1 Debentures under the Amended and Restated Indenture if all such Series 1 Debentures that have not already been delivered to the indenture trustee for cancellation have become due and payable or are by their terms due and payable within one year, or are to be called for redemption within one year. Ally discharges its obligations by depositing with the indenture trustee an amount sufficient to pay when due the principal of and premium, if any, and interest on all outstanding Series 1 Debentures and to make any mandatory scheduled installment payments thereon when due.

Unless otherwise specified in this prospectus relating to the Series 1 Debentures, Ally, at its option:

(i) will be released from any and all obligations in respect of the Series 1 Debentures, which is known as defeasance and discharge ; or

(ii) need not comply with certain covenants specified herein regarding the Series 1 Debentures, which is known as covenant defeasance.

If Ally exercises its covenant defeasance option, the failure to comply with any defeased covenant contained in the Amended and Restated Indenture or any supplemental indenture will no longer be a default under the Amended and Restated Indenture.

To exercise either its defeasance and discharge or covenant defeasance option, Ally must:

(i) deposit with the indenture trustee, in trust, cash or U.S. government obligations in an amount sufficient to pay all the principal of and premium, if any, and any interest on the Series 1 Debentures when such payments are due and deliver a written certification of a nationally recognized accounting firm that the amount deposited is sufficient; and

(ii) deliver an opinion of counsel (that, in the case of a defeasance and discharge, must be based upon a ruling or administrative pronouncement of the Internal Revenue Service (the IRS ), or a change in applicable U.S. federal income tax law) to the effect that the holders of the Series 1 Debentures will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit or defeasance and will be required to pay U.S. federal income tax in the same manner as if such defeasance had not occurred.

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When there is a defeasance and discharge, the Amended and Restated Indenture will no longer govern the Series 1 Debentures, Ally will no longer be liable for payment, and the holders of such Series 1 Debentures will be entitled only to the deposited funds. When there is a covenant defeasance, however, Ally will continue to be obligated for payments when due if the deposited funds are not sufficient to pay the holders.

The obligations under the Amended and Restated Indenture to pay all expenses of the Trust relating to Series 1, to register the transfer or exchange of Series 1 Debentures, to replace mutilated, defaced, destroyed, lost or stolen Series 1 Debentures, and to maintain paying agents and hold monies for payment in trust will continue even if Ally exercises its defeasance and discharge or covenant defeasance option.

### **Concerning the Indenture Trustee**

Ally and certain of its subsidiaries may also maintain bank accounts, borrow money and have other customary commercial banking or investment banking relationships with the indenture trustee in the ordinary course of business.

### **Consolidation, Merger and Sale of Assets**

The Amended and Restated Indenture provides that Ally will not consolidate with or merge into another corporation or convey, transfer or lease its assets substantially as an entirety unless:

(i) the successor is a corporation organized in the United States and expressly assumes the due and punctual payment of the principal of, and premium, if any, and interest on all the Series 1 Debentures and the Series 2 Debentures and the performance of every other covenant of the Amended and Restated Indenture on the part of Ally; and

(ii) immediately thereafter no indenture default and no event that, after notice or lapse of time, or both, would become an indenture default with respect to either Series 1 Debentures or Series 2 Debentures, shall have happened and be continuing.

Upon any such consolidation, merger, conveyance or transfer, the successor corporation shall succeed to and be substituted for and may exercise every right and power of Ally under the Amended and Restated Indenture. Thereafter the predecessor corporation shall be relieved of all obligations and covenants under the Amended and Restated Indenture and the Series 1 Debentures.

### **Book-Entry and Settlement**

The Series 1 Debentures, on original issuance, were issued, and pursuant to the Amended and Restated Indenture, will be issued in fully registered certificated form without interest coupons. If distributed to holders of the Series 1 Trust Preferred Securities in connection with the involuntary or voluntary dissolution, winding-up or liquidation of Series 1 as a result of the occurrence of a Special Event, (i) any definitive certificates representing the Series 1 Debentures held by Series 1 or the institutional trustee for Series 1 will be presented to the institutional trustee in exchange for one or more global certificates registered in the name of the depositary or its nominee in an aggregate principal amount of all outstanding Series 1 Debentures issued to Series 1 and (ii) any definitive certificates representing the Series 1 Trust Preferred Securities (except any Series 1 Trust Preferred Securities held by DTC, its nominee or any other clearing agency or its nominee) will be deemed to represent beneficial interests in the Series 1 Debentures having an aggregate principal amount equal to the aggregate liquidation amount of, with an interest rate identical to the distribution rate of, the Series 1 Trust Preferred Securities, and accrued and unpaid interest equal to accrued and unpaid distributions on such Series 1 Trust Preferred Securities until such certificates are presented to Ally or its agent for transfer or reissue.

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Each global certificate is referred to as a global security. Except under the limited circumstances described below under Discontinuance of the Depository's Services, the Series 1 Debentures represented by a global security will not be exchangeable for, and will not otherwise be issuable as, the Series 1 Debentures in definitive form. The global securities may not be transferred except by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or to a successor depository or its nominee.

The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. These laws may impair the ability to transfer or pledge beneficial interests in a global security.

Except as provided below, owners of beneficial interests in a global security will not be entitled to receive physical delivery of the Series 1 Debentures in definitive form and will not be considered the holders, as defined in the Amended and Restated Indenture, of the global security for any purpose under the Amended and Restated Indenture. A global security representing Series 1 Debentures is only exchangeable for another global security of like denomination and tenor to be registered in the name of the depository or its nominee or to a successor depository or its nominee. This means that each beneficial owner must rely on the procedures of the depository, or if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the Amended and Restated Indenture.

### **The Depository**

If the Series 1 Debentures are issued in the form of a global certificate, DTC will act as securities depository for the Series 1 Debentures. As of the date of this prospectus, the description in this prospectus of DTC's book-entry system and DTC's practices as they relate to purchases, transfers, notices and payments relating to the Series 1 Trust Preferred Securities apply in all material respects to any debt obligations represented by one or more global securities held by DTC. Ally may appoint a successor to DTC or any successor depository in the event DTC or such successor depository is unable or unwilling to continue as a depository for the global securities. For a description of DTC and the specific terms of the depository arrangements, see Description of the Series 1 Trust Preferred Securities Form of Certificates and Description of the Series 2 Trust Preferred Securities Form of Certificates.

None of Ally, the Trust, the indenture trustee, any paying agent and any other agent of Ally or the indenture trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a global security for such Series 1 Debentures or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

### **Discontinuance of the Depository's Services**

A global security shall be exchangeable for the Series 1 Debentures registered in the names of persons other than the depository or its nominee only if:

- (i) the depository notifies Ally that it is unwilling or unable to continue as a depository for the Series 1 Debentures and/or the Series 2 Debentures and no successor depository shall have been appointed within 90 days of the depository so notifying Ally;
- (ii) the depository, at any time, ceases to be registered or in good standing under the Exchange Act or other applicable statute or regulation and no successor depository shall have been appointed within 90 days of Ally becoming aware of the condition; or
- (iii) Ally, in its sole discretion, determines that such global security shall be so exchangeable.

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Any global security that is exchangeable pursuant to the preceding sentence shall be exchangeable for the Series 1 Debentures registered in such names and in such authorized denominations as the depository shall direct. It is expected that such instructions will be based upon directions received by the depository from its direct or indirect participants or otherwise relating to ownership of beneficial interests in such global security.

**Certain Covenants**

If there shall have occurred and be continuing a default under the Amended and Restated Indenture with respect to the Series 1 Debentures, or Ally shall have given notice of its election to defer payments of interest on the Series 1 Debentures by extending the interest payment period and such period, or any extension of such period, shall be continuing, then:

- (i) Ally and any of its subsidiaries (other than a subsidiary that is a depository institution or a subsidiary thereof) will not declare or pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any of Ally's capital stock or make any guarantee payment with respect thereto other than:
  - (a) redemptions, purchases, or other acquisitions of shares of capital stock of Ally in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice;
  - (b) the acquisition by Ally or any of its subsidiaries of record ownership in capital stock of Ally for the beneficial ownership of any other persons (other than Ally or any of its subsidiaries), including trustees or custodians;
  - (c) as a result of an exchange or conversion of any class or series of Ally's capital stock for any other class or series of Ally's capital stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to or on December 30, 2009 or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for capital stock of Ally;
  - (d) distributions by or among any wholly-owned subsidiary of Ally;
  - (e) redemptions of securities held by Ally or any wholly-owned subsidiary of Ally; and
  - (f) unpaid tax distributions to holders of membership interests of GMAC LLC pursuant to Section 4(b) of GMAC LLC's Plan of Conversion, dated June 30, 2009; and
- (ii) Ally and any of its subsidiaries (other than a subsidiary that is a depository institution or a subsidiary thereof) will not make any payment of interest, principal or premium, if any, on, or repay, repurchase or redeem, any Series 1 Junior Subordinated Indebtedness other than:
  - (a) redemptions, purchases or other acquisitions of Series 1 Junior Subordinated Indebtedness in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice;
  - (b) the acquisition by Ally or any of its subsidiaries of record ownership in Series 1 Junior Subordinated Indebtedness for the beneficial ownership of any other persons (other than Ally or any of its subsidiaries), including trustees or custodians;
  - (c) as a result of an exchange or conversion of any class or series of Series 1 Junior Subordinated Indebtedness for any other class or series of Series 1 Junior Subordinated Indebtedness;
  - (d) redemptions of securities held by Ally or any wholly-owned subsidiary of Ally; and



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(e) any payment of interest on Series 1 Junior Subordinated Indebtedness paid pro rata with interest paid on the Series 1 Debentures such that the respective amounts of such payments made shall bear the same ratio to each other as all accrued but unpaid interest per like-amount of the Series 1 Debentures and all Series 1 Junior Subordinated Indebtedness bear to each other.

These restrictions, however, will not apply to any stock dividends paid by Ally where the dividend stock is the same stock as that on which the dividend is being paid, or dividends or distributions by or other transactions solely among Ally and any wholly-owned subsidiary of Ally or solely among wholly-owned subsidiaries of Ally.

So long as the series 1 securities remain outstanding, Ally will covenant to:

(i) directly or indirectly maintain 100% ownership of the Series 1 Common Securities, unless a permitted successor of Ally succeeds to Ally's ownership of the Series 1 Common Securities;

(ii) not voluntarily dissolve, wind up or terminate Series 1 or the Trust, except in connection with:

(a) a distribution of the Series 1 Debentures upon a Special Event; or

(b) certain mergers, consolidations or amalgamations permitted by the Amended and Restated Declaration;

(iii) timely perform its duties as sponsor of Series 1;

(iv) use its reasonable efforts to cause Series 1 to remain a statutory trust, except in connection with the distribution of the Series 1 Debentures to the holders of series 1 securities in liquidation of their interests in Series 1, the redemption of all of the outstanding series 1 securities, or mergers, consolidations or amalgamations permitted by the Amended and Restated Declaration; and

(v) not knowingly take any action that would (x) cause the Trust or Series 1 (as applicable) to be classified (a) as other than either a grantor trust or a partnership or (b) as an entity taxable as a corporation, in either case, for U.S. federal income tax purposes, or (y) materially reduce the likelihood of the Trust or Series 1 (as applicable) being classified as a grantor trust for U.S. federal income tax purposes.

## **Governing Law**

The Amended and Restated Indenture and the Series 1 Debentures for all purposes are governed by and construed in accordance with the laws of the State of New York.

## **Fees and Expenses**

The Amended and Restated Indenture provides that Ally will pay certain fees and expenses of Series 1, including all fees and expenses related to:

(i) the costs and expenses of Series 1 including, but not limited to, the costs and expenses related to the organization of the Trust;

(ii) the fees and expenses of the institutional trustee, the administrative trustees for Series 1 and the Delaware trustee;

(iii) the costs and expenses relating to the operation, maintenance and dissolution of Series 1; and

(iv) the enforcement by the institutional trustee for Series 1 of the rights of the holders of the Series 1 Trust Preferred Securities.

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**DESCRIPTION OF THE SERIES 2 DEBENTURES**

Set forth below is a description of the specific terms of the Series 2 Debentures in which Series 2 of the Trust has invested the proceeds from the issuance and sale of the series 2 securities. The terms of the Series 2 Debentures include those stated in the Amended and Restated Indenture and by the Trust Indenture Act. The following description is not intended to be complete and is qualified by the Amended and Restated Indenture and by the Trust Indenture Act. The form of the Amended and Restated Indenture is filed as an exhibit to the registration statement of which this prospectus is a part. Several capitalized terms used herein are defined in the Amended and Restated Indenture. Wherever particular sections or defined terms of the Amended and Restated Indenture are referred to, such sections or defined terms are incorporated herein by reference as part of the statement made, and the statement is qualified in its entirety by such reference.

Under circumstances discussed more fully below involving the dissolution of the Trust or Series 2, provided that any required regulatory approval is obtained, the Series 2 Debentures will be distributed to the holders of the series 2 securities in liquidation of the Trust or Series 2. See Description of the Series 2 Trust Preferred Securities Distribution of the Series 2 Debentures.

**General**

The Series 2 Debentures will be issued by Ally as Fixed Rate/Floating Rate Junior Subordinated Deferrable Interest Debentures due 2040 pursuant to the Amended and Restated Indenture. The Series 2 Debentures are unsecured debt under the Amended and Restated Indenture and represent an aggregate principal amount equal to the sum of the aggregate stated liquidation amount of the Series 2 Trust Preferred Securities and Series 2 Common Securities.

The entire principal amount of the Series 2 Debentures will mature and become due and payable, together with any accrued and unpaid interest thereon including compound interest on February 15, 2040.

If the Series 2 Debentures are distributed to holders of the Series 2 Trust Preferred Securities in liquidation of such holders' interests in Series 2, such Series 2 Debentures may be issued in the form of one or more global securities (as described below) or in certificated form. If the Series 2 Debentures are issued in the form of global securities, the Series 2 Debentures may be issued in certificated form in exchange for a global security as described below under Discontinuance of the Depositary's Services. In the event that the Series 2 Debentures are issued in certificated form, such Series 2 Debentures will be in denominations of \$25 and integral multiples thereof and may be transferred or exchanged at the offices described below. Payments on Series 2 Debentures issued as a global security will be made to DTC, to a successor depositary or, in the event that no depositary is used, to a paying agent for the Series 2 Debentures. In the event the Series 2 Debentures are issued in certificated form, principal and interest will be payable, the transfer of the Series 2 Debentures will be registrable and the Series 2 Debentures will be exchangeable for Series 2 Debentures of other denominations of a like aggregate principal amount at the corporate trust office of the indenture trustee in New York, New York. Payment of interest may be made at the option of Ally by check mailed to the address of the persons entitled thereto. See Book-Entry and Settlement.

Ally has not issued, and does not intend to issue, the Series 2 Debentures to anyone other than the Trust.

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**Subordination**

The Amended and Restated Indenture provides that the Series 2 Debentures are subordinated and junior, both in liquidation and in priority of payment, to the extent specified in the Amended and Restated Indenture, to all Senior Indebtedness (as defined below) of Ally. This means that no payment of principal, including redemption payments, premium, if any, or interest on the Series 2 Debentures may be made if:

any Senior Indebtedness of Ally has not been paid when due and any applicable grace period relating to such default has ended and such default has not been cured or been waived or ceased to exist; or

the maturity of any Senior Indebtedness of Ally has been accelerated because of a default.

Upon any payment by Ally or distribution of assets of Ally to creditors upon any dissolution, winding-up, liquidation or reorganization, whether voluntary or involuntary, or in bankruptcy, insolvency, receivership or other proceedings, all principal, premium, if any, and interest due or to become due on all Senior Indebtedness of Ally must be paid in full before the holders of Series 2 Debentures are entitled to receive or retain any payment. Subject to satisfaction of all claims related to all Senior Indebtedness of Ally, the rights of the holders of the Series 2 Debentures will be subrogated to the rights of the holders of Senior Indebtedness of Ally to receive payments or distributions applicable to Senior Indebtedness until all amounts owing on the Series 2 Debentures are paid in full.

The term **Senior Indebtedness** means, with respect to Ally, the principal, premium, if any, and interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to Ally, whether or not such claim for post-petition interest is allowed in such proceeding) on and of all indebtedness and obligations in respect of:

(i) (a) indebtedness for money borrowed and (b) indebtedness evidenced by securities, notes, debentures, bonds or other similar instruments issued by Ally including all indebtedness (whether now or hereafter outstanding) issued under the subordinated debt indenture, dated as of December 31, 2008, between Ally and The Bank of New York Mellon, as trustee, as the same may be amended, modified or supplemented from time to time;

(ii) all capital lease obligations of Ally;

(iii) all obligations of Ally issued or assumed as the deferred purchase price of property, all conditional sale obligations of Ally and all obligations of Ally under any conditional sale or title retention agreement;

(iv) all obligations, contingent or otherwise, of Ally in respect of any letters of credit, banker's acceptance, security purchase facilities and similar credit transactions;

(v) all obligations of Ally in respect of interest rate swap, cap or other agreements, interest rate future or option contracts, currency swap agreements, currency future or options contracts and other similar agreements;

(vi) all obligations of the type referred to in clauses (i) through (v) above of other persons for the payment of which Ally is responsible or liable as obligor, guarantor or otherwise; and

(vii) all obligations of the type referred to in clauses (i) through (vi) above of other persons secured by any lien on any property or asset of Ally, whether or not such obligation is assumed by Ally;

except that Senior Indebtedness does not include obligations in respect of:

(i) any indebtedness issued under the Amended and Restated Indenture;

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(ii) any guarantee entered into by Ally in respect of any series of preferred securities, capital securities or preference stock of the Trust (or any similar trust established for the purpose of issuing trust preferred securities in connection with the issuance of securities under the Amended and Restated Indenture);

(iii) any accounts payable or other liabilities to trade creditors (including guarantees thereof or instruments evidencing such liabilities); or

(iv) any indebtedness or any guarantee that is by its terms subordinated to, or ranks equally with, the Series 2 Debentures and the issuance of which (x) has received the concurrence or approval of the FRB or its staff or (y) does not at the time of issuance prevent the Series 2 Debentures from qualifying for Tier 1 capital treatment (irrespective of any limits on the amount of Ally's Tier 1 capital) under applicable capital adequacy guidelines, regulations, policies, published interpretations, or has received the concurrence or approval of the FRB or its staff.

The Series 2 Debentures rank senior to all of Ally's equity securities, including preferred stock.

The Amended and Restated Indenture does not limit the aggregate amount of Senior Indebtedness that may be issued by Ally.

Notwithstanding the above and anything to the contrary in this prospectus, holders of Senior Indebtedness do not have any rights under the Amended and Restated Indenture to enforce any of the covenants in the Amended and Restated Indenture.

**Optional Redemption**

Ally will have the right to redeem the Series 2 Debentures, in whole or in part, at any time (i) on or after February 15, 2016 or (ii) in certain circumstances, upon the occurrence of a Special Event with respect to Series 2, as described in Description of the Series 2 Trust Preferred Securities Special Event Redemption. Any optional redemption must be made upon not less than 30 nor more than 60 days' notice and, with respect to a redemption upon a Special Event, within 90 days following the occurrence of such Special Event.

Ally may not redeem the Series 2 Debentures unless it receives the prior approval of the FRB to do so, if such approval is then required by the FRB.

The redemption price will be equal to 100% of the principal amount to be redeemed plus any accrued and unpaid interest to the redemption date. If the Series 2 Trust Preferred Securities are listed on a national securities exchange and a partial redemption of the Series 2 Trust Preferred Securities resulting from a partial redemption of the Series 2 Debentures would result in the delisting of the Series 2 Trust Preferred Securities, Ally may only redeem the Series 2 Debentures in whole.

**Interest**

The Series 2 Debentures bear interest (i) from and including the date of Designation to but excluding February 15, 2016 at a fixed rate to be agreed among Ally, Series 1 and Treasury at the time of Designation, payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, beginning on August 15, 2011; and (ii) from and including February 15, 2016 to but excluding February 15, 2040, at an annual rate equal to three-month LIBOR plus a spread to be agreed among Ally, Series 1 and Treasury at the time of Designation, payable quarterly in arrears on February 15, May 15, August 15 and November 15 of each year, beginning May 15, 2016. Each date on which interest is payable is called an interest payment date. Interest will be paid to the person in whose name such Series 2 Debentures are registered, with limited exceptions, at the close of business on the business day preceding such interest payment date. In the event the Series 2 Debentures shall be held in book-entry form by a party other than the institutional trustee for Series 2, the record date shall be the date 15 days prior to the interest payment date, or such other record date fixed by the administrative trustees for Series 2 of the Trust that is not more than 60 nor less than 10 days prior to such interest payment date.

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The amount of interest payable for any period ending on or before February 15, 2016 will be computed on the basis of a 360-day year of twelve 30-day months, and for any period after February 15, 2016 will be computed on the basis of a 360-day year and the actual number of days elapsed, including the first day of such period but excluding the date of maturity. In the event that any interest payment date on or prior to February 15, 2016 is not a business day, then payment of the interest payable on such interest payment date will be made on the next succeeding day that is a business day, and without any interest or other payment in respect of any such delay. In the event that any interest payment date after February 15, 2016 is not a business day, then the interest payable on such interest payment date will be made on the next succeeding day that is a business day, and interest will accrue to but excluding the date interest is paid. However, if such business day is in the next succeeding calendar month, such payment shall be made on, and interest will accrue to but excluding, the immediately preceding business day, in each case with the same force and effect as if made on such date.

For the purposes of calculating interest accruing on the Series 2 Debentures from and including February 15, 2016:

Three-month LIBOR means, with respect to any quarterly interest period, the rate (expressed as a percentage per annum) for deposits in United States dollars for a three-month period, as applicable, commencing on the first day of that quarterly interest period that appears on the Reuters Screen LIBOR as of 11:00 a.m. (London time) on the LIBOR determination date for that quarterly interest period, as the case may be. If such rate does not appear on Reuters Screen LIBOR, three-month LIBOR will be determined on the basis of the rates at which deposits in United States dollars for a three-month period commencing on the first day of that quarterly interest period, as applicable, and in a principal amount of not less than \$1 million are offered to prime banks in the London interbank market by four major banks in the London interbank market selected by the Calculation Agent (after consultation with Ally), at approximately 11:00 a.m., London time, on the LIBOR determination date for that quarterly interest period. The Calculation Agent will request the principal London office of each of such banks to provide a quotation of its rate. If at least two such quotations are provided, three-month LIBOR with respect to that quarterly interest period, as applicable, will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of such quotations. If fewer than two quotations are provided, three-month LIBOR with respect to that quarterly interest period, as applicable, will be the arithmetic mean (rounded upward if necessary to the nearest whole multiple of 0.00001%) of the rates quoted by three major banks in New York City selected by the Calculation Agent, at approximately 11:00 a.m., New York City time, on the first day of that quarterly interest period, as applicable, for loans in United States dollars to leading European banks for a three-month period, as applicable, commencing on the first day of that quarterly interest period and in a principal amount of not less than \$1 million. However, if fewer than three banks selected by the Calculation Agent to provide quotations are quoting as described above, three-month LIBOR for that quarterly interest period, as applicable, will be the same as three-month LIBOR as determined for the previous interest period or, in the case of the quarterly interest period beginning on February 15, 2016, 0.29000%. The establishment of three-month LIBOR for each quarterly interest period, as applicable, by the Calculation Agent shall (in the absence of manifest error) be final and binding;

Calculation Agent means The Bank of New York Mellon or any other successor appointed by Ally, acting as calculation agent;

LIBOR determination date means the second London banking day immediately preceding the first day of the relevant quarterly interest period;

London banking day means any day on which commercial banks are open for general business (including dealings in deposits in United States dollars) in London; and Reuters Screen LIBOR means the display designated on the Reuters Screen LIBOR (or such other page as may replace Reuters Screen LIBOR on the service or such other service as may be nominated by the British Bankers' Association for the purpose of displaying London interbank offered rates for United States dollar deposits).

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**Option to Extend Interest Payment Period**

Ally has the right to defer interest payments by extending the interest payment period of the Series 2 Debentures for an extension period not exceeding 20 consecutive quarters, so long as no event of default with respect to the Series 2 Debentures has occurred and is continuing. However, no extension period may extend beyond the maturity of the Series 2 Debentures. At the end of any extension period, Ally will pay all interest then accrued and unpaid, together with interest thereon at the rate specified for the Series 2 Debentures to the extent permitted by applicable law. An extension period begins in the quarter in which notice of the extension period is given.

During any such extension period:

(i) Ally and any of its subsidiaries (other than a subsidiary that is a depository institution or a subsidiary thereof) will not declare or pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any of Ally's capital stock or make any guarantee payment with respect thereto other than:

(a) redemptions, purchases or other acquisitions of shares of capital stock of Ally in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice;

(b) the acquisition by Ally or any of its subsidiaries of record ownership in capital stock of Ally for the beneficial ownership of any other persons (other than Ally or any of its subsidiaries), including trustees or custodians;

(c) as a result of an exchange or conversion of any class or series of Ally's capital stock for any other class or series of Ally's capital stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to or on December 30, 2009 or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for capital stock of Ally;

(d) distributions by or among any wholly-owned subsidiary of Ally;

(e) redemptions of securities held by Ally or any wholly-owned subsidiary of Ally; and

(f) unpaid tax distributions to holders of membership interests of GMAC LLC pursuant to Section 4(b) of GMAC LLC's Plan of Conversion, dated June 30, 2009; and

(ii) Ally and any of its subsidiaries (other than a subsidiary that is a depository institution or a subsidiary thereof) will not make any payment of interest, principal or premium, if any, on, or repay, repurchase or redeem any Junior Subordinated Indebtedness (as defined in the Description of the Series 2 Trust Preferred Securities ) other than:

(a) redemptions, purchases or other acquisitions of Junior Subordinated Indebtedness in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice;

(b) the acquisition by Ally or any of its subsidiaries of record ownership in Junior Subordinated Indebtedness for the beneficial ownership of any other persons (other than Ally or any of its subsidiaries), including trustees or custodians;

(c) as a result of an exchange or conversion of any class or series of Junior Subordinated Indebtedness for any other class or series of Junior Subordinated Indebtedness;

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(d) redemptions of securities held by Ally or any wholly-owned subsidiary of Ally; and

(e) any payment of interest on Junior Subordinated Indebtedness paid pro rata with interest paid on the Series 2 Debentures such that the respective amounts of such payments made shall bear the same ratio to each other as all accrued but unpaid interest per like-amount of the Series 2 Debentures and all Junior Subordinated Indebtedness bear to each other.

The foregoing, however, will not apply to any stock dividends paid by Ally where the dividend stock is the same stock as that on which the dividend is being paid, or dividends or distributions by or other transactions solely among Ally and any wholly-owned subsidiary of Ally or solely among wholly-owned subsidiaries of Ally. Prior to the termination of any extension period, Ally may further defer payments of interest by extending such extension period. Such extension period, including all such other extensions, however, may not exceed 20 consecutive quarters, including the interest period in which notice of such extension period is given. No extension period may extend beyond the maturity or early redemption of the Series 2 Debentures. At the termination of any extension period and upon the payment of all amounts then due, Ally may commence a new extension period, if consistent with the terms set forth in this section. No interest during an extension period, except at the end of such period, shall be due and payable. However, Ally has the right to prepay all or any portion of accrued interest during an extension period.

Ally has no present intention of exercising its right to defer payments of interest by extending the interest payment period on the Series 2 Debentures.

If the institutional trustee for Series 2 of the Trust is the sole holder of the Series 2 Debentures at the time Ally selects an extended interest payment period, Ally will give the administrative trustees and institutional trustee for Series 2 notice of its selection of such extension period at least one business day prior to the earlier of:

(i) the next date on which distributions on the Series 2 Trust Preferred Securities would be payable, if not for such extension period, or

(ii) the date the administrative trustees for Series 2 are required to give notice to the NYSE or other applicable self-regulatory organization or to holders of the Series 2 Trust Preferred Securities of the record date or the date such distributions are payable;

*provided*, that, in any event, Ally is not required to give the administrative trustees for Series 2 or the institutional trustee for Series 2 notice of its selection of such extension period more than 15 business days, and must give such notice no less than 5 business days, before the next succeeding interest payment date on the Series 2 Debentures. The administrative trustees for Series 2 Trust Preferred Securities will give notice of Ally's selection of such extension period to the holders of the Series 2 Trust Preferred Securities.

If the institutional trustee for Series 2 is not the sole holder of the Series 2 Debentures at the time Ally selects an extended interest payment period, Ally will give the holders of the Series 2 Debentures, the administrative trustees for Series 2 and the indenture trustee for Series 2 notice of its selection of such extension period at least ten business days before the earlier of:

(i) the next succeeding interest payment date; or

(ii) the date upon which Ally is required to give notice to the NYSE or other applicable self-regulatory organization or to holders of the Series 2 Debentures of the record or payment date of such related interest payment.

*provided*, that, in any event, Ally is not required to give the holders of the Series 2 Debentures, the administrative trustees for Series 2 or the indenture trustee for Series 2 notice of its selection of such extension period more than 15 business days, and must give such notice no less than 5 business days, before the next succeeding interest payment date.

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### **Indenture Events of Default and Acceleration**

The Amended and Restated Indenture provides that the following are indenture events of default with respect to the Series 2 Debentures:

- (i) failure to pay in full interest accrued on any Series 2 Debenture upon the conclusion of a period consisting of 20 consecutive quarters commencing with the earliest quarter for which interest (including interest accrued on deferred payments) has not been paid in full and continuance of such failure to pay for a period of 30 days; or
- (ii) specified events of bankruptcy, insolvency or reorganization, or court appointment of a receiver, liquidator or trustee of Ally.

If any indenture event of default with respect to the Series 2 Debentures shall occur and be continuing, the indenture trustee or the institutional trustee for Series 2, as the sole holder of the Series 2 Debentures, will have the right to declare the principal of all the Series 2 Debentures then outstanding to be immediately due and payable, upon which the principal and the accrued interest on the Series 2 Debentures shall be immediately due and payable. The institutional trustee for Series 2 may also enforce its other rights as a creditor relating to the Series 2 Debentures.

If, upon an indenture event of default with respect to the Series 2 Debentures, the indenture trustee or the institutional trustee for Series 2, as the sole holder of the Series 2 Debentures, fails to declare the principal of all the Series 2 Debentures then outstanding to be immediately due and payable, the holders of at least 25% in aggregate liquidation amount of the Series 2 Trust Preferred Securities then outstanding will have the right to do so.

### **Indenture Defaults**

The Amended and Restated Indenture provides that the following are indenture defaults with respect to the Series 2 Debentures:

- (i) an indenture event of default with respect to the Series 2 Debentures;
- (ii) a failure of Ally to pay the principal of, or premium, if any, on, any Series 2 Debenture when and as the same shall become payable;
- (iii) a failure of Ally to pay any installment of interest on any Series 2 Debenture when and as the same shall become payable, which failure shall have (taking into account any extension period) continued unremedied for 30 days;
- (iv) the failure of Ally for 90 days following written notice of such failure to observe and perform any other covenant or Agreement in respect of the Series 2 Debentures; and
- (v) the Trust or Series 2 shall have voluntarily or involuntarily dissolved, wound up its business or otherwise terminated its existence, except in connection with (a) the distribution of the Series 2 Debentures to holders of the series 2 securities in liquidation of their interests in Series 2, (b) the redemption of all of the outstanding series 2 securities or (c) certain mergers, consolidations or amalgamations permitted by the Amended and Restated Declaration of Series 2.

There is no right of acceleration with respect to indenture defaults with respect to the Series 2 Debentures, except for those that are indenture events of default with respect to the Series 2 Debentures. An indenture default with respect to the Series 2 Debentures also constitutes a declaration default with respect to the series 2



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securities. The holders of Series 2 Trust Preferred Securities in limited circumstances have the right to direct the institutional trustee for Series 2 to exercise its rights as the holder of the Series 2 Debentures. See Description of the Series 2 Trust Preferred Securities Declaration Defaults and Voting Rights.

Any deferral of interest on the Series 2 Debentures made in accordance with the provisions described above in Option to Extend Interest Payment Period will not constitute a default under the Amended and Restated Indenture for the Series 2 Debentures.

The indenture trustee may withhold notice to the holders of the Series 2 Debentures of any default with respect thereto, except a default in the payment of principal, premium or interest, if it considers such withholding to be in the interest of such holders. The indenture trustee shall be under no obligation to exercise any of the rights or powers vested in it by the Amended and Restated Indenture at the request or direction of any of the holders pursuant to the Amended and Restated Indenture, unless such holders shall have offered to the indenture trustee security or indemnity satisfactory to the indenture trustee against the costs, expenses and liabilities which might be incurred by it in compliance with such request or direction.

Despite the foregoing, if an indenture default has occurred and is continuing with respect to Series 2 and such event is attributable to the failure of Ally to pay interest or principal (or premium, if any) on the Series 2 Debentures when such interest or principal (or premium, if any) is otherwise payable, or in the case of redemption, the redemption date, Ally acknowledges that, in such event, a holder of Series 2 Trust Preferred Securities may sue for payment on or after the respective due date specified in the Series 2 Debentures. Despite any payment made to such holder of Series 2 Trust Preferred Securities by Ally in connection with a direct action, Ally shall remain obligated to pay the principal of or interest on the Series 2 Debentures held by Series 2 or the institutional trustee for Series 2. Ally shall be subrogated to the rights of the holder of such Series 2 Trust Preferred Securities relating to payments on the Series 2 Trust Preferred Securities to the extent of any payments made by Ally to such holder in any direct action. The holders of the Series 2 Trust Preferred Securities will not be able to exercise directly any other remedy available to the holders of the Series 2 Debentures.

## **Modifications and Amendments**

Modifications and amendments to the Amended and Restated Indenture with respect to Series 2 through a supplemental indenture may be made by Ally and the indenture trustee with the consent of the holders of a majority in principal amount of the Series 2 Debentures at the time outstanding (or, with respect to certain actions, without such consent). However, no such modification or amendment may, without the consent of the holder of each Series 2 Debenture affected thereby:

- (i) modify certain terms of payment of principal, premium, or interest on such Series 2 Debentures;
- (ii) reduce the percentage of principal amount of Series 2 Debentures the consent of whose holders is necessary to modify or amend the Amended and Restated Indenture or waive compliance by Ally with any covenant or past default on the Series 2 Debentures;
- (iii) subject to certain exceptions, modify provisions of the Amended and Restated Indenture relating to (a) the ability to enter into certain supplemental indentures, (b) the rights of holders of Series 2 Debentures to direct the proceeding for any remedy available to the indenture trustee or the exercise of any trust or power conferred upon the indenture trustee with respect to the Series 2 Debentures, or (c) the ability of holders of Series 2 Debentures to waive certain past defaults; or
- (iv) remove or impair the rights of any holder of a Series 2 Debenture to bring a direct action against Ally upon the occurrence of certain indenture defaults. (See Indenture Defaults above.)

If the Series 2 Debentures are held by Series 2 or a trustee of Series 2, such supplemental indenture shall not be effective until the holders of a majority in liquidation preference of the series 2 securities shall have consented

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to such supplemental indenture. If the consent of the holder of each outstanding Series 2 Debenture is required, such supplemental indenture shall not be effective until each holder of the series 2 securities shall have consented to such supplemental indenture.

**Discharge and Defeasance**

Ally may discharge most of its obligations to holders of the Series 2 Debentures under the Amended and Restated Indenture if all such Series 2 Debentures that have not already been delivered to the indenture trustee for cancellation have become due and payable or are by their terms due and payable within one year, or are to be called for redemption within one year. Ally discharges its obligations by depositing with the indenture trustee an amount sufficient to pay when due the principal of and premium, if any, and interest on all outstanding Series 2 Debentures and to make any mandatory scheduled installment payments thereon when due.

Unless otherwise specified in this prospectus relating to the Series 2 Debentures, Ally, at its option:

- (i) will be released from any and all obligations in respect of the Series 2 Debentures, which is known as defeasance and discharge ; or
- (ii) need not comply with certain covenants specified herein regarding the Series 2 Debentures, which is known as covenant defeasance.

If Ally exercises its covenant defeasance option, the failure to comply with any defeased covenant contained in the Amended and Restated Indenture or any supplemental indenture will no longer be a default under the Amended and Restated Indenture.

To exercise either its defeasance and discharge or covenant defeasance option, Ally must:

- (i) deposit with the indenture trustee, in trust, cash or U.S. government obligations in an amount sufficient to pay all the principal of and premium, if any, and any interest on the Series 2 Debentures when such payments are due and deliver a written certification of a nationally recognized accounting firm that the amount deposited is sufficient; and
- (ii) deliver an opinion of counsel (that, in the case of a defeasance and discharge, must be based upon a ruling or administrative pronouncement of the Internal Revenue Service (the IRS ), or a change in applicable U.S. federal income tax law) to the effect that the holders of the Series 2 Debentures will not recognize income, gain or loss for U.S. federal income tax purposes as a result of such deposit or defeasance and will be required to pay U.S. federal income tax in the same manner as if such defeasance had not occurred.

When there is a defeasance and discharge, the Amended and Restated Indenture will no longer govern the Series 2 Debentures, Ally will no longer be liable for payment, and the holders of such Series 2 Debentures will be entitled only to the deposited funds. When there is a covenant defeasance, however, Ally will continue to be obligated for payments when due if the deposited funds are not sufficient to pay the holders.

The obligations under the Amended and Restated Indenture to pay all expenses of the Trust relating to Series 2, to register the transfer or exchange of Series 2 Debentures, to replace mutilated, defaced, destroyed, lost or stolen Series 2 Debentures, and to maintain paying agents and hold monies for payment in trust will continue even if Ally exercises its defeasance and discharge or covenant defeasance option.

**Concerning the Indenture Trustee**

Ally and certain of its subsidiaries may also maintain bank accounts, borrow money and have other customary commercial banking or investment banking relationships with the indenture trustee in the ordinary course of business.

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### **Consolidation, Merger and Sale of Assets**

The Amended and Restated Indenture provides that Ally will not consolidate with or merge into another corporation or convey, transfer or lease its assets substantially as an entirety unless:

(i) the successor is a corporation organized in the United States and expressly assumes the due and punctual payment of the principal of, and premium, if any, and interest on all the Series 1 Debentures and the Series 2 Debentures and the performance of every other covenant of the Amended and Restated Indenture on the part of Ally; and

(ii) immediately thereafter no indenture default and no event that, after notice or lapse of time, or both, would become an indenture default with respect to either Series 1 Debentures or Series 2 Debentures, shall have happened and be continuing.

Upon any such consolidation, merger, conveyance or transfer, the successor corporation shall succeed to and be substituted for and may exercise every right and power of Ally under the Amended and Restated Indenture. Thereafter the predecessor corporation shall be relieved of all obligations and covenants under the Amended and Restated Indenture and the Series 2 Debentures.

### **Book-Entry and Settlement**

The Series 2 Debentures will be issued in fully registered certificated form without interest coupons. If distributed to holders of the Series 2 Trust Preferred Securities in connection with the involuntary or voluntary dissolution, winding-up or liquidation of Series 2 as a result of the occurrence of a Special Event, (i) any definitive certificates representing the Series 2 Debentures held by Series 2 or the institutional trustee for Series 2 will be presented to the institutional trustee in exchange for one or more global certificates registered in the name of the depository or its nominee in an aggregate principal amount of all outstanding Series 2 Debentures issued to Series 2 and (ii) any definitive certificates representing the Series 2 Trust Preferred Securities (except any Series 2 Trust Preferred Securities held by DTC, its nominee or any other clearing agency or its nominee) will be deemed to represent beneficial interests in the Series 2 Debentures having an aggregate principal amount equal to the aggregate liquidation amount of, with an interest rate identical to the distribution rate of, the Series 2 Trust Preferred Securities, and accrued and unpaid interest equal to accrued and unpaid distributions on such Series 2 Trust Preferred Securities until such certificates are presented to Ally or its agent for transfer or reissue.

Each global certificate is referred to as a global security. Except under the limited circumstances described below under Discontinuance of the Depository's Services, the Series 2 Debentures represented by a global security will not be exchangeable for, and will not otherwise be issuable as, the Series 2 Debentures in definitive form. The global securities may not be transferred except by the depository to a nominee of the depository or by a nominee of the depository to the depository or another nominee of the depository or to a successor depository or its nominee.

The laws of some jurisdictions require that certain purchasers of securities take physical delivery of such securities in definitive form. These laws may impair the ability to transfer or pledge beneficial interests in a global security.

Except as provided below, owners of beneficial interests in a global security will not be entitled to receive physical delivery of the Series 2 Debentures in definitive form and will not be considered the holders, as defined in the Amended and Restated Indenture, of the global security for any purpose under the Amended and Restated Indenture. A global security representing Series 2 Debentures is only exchangeable for another global security of like denomination and tenor to be registered in the name of the depository or its nominee or to a successor depository or its nominee. This means that each beneficial owner must rely on the procedures of the depository, or if such person is not a participant, on the procedures of the participant through which such person owns its interest, to exercise any rights of a holder under the Amended and Restated Indenture.

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**The Depository**

If the Series 2 Debentures are issued in the form of a global certificate, DTC will act as securities depository for the Series 2 Debentures. As of the date of this prospectus, the description in this prospectus of DTC's book-entry system and DTC's practices as they relate to purchases, transfers, notices and payments relating to the Series 2 Trust Preferred Securities apply in all material respects to any debt obligations represented by one or more global securities held by DTC. Ally may appoint a successor to DTC or any successor depository in the event DTC or such successor depository is unable or unwilling to continue as a depository for the global securities. For a description of DTC and the specific terms of the depository arrangements, see "Description of the Series 2 Trust Preferred Securities Form of Certificates" and "Description of the Series 2 Trust Preferred Securities Form of Certificates."

None of Ally, the Trust, the indenture trustee, any paying agent and any other agent of Ally or the indenture trustee will have any responsibility or liability for any aspect of the records relating to or payments made on account of beneficial ownership interests in a global security for such Series 2 Debentures or for maintaining, supervising or reviewing any records relating to such beneficial ownership interests.

**Discontinuance of the Depository's Services**

A global security shall be exchangeable for the Series 2 Debentures registered in the names of persons other than the depository or its nominee only if:

- (i) the depository notifies Ally that it is unwilling or unable to continue as a depository for the Series 1 Debentures and/or the Series 2 Debentures and no successor depository shall have been appointed within 90 days of the depository so notifying Ally;
- (ii) the depository, at any time, ceases to be registered or in good standing under the Exchange Act or other applicable statute or regulation and no successor depository shall have been appointed within 90 days of Ally becoming aware of the condition; or
- (iii) Ally, in its sole discretion, determines that such global security shall be so exchangeable.

Any global security that is exchangeable pursuant to the preceding sentence shall be exchangeable for the Series 2 Debentures registered in such names and in such authorized denominations as the depository shall direct. It is expected that such instructions will be based upon directions received by the depository from its direct or indirect participants or otherwise relating to ownership of beneficial interests in such global security.

**Certain Covenants**

If there shall have occurred and be continuing a default under the Amended and Restated Indenture with respect to the Series 2 Debentures, or Ally shall have given notice of its election to defer payments of interest on the Series 2 Debentures by extending the interest payment period and such period, or any extension of such period, shall be continuing, then:

- (i) Ally and any of its subsidiaries (other than a subsidiary that is a depository institution or a subsidiary thereof) will not declare or pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any of Ally's capital stock or make any guarantee payment with respect thereto other than:
  - (a) redemptions, purchases or other acquisitions of shares of capital stock of Ally in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice;

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- (b) the acquisition by Ally or any of its subsidiaries of record ownership in capital stock of Ally for the beneficial ownership of any other persons (other than Ally or any of its subsidiaries), including trustees or custodians;
  - (c) as a result of an exchange or conversion of any class or series of Ally's capital stock for any other class or series of Ally's capital stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into prior to or on December 30, 2009 or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for capital stock of Ally;
  - (d) distributions by or among any wholly-owned subsidiary of Ally;
  - (e) redemptions of securities held by Ally or any wholly-owned subsidiary of Ally; and
  - (f) unpaid tax distributions to holders of membership interests of GMAC LLC pursuant to Section 4(b) of GMAC LLC's Plan of Conversion, dated June 30, 2009; and
  - (ii) Ally and any of its subsidiaries (other than a subsidiary that is a depository institution or a subsidiary thereof) will not make any payment of interest, principal or premium, if any, on, or repay, repurchase or redeem any Junior Subordinated Indebtedness other than:
    - (a) redemptions, purchases or other acquisitions of Junior Subordinated Indebtedness in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice;
    - (b) the acquisition by Ally or any of its subsidiaries of record ownership in Junior Subordinated Indebtedness for the beneficial ownership of any other persons (other than Ally or any of its subsidiaries), including trustees or custodians;
    - (c) as a result of an exchange or conversion of any class or series of Junior Subordinated Indebtedness for any other class or series of Junior Subordinated Indebtedness;
    - (d) redemptions of securities held by Ally or any wholly-owned subsidiary of Ally; and
    - (e) any payment of interest on Junior Subordinated Indebtedness paid pro rata with interest paid on the Series 2 Debentures such that the respective amounts of such payments made shall bear the same ratio to each other as all accrued but unpaid interest per like-amount of Series 2 Debentures and all Junior Subordinated Indebtedness bear to each other.
- These restrictions, however, will not apply to any stock dividends paid by Ally where the dividend stock is the same stock as that on which the dividend is being paid or dividends or distributions by or other transactions solely among Ally and any wholly-owned subsidiary of Ally or solely among wholly-owned subsidiaries of Ally.
- So long as the series 2 securities remain outstanding, Ally will covenant to:
- (i) directly or indirectly maintain 100% ownership of the Series 2 Common Securities, unless a permitted successor of Ally succeeds to Ally's ownership of the Series 2 Common Securities;
  - (ii) not voluntarily dissolve, wind up or terminate Series 2 or the Trust, except in connection with:
    - (a) a distribution of the Series 2 Debentures upon a Special Event; or
    - (b) certain mergers, consolidations or amalgamations permitted by the Amended and Restated Declaration;

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(iii) timely perform its duties as sponsor of Series 2;

(iv) use its reasonable efforts to cause Series 2 to remain a statutory trust, except in connection with the distribution of the Series 2 Debentures to the holders of series 2 securities in liquidation of their interests in Series 2, the redemption of all of the outstanding series 2 securities, or mergers, consolidations or amalgamations permitted by the Amended and Restated Declaration; and

(v) not knowingly take any action that would (x) cause the Trust or Series 2 (as applicable) to be classified (a) as other than either a grantor trust or a partnership or (b) as an entity taxable as a corporation, in either case, for U.S. federal income tax purposes, or (y) materially reduce the likelihood of the Trust or Series 2 (as applicable) being classified as a grantor trust for U.S. federal income tax purposes.

**Governing Law**

The Amended and Restated Indenture and the Series 2 Debentures for all purposes are governed by and construed in accordance with the laws of the State of New York.

**Fees and Expenses**

The Amended and Restated Indenture provides that Ally will pay certain fees and expenses of Series 2, including all fees and expenses related to:

(i) the costs and expenses of Series 2 including, but not limited to, the costs and expenses related to the organization of the Trust;

(ii) the fees and expenses of the institutional trustee, the administrative trustees for Series 2 and the Delaware trustee;

(iii) the costs and expenses relating to the operation, maintenance and dissolution of Series 2; and

(iv) the enforcement by the institutional trustee for Series 2 of the rights of the holders of the Series 2 Trust Preferred Securities.

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**DESCRIPTION OF THE GUARANTEES**

Set forth below is a summary of information concerning the Amended and Restated Guarantee Agreements that will be executed and delivered by Ally for the benefit of the holders of Trust Preferred Securities. The Bank of New York Mellon will be acting as the guarantee trustee for each of the Series 1 Guarantee and the Series 2 Guarantee. The terms of the Guarantees are those set forth in the Amended and Restated Guarantee Agreements and those made part of the Guarantees by the Trust Indenture Act. The summary is not intended to be complete and is qualified in all respects by the provisions of the Amended and Restated Guarantee Agreements, the forms of which are filed as exhibits to the registration statement of which this prospectus forms a part, and the Trust Indenture Act. The Guarantee for each series of Trust Preferred Securities is held by the guarantee trustee for that series of Guarantee for the benefit of the holders of the respective series of Trust Preferred Securities.

**General**

Pursuant to and to the extent set forth in the Amended and Restated Guarantee Agreements, Ally irrevocably and unconditionally agrees to pay in full to the holders of each series of Trust Preferred Securities, except to the extent paid by the respective series of the Trust, as and when due, to the extent the relevant series of the Trust has funds available, regardless of any defense, right of set-off or counterclaim that such series of the Trust may have or assert, the following payments, which are referred to as guarantee payments, without duplication:

- (i) any accrued and unpaid distributions that are required to be paid on a series of Trust Preferred Securities, to the extent that the relevant series of the Trust has funds available for such distributions;
- (ii) the relevant redemption price per Trust Preferred Security, plus all accrued and unpaid distributions to the date of redemption, to the extent that the relevant series of the Trust has funds available for such redemptions, relating to any Trust Preferred Securities of that series called for redemption by the relevant series of the Trust; and
- (iii) upon a voluntary or involuntary dissolution, winding-up or termination of a series of the Trust, other than in connection with the distribution of the respective series of Debentures to the holders of the respective series of Trust Preferred Securities, or the redemption of all of the respective series of Trust Preferred Securities upon the maturity or redemption of all of the corresponding series of Debentures, the lesser of:
  - (a) the aggregate of the liquidation amount and all accrued and unpaid distributions with respect to such series of Trust Preferred Securities to the date of payment, or
  - (b) the amount of assets of the relevant series of the Trust remaining underlying such series of Trust Preferred Securities for distribution to holders of that series of Trust Preferred Securities in liquidation of such series.

Ally's obligation to make a guarantee payment may be satisfied by direct payment of the required amounts by Ally to the holders of Trust Preferred Securities or by causing the Trust with respect to such series to pay such amounts to such holders.

The Guarantees do not apply to any payment of distributions or redemption price, or to payments upon the dissolution, winding-up or termination of the relevant series of the Trust, except to the extent such series of Trust has funds available for such payments. If Ally does not make interest payments on a series of Debentures, the corresponding series of the Trust will not pay distributions on the corresponding series of Trust Preferred Securities and will not have funds available for such payments. Ally's obligations in respect of the Guarantees are subordinated, both in liquidation and in priority of payment, to Senior Indebtedness of Ally to the same extent that the Debentures are subordinated to Senior Indebtedness of Ally. See Description of the Series 1 Debentures and Description of the Series 2 Debentures.

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**Important Covenants of Ally**

In the Amended and Restated Guarantee Agreements, Ally covenants that, so long as any Trust Preferred Securities of either series remain outstanding, if there shall have occurred and is continuing any event that would constitute a default under the Amended and Restated Indenture with respect to such series of the Debentures, then:

(i) Ally and any of its subsidiaries (except a subsidiary that is a depository institution or a subsidiary of a depository institution) will not declare or pay any dividend on, make any distributions relating to, or redeem, purchase, acquire or make a liquidation payment relating to, any of Ally's capital stock or make any guarantee payment with respect thereto other than:

(a) redemptions, purchases, or other acquisitions of shares of capital stock of Ally in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice;

(b) the acquisition by Ally or any of its subsidiaries of record ownership in capital stock of Ally for the beneficial ownership of any other persons (other than Ally or any of its subsidiaries), including trustees or custodians;

(c) as a result of an exchange or conversion of any class or series of Ally's capital stock for any other class or series of Ally's capital stock, in each case, solely to the extent required pursuant to binding contractual agreements entered into on or prior to December 30, 2009 or any subsequent agreement for the accelerated exercise, settlement or exchange thereof for capital stock of Ally;

(d) distributions by or among any wholly-owned subsidiary of Ally;

(e) redemptions of securities held by Ally or any wholly-owned subsidiary of Ally; and

(f) unpaid tax distributions to holders of membership interests of GMAC LLC pursuant to Section 4(b) of GMAC LLC's Plan of Conversion, dated June 30, 2009; and

(ii) Ally and any of its subsidiaries (except a subsidiary that is a depository institution or a subsidiary of a depository institution) will not make any payment of interest, principal or premium, if any, on, or repay, repurchase or redeem, any Junior Subordinated Indebtedness corresponding to the series of Debentures in default other than:

(a) redemptions, purchases or other acquisitions of that series of Junior Subordinated Indebtedness in connection with the administration of any employee benefit plan in the ordinary course of business and consistent with past practice;

(b) the acquisition by Ally or any of its subsidiaries of record ownership in that series of Junior Subordinated Indebtedness for the beneficial ownership of any other persons (other than Ally or any of its subsidiaries), including trustees or custodians;

(c) as a result of an exchange or conversion of any class or series of that series of Junior Subordinated Indebtedness for any other class or series of that series of Junior Subordinated Indebtedness;

(d) redemptions of securities held by Ally or any wholly-owned subsidiary of Ally; and

(e) any payment of interest on that series of Junior Subordinated Indebtedness paid pro rata with interest paid on that series of the Debentures such that the respective amounts of such payments made shall



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bear the same ratio to each other as all accrued but unpaid interest per like-amount of Debentures and all that series of Junior Subordinated Indebtedness bear to each other.

The above restrictions, however, will not apply to any stock dividends paid by Ally where the dividend stock is the same stock as that on which the dividend is being paid, or dividends or distributions by or other transactions solely among Ally and any wholly-owned subsidiary of Ally or solely among wholly-owned subsidiaries of Ally.

### **Modification of the Guarantees; Assignment**

With respect to each of Series of Trust Preferred Securities, the respective Guarantee may be amended only with the prior approval of the holders of not less than a majority in aggregate liquidation amount of the outstanding Trust Preferred Securities of that series. No approval will be required, however, for any changes that do not adversely affect the rights of holders of that series of Trust Preferred Securities. The Amended and Restated Guarantee Agreements shall be binding upon and inure to the benefit of the successors and permitted assigns of Ally. The Guarantees are not assignable without the prior written consent of all other parties to the Amended and Restated Guarantee Agreement, except in limited circumstances permitted by the Amended and Restated Indenture.

### **Events of Default**

An event of default under the Guarantees with respect to a series of the Trust will occur upon the failure of Ally to perform any of its payment or other obligations with respect to such series required by the Amended and Restated Guarantee Agreements. The holders of a majority in aggregate liquidation amount of the Trust Preferred Securities of the relevant series have the right to direct the time, method and place of conducting any proceeding for any remedy available to the guarantee trustee for that series in respect of the relevant Guarantee or to direct the exercise of any trust or power conferred upon the guarantee trustee for that series in respect of the relevant Guarantee, unless (i) such direction is in conflict with any rule of law or with the relevant Amended and Restated Guarantee Agreement; or (ii) the guarantee trustee for such series declines to follow any such direction because it determines in good faith that the proceeding so directed would involve the guarantee trustee in personal liability, against which adequate indemnity, in its opinion, has not been provided.

If the guarantee trustee for a series of Guarantee fails to enforce its rights under the relevant Amended and Restated Guarantee Agreement, any holder of related Trust Preferred Securities may directly sue Ally to enforce the guarantee trustee's rights under the relevant Amended and Restated Guarantee Agreement without first suing the Trust, the guarantee trustee or any other person or entity. A holder of Trust Preferred Securities may also directly sue Ally to enforce such holder's right to receive payment under the relevant Amended and Restated Guarantee Agreement without first (i) directing the guarantee trustee for the relevant series of Guarantee to enforce the terms of the relevant Amended and Restated Guarantee Agreement or (ii) suing the Trust or any other person or entity.

Ally will be required to provide to the guarantee trustee of each series with such documents, reports and information as required by the Trust Indenture Act.

### **Information Concerning the Guarantee Trustee**

Prior to the occurrence of a default relating to the Guarantee for a series of Trust Preferred Securities, the guarantee trustee for that series of trust securities undertakes to perform only such duties as are specifically set forth in the relevant Amended and Restated Guarantee Agreement. If such a default has occurred and has not been cured or waived, such guarantee trustee will exercise the rights and powers vested in it by the relevant Amended and Restated Guarantee Agreement with the same degree of care as a prudent individual would exercise in the conduct of his or her own affairs. Provided that the foregoing requirements have been met with respect to a series, the guarantee trustee for each series is under no obligation to exercise any of the powers

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vested in it by the respective Amended and Restated Guarantee Agreement at the request of any holder of the relevant series of Trust Preferred Securities unless it is offered security and indemnity reasonably satisfactory to it against the costs, expenses and liabilities that might be incurred thereby. However, the foregoing shall not relieve such guarantee trustee, upon the occurrence of an event of default, of its obligations to exercise the rights and powers vested in it by the relevant Amended and Restated Guarantee Agreement.

### **Termination of the Guarantees**

The Guarantee with respect to a particular series will terminate upon full payment of the redemption price of all Trust Preferred Securities of that series, upon distribution of the Debentures of that series to holders of the Trust Preferred Securities of that series, or upon full payment of the amounts payable with respect to that series in accordance with the Amended and Restated Declaration upon liquidation of that series. The Guarantee with respect to a particular series will continue to be effective or will be reinstated, as the case may be, if at any time any holder of Trust Preferred Securities of that series must restore payment of any sums paid under that series of Trust Preferred Securities or the relevant Amended and Restated Guarantee Agreement.

### **Status of the Guarantees**

The Guarantees constitute an unsecured obligation of Ally and ranks:

junior in liquidation and in priority of payment to all Senior Indebtedness of Ally to the same extent provided in the Amended and Restated Indenture with respect to the respective series of Debentures; and

equally with all other enhanced trust preferred security guarantees and related junior subordinated debt securities that Ally issues in the future.

The terms of the Trust Preferred Securities provide that each holder of Trust Preferred Securities of any series by acceptance of such securities agrees to the subordination provisions and other terms of the relevant Amended and Restated Guarantee Agreement.

The Guarantees constitute a guarantee of payment and not of collection. This means that the guaranteed party may directly sue Ally to enforce its rights under the Guarantees without suing any other person or entity.

### **Governing Law**

The Amended and Restated Guarantee Agreements for all purposes are governed by and construed in accordance with the laws of the State of New York.

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**EFFECT OF OBLIGATIONS UNDER THE DEBENTURES AND THE GUARANTEES**

As set forth in the Amended and Restated Declaration, the purpose of each series of the Trust is to issue the Trust Preferred Securities and Common Securities and to invest the proceeds from such issuance in the respective series of Debentures.

As long as payments of interest and other payments are made when due on a series of the Debentures, such payments will be sufficient to cover the distributions and payments due on the corresponding series of Trust Preferred Securities and Common Securities. This is due to the following factors:

the aggregate principal amount of each series of Debentures is equal to the aggregate stated liquidation amount of the corresponding series of Trust Preferred Securities and Common Securities;

the interest rate and the interest and other payment dates on each series of the Debentures match the distribution rate and distribution and other payment dates for the corresponding series of Trust Preferred Securities;

under the Amended and Restated Indenture, Ally will pay, and no series of the Trust will be obligated to pay, directly or indirectly, any costs, expenses, debts and obligations of the Trust other than those relating to the Trust Preferred Securities and Common Securities; and

the Amended and Restated Declaration further provides that the administrative trustees for each series may not cause or permit the respective series to engage in any activity that is not consistent with the purposes of such series.

Payments of distributions with respect to a series of Trust Preferred Securities, to the extent that series of the Trust has funds available, and other payments due on a series of Trust Preferred Securities, to the extent that series of the Trust has funds available, are guaranteed by Ally to the extent described in this prospectus. If Ally does not make interest payments on a series of Debentures, the respective series will not have sufficient funds to pay distributions on the corresponding series of Trust Preferred Securities. The Guarantee for each series of Trust Preferred Securities is a subordinated guarantee in relation to that series of Trust Preferred Securities. The Guarantee for a series of Trust Preferred Securities does not apply to any payment of distributions with respect to that series of Trust Preferred Securities unless and until that series of the Trust has sufficient funds for the payment of such distributions. See Description of the Guarantees.

The Guarantee for any series of Trust Preferred Securities covers the payment of distributions and other payments on that series of Trust Preferred Securities only if and to the extent that Ally has made a payment of interest or principal or other payments on the corresponding series of Debentures. The Guarantees, when taken together with Ally's obligations under the Debentures and pursuant to the Amended and Restated Indenture and its obligations under the Amended and Restated Declaration, provide a full and unconditional guarantee of distributions, redemption payments and liquidation payments on the Trust Preferred Securities.

If Ally fails to make interest or other payments on a series of Debentures when due, taking account of any extension period, the Amended and Restated Declaration allows the holders of the corresponding series of Trust Preferred Securities to direct the institutional trustee for that series of trust securities to enforce its rights under the corresponding series of Debentures. If such institutional trustee fails to enforce these rights, any holder of that series of Trust Preferred Securities may directly sue Ally to enforce such rights without first suing such institutional trustee or any other person or entity. See Description of the Series 1 Trust Preferred Securities Declaration Defaults and Voting Rights and Description of the Series 2 Trust Preferred Securities Declaration Defaults and Voting Rights. Although various events may constitute defaults under the Amended and Restated Indenture, a default that is not an event of default with respect to a series of Debentures will not trigger the acceleration of principal and interest on such series of Debentures. An acceleration of

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principal and interest with respect to a series of Trust Preferred Securities will occur only upon Ally's failure to pay in full all interest accrued on such series of Trust Preferred Securities upon the conclusion of an extension period of 20 consecutive quarters or as a result of specified events of bankruptcy, insolvency or reorganization of Ally. See Description of the Series 1 Debentures Indenture Events of Default and Acceleration and Description of the Series 2 Debentures Indenture Events of Default and Acceleration.

A holder of Trust Preferred Securities of a particular series may institute a direct action if a declaration default has occurred with respect to that series of Trust Preferred Securities and is continuing and such event is attributable to the failure of Ally to pay interest or principal on the corresponding series of Debentures on the date such interest or principal is otherwise payable. A direct action may be brought without first (1) directing the institutional trustee for the relevant series of trust securities to enforce the terms of the corresponding series of Debentures or (2) suing Ally to enforce the institutional trustee's rights under the corresponding series of Debentures. In connection with such direct action, Ally will be subrogated to the rights of such holder of Trust Preferred Securities under the Amended and Restated Declaration to the extent of any payment made by Ally to such holder of Trust Preferred Securities. Consequently, Ally will be entitled to payment of amounts that a holder of Trust Preferred Securities receives in respect of an unpaid distribution to the extent that such holder receives or has already received full payment relating to such unpaid distribution from the Trust.

Ally acknowledges that the guarantee trustee for a series of Guarantee will enforce the Guarantee on behalf of the holders of that series of Trust Preferred Securities. If Ally fails to make payments under the Guarantee with respect to a series of Trust Preferred Securities, the Guarantee allows the holders of that series of Trust Preferred Securities to direct the guarantee trustee for that series of Guarantee to enforce its rights thereunder. If that guarantee trustee fails to enforce the Guarantee, any holder of that series of Trust Preferred Securities may directly sue Ally to enforce that guarantee trustee's rights under the Guarantee. Such holder need not first sue the respective series of the Trust, the guarantee trustee for that series of Guarantee, or any other person or entity. A holder of Trust Preferred Securities may also directly sue Ally to enforce such holder's right to receive payment under the Guarantee for that series of Trust Preferred Securities. Such holder need not first (i) direct the guarantee trustee for that series of Guarantee to enforce the terms of the Guarantee or (ii) sue the Trust or any other person or entity.

Ally and the Trust believe that the above mechanisms and obligations, taken together, are equivalent to a full and unconditional guarantee by Ally of payments due on the Trust Preferred Securities. See Description of the Guarantees General.

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**USE OF PROCEEDS**

Ally will not receive any proceeds from the sale of the securities. All proceeds of any sale will go to the selling securityholders.

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**SELLING SECURITYHOLDERS**

The selling securityholders may include (i) Treasury, which acquired all of the Trust Preferred Securities from us as described in Summary, and (ii) any other person or persons holding Trust Preferred Securities to whom Treasury has transferred its registration rights under the terms of the Purchase Agreement. Treasury is required to notify us in writing of any such transfer of its registration rights within ten days after the transfer, including the name and address of the transferee and the number and type of securities with respect to which the registration rights have been assigned. As of the date of this prospectus, Treasury has not notified us of any such transfer. Accordingly, Treasury currently holds 100% of the outstanding 8.00% trust preferred securities and, immediately following the Designation, will hold record and beneficial ownership of 100% of each of the Series 1 Trust Preferred Securities and the Series 2 Trust Preferred Securities. However, Treasury has notified us of its intention to distribute all or a portion of the Series 2 Trust Preferred Securities that it will own following the Designation to the public in an underwritten offering.

The securities to be offered under this prospectus for the account of the selling securityholders include Series 1 Trust Preferred Securities and Series 2 Trust Preferred Securities.

This prospectus is part of a registration statement that we filed with the SEC using a shelf registration process. Under this shelf registration process, the selling securityholders may from time to time sell or otherwise dispose of the securities described in this prospectus in one or more offerings. Each time the selling securityholders sell securities under this registration statement, we will provide a prospectus supplement that will contain specific information about the terms of that offering if and when necessary. For purposes of this prospectus, we have assumed that, after completion of the offering or series of offerings, none of the securities offered by this prospectus will be held by the selling securityholders.

We do not know when or in what amounts the selling securityholders may offer the securities for sale. The selling securityholders might not sell any or all of the securities offered by this prospectus. Because the selling securityholders may offer all or some of the securities pursuant to this offering, we cannot estimate the number of the securities that will be held by the selling securityholders after completion of the offering.

The only potential selling securityholder whose identity we are currently aware of is Treasury. Our relationship with Treasury includes, among other things, (i) the transactions and arrangements entered into in connection with Treasury's acquisition of Trust Preferred Securities from the Trust and Ally, (ii) the transactions and arrangements entered into in connection with Treasury's acquisition of approximately \$11.4 billion in aggregate liquidation preference of our Fixed Rate Cumulative Mandatorily Convertible Preferred Stock, Series F-2 and the recent conversion of 110,000,000 shares of Ally's Fixed Rate Cumulative Mandatorily Convertible Preferred Stock, Series F-2 into 531,850 shares of Ally's common stock; (iii) the arrangements established by the Amended and Restated Governance Agreement, dated as of May 21, 2009, by and among Ally, Treasury and Ally's other common stockholders (the Governance Agreement); (iv) the Master Transaction Agreement entered into among Ally, Treasury, Chrysler and U.S. Dealer Automotive Receivables Transition LLC on May 21, 2009, in connection with the Master Automotive Financing Agreement between Ally and Chrysler; and (5) Treasury's ownership of approximately 73.8% of Ally's outstanding common stock.

Ally's operations are regulated by various U.S. governmental authorities, including in certain respects, by Treasury. Additionally, as of February 25, 2011, Treasury held 981,971 shares of Ally's common stock, 118,750,000 shares of Fixed Rate Cumulative Mandatorily Convertible Preferred Stock, Series F-2 and 2,667,000 trust preferred securities of the Trust. Treasury and Ally are also parties to certain agreements.

The following description of Treasury was provided by Treasury and derived from Treasury's website. Treasury is the executive agency of the U.S. government responsible for promoting economic prosperity and ensuring the financial security of the United States. Treasury is responsible for a wide range of activities, such as advising the President on economic and financial issues, encouraging sustainable economic growth and fostering

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improved governance in financial institutions. Treasury operates and maintains systems that are critical to the nation's financial infrastructure, such as the production of coin and currency, the disbursement of payments to the American public, revenue collection and the borrowing of funds necessary to run the federal government. Treasury works with other federal agencies, foreign governments and international financial institutions to encourage global economic growth, raise standards of living and, to the extent possible, predict and prevent economic and financial crises. Treasury also performs a critical and far-reaching role in enhancing national security by implementing economic sanctions against foreign threats to the United States, identifying and targeting the financial support networks of national security threats and improving the safeguards of our financial systems. In addition, under EESA, Treasury was given certain authority and facilities to restore the liquidity and stability of the financial system.

## **Governmental Immunity**

The doctrine of sovereign immunity, as limited by the Federal Tort Claims Act, as amended (the FTCA), provides that claims may not be brought against the United States or any agency or instrumentality thereof unless specifically permitted by act of Congress. The FTCA bars claims for fraud or misrepresentation. The courts have held, in cases involving federal agencies and instrumentalities, that the United States may assert its sovereign immunity to claims brought under the federal securities laws. Thus, any attempt to assert a claim against Treasury alleging a violation of the federal securities laws, including the Securities Act and the Exchange Act, resulting from an alleged material misstatement in or material omission from this prospectus or the Registration Statement on Form S-3 of which this prospectus is a part, or any other act or omission in connection with any offering by Treasury to which this prospectus relates, likely would be barred. In addition, Treasury has advised us that Treasury and its members, officers, agents and employees are exempt from liability for any violation or alleged violation of the anti-fraud provisions of Section 10(b) of the Exchange Act by virtue of Section 3(c) thereof. Accordingly, any attempt to assert such a claim against the members, officers, agents or employees of Treasury for a violation of the Securities Act or the Exchange Act resulting from an alleged material misstatement in or material omission from this prospectus or the Registration Statement on Form S-3 of which this prospectus is a part or resulting from any other act or omission in connection with any offering by Treasury to which this prospectus relates likely would be barred.

Information about the selling securityholders may change over time and changed information will be set forth in supplements to this prospectus if and when necessary.

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**PLAN OF DISTRIBUTION**

The selling securityholders may sell all or a portion of the securities beneficially owned by them and offered by this prospectus from time to time directly or through one or more underwriters, broker-dealers or agents. If securities are sold through underwriters or broker-dealers, the selling securityholders will be responsible for underwriting discounts or commissions or agent's commissions. The securities may be sold in one or more transactions at fixed prices, at prevailing market prices at the time of the sale, at varying prices determined at the time of sale, or at negotiated prices. These sales may be effected in transactions that may involve crosses or block transactions. The selling securityholders may use any one or more of the following methods when selling Trust Preferred Securities:

on any national securities exchange or quotation service on which the securities may be listed or quoted at the time of sale;

in the over-the-counter market;

in transactions other than on these exchanges or systems or in the over-the-counter market;

through the writing of options, whether such options are listed on an options exchange or otherwise;

ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;

block trades in which the broker-dealer will attempt to sell the units as agent but may position and resell a portion of the block as principal to facilitate the transaction;

purchases by a broker-dealer as principal and resale by the broker-dealer for its account;

an exchange distribution in accordance with the rules of the applicable exchange;

privately negotiated transactions;

broker-dealers may agree with the selling securityholders to sell a specified number of such units at a stipulated price per unit;

a combination of any such methods of sale; or

any other method permitted pursuant to applicable law.

The selling securityholders may also sell securities under Rule 144 under the Securities Act, if available, rather than under this prospectus.

Broker-dealers engaged by the selling securityholders may arrange for other brokers-dealers to participate in sales. If the selling securityholders effect such transactions by selling securities to or through underwriters, broker-dealers or agents, such underwriters, broker-dealers or agents may receive commissions in the form of discounts, concessions or commissions from the selling securityholders, or commissions from purchasers of the securities for whom they may act as agent or to whom they may sell as principal. These discounts, concessions or commissions



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as to any particular underwriter, broker-dealer or agent will be in amounts to be negotiated, which are not expected to be in excess of those customary in the types of transactions involved.

In connection with sales of securities, the selling securityholders may enter into hedging transactions with broker-dealers or other financial institutions. The selling securityholders may also loan or pledge securities to broker-dealers that in turn may sell such units. The selling securityholders may also enter into option or other

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transactions with broker-dealers or other financial institutions or the creation of one or more derivative securities that require the delivery to such broker-dealer or other financial institution of units offered by this prospectus, which units such broker-dealer or other financial institution may resell pursuant to this prospectus (as supplemented or amended to reflect such transaction).

The selling securityholders may pledge or grant a security interest in some or all of the securities owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the securities from time to time pursuant to this prospectus or any amendment or supplement to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act, amending, if necessary, the identification of selling securityholders to include the pledgee, transferee or other successors in interest as selling securityholders under this prospectus. The selling securityholders also may transfer and donate the securities in other circumstances in which case the transferees, donees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus.

The selling securityholders and any broker-dealer participating in the distribution of the securities may be deemed to be underwriters within the meaning of the Securities Act, and any commission paid, or any discounts or concessions allowed to, any such broker-dealer may be deemed to be underwriting commissions or discounts under the Securities Act. At the time a particular offering of securities is made, a prospectus supplement, if required, will be distributed that will set forth (i) the name of each such selling securityholder and of the participating broker-dealer(s), (ii) the number of securities involved, (iii) the price at which such securities were sold, (iv) the commissions paid or discounts or concessions allowed to such broker-dealer(s), where applicable, and (v) any other facts material to the transaction.

The aggregate proceeds to the selling securityholders from the sale of the securities will be the purchase price of the securities less discounts and commissions, if any.

Under the securities laws of some states, the securities covered by this prospectus may be sold in such states only through registered or licensed brokers or dealers. In addition, in some states the securities may not be sold unless such units have been registered or qualified for sale in such state or an exemption from registration or qualification is available and is complied with.

There can be no assurance that any selling securityholder will sell any or all of the securities registered pursuant to the registration statement of which this prospectus forms a part.

If a selling securityholder uses this prospectus for any sale of securities, it will be subject to the prospectus delivery requirements of the Securities Act. The selling securityholders and any other person participating in such distribution will be subject to applicable provisions of the Exchange Act and the rules and regulations thereunder, including, without limitation, Regulation M under the Exchange Act, which may limit the timing of purchases and sales of any of the securities by the selling securityholders and any other participating person. Regulation M may also restrict the ability of any person engaged in the distribution of securities to engage in market-making activities with respect to such securities. All of the foregoing may affect the marketability of the securities covered by this prospectus and the ability of any person or entity to engage in market-making activities with respect to such securities.

Pursuant to the Purchase Agreement, we will pay substantially all expenses of the registration of the securities covered by this prospectus, including, without limitation, SEC filing fees and expenses of compliance with state securities or blue sky laws; provided, however, that a selling securityholder will pay all underwriting discounts and selling commissions, if any. We will indemnify the selling securityholders against liabilities, including some liabilities under the Securities Act, in accordance with the Purchase Agreement, or the selling securityholders will be entitled to contribution. We have agreed under the Purchase Agreement to cause such of our managers and senior executive officers to execute customary lock-up agreements in such form and for such time period up to 90 days as may be requested by a managing underwriter with respect to an underwritten offering of securities covered by this prospectus.

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**LEGAL MATTERS**

Richards, Layton & Finger, P.A., special Delaware counsel to the Trust, has opined on certain matters of Delaware law relating to the validity of the Trust Preferred Securities. Davis Polk & Wardwell LLP has opined on certain matters of New York law relating to the validity of the Debentures and the Guarantees.

**EXPERTS**

The consolidated financial statements of Ally, as of December 31, 2010 and 2009, and for each of the three years in the period ended December 31, 2010, incorporated in this prospectus by reference from the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, and the effectiveness of Ally's internal control over financial reporting, have been audited by Deloitte & Touche LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

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**GMAC Capital Trust I**

**8.0% Trust Preferred Securities, Series 1**

**Liquidation Amount \$1,000 Per Trust Preferred Security**

**and**

**Fixed Rate/Floating Rate Trust Preferred Securities, Series 2**

**Liquidation Amount \$25 Per Trust Preferred Security**

**Each guaranteed to the extent set forth herein by**

**Ally Financial Inc.**

**PROSPECTUS**

**Table of Contents****PART II****INFORMATION NOT REQUIRED IN THE PROSPECTUS****Item 14. Other Expenses of Issuance and Distribution**

The following table sets forth the estimated expenses in connection with the issuance and distribution of the securities (other than any underwriting discounts or commissions) covered by the registration statement of which this prospectus is a part. Ally will bear all of these expenses.

SEC Registration Fees*	\$	(a)
FINRA Filing Fees*		(b)
Printing and distribution expenses*		(b)
Legal fees and expenses*		(b)
Accounting fees and expenses*		(b)
Miscellaneous*		(b)
Total	\$	(b)

(a) Omitted because the registration fee is being deferred pursuant to Rule 456(b) and Rule 457(r).

(b) These fees are calculated based on the securities offered and the number of issuances and accordingly cannot be estimated at this time.

**Item 15. Indemnification of Directors and Officers**

Subsection (a) of Section 145 of the General Corporation Law of the State of Delaware, or DGCL, empowers a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact that the person is or was a director, officer, employee or agent of the corporation, or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by the person in connection with such action, suit or proceeding if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and, with respect to any criminal action or proceeding, had no reasonable cause to believe the person's conduct was unlawful. The termination of any action, suit or proceeding by judgment, order, settlement, conviction or upon a plea of nolo contendere or its equivalent, shall not, of itself, create a presumption that the person did not act in good faith and in a manner that the person reasonably believed to be in or not opposed to the best interest of the corporation and, with respect to any criminal action or proceeding, had reasonable cause to believe that the person's conduct was unlawful.

Subsection (b) of Section 145 of the DGCL empowers a corporation to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in right of the corporation to procure a judgment in its favor by reason of the fact that such person acted in any of the capacities set forth above, against expenses (including attorneys' fees) actually and reasonably incurred by the person in connection with the defense or settlement of such action or suit if the person acted in good faith and in a manner the person reasonably believed to be in or not opposed to the best interests of the corporation and except that no indemnification may be made in respect of any claim, issue or matter as to which such person shall have been adjudged to be liable to the corporation unless and only to the extent that the Court of Chancery of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses that the Court of Chancery or such other court shall deem proper.

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Subsection (d) of Section 145 of the DGCL provides that any indemnification under subsections (a) and (b) of Section 145 (unless ordered by a court) shall be made by the corporation only as authorized in the specific case upon a determination that indemnification of the present or former director, officer, employee or agent is proper in the circumstances because the person has met the applicable standard of conduct set forth in subsections (a) and (b) of Section 145. Such determination shall be made, with respect to a person who is a director or officer at the time of such determination, (1) by a majority vote of the directors who are not parties to such action, suit or proceeding, even though less than a quorum, or (2) by a committee of such directors designated by the majority vote of such directors, even though less than a quorum, or (3) if there are no such directors, or if such directors so direct, by independent legal counsel in a written opinion, or (4) by the stockholders.

Section 145 of the DGCL further provides that to the extent a present or former director or officer of a corporation has been successful on the merits or otherwise in the defense of any action, suit or proceeding referred to in subsections (a) and (b) of Section 145, or in defense of any claim, issue or matter therein, such person shall be indemnified against expenses (including attorneys' fees) actually and reasonably incurred by such person in connection therewith and that such expenses may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that such person is not entitled to be indemnified by the corporation as authorized in Section 145 of the DGCL; that any indemnification and advancement of expenses provided by, or granted pursuant to, Section 145 shall not be deemed exclusive of any other rights to which the indemnified party may be entitled; that indemnification provided by, or granted pursuant to, Section 145 shall, unless otherwise provided when authorized and ratified, continue as to a person who has ceased to be a director, officer, employee or agent and shall inure to the benefit of such person's heirs, executors and administrators; and empowers the corporation to purchase and maintain insurance on behalf of any person who is or was a director, officer, employee or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status as such, whether or not the corporation would have the power to indemnify such person against such liabilities under Section 145. Section D of Article VIII of Ally's Certificate of Incorporation provides that Ally shall indemnify its directors and officers to the fullest extent permitted by the DGCL, except that no indemnification shall be made in respect of any claim, issue, or matter as to which such person has been adjudged to be liable to Ally, unless, and only to the extent that, the Court of Chancery of the State of Delaware or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which the Court of Chancery or such other court shall deem proper.

Section A of Article VIII of Ally's Certificate of Incorporation provides that no director of Ally shall be liable to the company or any of its stockholders for monetary damages for breach of fiduciary duty as a director, except for any breach of such director's duty of loyalty to the company or its stockholders, acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of a law; or for any transaction from which such director derived an improper personal benefit.

The Amended and Restated Declaration provides that no institutional trustee or any of its affiliates, Delaware trustee or any of its affiliates, or officer, director, shareholder, member, partner, employee, representative custodian, nominee or agent of the institutional trustee or the Delaware trustee (each a "Fiduciary Indemnified Person"), and no administrative trustee, affiliate of any administrative trustee, or any officer, director, shareholder, member, partner, employee, representative or agent of any administrative trustee, or any employee or agent of the Trust or its affiliates (each a "Company Indemnified Person") shall be liable, responsible or accountable in damages or otherwise to the Trust, any affiliate of the Trust or any holder of securities issued by the Trust, or to any officer, director, shareholder, partner, member, representative, employee or agent of the Trust or its affiliates for any loss, damage or claim incurred by reason of any act or omission

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performed or omitted by such Fiduciary Indemnified Person or Company Indemnified Person in good faith on behalf of the Trust and in a manner such Fiduciary Indemnified Person or Company Indemnified Person reasonably believed to be within the scope of the authority conferred on such Fiduciary Indemnified Person or Company Indemnified Person by the Amended and Restated Declaration or by law, except that a Fiduciary Indemnified Person or Company Indemnified Person shall be liable for any and all loss, liability, claim or damage incurred by reason of such Fiduciary Indemnified Person's or Company Indemnified Person's gross negligence, bad faith or willful misconduct with respect to such acts or omissions.

The Amended and Restated Declaration also provides that, to the full extent permitted by law, Ally shall indemnify any Company Indemnified Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in right of the Trust) by reason of the fact that he or she is or was a Company Indemnified Person against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with such action, suit or proceeding if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Trust and, with respect to any criminal action or proceeding, had no reasonable cause to believe his conduct was unlawful. The Amended and Restated Declaration also provides that to the full extent permitted by law, Ally shall indemnify any Company Indemnified Person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or suit by or in right of the Trust to procure a judgment in its favor by reason of the fact that he is or was a Company Indemnified Person against expenses (including attorneys' fees) actually and reasonably incurred by him in connection with the defense or settlement of such action or suit if he acted in good faith and in a manner he reasonably believed to be in or not opposed to the best interests of the Trust and except that no indemnification shall be made in respect of any claim, issue or matter as to which such Company Indemnified Person shall have been adjudged to be liable to the Trust unless and only to the extent that the Court of Chancery or the court in which such action or suit was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, such person is fairly and reasonably entitled to indemnity for such expenses which such Court of Chancery or such other court shall deem proper.

The Amended and Restated Declaration provides that expenses (including attorneys' fees) incurred by a Company Indemnified Person in defending a civil, criminal, administrative or investigative action, suit or proceeding referred to in the immediately preceding two sentences shall be paid by Ally in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such Company Indemnified Person to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by Ally as authorized in the Amended and Restated Declaration.

The directors and officers of Ally and the administrative trustees are covered by insurance policies indemnifying them against certain liabilities, including certain liabilities arising under the Securities Act that might be incurred by them in such capacities and against which they cannot be indemnified by Ally or the Ally Trusts. Any agents, dealers or underwriters who execute any underwriting or distribution agreement relating to securities offered pursuant to this registration statement will agree to indemnify Ally's directors and their officers and the administrative trustees who signed the Registration Statement against certain liabilities that may arise under the Securities Act with respect to information furnished to Ally or the Trust by or on behalf of such indemnifying party.

For the undertaking with respect to indemnification, see Item 17 herein.

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**Item 16. Exhibits**

The following exhibits are filed with or incorporated by reference into this registration statement:

<b>Exhibit Number</b>	<b>Description of Document</b>
4.1*	Form of Second Amended and Restated Declaration of Trust of GMAC Capital Trust I, to be entered into between Ally Financial Inc., the trustees of GMAC Capital Trust I and the holders, from time to time, of undivided beneficial interests in the relevant series of the Trust.
4.2*	Form of Amended and Restated Indenture, to be entered into between Ally Financial Inc. and The Bank of New York Mellon.
4.3*	Form of Series 1 Trust Preferred Securities Guarantee Agreement, to be entered into between Ally Financial Inc. and The Bank of New York Mellon.
4.4*	Form of Series 2 Trust Preferred Securities Guarantee Agreement, to be entered into between Ally Financial Inc. and The Bank of New York Mellon.
4.5*	Certificate of Trust for GMAC Capital Trust I.
4.6	Form of Series 1 Trust Preferred Security of GMAC Capital Trust I (included in Exhibit 4.1).
4.7	Form of Series 1 Common Security of GMAC Capital Trust I (included in Exhibit 4.1).
4.7	Form of Series 2 Trust Preferred Security of GMAC Capital Trust I (included in Exhibit 4.1).
4.9	Form of Series 2 Common Security of GMAC Capital Trust I (included in Exhibit 4.1).
4.10	Form of specimen certificate representing Series 1 Debentures (included in Exhibit 4.1).
4.11	Form of specimen certificate representing Series 2 Debentures (included in Exhibit 4.1).
5.1*	Opinion of Davis Polk & Wardwell LLP as to the validity of the Debentures and the Guarantees (including the consent of such counsel).
5.2*	Opinion of Richards, Layton & Finger, P.A., special Delaware counsel, as to the validity of the Trust Preferred Securities (including the consent of such counsel).
8.1**	Opinion of Davis Polk & Wardwell LLP regarding certain tax matters (including the consent of such counsel)
10.1	Securities Purchase and Exchange Agreement, between the U.S. Department of Treasury, GMAC Capital Trust I and Ally Financial Inc., dated as of December 30, 2009, incorporated by reference from Exhibit 10.1 of the Current Report on Form 8-K filed by Ally Financial Inc. on January 5, 2010.
12.1*	Computation of Ratio of Earnings to Fixed Charges.
23.1*	Consent of Deloitte & Touche LLP.
23.2*	Consent of Davis Polk & Wardwell LLP (included in Exhibit 5.1)
23.3*	Consent of Richards, Layton & Finger, P.A. (included in Exhibit 5.2)
23.4**	Consent of Davis Polk & Wardwell LLP (included in Exhibit 8.1)





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<b>Exhibit Number</b>	<b>Description of Document</b>
25.1*	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon to act as Indenture Trustee for each of the Series 1 Debentures and the Series 2 Debentures under the Amended and Restated Indenture.
25.2*	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon to act as Institutional Trustee for each of Series 1 and Series 2 under the Amended and Restated Declaration of Trust of GMAC Capital Trust I.
25.3*	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon to act as Guarantee Trustee under the Amended and Restated Series 1 Trust Preferred Securities Guarantee Agreement for the benefit of holders of Series 1 Trust Preferred Securities of GMAC Capital Trust I.
25.4*	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon to act as Guarantee Trustee under the Amended and Restated Series 2 Trust Preferred Securities Guarantee Agreement for the benefit of holders of Series 2 Trust Preferred Securities of GMAC Capital Trust I.

\* Filed herewith

\*\* To be filed by amendment

**Item 17. Undertakings**

The undersigned registrant hereby undertakes:

(1) To file, during any period in which offers or sales are being made, a post-effective amendment to this registration statement:

(a) to include any prospectus required by Section 10(a)(3) of the Securities Act;

(b) to reflect in the prospectus any facts or events arising after the effective date of the registration statement (or the most recent post-effective amendment thereof) that, individually or in the aggregate, represent a fundamental change in the information set forth in the registration statement; and

(c) to include any material information with respect to the plan of distribution not previously disclosed in the registration statement or any material change to such information in the registration statement;

*provided, however*, that paragraphs (1)(a), (1)(b) and (1)(c) of this section do not apply if the information required to be included in a post-effective amendment by those paragraphs is contained in reports filed with or furnished to the Commission by the Registrant pursuant to section 13 or section 15(d) of the Exchange Act that are incorporated by reference in the registration statement, or is contained in a form of prospectus filed pursuant to Rule 424(b) that is part of the registration statement.

(2) That, for the purpose of determining any liability under the Securities Act, each such post-effective amendment shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

(3) To remove from registration by means of a post-effective amendment any of the securities being registered which remain unsold at the termination of the offering.

(4) That, for the purpose of determining liability under the Securities Act to any purchaser:

(a) each prospectus filed by the Registrant pursuant to Rule 424(b)(3) shall be deemed to be part of the registration statement as of the date the filed prospectus was deemed part of and included in the registration statement; and



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(b) each prospectus required to be filed pursuant to Rule 424(b)(2), (b)(5), or (b)(7) as part of a registration statement in reliance on Rule 430B relating to an offering made pursuant to Rule 415(a)(1)(i), (vii), or (x) for the purpose of providing the information required by section 10(a) of the Securities Act shall be deemed to be part of and included in the registration statement as of the earlier of the date such form of prospectus is first used after effectiveness or the date of the first contract of sale of securities in the offering described in the prospectus. As provided in Rule 430B, for liability purposes of the issuer and any person that is at that date an underwriter, such date shall be deemed to be a new effective date of the registration statement relating to the securities in the registration statement to which that prospectus relates, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof. Provided, however, that no statement made in a registration statement or prospectus that is part of the registration statement or made in a document incorporated or deemed incorporated by reference into the registration statement or prospectus that is part of the registration statement will, as to a purchaser with a time of contract of sale prior to such effective date, supersede or modify any statement that was made in the registration statement or prospectus that was part of the registration statement or made in any such document immediately prior to such effective date.

(5) That, for the purpose of determining liability of the Registrant under the Securities Act to any purchaser in the initial distribution of the securities: the undersigned Registrant undertakes that in a primary offering of securities of an undersigned Registrant pursuant to this registration statement, regardless of the underwriting method used to sell the securities to the purchaser, if the securities are offered or sold to such purchaser by means of any of the following communications, the undersigned Registrant will be a seller to the purchaser and will be considered to offer or sell such securities to such purchaser:

(a) any preliminary prospectus or prospectus of an undersigned Registrant relating to the offering required to be filed pursuant to Rule 424;

(b) any free writing prospectus relating to the offering prepared by or on behalf of the undersigned Registrant or used or referred to by the undersigned Registrant;

(c) the portion of any other free writing prospectus relating to the offering containing material information about the undersigned Registrant or its securities provided by or on behalf of the undersigned Registrant; and

(d) any other communication that is an offer in the offering made by the undersigned Registrant to the purchaser.

(6) That, for purposes of determining any liability under the Securities Act, each filing of the Registrant's annual report pursuant to section 13(a) or section 15(d) of the Exchange Act that is incorporated by reference in the registration statement shall be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time shall be deemed to be the initial bona fide offering thereof.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the Registrant pursuant to the foregoing provisions, or otherwise, the Registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the Registrant of expenses incurred or paid by a director, officer or controlling person of the Registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the Registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

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**SIGNATURES AND POWER OF ATTORNEY**

Pursuant to the requirements of the Securities Act, Ally certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Detroit, and State of Michigan, on the 1<sup>st</sup> day of March, 2011.

Ally Financial Inc.

By: /s/ Cathy L. Quenneville  
Name: Cathy L. Quenneville  
Title: Secretary

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Each person whose signature appears below appoints Cathy L. Quenneville, as his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and any Registration Statement (including any amendment thereto) for this offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or would do in person, hereby ratifying and confirming all that said attorney-in-fact and agent may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, this Registration Statement has been signed on the 1<sup>st</sup> day of March, 2011 by the following persons in the capacities indicated.

Signature	Title
Michael A. Carpenter*	Chief Executive Officer and Director
Name: Michael A. Carpenter	(Principal Executive Officer)
/s/ James G. Mackey	Interim Chief Financial Officer
Name: James G. Mackey	(Principal Financial Officer)
David J. DeBrunner*	Vice President, Chief Accounting Officer and Corporate Controller
Name: David J. DeBrunner	(Principal Accounting Officer)
Robert T. Blakely*	Director
Name: Robert T. Blakely	
Mayree C. Clark*	Director
Name: Mayree C. Clark	
Stephen A. Feinberg*	Director
Name: Stephen A. Feinberg	
Kim S. Fennebresque*	Director
Name: Kim S. Fennebresque	
Franklin W. Hobbs*	Director
Name: Franklin W. Hobbs	
/s/ Marjorie Magner	Director
Name: Marjorie Magner	
/s/ John J. Stack	Director
Name: John J. Stack	

\*By:

/s/ Cathy L. Quenneville

Attorney-in-Fact

Name: Cathy L. Quenneville

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Pursuant to the requirements of the Securities Act, GMAC Capital Trust I certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Detroit, and State of Michigan, on the 1st day of March, 2011.

GMAC Capital Trust I

By: Christopher Halmy\*  
Name: Christopher Halmy  
Title: Administrative Trustee

By: Sean Leary\*  
Name: Sean Leary  
Title: Administrative Trustee

\*By:

/s/ Cathy L. Quenneville      Attorney-in-Fact  
Name: Cathy L. Quenneville



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Each person whose signature appears below appoints Cathy L. Quenneville, as his true and lawful attorney-in-fact and agent, for him and in his name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this Registration Statement and any Registration Statement (including any amendment thereto) for this offering that is to be effective upon filing pursuant to Rule 462(b) under the Securities Act, as amended, and to file the same, with all exhibits thereto, and all other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done, as fully to all intents and purposes as he might or would do in person, hereby ratifying and confirming all that said attorney-in-fact and agent may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act, GMAC Capital Trust I certifies that it has reasonable grounds to believe that it meets all of the requirements for filing on Form S-3 and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized in the City of Detroit, and State of Michigan, on the 1<sup>st</sup> day of March, 2011.

GMAC Capital Trust I with respect to Series 1

By: Christopher Halmy\*  
Name: Christopher Halmy  
Title: Administrative Trustee

By: Sean Leary\*  
Name: Sean Leary  
Title: Administrative Trustee

GMAC Capital Trust I with respect to Series 2

By: /s/ Matthew M. Brennan  
Name: Matthew M. Brennan  
Title: Administrative Trustee

By: /s/ Alison M. Summerville  
Name: Alison M. Summerville  
Title: Administrative Trustee

\*By:

/s/ Cathy L. Quenneville      Attorney-in-Fact  
Name: Cathy L. Quenneville

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**EXHIBIT INDEX**

<b>Exhibit Number</b>	<b>Description of Document</b>
4.1*	Form of Second Amended and Restated Declaration of Trust of GMAC Capital Trust I, to be entered into between Ally Financial Inc., the trustees of GMAC Capital Trust I and the holders, from time to time, of undivided beneficial interests in the relevant series of the Trust.
4.2*	Form of Amended and Restated Indenture, to be entered into between Ally Financial Inc. and The Bank of New York Mellon.
4.3*	Form of Series 1 Trust Preferred Securities Guarantee Agreement, to be entered into between Ally Financial Inc. and The Bank of New York Mellon.
4.4*	Form of Series 2 Trust Preferred Securities Guarantee Agreement, to be entered into between Ally Financial Inc. and The Bank of New York Mellon.
4.5*	Certificate of Trust for GMAC Capital Trust I.
4.6	Form of Series 1 Trust Preferred Security of GMAC Capital Trust I (included in Exhibit 4.1).
4.7	Form of Series 1 Common Security of GMAC Capital Trust I (included in Exhibit 4.1).
4.7	Form of Series 2 Trust Preferred Security of GMAC Capital Trust I (included in Exhibit 4.1).
4.9	Form of Series 2 Common Security of GMAC Capital Trust I (included in Exhibit 4.1).
4.10	Form of specimen certificate representing Series 1 Debentures (included in Exhibit 4.1).
4.11	Form of specimen certificate representing Series 2 Debentures (included in Exhibit 4.1).
5.1*	Opinion of Davis Polk & Wardwell LLP as to the validity of the Debentures and the Guarantees (including the consent of such counsel).
5.2*	Opinion of Richards, Layton & Finger, P.A., special Delaware counsel, as to the validity of the Trust Preferred Securities (including the consent of such counsel).
8.1**	Opinion of Davis Polk & Wardwell LLP regarding certain tax matters (including the consent of such counsel)
10.1	Securities Purchase and Exchange Agreement, between the U.S. Department of Treasury, GMAC Capital Trust I and Ally Financial Inc., dated as of December 30, 2009, incorporated by reference from Exhibit 10.1 of the Current Report on Form 8-K filed by Ally Financial Inc. on January 5, 2010.
12.1*	Computation of Ratio of Earnings to Fixed Charges.
23.1*	Consent of Deloitte & Touche LLP.
23.2*	Consent of Davis Polk & Wardwell LLP (included in Exhibit 5.1)
23.3*	Consent of Richards, Layton & Finger, P.A. (included in Exhibit 5.2)
23.4**	Consent of Davis Polk & Wardwell LLP (included in Exhibit 8.1)
25.1*	

## Edgar Filing: Ally Financial Inc. - Form S-3/A

Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon to act as Indenture Trustee for each of the Series 1 Debentures and the Series 2 Debentures under the Amended and Restated Indenture.

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<b>Exhibit Number</b>	<b>Description of Document</b>
25.2*	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon to act as Institutional Trustee for each of Series 1 and Series 2 under the Amended and Restated Declaration of Trust of GMAC Capital Trust I.
25.3*	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon to act as Guarantee Trustee under the Amended and Restated Series 1 Trust Preferred Securities Guarantee Agreement for the benefit of holders of Series 1 Trust Preferred Securities of GMAC Capital Trust I.
25.4*	Form T-1 Statement of Eligibility under the Trust Indenture Act of 1939, as amended, of The Bank of New York Mellon to act as Guarantee Trustee under the Amended and Restated Series 2 Trust Preferred Securities Guarantee Agreement for the benefit of holders of Series 2 Trust Preferred Securities of GMAC Capital Trust I

\* Filed herewith

\*\* To be filed by amendment