

Delphi PSP Participants - GM Stock Dividend Disposition (9/15/05)

Many Delphi Personal Savings Plan (PSP) participants recently received a letter regarding the disposition of dividends paid on the General Motors Common Stock Fund.

Background

During a recent plan audit of the Delphi PSP, it was discovered that dividends paid on the General Motors Common Stock Fund (GM Company 1 2/3 par value Stock Fund) within some Delphi PSP accounts were allowed to be reinvested into the GM Common Stock Fund. According to Delphi PSP provisions, as of December 31, 1999, all dividends the GM Common Stock Fund pays should have been re-directed to the Promark Income Fund as the Delphi PSP does not allow new monies to be invested into the GM Common Stock Fund. This process of re-directing dividends from the GM Common Stock Fund into the Promark Income Fund did not take place during the years 2000, 2001, 2002, and 2003. Effective March 10, 2004, all dividends paid on the GM Common Stock Fund were redirected to the Promark Income Fund.

For current or past participants of the Delphi PSP in the above referenced years, any investment in the GM Common Stock Fund may have been affected. As a result, Delphi PSP participants are now being offered an opportunity to elect one of two options to address this issue.

Participant Options

In brief, the two options are as follows:

- Option #1: Participants may keep the increased GM Common Stock Fund in their Delphi PSP account.
- Option #2: Participants may have their account adjusted so that the past GM Common Stock Fund dividends that were incorrectly reinvested are moved to the Promark Income Fund. An adjustment will then be made to the participant's account for any change to the market value of the account due to the dividends being incorrectly reinvested into the GM Common Stock Fund.

MCM's Recommendation

Delphi PSP participants should consider and investigate Option #2.

The manner in which the correction is being calculated for option #2 results in a credit to the participant's account in most cases. **Current participants who no longer hold the GM Common Stock Fund in their account are still eligible to receive this credit. Past participants who no longer have assets in the PSP plan are still eligible to receive this credit.** The actual amount of any credit will be determined based on the market values on the date the correction is made.

Delphi PSP participants affected must take action prior to October 26, 2005. For an estimate of how your account would be impacted by selecting option #2, call toll-free 1-888-633-2648.

Feel free to call Mainstay Capital Management toll-free at 1-866-444-6246 for more information and assistance in evaluating the two options relative to your personal situation.