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## Berkshire Takes GM Stake As Buffett Deputies Buy Stocks

By Noah Buhayar – May 16, 2012  
(excerpt)

Berkshire Hathaway Inc. (BRK/A) disclosed stakes in General Motors Co. (GM) and Viacom Inc. (VIAB) as former hedge-fund managers Todd Combs and Ted Weschler built portfolios under Chairman Warren Buffett.

Buffett's firm had 10 million shares of the automaker on March 31, Omaha, Nebraska-based Berkshire said yesterday in a filing disclosing U.S. stockholdings. The stake in New York-based Viacom was about 1.59 million shares. The filing excludes some confidential data.

Buffett, who also is Berkshire's chief executive officer, has been preparing the company for his eventual departure, in part by hiring Weschler and Combs to help oversee investments. The 81-year-old billionaire has said he makes Berkshire's larger wagers, while the back-up stock pickers are responsible for smaller bets. Each oversees \$2.75 billion, Buffett said May 5 at the company's annual meeting. ...

...GM jumped 2.3 percent to \$21.91 at 4 p.m. in New York and averaged about \$25.15 during the first quarter. The U.S. government, which backed the company's 2009 bankruptcy, sold shares in a public offering in 2010 for \$33 each. Jim Cain, a GM spokesman, said the automaker doesn't comment on investors buying or selling its shares.

### Vehicle Sales

Americans put off purchases of new cars and trucks during the recession, sending the average age of vehicles on U.S. roads to a record high of 10.8 years, according to researcher R.L. Polk & Co., based in Southfield, Michigan.

GM is benefiting from a recovering U.S. auto market, on pace for its best vehicle sales since 2007, and growth in China that helped the carmaker reclaim global industry leadership in annual deliveries last year. CEO Dan Akerson has introduced models such as the Sonic small car and ATS luxury sedan to push Chevrolet and Cadillac as global brands.

"GM has a lot of good product in the showroom and product coming in 2013," said David Kudla, who manages about \$1 billion as CEO of Mainstay Capital Management. "When we look at the economy, at the fundamentals of the industry and the company, the stock's a buy." ...