

FORD MOTOR CO  
Form 424B5  
June 19, 2003

**Table of Contents**

Filed Pursuant to Rule 424(b)(5)  
 Registration Statement No. 333-75214

**PROSPECTUS SUPPLEMENT**  
**(To Prospectus dated January 24, 2002)**

**\$600,000,000**  
**Ford Motor Company**  
**7.50% Notes due June 10, 2043**

The Notes will bear interest from June 25, 2003 at the rate of 7.50% per annum. Ford Motor Company (referred to in this prospectus supplement as Ford, we, our or us) will pay interest quarterly in arrears on the 10th day of March, June, September and December, beginning September 10, 2003. The Notes may not be redeemed by Ford before June 25, 2008. On such date and on any business day thereafter the Notes may be redeemed in whole or in part at 100% of their principal amount plus accrued and unpaid interest.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this Prospectus Supplement and the accompanying Prospectus. Any representation to the contrary is a criminal offense.

Ford will apply to list the Notes on the New York Stock Exchange and expects trading in the Notes on that Exchange to begin within 30 days after June 25, 2003.

	<b>Per Note</b>	<b>Total</b>
Initial public offering price	100.00%	\$ 600,000,000
Underwriting discounts and commissions		
3.15% \$18,900,000		
Proceeds, before expenses, to Ford		
96.85% \$581,100,000		

The initial public offering price above does not include accrued interest. Interest on the Notes will accrue from June 25, 2003 and if the Notes are delivered to the Underwriters after June 25, 2003, accrued interest to the date of delivery must be paid by the purchaser. Ford expects that delivery of the Notes will be made to investors on or about June 25, 2003.

Ford has granted the Underwriters a right to request from Ford the opportunity to purchase up to an additional \$90,000,000 aggregate principal amount of Notes to cover over-allotments, if any. Whether or not to approve the request is totally at Ford's discretion. For additional information see Underwriting beginning on page S-6.

*Joint Book Running Managers*

**Citigroup**

**Merrill Lynch & Co.**

**Morgan Stanley**

**UBS Investment  
 Bank**

**A.G. Edwards & Sons, Inc.**

**Banc of America Securities LLC**

**Prudential Securities**

**Wachovia Securities**

**ABN AMRO Incorporated**

**Dain Rauscher Incorporated**

**HSBC**

**Lehman Brothers**

**U.S. Bancorp Piper Jaffray Inc.**

Prospectus Supplement dated June 18, 2003.

---

**TABLE OF CONTENTS**

USE OF PROCEEDS

DESCRIPTION OF NOTES

UNDERWRITING

WHERE YOU CAN FIND MORE INFORMATION

FORD MOTOR COMPANY

FORD CAPITAL TRUSTS

RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS

USE OF PROCEEDS

DESCRIPTION OF DEBT SECURITIES

DESCRIPTION OF CAPITAL STOCK

DESCRIPTION OF DEPOSITARY SHARES

DESCRIPTION OF PREFERRED SECURITIES GUARANTEES

PLAN OF DISTRIBUTION

LEGAL OPINIONS

EXPERTS

---

**Table of Contents**

**TABLE OF CONTENTS**

**Prospectus Supplement**

	<b>Page</b>
Use of Proceeds	S-3
Description of Notes	
S-3	
Underwriting	
S-6	
Legal Opinions	
S-8 <b>Prospectus</b>	
Where You Can	
Find More	
Information	
2	
Ford Motor	
Company	
3	
Ford Capital Trusts	
3	
Ratio of Earnings to	
Combined Fixed	
Charges and	
Preferred Stock	
Dividends	
5	
Use of Proceeds	
5	
Description of Debt	
Securities	
5	
Description of	
Capital Stock	
11	
Common Stock and	
Class B Stock	
11	
Preferred Stock	
13	
Series B Preferred	
Stock	
13	
Description of	
Depository Shares	
15	
Description of	
Warrants	
17	
Description of Stock	
Purchase Contracts	
and Stock Purchase	
Units	
18	
Description of Trust	
Preferred Securities	

18
Description of Preferred Securities
Guarantees
21
Plan of Distribution
24
Legal Opinions
25
Experts
25

---

**You should rely only on the information contained or incorporated by reference in this Prospectus Supplement or the accompanying Prospectus. No one is authorized to provide you with different information.**

**The Notes are not being offered in any jurisdiction where the offer is not permitted.**

**You should not assume that the information in this Prospectus Supplement or the accompanying Prospectus is accurate as of any date other than the date on the front of the documents.**

**Table of Contents**

**USE OF PROCEEDS**

Ford will use the net proceeds from the sale of the Notes for general corporate purposes, which may include the redemption of its 9% Junior Subordinated Debentures due 2025. Redemption of the 9% Junior Subordinated Debentures due 2025 would result in the redemption by Ford Motor Company Capital Trust I of its 9% Trust Originated Preferred Securities<sup>SM</sup> ( TOPr<sup>SM</sup> ).

**DESCRIPTION OF NOTES**

This description of terms of the Notes adds information to the descriptions of the general terms and provisions of debt securities in the Prospectus. If this summary differs in any way from the summary in the Prospectus, you should rely on this summary. The Notes are part of the debt securities registered by Ford in January 2002 to be issued on terms to be determined at the time of sale. In addition to the Notes offered hereby, debt securities in the aggregate principal amount of approximately \$1,654,639,176 previously have been designated for sale or have been sold.

**The Notes**

The Notes will initially be limited to \$600,000,000 aggregate principal amount, will be unsecured obligations of Ford and will mature on June 10, 2043. The Notes will bear interest from June 25, 2003 at the rate per annum shown on the cover page of this Prospectus Supplement. Interest will be payable on March 10, June 10, September 10 and December 10 of each year, commencing September 10, 2003, to the person in whose names the Notes are registered at the close of business on the 15th day preceding each such interest payment date, subject to certain exceptions. Interest on the Notes will be computed on the basis of a 360-day year comprised of twelve 30-day months. If interest or principal is payable on a day that is not a business day, we will make the payment on the next business day, and no interest will accrue as a result of the delay in payment. By business day we mean any day other than a Saturday or Sunday or other day on which banking institutions in New York, New York are authorized or obligated by law or executive order to close.

Ford may, without the consent of the holders of the Notes, issue additional notes having the same ranking and the same interest rate, maturity and other terms as the Notes. Any additional notes will, together with the Notes, constitute a single series of the Notes under the Indenture. No additional notes may be issued if an Event of Default has occurred with respect to the Notes.

**Redemption**

The Notes may not be redeemed before June 25, 2008. On such date and on any business day thereafter the Notes may be redeemed in whole or from time to time in part, at the option of Ford, on not less than 30 nor more than 60 days prior notice given in the manner provided in the Indenture, at a redemption price equal to 100% of the principal amount to be redeemed, together with interest thereon payable to the redemption date.

**Book-Entry, Delivery and Form**

The Notes will be issued in the form of one or more fully registered Global Notes (the Global Notes ) which will be deposited on June 25, 2003 with, or on behalf of, The Depository Trust Company, New York, New York (the Depository ) and registered in the name of Cede & Co., the Depository's nominee. Notes in definitive form will not be issued, unless the Depository notifies Ford that it is unwilling or unable to continue as depository for the Global Notes and Ford fails to appoint a successor depository within 90 days or unless otherwise determined, at Ford's option. Beneficial interests in the Global Notes will be represented through book-entry accounts





**Table of Contents**

of financial institutions acting on behalf of beneficial owners as direct and indirect participants in the Depository. Investors may elect to hold interests in the Global Notes through either the Depository (in the United States) or Clearstream Banking, Société anonyme ( Clearstream Luxembourg ) or Euroclear Bank S.A./N.V., as operator of the Euroclear System ( Euroclear ) (in Europe) if they are participants of such systems, or indirectly through organizations which are participants in such systems. Clearstream Luxembourg and Euroclear will hold interests on behalf of their participants through customers' securities accounts in Clearstream Luxembourg's and Euroclear's names on the books of their respective depositaries, which in turn will hold such interests in customers' securities accounts in the depositaries' names on the books of the Depository.

Clearstream Luxembourg advises that it is incorporated under the laws of Luxembourg as a professional depository. Clearstream Luxembourg holds securities for its participating organizations ( Clearstream Luxembourg Participants ) and facilitates the clearance and settlement of securities transactions between Clearstream Luxembourg Participants through electronic book-entry changes in accounts of Clearstream Luxembourg Participants, thereby eliminating the need for physical movement of certificates. Clearstream Luxembourg provides to Clearstream Luxembourg Participants, among other things, services for safekeeping, administration, clearance and settlement of internationally traded securities and securities lending and borrowing. Clearstream Luxembourg interfaces with domestic markets in several countries. As a professional depository, Clearstream Luxembourg is subject to regulation by the Luxembourg Monetary Institute. Clearstream Luxembourg Participants are recognized financial institutions around the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations and may include the Underwriters. Indirect access to Clearstream Luxembourg is also available to others, such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Clearstream Luxembourg Participant either directly or indirectly.

Distributions with respect to the Notes held beneficially through Clearstream Luxembourg will be credited to cash accounts of Clearstream Luxembourg Participants in accordance with its rules and procedures, to the extent received by the U.S. Depository for Clearstream Luxembourg.

Euroclear advises that it was created in 1968 to hold securities for participants of Euroclear ( Euroclear Participants ) and to clear and settle transactions between Euroclear Participants through simultaneous electronic book-entry delivery against payment, thereby eliminating the need for physical movement of certificates and any risk from lack of simultaneous transfers of securities and cash. Euroclear includes various other services, including securities lending and borrowing and interfaces with domestic markets in several countries. Euroclear is operated by Euroclear Bank S.A./N.V. (the Euroclear Operator ), under contract with Euro-clear Clearance Systems S.C., a Belgian cooperative corporation (the Cooperative ). All operations are conducted by the Euroclear Operator, and all Euroclear securities clearance accounts and Euroclear cash accounts are accounts with the Euroclear Operator, not the Cooperative. The Cooperative establishes policy for Euroclear on behalf of Euroclear Participants. Euroclear Participants include banks (including central banks), securities brokers and dealers and other professional financial intermediaries and may include the Underwriters. Indirect access to Euroclear is also available to other firms that clear through or maintain a custodial relationship with a Euroclear Participant, either directly or indirectly.

Securities clearance accounts and cash accounts with the Euroclear Operator are governed by the Terms and Conditions Governing Use of Euroclear and the related Operating Procedures of the Euroclear System, and applicable Belgian law (collectively, the Terms and Conditions ). The Terms and Conditions govern transfers of securities and cash within Euroclear, withdrawals of securities and cash from Euroclear, and receipts of payments with respect to securities in Euroclear. All securities in Euroclear are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts. The Euroclear Operator acts under the

## **Table of Contents**

Terms and Conditions only on behalf of Euroclear Participants, and has no record of or relationship with persons holding through Euroclear Participants.

Distributions with respect to the Notes held beneficially through Euroclear will be credited to the cash accounts of Euroclear Participants in accordance with the Terms and Conditions, to the extent received by the U.S. Depository for Euroclear.

Redemption notices shall be sent to the Depository. If less than all of the Notes are being redeemed, the Depository's practice is to determine by lot the amount of each participant's interest in the issue to be redeemed.

## **Global Clearance and Settlement Procedures**

Initial settlement for the Notes will be made in immediately available funds. Secondary market trading between participants of the Depository ( DTC Participants ) will occur in the ordinary way in accordance with Depository rules and will be settled in immediately available funds using the Depository's Same-Day Funds Settlement System. Secondary market trading between Clearstream Luxembourg Participants and/or Euroclear Participants will occur in the ordinary way in accordance with the applicable rules and operating procedures of Clearstream Luxembourg and Euroclear and will be settled using the procedures applicable to conventional eurobonds in immediately available funds.

Cross-market transfers between persons holding directly or indirectly through the Depository on the one hand, and directly or indirectly through Clearstream Luxembourg or Euroclear Participants, on the other, will be effected in the Depository in accordance with the Depository rules on behalf of the relevant European international clearing system by its U.S. Depository; however, such cross-market transactions will require delivery of instructions to the relevant European international clearing system by the counterparty in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transaction meets its settlement requirements, deliver instructions to its U.S. Depository to take action to effect final settlement on its behalf by delivering or receiving Notes in the Depository, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to the Depository. Clearstream Luxembourg Participants and Euroclear Participants may not deliver instructions directly to their respective U.S. Depositories.

Because of time-zone differences, credits of Notes received in Clearstream Luxembourg or Euroclear as a result of a transaction with a DTC Participant will be made during subsequent securities settlement processing and dated the business day following the Depository settlement date. Such credits or any transactions in such Notes settled during such processing will be reported to the relevant Euroclear or Clearstream Luxembourg Participants on such business day. Cash received in Clearstream Luxembourg or Euroclear as a result of sales of Notes by or through a Clearstream Luxembourg Participant or a Euroclear Participant to a DTC Participant will be received with value on the Depository settlement date but will be available in the relevant Clearstream Luxembourg or Euroclear cash account only as of the business day following settlement in the Depository.

Although the Depository, Clearstream Luxembourg and Euroclear have agreed to the foregoing procedures in order to facilitate transfers of Notes among participants of the Depository, Clearstream Luxembourg and Euroclear, they are under no obligation to perform or continue to perform such procedures and such procedures may be discontinued at any time.

## **Denomination**

Edgar Filing: FORD MOTOR CO - Form 424B5

The Notes are offered in denominations of \$25 and integral multiples thereof. If a global certificate is exchanged for debt securities in physical form as described under Book-Entry, Delivery and Form above, the securities in physical form will be in denominations of \$25 and integral multiples thereof.

S-5

---

**Table of Contents****UNDERWRITING**

Ford is selling the Notes to the Underwriters named below pursuant to an Underwriting Agreement dated as of June 18, 2003 and a Pricing Agreement dated as of June 18, 2003. The Underwriters, and the amount of Notes each of them has agreed to purchase from Ford are as follows:

<b>Underwriters</b>	<b>Principal Amount of Notes</b>
Citigroup Global Markets Inc.	\$63,062,500
Merrill Lynch, Pierce, Fenner & Smith Incorporated	
63,062,500	
Morgan Stanley & Co. Incorporated	
63,062,500	
UBS Securities LLC	
63,062,500	
A.G. Edwards & Sons, Inc.	
57,500,000	
Banc of America Securities LLC	
57,500,000	
Prudential Securities Incorporated	
57,500,000	
Wachovia Securities, LLC.	
57,500,000	
ABN AMRO Incorporated	
12,000,000	
Dain Rauscher Incorporated	
12,000,000	
HSBC Securities (USA) Inc.	
12,000,000	
Lehman Brothers Inc.	
12,000,000	
U.S. Bancorp Piper Jaffray Inc.	
12,000,000	
Banc One Capital Markets, Inc.	
2,625,000	
Robert W. Baird & Co. Incorporated	
2,625,000	
Bear, Stearns & Co. Inc.	
2,625,000	
BNP Paribas Securities Corp.	
2,625,000	
Comerica Securities, Inc.	
2,625,000	
Deutsche Bank Securities Inc.	
2,625,000	
Fahnestock & Co. Inc.	
2,625,000	
Fifth Third Securities, Inc.	
2,625,000	
H&R Block Financial Advisors, Inc.	
2,625,000	
J.J.B. Hilliard, W.L. Lyons, Inc.	
2,625,000	
Legg Mason Wood Walker, Incorporated	
2,625,000	

## Edgar Filing: FORD MOTOR CO - Form 424B5

McDonald Investments Inc., A KeyCorp Company  
2,625,000  
Quick and Reilly, Inc.  
2,625,000  
Charles Schwab & Co., Inc.  
2,625,000  
Wells Fargo Van Kasper, LLC  
2,625,000  
Advest, Inc.  
875,000  
BB&T Capital Markets, Inc.  
875,000  
William Blair & Co.  
875,000  
Blaylock & Partners, L.P.  
875,000  
Crowell, Weedon & Co.  
875,000  
D.A. Davidson & Co.  
875,000  
Ferris Baker Watts, Incorporated  
875,000  
Fidelity Capital Markets, a division of National Financial Services  
LLC  
875,000  
Guzman & Company  
875,000  
Janney Montgomery Scott LLC  
875,000  
C.L. King & Associates, Inc.  
875,000  
Mesirow Financial, Inc.  
875,000  
Morgan Keegan & Company, Inc.  
875,000  
Parker/Hunter Incorporated  
875,000  
Pershing/ a Division of Donaldson, Lufkin & Jenrette  
875,000  
Samuel A. Ramirez & Company, Incorporated  
875,000  
Muriel Siebert & Co. Inc.  
875,000  
Southwest Securities, Inc.  
875,000

S-6

---

**Table of Contents**

<b>Underwriters</b>	<b>Principal Amount of Notes</b>
Stifel, Nicolaus & Company Incorporated	875,000
Utendahl Capital Partners, L.P.	875,000
The Williams Capital Group, L.P.	875,000
<hr/>	
Total	
\$600,000,000	

Under the terms and conditions of the Underwriting Agreement and the Pricing Agreement, if the Underwriters take any of the Notes, then they are obligated to take and pay for all of the Notes.

The Underwriters have advised Ford that they propose initially to offer all or part of the Notes directly to retail purchasers at the initial public offering price set forth on the cover page of this Prospectus Supplement, and to certain securities dealers at such price less a concession not in excess of \$0.50 per \$25 principal amount of the Notes. The Underwriters may allow, and such dealers may reallow, a concession not in excess of \$0.45 per \$25 principal amount of the Notes to certain other dealers. After the Notes are released for sale to the public, the offering price and other selling terms with respect to the Notes may from time to time be varied by the Underwriters.

Ford has granted the Underwriters named above a right to request from Ford the opportunity to purchase up to an additional \$90,000,000 aggregate principal amount of Notes (the Option Notes) to cover overallotments, if any, at the initial public offering price less the underwriting discounts and commissions set forth on the cover of this Prospectus Supplement within 30 days from the date of this Prospectus Supplement. Whether or not to approve the Underwriters request is totally at Ford's discretion. To the extent that Ford approves of the exercise of this option and the Underwriters exercise the option, each of the Underwriters will have a firm commitment, subject to certain conditions, to purchase from Ford approximately the same percentages of the Option Notes as the amount set forth next to such Underwriter's name in the table above bears to the aggregate principal amount of Notes set forth in the above table as the total to be purchased.

Each of the Underwriters has agreed that it will not offer, sell or deliver any of the Notes, directly or indirectly, or distribute this Prospectus Supplement or the accompanying Prospectus or any other offering material relating to the Notes, in or from any jurisdiction except under circumstances that will, to the best knowledge and belief of such Underwriter after due inquiry, result in compliance with the applicable laws and regulations thereof and which will not impose any obligations on Ford, except as set forth in the Underwriting Agreement and the Pricing Agreement.

The Notes are a new issue of securities with no established trading market. Ford has been advised by the Underwriters that they intend to make a market in the Notes, but they are not obligated to do so and may discontinue such market-making at any time without notice. No assurance can be given as to the liquidity of the trading market for the Notes.

In connection with the offering, the Underwriters may engage in transactions that stabilize, maintain or otherwise affect the price of the Notes. Specifically, the Underwriters may over-allot in connection with the offering, creating a

short position with respect to the Notes. In addition, the Underwriters may bid for, and purchase, Notes in the open market to cover any short position or to stabilize the price of the Notes. Any of these activities may stabilize or maintain the market price of the Notes above independent market levels. The Underwriters are not required to engage in these activities, and may end any of these activities at any time.

All secondary trading in the Notes will settle in immediately available funds.

We expect that delivery of the Notes will be made against payment therefor on or about the closing date specified on the cover page of this prospectus supplement, which will be on the fifth

S-7

---

**Table of Contents**

business day following the date on which the Notes are priced. Under Rule 15c6-1 of the Securities Exchange Act of 1934, as amended, trades in the secondary market generally are required to settle in three business days after the date the securities are priced, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes on the date of pricing or on the next succeeding business day will be required, by virtue of the fact that the Notes will settle in T+5, to specify an alternative settlement cycle at the time of any such trade to prevent a failed settlement; such purchasers should also consult their own advisors in this regard.

Ford has agreed to indemnify the Underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended. Ford estimates that it will spend approximately \$207,500 for printing, registration fees, rating agency and other expenses related to the offering of the Notes. The Underwriters have agreed to reimburse Ford for a portion of its expenses incurred in connection with the offering of the Notes.

In the ordinary course of their respective businesses, certain of the Underwriters and their respective affiliates have engaged, and may in the future engage, in commercial banking, general financing and/or investment banking transactions with Ford, Ford Motor Credit Company and certain of their affiliates.

**LEGAL OPINIONS**

The legality of the Notes offered by Ford Motor hereby will be passed on for Ford by Dennis E. Ross, Esq., Vice President and General Counsel of Ford, or other counsel satisfactory to the Underwriters. The legality of the Notes offered hereby will be passed on for the Underwriters by Shearman & Sterling LLP, 599 Lexington Avenue, New York, New York. Mr. Ross is a full-time employee of Ford and owns and holds options to purchase shares of Common stock of Ford. Shearman & Sterling LLP have in the past provided, and may continue to provide, legal services to Ford and its subsidiaries.



**Table of Contents**

**\$10,000,000,000**

**Ford Motor Company**

Senior Debt Securities, Subordinated Debt Securities,

Preferred Stock, Depositary Shares, Common Stock, Warrants,  
Stock Purchase Contracts and Stock Purchase Units

**FORD MOTOR COMPANY CAPITAL TRUST II**

**FORD MOTOR COMPANY CAPITAL TRUST III**

**FORD MOTOR COMPANY CAPITAL TRUST IV**

**Trust Preferred Securities**  
**Guaranteed as set forth herein by**

**Ford Motor Company**

This prospectus is part of registration statements that we and the Ford Capital Trusts filed with the SEC utilizing a shelf registration process. Under this shelf process, we or, as applicable, the Ford Capital Trusts may, from time to time, sell the following types of securities described in this prospectus in one or more offerings up to a total dollar amount of \$10,000,000,000:

our debt securities, in one or more series, which may be senior debt securities or subordinated debt securities, in each case consisting of notes, debentures or other unsecured evidences of indebtedness;

shares of our preferred stock;

depositary shares representing a fraction of a share of our preferred stock;

shares of our common stock;

warrants to purchase debt securities, preferred stock, depositary shares or common stock;

stock purchase contracts;

stock purchase units;

trust preferred securities issued by one of the Ford Capital Trusts; or

any combination of these securities.

This prospectus provides you with a general description of the securities we may offer. Each time we 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, update or change information contained in this prospectus.

You should read both this prospectus and any prospectus supplement together with additional information described under the heading WHERE YOU CAN FIND MORE INFORMATION.

Our principal executive offices are located at:

Ford Motor Company  
One American Road  
Dearborn, Michigan 48126  
313-322-3000

---

Our common stock is traded on the New York Stock Exchange under the symbol F.

**Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or determined if this prospectus is truthful or complete. Any representation to the contrary is a criminal offense.**

The date of this prospectus is January 24, 2002.

---

**Table of Contents**

**TABLE OF CONTENTS**

	<b><u>Page</u></b>
Where You Can Find More Information	2
Ford Motor Company	
3	
Ford Capital Trusts	
3	
Ratio of Earnings to Combined Fixed Charges and Preferred Stock Dividends	
5	
Use of Proceeds	
5	
Description of Debt Securities	
5	
Description of Capital Stock	
11	
Common Stock and Class B Stock	
11	
Preferred Stock	
13	
Series B Preferred Stock	
13	
Description of Depository Shares	
15	
Description of Warrants	
17	
Description of Stock Purchase Contracts and Stock Purchase Units	
18	
Description of Trust Preferred Securities	
18	
Description of Preferred Securities Guarantees	
21	
Plan of Distribution	
24	
Legal Opinions	

25  
Experts  
25

---

**You should rely only on the information contained or incorporated by reference in this prospectus and in any accompanying prospectus supplement. No one has been authorized to provide you with different information.**

**The securities are not being offered in any jurisdiction where the offer is not permitted.**

**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 front of the documents.**

**Table of Contents**

**WHERE YOU CAN FIND MORE INFORMATION**

We file annual, quarterly and special reports and other information with the Securities and Exchange Commission (the SEC). You may read and copy any document we file at the SEC's public reference room at 450 Fifth Street, N.W., Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information on the public reference room. Our SEC filings also are available to you at the SEC's web site at <http://www.sec.gov>.

The SEC allows us to incorporate by reference the information we file with them into this prospectus, which means that we can disclose important information to you by referring you to those documents and those documents will be considered part of this prospectus. Information that we file later with the SEC will automatically update and supersede the previously filed information. We incorporate by reference the documents listed below and any future filings made with the SEC under Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 until this offering has been completed.

Annual Report on Form 10-K for the year ended December 31, 2000 (our 2000 10-K Report).

Quarterly Reports on Form 10-Q for the quarters ended March 31, 2001, June 30, 2001 and September 30, 2001 (collectively, our 10-Q Reports).

Current Reports on Form 8-K dated and filed on the following dates:

<u>Dated</u>	<u>Filed</u>
March 29, 2001	March 29, 2001
April 3, 2001	April 3, 2001
April 19, 2001	April 19, 2001
May 1, 2001	May 1, 2001
May 22, 2001	May 23, 2001
June 1, 2001	June 1, 2001
June 12, 2001	June 12, 2001
July 3, 2001	July 3, 2001
July 18, 2001	July 18, 2001
August 1, 2001	August 1, 2001
August 17, 2001	August 17, 2001
September 4, 2001	September 4, 2001
September 14, 2001	September 14, 2001
October 2, 2001	October 2, 2001
October 10, 2001	October 11, 2001
October 17, 2001	October 17, 2001
October 18, 2001	October 18, 2001
October 24, 2001	October 24, 2001
October 30, 2001	October 30, 2001
November 1, 2001	November 1, 2001
December 3, 2001	December 3, 2001
December 5, 2001	December 5, 2001
January 3, 2002	January 3, 2002
January 11, 2002	January 11, 2002
January 17, 2002	January 17, 2002

You may request copies of these filings at no cost, by writing or telephoning us at the following address:

Ford Motor Company  
 One American Road  
 Dearborn, MI 48126

Attn: Shareholder Relations Department  
800-555-5259 or 313-845-8540

**Table of Contents**

Each of the Ford Capital Trusts is a newly formed special purpose entity, has no operating history or independent operations and is not engaged in and does not propose to engage in any activity other than its holding as trust assets our subordinated debt securities and the issuing of the trust preferred securities. Further, 100% of the outstanding voting securities of each of the trusts is or will be owned by us and the preferred securities guarantee that we will issue in connection with any issuance of trust preferred securities by the trusts, together with our obligations under the subordinated debt securities and related agreements and instruments, will constitute a full and unconditional guarantee on a subordinated basis by us of payments due on the trust preferred securities. Accordingly, pursuant to Rule 3-10(b) of Regulation S-X under the Securities Act of 1933 and the Securities Exchange Act of 1934, no separate financial statements for any of the trusts have been included or incorporated by reference in the registration statements and pursuant to Rule 12h-5 under the Securities Exchange Act of 1934 none of the trusts will be subject to the information reporting requirements of the Securities Exchange Act of 1934.

**FORD MOTOR COMPANY**

We incorporated in Delaware in 1919. We acquired the business of a Michigan company, also known as Ford Motor Company, incorporated in 1903 to produce and sell automobiles designed and engineered by Henry Ford. We are the world's second largest producer of cars and trucks combined. We and our subsidiaries also engage in other businesses, including financing and renting vehicles and equipment.

Our business is divided into two business sectors: the Automotive sector and the Financial Services sector. We manage these sectors as three primary operating segments as described below.

<b>Business Sectors</b>	<b>Operating Segments</b>	<b>Description</b>
<i>Automotive:</i>	Automotive	design, manufacture, sale and service of cars and trucks
<i>Financial Services:</i> Ford Motor Credit Company vehicle-related financing, leasing and insurance The Hertz Corporation renting and leasing of cars, trucks and industrial and construction equipment, and other activities		

**FORD CAPITAL TRUSTS**

The three trusts, Ford Motor Company Capital Trust II, III and IV (collectively, the Ford Capital Trusts), are Delaware business trusts formed to raise capital for us by issuing preferred securities under this prospectus and a prospectus supplement, and investing the proceeds in subordinated debt securities issued by us.

We will directly or indirectly own all of the common securities of each of the Ford Capital Trusts. The common securities will rank equally with, and each trust will make payments on the common securities in proportion to, the trust preferred securities, except that if an event of default occurs under the declaration of one of the trusts, our rights, as holder of the common securities, to payments will be subordinated to your rights as holder of the trust preferred securities. We will, directly or indirectly, acquire common securities in an aggregate liquidation amount equal to three percent of the total capital of each of our trusts.

As holder of the common securities of the trusts, we are entitled to appoint, remove or replace any of, or increase or decrease the number of, the trustees of each of our trusts, provided that the number of trustees shall be at least three. Each of the trusts' business and affairs will be conducted by the trustees we appoint. The trustees' duties and obligations are



**Table of Contents**

governed by the trusts' declarations. Prior to the issuance of any trust preferred securities, we will ensure that one trustee of each trust is a financial institution that will not be an affiliate of ours and that will act as property trustee and indenture trustee for purposes of the Trust Indenture Act of 1939 (the "Trust Indenture Act"). In addition, unless the property trustee maintains a principal place of business in the State of Delaware and meets the other requirements of applicable law, one trustee of each of the trusts will have its principal place of business or reside in the State of Delaware.

We will pay all of the trusts' fees and expenses, including those relating to any offering of trust preferred securities. In addition, we will enter into a guarantee with respect to each series of trust preferred securities under which we will irrevocably and unconditionally agree to make certain payments to the holders of that series of trust preferred securities, subject to applicable subordination provisions, except that the guarantee will only apply when the trust has sufficient funds immediately available to make those payments but has not made them.

The principal office of each of the trusts is c/o Ford Motor Company, One American Road, Dearborn, Michigan 48126 USA and the telephone number is 313-322-3000.

**Table of Contents****RATIO OF EARNINGS TO COMBINED FIXED CHARGES AND PREFERRED STOCK DIVIDENDS**

The ratio of our earnings to our combined fixed charges and preferred stock dividends was as follows for each of the periods indicated:

Years Ended December 31				
2001	2000	1999	1998	1997
*	1.7	2.0	3.6**	1.9

\* Earnings for the year ended December 31, 2001 were inadequate to cover fixed charges. The coverage deficiency was \$6.8 billion.

\*\* Earnings used in calculation of this ratio include the \$15,955 million gain on the spin-off of our interest in Associates First Capital Corporation. Excluding this gain, the ratio would have been 1.9. For purposes of the ratio, earnings means the sum of:

our pre-tax income from continuing operations,

any income we received from less-than-fifty-percent-owned companies, and

our fixed charges, excluding capitalized interest and preferred stock dividend requirements of our consolidated subsidiaries and trusts.

Fixed charges and preferred stock dividends means the sum of:

the interest we pay on borrowed funds,

the preferred stock dividend requirements of our consolidated subsidiaries and trusts,

the amount we amortize for debt discount, premium, and issuance expense,

one-third of all our rental expenses (the proportion deemed representative of the interest factor), and

our preferred stock dividend requirements, increased to an amount representing the pre-tax earnings required to cover such dividend requirements based on our effective income tax rates.

**USE OF PROCEEDS**

We, or our affiliates, will use the net proceeds from the sale of securities for general corporate purposes, unless we state otherwise in a prospectus supplement. If we intend to use the proceeds to repay outstanding debt, we will provide details about the debt that is being repaid. Each of the Ford Capital Trusts will invest all proceeds received from the sale of its trust preferred securities in a particular series of subordinated debt securities to be issued by us.

**DESCRIPTION OF DEBT SECURITIES**

We will issue debt securities in one or more series under an Indenture between us and JPMorgan Chase Bank, Trustee. The Indenture may be supplemented from time to time.

## Edgar Filing: FORD MOTOR CO - Form 424B5

The Indenture is a contract between us and JPMorgan Chase Bank acting as Trustee. The Trustee has two main roles. First, the Trustee can enforce your rights against us if an Event of Default described below occurs. Second, the Trustee performs certain administrative duties for us.

The Indenture is summarized below. Because it is a summary, it does not contain all of the information that may be important to you. We filed the Indenture as an exhibit to the registration statement, and we suggest that you read those parts of the Indenture that are important to you. You especially need to read the Indenture to get a complete understanding of your rights and our obligations under the covenants described below under Limitation on Liens, Limitation on Sales and Leasebacks and Merger and Consolidation. Throughout the summary we have included

**Table of Contents**

parenthetical references to the Indenture so that you can easily locate the provisions being discussed.

The specific terms of each series of debt securities will be described in the particular prospectus supplement relating to that series. The prospectus supplement may or may not modify the general terms found in this prospectus and will be filed with the SEC. For a complete description of the terms of a particular series of debt securities, you should read both this prospectus and the prospectus supplement relating to that particular series.

**General**

The debt securities offered by this prospectus will be limited to a total amount of \$10,000,000,000, or the equivalent amount in any currency. The Indenture, however, does not limit the amount of debt securities that may be issued under it. Therefore, additional debt securities may be issued under the Indenture.

The prospectus supplement, which will accompany this prospectus, will describe the particular series of debt securities being offered by including:

- the designation or title of the series of debt securities;
- the total principal amount of the series of debt securities;
- the percentage of the principal amount at which the series of debt securities will be offered;
- the date or dates on which principal will be payable;
- the rate or rates (which may be either fixed or variable) and/or the method of determining such rate or rates of interest, if any;
- the date or dates from which any interest will accrue, or the method of determining such date or dates, and the date or dates on which any interest will be payable;
- the terms for redemption, extension or early repayment, if any;
- the currencies in which the series of debt securities are issued and payable;
- the provision for any sinking fund;
- any additional restrictive covenants;
- any additional Events of Default;
- whether the series of debt securities are issuable in certificated form;
- any provisions modifying the defeasance and covenant defeasance provisions;
- any special tax implications, including provisions for original issue discount;
- any provisions for convertibility or exchangeability of the debt securities into or for any other securities;
- whether the debt securities are subject to subordination and the terms of such subordination; and

any other terms.

The debt securities will be our unsecured obligations. Senior debt securities will rank equally with our other unsecured and unsubordinated indebtedness (parent company only). Subordinated debt securities will be unsecured and subordinated in right of payment to the prior payment in full of all of our unsecured and unsubordinated indebtedness. See Subordination.

Unless the prospectus supplement states otherwise, principal (and premium, if any) and interest, if any, will be paid by us in immediately available funds.

## **Table of Contents**

The Indenture does not contain any provisions that give you protection in the event we issue a large amount of debt or we are acquired by another entity.

### **Limitation on Liens**

The Indenture restricts our ability to pledge some of our assets as security for other debt. Unless we secure the debt securities on an equal basis, the restriction does not permit us to have or guarantee any debt that is secured by (1) any of our principal U.S. plants or (2) the stock or debt of any of our subsidiaries that own or lease one of these plants. This restriction does not apply until the total amount of our secured debt plus the discounted value of the amount of rent we must pay under sale and leaseback transactions involving principal U.S. plants exceeds 5% of our consolidated net tangible automotive assets. This restriction also does not apply to any of the following:

- liens of a company that exist at the time such company becomes our subsidiary;
- liens in our favor or in the favor of our subsidiaries;

- certain liens given to a government;

- liens on property that exist at the time we acquire the property or liens that we give to secure our paying for the property; and
- any extension or replacement of any of the above. (Section 10.04)

### **Limitation on Sales and Leasebacks**

The Indenture prohibits us from selling and leasing back any principal U.S. plant for a term of more than three years. This restriction does not apply if:

- we could create secured debt in an amount equal to the discounted value of the rent to be paid under the lease without violating the limitation on liens provision discussed above;

- the lease is with or between any of our subsidiaries; or

- within 120 days of selling the U.S. plant, we retire our funded debt in an amount equal to the net proceeds from the sale of the plant or the fair market value of the plant, whichever is greater.

### **Merger and Consolidation**

The Indenture prohibits us from merging or consolidating with any company, or selling all or substantially all of our assets to any company, if after we do so the surviving company would violate the limitation on liens or the limitation on sales and leasebacks discussed above. This does not apply if the surviving company secures the debt securities on an equal basis with the other secured debt of the company. (Sections 8.01 and 8.03)

### **Events of Default and Notice Thereof**

The Indenture defines an Event of Default as being any one of the following events:

- failure to pay interest for 30 days after becoming due;

- failure to pay principal or any premium for five business days after becoming due;

- failure to make a sinking fund payment for five days after becoming due;

failure to perform any other covenant applicable to the debt securities for 90 days after notice;  
certain events of bankruptcy, insolvency or reorganization; and  
any other Event of Default provided in the prospectus supplement.

7

---

**Table of Contents**

An Event of Default for a particular series of debt securities will not necessarily constitute an Event of Default for any other series of debt securities issued under the Indenture. (Section 5.01.)

If an Event of Default occurs and continues, the Trustee or the holders of at least 25% of the total principal amount of the series may declare the entire principal amount (or, if they are Original Issue Discount Securities (as defined in the Indenture), the portion of the principal amount as specified in the terms of such series) of all of the debt securities of that series to be due and payable immediately. If this happens, subject to certain conditions, the holders of a majority of the total principal amount of the debt securities of that series can void the declaration. (Section 5.02.)

The Indenture provides that within 90 days after default under a series of debt securities, the Trustee will give the holders of that series notice of all uncured defaults known to it. (The term default includes the events specified above without regard to any period of grace or requirement of notice.) The Trustee may withhold notice of any default (except a default in the payment of principal, interest or any premium) if it believes that it is in the interest of the holders. (Section 6.01.)

Annually, we must send to the Trustee a certificate describing any existing defaults under the Indenture. (Section 10.06.)

Other than its duties in case of a default, the Trustee is not obligated to exercise any of its rights or powers under the Indenture at the request, order or direction of any holders, unless the holders offer the Trustee reasonable protection from expenses and liability. (Section 6.02.) If they provide this reasonable indemnification, the holders of a majority of the total principal amount of any series of debt securities may direct the Trustee how to act under the Indenture. (Section 5.12.)

**Defeasance and Covenant Defeasance**

Unless the prospectus supplement states otherwise, we will have two options to discharge our obligations under a series of debt securities before their maturity date. These options are known as defeasance and covenant defeasance. Defeasance means that we will be deemed to have paid the entire amount of the applicable series of debt securities and we will be released from all of our obligations relating to that series (except for certain obligations, such as registering transfers of the securities). Covenant defeasance means that as to the applicable series of debt securities we will not have to comply with the covenants described above under Limitation on Liens, Limitation on Sales and Leasebacks and Merger and Consolidation. In addition, if the prospectus supplement states that any additional covenants relating to that series of debt securities are subject to the covenant defeasance provision in the Indenture, then we also would not have to comply with those covenants. (Sections 14.01, 14.02 and 14.03.)

To elect either defeasance or covenant defeasance for any series of debt securities, we must deposit with the Trustee an amount of money and/or U.S. government obligations that will be sufficient to pay principal, interest and any premium or sinking fund payments on the debt securities when those amounts are scheduled to be paid. In addition, we must provide a legal opinion stating that as a result of the defeasance or covenant defeasance you will not be required to recognize income, gain or loss for federal income tax purposes and you will be subject to federal income tax on the same amounts, in the same manner and at the same times as if the defeasance or covenant defeasance had not occurred. For defeasance, that opinion must be based on either an Internal Revenue Service ruling or a change in law since the date the debt securities were issued. We must also meet other conditions, such as there being no Events of Default. The amount deposited with the Trustee can be decreased at a later date if in the opinion of a nationally recognized firm of independent public accountants the deposits are greater than the amount then needed to pay principal, interest and any premium or sinking fund





## **Table of Contents**

payments on the debt securities when those amounts are scheduled to be paid. (Sections 14.04 and 14.05.)

Our obligations relating to the debt securities will be reinstated if the Trustee is unable to pay the debt securities with the deposits held in trust, due to an order of any court or governmental authority. (Section 14.06.) It is possible that a series of debt securities for which we elect covenant defeasance may later be declared immediately due in full because of an Event of Default (not relating to the covenants that were defeased). If that happens, we must pay the debt securities in full at that time, using the deposits held in trust or other money. (Section 14.03.)

## **Modification of the Indenture**

With certain exceptions, our rights and obligations and your rights under a particular series of debt securities may be modified with the consent of the holders of not less than two-thirds of the total principal amount of those debt securities. No modification of the principal or interest payment terms, and no modification reducing the percentage required for modifications, will be effective against you without your consent. (Section 9.02.)

## **Subordination**

The extent to which a particular series of subordinated debt securities is subordinated to our Senior Indebtedness (as defined below) will be set forth in the prospectus supplement for that series and the Indenture may be modified by a supplemental indenture to reflect such subordination provisions. The particular terms of subordination of an issue of subordinated debt securities may supersede the general provisions of the Indenture summarized below.

The Indenture provides that any subordinated debt securities will be subordinate and junior in right of payment to all of our Senior Indebtedness. This means that in the event we become subject to any insolvency, bankruptcy, receivership, liquidation, reorganization or similar proceeding or we voluntarily liquidate, dissolve or otherwise wind up our affairs, then the holders of all Senior Indebtedness will be entitled to be paid in full, before the holders of any subordinated debt securities are paid. In addition, (a) if we default in the payment of any Senior Indebtedness or if any event of default exists and all grace periods with respect thereto have expired under any Senior indebtedness, then, so long as any such default continues, no payment can be made on the subordinated debt securities; and (b) if any series of subordinated debt securities are declared due and payable before their stated maturity because of the occurrence of an Event of Default under the Indenture (other than because of our insolvency, bankruptcy, receivership, liquidation, reorganization or the like), then no payment on the subordinated debt securities can be made unless holders of the Senior Indebtedness are paid in full.

The term **Senior Indebtedness** means (a) the principal of and premium, if any, and interest on all of our indebtedness, whether presently outstanding or later created, (i) for money we borrow, (ii) constituting obligations of others that we either assume or guarantee, (iii) in respect of letters of credit and acceptances issued or made by banks, or (iv) constituting purchase money indebtedness, which means indebtedness, the proceeds of which we use to acquire property or which we issue as all or part of our payment for such property, (b) all deferrals, renewals, extensions and refundings of, and amendments, modifications and supplements to, any such indebtedness, and (c) all of our other general unsecured obligations and liabilities, including trade payables. Notwithstanding the foregoing, Senior Indebtedness does not include any of our indebtedness that by its terms is subordinate in right of payment to or of equal rank with the subordinated debt securities.

**Table of Contents**

**Global Securities**

Unless otherwise stated in a prospectus supplement, the debt securities of a series will be issued in the form of one or more global certificates that will be deposited with The Depository Trust Company, New York, New York ( DTC ), which will act as depository for the global certificates. Beneficial interests in global certificates will be shown on, and transfers of global certificates will be effected only through, records maintained by DTC and its participants. Therefore, if you wish to own debt securities that are represented by one or more global certificates, you can do so only indirectly or beneficially through an account with a broker, bank or other financial institution that has an account with DTC (that is, a DTC participant) or through an account directly with DTC if you are a DTC participant.

While the debt securities are represented by one or more global certificates:

You will not be able to have the debt securities registered in your name.

You will not be able to receive a physical certificate for the debt securities.

Our obligations, as well as the obligations of the Trustee and any of our agents, under the debt securities will run only to DTC as the registered owner of the debt securities. For example, once we make payment to DTC, we will have no further responsibility for the payment even if DTC or your broker, bank or other financial institution fails to pass it on so that you receive it.

Your rights under the debt securities relating to payments, transfers, exchanges and other matters will be governed by applicable law and by the contractual arrangements between you and your broker, bank or other financial institution, and/or the contractual arrangements you or your broker, bank or financial institution has with DTC. Neither we nor the Trustee has any responsibility for the actions of DTC or your broker, bank or financial institution.

You may not be able to sell your interests in the debt securities to some insurance companies and others who are required by law to own their debt securities in the form of physical certificates.

Because the debt securities will trade in DTC's Same-Day Funds Settlement System, when you buy or sell interests in the debt securities, payment for them will have to be made in immediately available funds. This could affect the attractiveness of the debt securities to others.

A global certificate generally can be transferred only as a whole, unless it is being transferred to certain nominees of the depository or it is exchanged in whole or in part for debt securities in physical form. (Section 2.05.) If a global certificate is exchanged for debt securities in physical form, they will be in denominations of \$1,000 and integral multiples thereof, or another denomination stated in the prospectus supplement.

**Table of Contents**

**DESCRIPTION OF CAPITAL STOCK**

This section contains a description of our capital stock. This description includes not only our common stock, but also our Class B stock and preferred stock, including our outstanding Series B preferred stock, certain terms of which affect the common stock. The following summary of the terms of our capital stock is not meant to be complete and is qualified by reference to our restated certificate of incorporation. See [Where You Can Find More Information](#).

Our authorized capital stock currently consists of 6,000,000,000 shares of common stock, 530,117,376 shares of Class B stock and 30,000,000 shares of preferred stock.

As of December 31, 2001, we had outstanding 1,738,225,293 shares of common stock, 70,852,076 shares of Class B stock and 7,096,688 depository shares, each representing 1/2,000th of a share of Series B preferred stock, with a liquidation preference equal to \$25.00 per depository share.

**Common Stock and Class B Stock**

***Rights to Dividends and on Liquidation.*** Each share of common stock and Class B stock is entitled to share equally in dividends (other than dividends declared with respect to any outstanding preferred stock) when and as declared by our board of directors, except as stated below under the subheading [Stock Dividends](#). Upon liquidation, subject to the rights of any other class or series of stock having a preference on liquidation, each share of common stock will be entitled to the first \$.50 available for distribution to common and Class B stockholders, each share of Class B stock will be entitled to the next \$1.00 so available, each share of common stock will be entitled to the next \$.50 available and each share of common and Class B stock will be entitled to an equal amount after that. Any outstanding preferred stock would rank senior to the common stock and Class B Stock in respect of liquidation rights and could rank senior to that stock in respect of dividend rights.

***Voting General.*** All general voting power is vested in the holders of common stock and the holders of Class B stock, voting together without regard to class, except as stated below in the subheading [Voting by Class](#). The voting power of the shares of stock is determined as described below. However, we could in the future create series of preferred stock with voting rights equal to or greater than our common stock or Class B stock.

Each holder of common stock is entitled to one vote per share, and each holder of Class B stock is entitled to a number of votes per share derived by a formula contained in our restated certificate of incorporation. As long as at least 60,749,880 shares of Class B stock remain outstanding, the formula will result in holders of Class B stock having 40% of the general voting power and holders of common stock and, if issued, any preferred stock with voting power having 60% of the general voting power.

If the number of outstanding shares of Class B stock falls below 60,749,880, but remains at least 33,749,932, then the formula will result in the general voting power of holders of Class B stock declining to 30% and the general voting power of holders of common stock and, if issued, any preferred stock with voting power increasing to 70%.

If the number of outstanding shares of Class B stock falls below 33,749,932, then each holder of Class B stock will be entitled to only one vote per share.

Based on the number of shares of Class B stock and common stock outstanding as of December 31, 2001, each holder of Class B stock is entitled to 16.355 votes per share. Of the outstanding Class B stock as of March 1, 2001, 47,101,508 shares were held in a voting trust. The trust requires the trustee to vote all the shares in the trust as directed by holders of a plurality of the shares in the trust.



**Table of Contents**

***Right of Preferred Stock to Elect a Maximum of Two Directors in Event of Default.*** It would be customary for any preferred stock that we may issue to provide that if at any time we are delinquent in the payment of six or more quarters worth of dividends (whether or not consecutive), the holders of the preferred stock, voting as a class, would be entitled to elect two directors (who would be in addition to the directors elected by the stockholders generally). These voting rights are required to be provided if the preferred stock is listed on the New York Stock Exchange and are provided for in our Series B preferred stock.

***Non-Cumulative Voting Rights.*** Our common stock and Class B stock, as well as any preferred stock with voting power we may issue, do not and will not have cumulative voting rights. This means that the holders who have more than 50% of the votes for the election of directors can elect 100% of the directors if they choose to do so.

***Voting by Class.*** If we want to take any of the following actions, we must obtain the vote of the holders of a majority of the outstanding shares of Class B stock, voting as a class:

issue any additional shares of Class B stock (with certain exceptions);

reduce the number of outstanding shares of Class B stock other than by holders of Class B stock converting Class B stock into common stock or selling it to the Company;

change the capital stock provisions of our restated certificate of incorporation;

merge or consolidate with or into another corporation;

dispose of all or substantially all of our property and assets;

transfer any assets to another corporation and in connection therewith distribute stock or other securities of that corporation to our stockholders; or

voluntarily liquidate or dissolve.

***Voting Provisions of Delaware Law.*** In addition to the votes described above, any special requirements of Delaware law must be met. The Delaware General Corporation Law contains provisions on the votes required to amend certificates of incorporation, merge or consolidate, sell, lease or exchange all or substantially all assets, and voluntarily dissolve.

***Ownership and Conversion of Class B Stock.*** In general, only members of the Ford family or their descendants or trusts or corporations in which they have specified interests can own or be registered as record holders of shares of Class B stock, or can enjoy for their own benefit the special rights and powers of Class B stock. A holder of shares of Class B stock can convert those shares into an equal number of shares of common stock for the purpose of selling or disposing of those shares. Shares of Class B stock acquired by the Company or converted into common stock cannot be reissued by the Company.

***Preemptive and Other Subscription Rights.*** Holders of common stock do not have any right to purchase additional shares of common stock if we sell shares to others. If, however, we sell Class B stock or obligations or shares convertible into Class B stock (subject to the limits on who can own Class B stock described above), then holders of Class B stock will have a right to purchase, on a ratable basis and at a price just as favorable, additional shares of Class B stock or those obligations or shares convertible into Class B stock.

In addition, if shares of common stock (or shares or obligations convertible into such stock) are offered to holders of common stock, then we must offer to the holders of Class B stock shares of Class B stock (or shares or obligations

convertible into such stock), on a ratable basis, and at the same price per share.

***Stock Dividends.*** If we declare and pay a dividend in our stock, we must pay it in shares of common stock to holders of common stock and in shares of Class B stock to holders of Class B stock.

## **Table of Contents**

***Ultimate Rights of Holders of Class B Stock.*** If and when the number of outstanding shares of Class B stock falls below 33,749,932, the Class B stock will become freely transferable and will become substantially equivalent to common stock. At that time, holders of Class B stock will have one vote for each share held, will have no special class vote, will be offered common stock if common stock is offered to holders of common stock, will receive common stock if a stock dividend is declared, and will have the right to convert such shares into an equal number of shares of common stock irrespective of the purpose of conversion.

***Miscellaneous; Dilution.*** If we increase the number of outstanding shares of Class B stock (by, for example, doing a stock split or stock dividend), or if we consolidate or combine all outstanding shares of Class B stock so that the number of outstanding shares is reduced, then the threshold numbers of outstanding Class B stock (that is, 60,749,880 and 33,749,932) that trigger voting power changes will automatically adjust by a proportionate amount.

## **Preferred Stock**

We may issue preferred stock from time to time in one or more series, without stockholder approval. Subject to limitations prescribed by law, our board of directors is authorized to fix for any series of preferred stock the number of shares of such series and the designation, relative powers, preferences and rights, and the qualifications, limitations or restrictions of such series.

For any series of preferred stock that we may issue, our board of directors will determine and the prospectus supplement relating to such series will describe:

The designation and number of shares of such series;

The rate and time at which, and the preferences and conditions under which, any dividends will be paid on shares of such series, as well as whether such dividends are cumulative or non-cumulative and participating or non-participating;

Any provisions relating to convertibility or exchangeability of the shares of such series;

The rights and preferences, if any, of holders of shares of such series upon our liquidation, dissolution or winding up of our affairs;

The voting powers, if any, of the holders of shares of such series;

Any provisions relating to the redemption of the shares of such series;

Any limitations on our ability to pay dividends or make distributions on, or acquire or redeem, other securities while shares of such series are outstanding;

Any conditions or restrictions on our ability to issue additional shares of such series or other securities;

Any other relative power, preferences and participating, optional or special rights of shares of such series, and the qualifications, limitations or restrictions thereof.

All shares of preferred stock that we may issue will be identical and of equal rank except as to the particular terms thereof that may be fixed by our board of directors, and all shares of each series of preferred stock will be identical and of equal rank except as to the dates from which cumulative dividends, if any, thereon will be cumulative.

## **Series B Preferred Stock**



**General.** Our Series B preferred stock is not convertible into any other securities. We are not obligated to redeem or retire the Series B preferred stock.

**Ranking.** The Series B preferred stock ranks senior to the common stock and Class B stock with respect to dividends and upon liquidation. Generally, this means that we cannot pay dividends on our common stock and Class B stock unless we have paid the full amount of the

**Table of Contents**

dividends on the Series B preferred stock that are due and owing at that time. Also, if we are dissolved or liquidated, holders of the Series B preferred stock are required to be paid the full amount of the liquidation preference (\$50,000 per share) before any assets can be distributed to holders of common stock or Class B stock.

While Series B preferred stock is outstanding, we cannot create any class of stock that ranks senior to the Series B preferred stock with respect to dividends or upon liquidation without the consent of the holders of two-thirds of the outstanding shares of Series B preferred stock.

**Dividends.** Holders of Series B preferred stock are entitled to receive, when and as declared by our board of directors, cumulative cash dividends at the rate per annum of 8.25% per share on the liquidation preference of the Series B preferred stock. We pay dividends on the Series B preferred stock quarterly on the first business day of March, June, September and December of each year.

**Redemption.** We cannot redeem the Series B preferred stock before December 1, 2002, but we can redeem it anytime on and after that date. If we decide to redeem, we can redeem all of the outstanding shares at once, or we can redeem some of the shares at different times. The redemption price is \$50,000 per share, plus an amount equal to accrued and unpaid dividends.

We cannot redeem less than all of the outstanding shares of Series B preferred stock unless we have paid the full amount of the dividends on the Series B preferred stock and any other preferred stock ranking equal to the Series B preferred stock that are due and owing at that time.

We also cannot purchase through voluntary sales any shares of Series B preferred stock or any equally ranking preferred stock unless (i) we have paid the full amount of the dividends on the Series B preferred stock and any equally ranking preferred stock that are due and owing at the time or (ii) the purchases are pursuant to a purchase or exchange offer made on the same terms to all holders of Series B preferred stock and any equally ranking preferred stock.

We cannot redeem any shares of Series B preferred stock unless we have sold enough common stock during the two-year period before the redemption so that the money we received from those sales at least equals the liquidation preference (\$50,000 per share) of the Series B preferred stock we want to redeem.

**Voting Rights.** The only voting rights the holders of shares of Series B preferred stock have are those described below:

If we are delinquent in the payment of six or more quarters' worth of dividends (whether or not consecutive) on the Series B preferred stock, then the number of directors of the Company will be increased by two and the holders of shares of Series B preferred stock, voting together as a class with the holders of any other series of preferred stock which have the same voting rights, will have the right to elect the two additional directors to our board of directors at our next annual meeting of stockholders and at each subsequent annual meeting until all such dividends on the Series B preferred stock (and on any other series of preferred stock having the same voting rights) have been paid in full.

If we want to change our restated certificate of incorporation in a way that would materially and adversely affect the holders of the Series B preferred stock or if we want to create or increase the amount of any class of stock with rights as to dividends and liquidation that are greater than the Series B preferred stock, then we must get the approval of holders of at least two thirds of the outstanding shares of Series B preferred stock.

**Table of Contents**

**DESCRIPTION OF DEPOSITARY SHARES**

We may elect to offer fractional shares of preferred stock rather than full shares of preferred stock. In that event, we will issue to the public receipts for depositary shares, and each of these depositary shares will represent a fraction (to be set forth in the applicable prospectus supplement) of a share of a particular series of preferred stock.

The shares of any series of preferred stock underlying the depositary shares will be deposited under a deposit agreement between us and a bank or trust company selected by us. The depositary will have its principal office in the United States and a combined capital and surplus of at least \$50,000,000. Subject to the terms of the deposit agreement, each owner of a depositary share will be entitled, in proportion to the applicable fraction of a share of preferred stock underlying the depositary share, to all the rights and preferences of the preferred stock underlying that depositary share. Those rights may include dividend, voting, redemption, conversion and liquidation rights.

The depositary shares will be evidenced by depositary receipts issued under a deposit agreement. Depositary receipts will be distributed to those persons purchasing the fractional shares of preferred stock underlying the depositary shares, in accordance with the terms of the offering. The following description of the material terms of the deposit agreement, the depositary shares and the depositary receipts is only a summary and you should refer to the forms of the deposit agreement and depositary receipts that will be filed with the SEC in connection with the offering of the specific depositary shares.

Pending the preparation of definitive engraved depositary receipts, the depositary may, upon our written order, issue temporary depositary receipts substantially identical to the definitive depositary receipts but not in definitive form. These temporary depositary receipts entitle their holders to all the rights of definitive depositary receipts. Temporary depositary receipts will then be exchangeable for definitive depositary receipts at our expense.

***Dividends and Other Distributions.*** The depositary will distribute all cash dividends or other cash distributions received with respect to the underlying stock to the record holders of depositary shares in proportion to the number of depositary shares owned by those holders.

If there is a distribution other than in cash, the depositary will distribute property received by it to the record holders of depositary shares that are entitled to receive the distribution, unless the depositary determines that it is not feasible to make the distribution. If this occurs, the depositary may, with our approval, sell the property and distribute the net proceeds from the sale to the applicable holders.

***Withdrawal of Underlying Preferred Stock.*** Unless we say otherwise in a prospectus supplement, holders may surrender depositary receipts at the principal office of the depositary and, upon payment of any unpaid amount due to the depositary, be entitled to receive the number of whole shares of underlying preferred stock and all money and other property represented by the related depositary shares. We will not issue any partial shares of preferred stock. If the holder delivers depositary receipts evidencing a number of depositary shares that represent more than a whole number of shares of preferred stock, the depositary will issue a new depositary receipt evidencing the excess number of depositary shares to that holder.

***Redemption of Depositary Shares.*** If a series of preferred stock represented by depositary shares is subject to redemption, the depositary shares will be redeemed from the proceeds received by the depositary resulting from the redemption, in whole or in part, of that series of underlying stock held by the depositary. The redemption price per depositary share will be equal to the applicable fraction of the redemption price per share payable with respect to that series of underlying stock. Whenever we redeem shares of underlying stock that are held by the depositary, the depositary will redeem, as of the same redemption date, the number of depositary shares representing the shares of underlying stock so redeemed. If fewer than all the



**Table of Contents**

depository shares are to be redeemed, the depository shares to be redeemed will be selected by lot or proportionately or other equitable method, as may be determined by the depository.

***Voting.*** Upon receipt of notice of any meeting at which the holders of the underlying stock are entitled to vote, the depository will mail the information contained in the notice to the record holders of the depository shares underlying the preferred stock. Each record holder of the depository shares on the record date (which will be the same date as the record date for the underlying stock) will be entitled to instruct the depository as to the exercise of the voting rights pertaining to the amount of the underlying stock represented by that holder's depository shares. The depository will then try, as far as practicable, to vote the number of shares of preferred stock underlying those depository shares in accordance with those instructions, and we will agree to take all actions which may be deemed necessary by the depository to enable the depository to do so. The depository will not vote the underlying shares to the extent it does not receive specific instructions with respect to the depository shares representing the preferred stock.

***Conversion or Exchange of Preferred Stock.*** If the deposited preferred stock is convertible into or exchangeable for other securities, the following will apply. The depository shares, as such, will not be convertible into or exchangeable for such other securities. Rather, any holder of the depository shares may surrender the related depository receipts, together with any amounts payable by the holder in connection with the conversion or the exchange, to the depository with written instructions to cause conversion or exchange of the preferred stock represented by the depository shares into or for such other securities. If only some of the depository shares are to be converted or exchanged, a new depository receipt or receipts will be issued for any depository shares not to be converted or exchanged.

***Amendment and Termination of the Deposit Agreement.*** The form of depository receipt evidencing the depository shares and any provision of the deposit agreement may at any time be amended by agreement between us and the depository. However, any amendment which materially and adversely alters the rights of the holders of depository shares will not be effective unless the amendment has been approved by the holders of at least a majority of the depository shares then outstanding. The deposit agreement may be terminated by us upon not less than 60 days notice whereupon the depository shall deliver or make available to each holder of depository shares, upon surrender of the depository receipts held by such holder, the number of whole or fractional shares of preferred stock represented by such receipts. The deposit agreement will automatically terminate if (a) all outstanding depository shares have been redeemed or converted into or exchanged for any other securities into or for which the underlying preferred stock is convertible exchangeable or (b) there has been a final distribution of the underlying stock in connection with our liquidation, dissolution or winding up and the underlying stock has been distributed to the holders of depository receipts.

***Charges of Depository.*** We will pay all transfer and other taxes and governmental charges arising solely from the existence of the depository arrangements. We will also pay charges of the depository in connection with its duties under the deposit agreement. Holders of depository receipts will pay other transfer and other taxes and governmental charges and those other charges, including a fee for any permitted withdrawal of shares of underlying stock upon surrender of depository receipts, as are expressly provided in the deposit agreement to be for their accounts.

***Reports.*** The depository will forward to holders of depository receipts all reports and communications from us that we deliver to the depository and that we are required to furnish to the holders of the underlying stock.

***Limitation on Liability.*** Neither we nor the depository will be liable if either of us is prevented or delayed by law or any circumstance beyond our control in performing our respective obligations under the deposit agreement. Our obligations and those of the depository will be limited to performance in good faith of our respective duties under the deposit agreement.



## **Table of Contents**

Neither we nor the depositary will be obligated to prosecute or defend any legal proceeding in respect of any depositary shares or underlying stock unless satisfactory indemnity is furnished. We and the depositary may rely upon written advice of counsel or accountants, or upon information provided by persons presenting underlying stock for deposit, holders of depositary receipts or other persons believed to be competent and on documents believed to be genuine.

In the event the depositary receives conflicting claims, requests or instructions from any holders of depositary shares, on the one hand, and us, on the other, the depositary will act on our claims, requests or instructions.

***Resignation and Removal of Depositary.*** The depositary may resign at any time by delivering notice to us of its election to resign. We may remove the depositary at any time. Any resignation or removal will take effect upon the appointment of a successor depositary and its acceptance of the appointment. The successor depositary must be appointed within 60 days after delivery of the notice of resignation or removal and must be a bank or trust company having its principal office in the United States and having a combined capital and surplus of at least \$50,000,000.

## **DESCRIPTION OF WARRANTS**

The following is a general description of the terms of the warrants we may issue from time to time. Particular terms of any warrants we offer will be described in the prospectus supplement relating to such warrants.

### **General**

We may issue warrants to purchase debt securities, preferred stock, depositary shares, common stock or any combination thereof. Such warrants may be issued independently or together with any such securities and may be attached or separate from such securities. We will issue each series of warrants under a separate warrant agreement to be entered into between us and a warrant agent. The warrant agent will act solely as our agent and will not assume any obligation or relationship of agency for or with holders or beneficial owners of warrants.

A prospectus supplement will describe the particular terms of any series of warrants we may issue, including the following:

the title of such warrants;

the aggregate number of such warrants;

the price or prices at which such warrants will be issued;

the currency or currencies, including composite currencies, in which the price of such warrants may be payable;

the designation and terms of the securities purchasable upon exercise of such warrants and the number of such securities issuable upon exercise of such warrants;

the price at which and the currency or currencies, including composite currencies, in which the securities purchasable upon exercise of such warrants may be purchased;

the date on which the right to exercise such warrants shall commence and the date on which such right will expire;

whether such warrants will be issued in registered form or bearer form;

if applicable, the minimum or maximum amount of such warrants which may be exercised at any one time;

if applicable, the designation and terms of the securities with which such warrants are issued and the number of such warrants issued with each such security;



**Table of Contents**

if applicable, the date on and after which such warrants and the related securities will be separately transferable;

information with respect to book-entry procedures, if any;

if applicable, a discussion of certain U.S. federal income tax considerations; and

any other terms of such warrants, including terms, procedures and limitations relating to the exchange and exercise of such warrants.

**Amendments and Supplements to Warrant Agreement**

We and the warrant agent may amend or supplement the warrant agreement for a series of warrants without the consent of the holders of the warrants issued thereunder to effect changes that are not inconsistent with the provisions of the warrants and that do not materially and adversely affect the interests of the holders of the warrants.

**DESCRIPTION OF STOCK PURCHASE CONTRACTS**

**AND STOCK PURCHASE UNITS**

The following is a general description of the terms of the stock purchase contracts and stock purchase units we may issue from time to time. Particular terms of any stock purchase contracts and/or stock purchase units we offer will be described in the prospectus supplement relating to such stock purchase contracts and/or stock purchase units.

We may issue stock purchase contracts, including contracts obligating holders to purchase from us, and obligating us to sell to holders, a specified number of shares of common stock, preferred stock or depositary shares at a future date. The consideration per share of common stock, preferred stock or depositary shares may be fixed at the time that the stock purchase contracts are issued or may be determined by reference to a specific formula set forth in the stock purchase contracts. Any stock purchase contract may include anti-dilution provisions to adjust the number of shares issuable pursuant to such stock purchase contract upon the occurrence of certain events.

The stock purchase contracts may be issued separately or as a part of units ( stock purchase units ), consisting of a stock purchase contract and debt securities, trust preferred securities or debt obligations of third parties, including U.S. Treasury securities, in each case securing holders obligations to purchase common stock, preferred stock or depositary shares under the stock purchase contracts. The stock purchase contracts may require us to make periodic payments to holders of the stock purchase units, or vice versa, and such payments may be unsecured or prefunded. The stock purchase contracts may require holders to secure their obligations thereunder in a specified manner.

**DESCRIPTION OF TRUST PREFERRED SECURITIES**

The following is a general description of the terms of the trust preferred securities we may issue from time to time. Particular terms of any trust preferred securities we offer will be described in the prospectus supplement relating to such trust preferred securities.

Each of the Ford Capital Trusts was formed pursuant to the execution of a declaration of trust and the filing of a certificate of trust of such trust with the Delaware Secretary of State. The declaration of trust of each Ford Capital Trust will be amended and restated prior to the issuance by such trust of the trust preferred securities to include the terms referenced in this prospectus and in the applicable prospectus supplement. The original declaration of trust of each Ford Capital Trust is, and the form of the amended and restated declaration of trust of such trust will be, filed as an exhibit to the registration statement of which this prospectus forms a part.



**Table of Contents**

Each of the Ford Capital Trusts may issue only one series of trust preferred securities. The declaration of trust for each trust will be qualified as an indenture under the Trust Indenture Act. The trust preferred securities will have the terms, including distributions, redemption, voting, liquidation and such other preferred, deferred or other special rights or such restrictions as shall be set forth in the declaration or made part of the declaration by the Trust Indenture Act, and which will mirror the terms of the subordinated debt securities held by the trust and described in the applicable prospectus supplement. The following summary does not purport to be complete and is subject in all respects to the provisions of the applicable declaration and the Trust Indenture Act.

Reference is made to the prospectus supplement relating to the preferred securities of any trust for specific terms, including:

the distinctive designation of the trust preferred securities;

the number of trust preferred securities issued by the trust;

the annual distribution rate, or method of determining the rate, for trust preferred securities issued by the trust and the date or dates upon which distributions are payable; provided, however, that distributions on the trust preferred securities are payable on a quarterly basis to holders of the trust preferred securities as of a record date in each quarter during which the trust preferred securities are outstanding;

whether distributions on trust preferred securities issued by the trust are cumulative, and, in the case of trust preferred securities having cumulative distribution rights, the date or dates from which distributions will be cumulative;

the amount which shall be paid out of the assets of the trust to the holders of trust preferred securities upon voluntary or involuntary dissolution, winding-up or termination of the trust;

the obligation or the option, if any, of a trust to purchase or redeem trust preferred securities and the price or prices at which, the period or periods within which, and the terms upon which, trust preferred securities issued by the trust may be purchased or redeemed;

the voting rights, if any, of trust preferred securities in addition to those required by law, including the number of votes per trust preferred security and any requirement for the approval by the holders of trust preferred securities, or of trust preferred securities issued by one or more trusts, or of both, as a condition to specified action or amendments to the declaration of the trust;

the terms and conditions, if any, upon which the subordinated debt securities may be distributed to holders of trust preferred securities;

whether the trust preferred securities will be convertible or exchangeable into common stock or other securities, and, if so, the terms and conditions upon which the conversion or exchange will be effected, including the initial conversion or exchange price or rate and any adjustments thereto, the conversion or exchange period and other conversion or exchange provisions;

if applicable, any securities exchange upon which the trust preferred securities shall be listed; and

any other relevant rights, preferences, privileges, limitations or restrictions of trust preferred securities issued by the trust not inconsistent with its declaration or with applicable law.

We will guarantee all trust preferred securities offered hereby to the extent set forth below under Description of Preferred Securities Guarantees. Certain United States federal income tax

## **Table of Contents**

considerations applicable to any offering of trust preferred securities will be described in the applicable prospectus supplement.

In connection with the issuance of trust preferred securities, each trust will issue one series of common securities having the terms including distributions, redemption, voting and liquidation rights or such restrictions as shall be set forth in its declaration. The terms of the common securities will be substantially identical to the terms of the trust preferred securities issued by the trust and the common securities will rank equal with, and payments will be made thereon pro rata, with the trust preferred securities except that, upon an event of default under the declaration, the rights of the holders of the common securities to payment in respect of distributions and payments upon liquidation, redemption and otherwise will be subordinated to the rights of the holders of the trust preferred securities. Except in certain limited circumstances, the common securities will carry the right to vote to appoint, remove or replace any of the trustees of a trust. Directly or indirectly, we will own all of the common securities of each trust.

## **Distributions**

Distributions on the trust preferred securities will be made on the dates payable to the extent that the trust has funds available for the payment of distributions in the trust's property account. The trust's funds available for distribution to the holders of the trust securities will be limited to payments received from us on the subordinated debt securities issued to the trust in connection with the issuance of the trust preferred securities. We will guarantee the payment of distributions out of monies held by the trust to the extent set forth under Description of Preferred Securities Guarantees below.

## **Deferral of Distributions**

With respect to any subordinated debt securities issued to a trust, we will have the right under the terms of the subordinated debt securities to defer payments of interest on the subordinated debt securities by extending the interest payment period from time to time on the subordinated debt securities. As a consequence of our extension of the interest payment period on subordinated debt securities held by a trust, distributions on the trust preferred securities would be deferred during any such extended interest payment period. The trust will give the holders of the trust preferred securities notice of an extension period upon their receipt of notice from us. If distributions are deferred, the deferred distributions and accrued interest will be paid to holders of record of the trust preferred securities as they appear on the books and records of the trust on the record date next following the termination of the deferral period. The terms of any subordinated debt securities issued to a trust, including the right to defer payments of interest, will be described in the applicable prospectus supplement.

## **Distribution of Subordinated Debt Securities**

We will have the right at any time to dissolve a trust and, after satisfaction of the liabilities of creditors of the trust as provided by applicable law, to cause the distribution of subordinated debt securities issued to the trust to the holders of the trust securities in a total stated principal amount equal to the total stated liquidation amount of the trust securities then outstanding. The right to dissolve the trust and distribute the subordinated debt securities will be conditioned on our receipt of an opinion rendered by tax counsel that the distribution would not be taxable for United States federal income tax purposes to the holders.

## **Enforcement of Certain Rights by Holders of Preferred Securities**

If an event of default under a declaration of trust occurs and is continuing, then the holders of trust preferred securities of such trust would rely on the enforcement by the property trustee of its rights as a holder of the applicable series of subordinated debt securities against us. In addition, the holders of a majority in liquidation amount of the

trust preferred securities of such

**Table of Contents**

trust will have the right to direct the time, method and place of conducting any proceeding for any remedy available to the property trustee or to direct the exercise of any trust or power conferred upon the property trustee to exercise the remedies available to it as a holder of the subordinated debt securities. If the property trustee fails to enforce its rights under the applicable series of subordinated debt securities, a holder of trust preferred securities of such trust may institute a legal proceeding directly against us to enforce the property trustee's rights under the applicable series of subordinated debt securities without first instituting any legal proceeding against the property trustee or any other person or entity.

Notwithstanding, if an event of default under the applicable declaration has occurred and is continuing and such event is attributable to our failure to pay interest or principal on the applicable series of subordinated debt securities on the date such interest or principal is otherwise payable or in the case of redemption, on the redemption date, then a holder of trust preferred securities of such trust may directly institute a proceeding for enforcement of payment to such holder of the principal of or interest on the applicable series of subordinated debt securities having a principal amount equal to the aggregate liquidation amount of the trust preferred securities of such holder on or after the respective due date specified in the applicable series of subordinated debt securities. In connection with such direct action, we will be subrogated to the rights of such holder of trust preferred securities under the applicable declaration to the extent of any payment made by us to such holder of trust preferred securities in such direct action.

**DESCRIPTION OF PREFERRED SECURITIES GUARANTEES**

Set forth below is a summary of information concerning the preferred securities guarantees which we will execute and deliver for the benefit of the holders of trust preferred securities. Each preferred securities guarantee will be qualified as an indenture under the Trust Indenture Act. The preferred guarantee trustee will hold each guarantee for the benefit of the holders of the trust preferred securities to which it relates. The following summary does not purport to be complete and is subject in all respects to the provisions of, and is qualified in its entirety by reference to, the relevant preferred securities guarantee, which will be filed as an exhibit to the registration statement of which this prospectus forms a part, and the Trust Indenture Act.

**General**

Pursuant to each preferred securities guarantee, we will agree to pay in full, to the holders of the trust preferred securities issued by a trust, the guarantee payments, except to the extent paid by the trust, as and when due, regardless of any defense, right of set-off or counterclaim which the trust may have or assert. The following payments with respect to trust preferred securities, to the extent not paid by the trust, will be subject to the preferred securities guarantee:

any accrued and unpaid distributions which are required to be paid on the trust preferred securities, to the extent the trust shall have funds legally and immediately available for those distributions;

the redemption price set forth in the applicable prospectus supplement to the extent the trust has funds legally and immediately available therefor with respect to any trust preferred securities called for redemption by the trust;  
and

upon a voluntary or involuntary dissolution, winding-up or termination of the trust, other than in connection with the distribution of subordinated debt securities to the holders of trust preferred securities or the redemption of all of the trust preferred securities, the lesser of (1) the aggregate of the liquidation amount and all accrued and unpaid distributions on the trust preferred securities to the date of payment, to the extent the trust has funds legally and immediately available, and (2) the amount of assets of the trust





**Table of Contents**

remaining available for distribution to holders of the trust preferred securities in liquidation of the trust.

Our obligation to make a guarantee payment may be satisfied by direct payment of the required amounts by us to the holders of trust preferred securities or by causing the applicable trust to pay the amounts to the holders.

Each preferred securities guarantee will not apply to any payment of distributions on the trust preferred securities except to the extent the trust shall have funds available therefor. If we do not make interest payments on the subordinated debt securities purchased by a trust, the trust will not pay distributions on the trust preferred securities issued by the trust and will not have funds available therefor. The preferred securities guarantee, when taken together with our obligations under the subordinated debt securities, the Indenture and the declaration, including our obligations to pay costs, expenses, debts and liabilities of the trust other than with respect to the trust securities, will provide a full and unconditional guarantee on a subordinated basis by us of payments due on the trust preferred securities.

We have also agreed separately to irrevocably and unconditionally guarantee the obligations of the trusts with respect to the common securities (our common securities guarantee) to the same extent as the preferred securities guarantee, except that upon an event of default under the Indenture, holders of trust preferred securities shall have priority over holders of common securities with respect to distributions and payments on liquidation, redemption or otherwise.

**Certain Covenants of Ford**

In each preferred securities guarantee, we will covenant that, so long as any trust preferred securities issued by the applicable trust remain outstanding, if there shall have occurred any event that would constitute an event of default under the preferred securities guarantee or the declaration of the trust, then, unless otherwise set forth in an applicable prospectus supplement we shall not:

declare or pay any dividend on, make any distributions with respect to, or redeem, purchase, acquire or make a liquidation payment with respect to, any of our capital stock;

make any guarantee payments with respect to any of our other capital stock; or

make any payment of principal, interest, or premium, if any, on or repay, repurchase or redeem any debt securities (including guarantees) that rank equal with or junior to such subordinated debt securities.

However, in such circumstances we may:

declare and pay stock dividends on our capital stock payable in the same stock on which the dividend is paid; and

purchase fractional interests in shares of our capital stock pursuant to the conversion or exchange provisions of the capital stock or the security being converted or exchanged.

**Modification of the Preferred Securities Guarantees; Assignment**

Each preferred securities guarantee may be amended only with the prior approval of the holders of not less than a majority in liquidation amount of the outstanding trust preferred securities issued by the applicable trust except with respect to any changes which do not adversely affect the rights of holders of trust preferred securities, in which case no vote will be required. All guarantees and agreements contained in a preferred securities guarantee shall bind our successors, assigns, receivers, trustees and representatives and shall inure to the benefit of the holders of the trust preferred securities of the applicable trust then outstanding.



## **Table of Contents**

### **Termination**

Each preferred securities guarantee will terminate as to the trust preferred securities issued by the applicable trust:

upon full payment of the redemption price of all trust preferred securities of the trust;

upon distribution of the subordinated debt securities held by the trust to the holders of the trust preferred securities and common securities of the trust; or

upon full payment of the amounts payable in accordance with the declaration of the trust upon liquidation of the trust.

Each preferred securities guarantee will continue to be effective or will be reinstated, as the case may be, if at any time any holder of trust preferred securities issued by the applicable trust must restore payment of any sums paid under the trust preferred securities or the preferred securities guarantee.

### **Events of Default**

An event of default under a preferred securities guarantee will occur upon our failure to perform any of our payment or other obligations under the preferred securities guarantee.

The holders of a majority in liquidation amount of the trust preferred securities relating to such preferred securities guarantee have the right to direct the time, method and place of conducting any proceeding for any remedy available to the preferred guarantee trustee in respect of the guarantee or to direct the exercise of any trust or power conferred upon the preferred guarantee trustee under such trust preferred securities. If the preferred guarantee trustee fails to enforce such preferred securities guarantee, any holder of trust preferred securities relating to such guarantee may institute a legal proceeding directly against us to enforce the preferred guarantee trustee's rights under such guarantee, without first instituting a legal proceeding against the relevant Ford trust, the guarantee trustee or any other person or entity. Notwithstanding, if we fail to make a guarantee payment, a holder of trust preferred securities may directly institute a proceeding against us for enforcement of the preferred securities guarantee for such payment. We waive any right or remedy to require that any action be brought first against such trust or any other person or entity before proceeding directly against us.

### **Status of the Preferred Securities Guarantees**

Unless otherwise indicated in an applicable prospectus supplement, the preferred securities guarantees will constitute unsecured obligations of Ford and will rank:

subordinate and junior in right of payment to all other liabilities of Ford; and

senior to our capital stock now or hereafter issued and any guarantee now or hereafter entered into by us in respect of any of our capital stock.

The terms of the trust preferred securities provide that each holder agrees to the subordination provisions and other terms of the preferred securities guarantee.

The preferred securities guarantees will constitute a guarantee of payment and not merely of collection; that is, the guaranteed party may institute a legal proceeding directly against the guarantor to enforce its rights under the guarantee without instituting a legal proceeding against any other person or entity.

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

The preferred guarantee trustee, before the occurrence of a default with respect to a preferred securities guarantee, undertakes to perform only such duties as are specifically set forth in such preferred securities guarantee and, after default, shall exercise the same degree of

## **Table of Contents**

care as a prudent individual would exercise in the conduct of his or her own affairs. The preferred guarantee trustee is under no obligation to exercise any of the powers vested in it by a preferred securities guarantee at the request of any holder of preferred securities, unless offered reasonable indemnity against the costs, expenses and liabilities which might be incurred.

## **Governing Law**

The preferred securities guarantees will be governed by and construed in accordance with the internal laws of the State of New York.

## **PLAN OF DISTRIBUTION**

We may sell the securities to or through agents or underwriters or directly to one or more purchasers. Securities also may be sold by or through broker-dealers in connection with, or upon the termination or expiration of, equity derivative contracts between us or our affiliates and such broker-dealers or their affiliates.

### **By Agents**

We may use agents to sell the securities. The agents will agree to use their reasonable best efforts to solicit purchases for the period of their appointment.

### **By Underwriters**

We may sell the securities to underwriters. The underwriters may resell the securities in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters to purchase the securities will be subject to certain conditions. Each underwriter will be obligated to purchase all the securities allocated to it under the underwriting agreement. The underwriters may change any initial public offering price and any discounts or concessions they give to dealers.

### **Direct Sales**

We may sell securities directly to you. In this case, no underwriters or agents would be involved.

As one of the means of direct issuance of securities, we may utilize the services of any available electronic auction system to conduct an electronic dutch auction of the offered securities among potential purchasers who are eligible to participate in the auction of those offered securities, if so described in the prospectus supplement.

## **General Information**

Any underwriters or agents will be identified and their compensation described in a prospectus supplement.

We may have agreements with the underwriters, dealers and agents to indemnify them against certain civil liabilities, including liabilities under the Securities Act of 1933, or to contribute to payments they may be required to make.

Underwriters, dealers and agents may engage in transactions with, or perform services for, us or our subsidiaries in the ordinary course of their businesses.

The underwriters are required to conduct any offering of trust preferred securities in accordance with Conduct Rule 2810 of the National Association of Securities Dealers, Inc.

**Table of Contents**

**LEGAL OPINIONS**

Peter Sherry, Jr., Esq., who is our Assistant General Counsel and Assistant Secretary, or another of our lawyers, will give us an opinion about the legality of the securities. Mr. Sherry owns, and such other lawyer likely would own, our common stock and options to purchase shares of our common stock.

**EXPERTS**

The audited financial statements and financial statement schedules incorporated by reference in this prospectus have been audited by PricewaterhouseCoopers LLP ( PwC ), independent accountants, as indicated in their reports which accompany those financial statements and financial statement schedules, and are incorporated by reference in this prospectus and in the registration statements in reliance upon such reports on those financial statements and financial statement schedules given on their authority as experts in accounting and auditing.

None of the interim financial information included in our 10-Q Reports has been audited by PwC. In reviewing such information, PwC has applied limited procedures in accordance with professional standards for reviews of interim financial information. Accordingly, you should restrict your reliance on their reports on such information. PwC is not subject to the liability provisions of Section 11 of the Securities Act of 1933 for their reports on the interim financial information because such reports do not constitute reports or parts of the registration statements prepared or certified by PwC within the meaning of Sections 7 and 11 of the Securities Act of 1933.