

**CHRYSLER**  
**May 14, 2009**

Originally today is supposed to be the day for Chrysler to announce the preliminary list of those dealers with whom it wishes to go forward. Late last evening, there was some word that they might seek to continue the hearing on the sale from the 27<sup>th</sup> to a slightly later date because they have not completed their analysis of the dealer network. Whether this happens or not, please refer to our posting of May 11 for different ideas for the affected dealers. It seems more likely than ever that Chrysler and GM will both include or exclude on their various lists dealers they would like to keep; however that they want to jawbone into facility improvements, uncoupling dualings, consolidations or a number of other issues that they have not been able to achieve to-date through ordinary means. The other shoe would be the threat of that dealer going into the bucket of dealers that will not continue on. Please refer to our posting of May 11<sup>th</sup>.

- If you have been involved in discussions with Chrysler about facilities, location changes, dualing or anything else, you should try to have a game plan together and an analysis of the economic impact if these demands are made on you. Some people that we've talked with have felt they would be better off without the franchise than to accede to the demands. This would be an individual economic decision that dealers would have to make.

- If you are not on the list going forward, you should give careful consideration to joining the NADA sponsored program with Squire, Sanders & Dempsey, attorneys. This fund would cover dealers who would NOT be going forward and their generic legal issues in the bankruptcy. NOTE: You will still have to retain your own counsel to pursue "special circumstance" claims in the bankruptcy.

- If you contributed to the Arnold & Porter fund, you have until May 21<sup>st</sup> to make a decision about switching funds. If you make a decision to switch, we can see no particular purpose to stay in the Arnold & Porter fund.

- Several Chrysler dealers have reported they've had difficulty getting into the Arnold & Porter website or they have not been furnished pass codes to get into that website. The NADA is working diligently on those issues and hope to have same rectified shortly.

- Floor plan financing - All Chrysler dealers need to apply to GMAC for floor plan financing whether they take it or not. This would give people a back-up choice. Ultimately the interim financing will probably be offered only to those dealers going forward. The question still remains and has not been determined by the bankruptcy court as to whether or not Chrysler will buy back inventory per the franchise agreement or if those dealers will be subject to a cram down or simply left hanging. This determination and a challenge to that determination can best be handled by the NADA program. We would be happy to consult with individual dealers on their individual situation.

PLEASE NOTE our next web cast will be on May 20, 2009 at 3:00 p.m.

For further information, please contact Ronald C. Smith, Michael P. Shanahan, Jeffrey B. Halbert or Donn H. Wray at 317-639-5454.