

CHRYSLER
May 15, 2009

Now that the termination list has been made public, please consider the following:

A. For those dealers terminated:

- If you feel there is some chance of convincing Chrysler otherwise, prepare a written argument as to why your dealership should be retained using factual basis, such as sales penetration, CSI, capitalization, location, etc. The presentation should be factual and straightforward. You should call your Chrysler rep or Regional Dealer Placement Manager and send same by certified mail, return receipt requested, and hand deliver or e-mail at the same time. **DO THIS QUICKLY.** At this point, the bankruptcy hearing on the sale is still in tact. On the present schedule, you will have until June 9th to try to change their mind.

- Even though these terminations are occurring post-Petition, Chrysler has asked the court to treat them as breaches that occurred the day before the Petition so that claims of the dealers will be general, unsecured claims. Unless something different is worked out, this will ultimately mean cents on the dollar.

- Get with surrounding Chrysler dealers that have been retained (or for that matter, any other surviving Chrysler dealer you can find) to try to dispose of as much inventory and parts as possible. Chrysler is supposed to try to assist in this effort. (See my comments below).

- Depending on your personal situation, you may wish to seek appropriate advice as to representation of what we are calling “special circumstance” situations that might result in some additional funds later. Again, probably cents on the dollar, but it may be worth it. Please contact us if you wish assistance in this matter. This process will also involve some accounting issues as well as possible valuation issues.

- Some of you may be on the list because you have resisted Chrysler demands for relocation, separate facilities, facilities upgrades, etc. You may wish to negotiate now with Chrysler to see if you make those changes, to see if that will trigger your dealership being placed with the survival group.

B. If you are a surviving dealer:

- Congratulations but don't pop the champagne yet. The final date for Chrysler to make permanent decisions is June 9th. By June 12th all contracts that are going to be assumed will be assumed and dealers notified. This is a tentative schedule and could be subject to change but it looks like the parties involved are going to try to stick to this schedule.

- In all probability, you will be getting visits or phone calls from Chrysler reps wanting to talk about taking inventory, parts, etc. from surrounding dealers that did not survive.

- Many, if not all of you, will be asked to accept new franchise agreements, make commitments to do facilities upgrades, perhaps relocate, or do other things that you may have been in discussion with the factory pre-bankruptcy. Be aware of this - you will need to make an economic decision.

- Again, you can be dropped from the list between now and June 12th.

You may wish to call Ronald C. Smith, Michael P. Shanahan, Jeffrey B. Halbert or Donn H. Wray at 317-639-5454 for further consultation.