

## **UPDATE - GENERAL MOTORS**

**May 12, 2009**

- We are quite sure that GM is watching the Chrysler bankruptcy like a hawk. This essentially will be GM's road map. It is beginning to look more and more likely that GM will file Chapter 11 at the end of the month.

- The GM calls or "letters" should be hitting some time later this week. As a preventive measure, if you believe that your dealership is likely not to be renewed, you should sit down prior to arrival of the letter and put together a brief, concise statement as to why your dealership franchise should be renewed. Using the GM criteria, put a bullet point presentation together using your market area, whatever sales penetration records or statistics you have that are advantageous to you, CSI, exclusivity (if you are), etc. If you receive a letter that you are not going to be renewed, you will likely have a short window of opportunity to try to convince GM that your franchise should be renewed.

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