

General Motors is implementing its Memorandum of Understanding with members of NAMAD

Lanham, MD – On December 10, 2009, the National Association of Minority Automobile Dealers and General Motors signed a Memorandum of Understanding ("MOU") that provides an option to those General Motors dealers who cannot afford or do not want to pursue the legislatively mandated reinstatement arbitration. GM has begun acting upon the provisions of the NAMAD/GM MOU executed by Ken Cole from GM and Damon Lester, President of the National Association of Minority Automobile Dealers (NAMAD). GM official, Eric Peterson, Director Industry Dealer Affairs, has begun to send out official GM letters, a copy of the MOU and an Election Form to eligible dealers to allow those dealers to pursue the negotiated remedies under the MOU. The NAMAD MOU is estimated to cover approximately 78 dealerships.

"The MOU provides a viable and affordable alternative for minority dealers as well as non minority dealers who are similarly situated", says Damon Lester." The MOU provides an avenue for a face-to-face meeting with GM representatives to review the termination and present a business case for reinstatement. The MOU also provides an opportunity for additional wind-down compensation component to those qualifying and eligible dealers who purchased GM's interest from any controlled or a wholly-owned GM entity such as Motors Holding, Retail Holding, Jennings Motors, or acquired real estate from GM or its affiliates or paid funds to GM controlled entities, such as Argonaut Holdings, Inc., for a long-term real estate interest from January 2005 to June 2009,"stated Lester.

"We are pleased that GM reaffirms its commitment to dealer diversity, and recognizes that its dealer body should be reflective of demographics of the U.S. Our next steps are to work in concert with GM on coming up with a plan to increase its minority dealer network," says Lester.

"It is our hope that this process provides our dealers with a fair and equitable outcome that will allow them to continue to provide for their families", continued Lester.

"The NAMAD MOU is the type of voluntary legally binding agreement that was contemplated by Congress when it passed the recent Dealer Legislation after the manufacturers and the representative dealer groups failed to find a non-legislative solution for terminated dealers," stated H. Todd Bullard, partner at Harris Beach PLLC, representing NAMAD. "Indeed, the recent legislation has created an exception to the mandated dealer arbitration provisions to allow this type of negotiated solution. The covered dealerships collectively represented by NAMAD have the flexibility to seek equitable remedies contained in this MOU as an alternative to the legislation," Bullard states further. "In light of the recent dissatisfaction with the statutory arbitration avenue, the NAMAD MOU is an attractive route," Bullard stated.

The major points of the NAMAD-GM MOU are as follows:

- **Transparency.** Dealers that received a wind-down agreement must receive the criteria used by GM for issuing the wind-down agreement.
- **Reinstatement.** Dealers have the right to a face-to-face review process with GM, present relative business information, and GM must complete the process as soon as practicable.
- **Arbitration.** Dealers not satisfied with the outcome of a face-to-face review process can elect binding arbitration.
- **Compensation.** If there is disagreement related to additional wind-down compensation, it can submitted to independent mediation. Unsuccessful mediation can submitted to binding arbitration in accordance with AAA Regional offices located in five regions.
- **Diversity.** GM agrees to seek qualified ethnic minority dealers and dealer candidates.

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About NAMAD: The National Association of Minority Auto Dealers (NAMAD) founded in 1980 and based in Lanham, Maryland represents new car and truck ethnic minority automobile dealers in the United States. www.namad.org