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National Association of Minority Automobile Dealers and General Motors Sign Anticipated Memorandum of Understanding

Lanham, MD – The National Association of Minority Automobile Dealers and General Motors have signed a Memorandum of Understanding that provides an option to those General Motors dealers who do not seek reinstatement.

“It is our hope that this will provide a positive outcome for minority dealers as well as non minority dealers who are similarly situated”, says Damon Lester, President of the National Association of Minority Automobile Dealers (NAMAD).

“The MOU provides an additional wind-down compensation component to those dealers who purchased GM’s interest from any controlled or a wholly-owned GM entity such as Motors Holding, Retail Holding, Jennings Motors, acquired real estate from GM or its affiliates or paid funds to GM controlled entities, such as Argonaut Holdings, Inc., for long-term real estate interest from January 2005 to June 2009,” says Lester.

“This is the first step of many that we have before us, as our advocacy work along with General Motors to deal with the issues surrounding working capital and floor plan loans for dealers”.

“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. “In that regard, NAMAD wants to open negotiations with GMAC,” 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”, says Lester.

“This MOU is the type of voluntary agreement that was contemplated by Congress when it encouraged the manufacturers and the representative dealer groups to negotiate in good faith 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,” Bullard states further.

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